



*Manual on
Commercial Accounting System*

VOLUME IX – INFORMATION SYSTEM

KERALA STATE ELECTRICITY BOARD

VOLUME IX INFORMATION SYSTEM**FOREWORD****1. Purpose and Scope**

The purpose of the manual is to establish consistent and effective policies and procedures to ensure proper information management at all levels in the Board. The policies and procedures contained in the manual will be followed in the Board unless specific exception is given under certain peculiar circumstances and the deviation has been approved in writing by Financial Adviser & Chief Accounts Officer.

2. Structure and Coverage

This volume is subdivided into V parts with chapters within each part.

Part	I	FINANCE AND ACCOUNTS	Various basics are given in this part
Part	II	REPORTS AND RETURNS	Mainly feed back details are discussed in this part
Part	III	ANNUAL STATEMENT OF ACCOUNTS	Annual accounts rules and entries are stated in this part
Part	IV	ELECTRONIC DATA PROCESSING	Basics of computer form the main contents in this part
Part	V	FORMS AND REGISTERS	

3. Updating

A system being dynamic, it is necessary to update procedures, etc. Hence recommendations and suggestions are to be sent to the Financial Adviser & Chief Accounts Officer (FA & CAO).

4. Deviations

Deviations are not normally entertained. However there can be occasions where deviations are a must, to suit local conditions/requirements, etc.

Requests for deviations should be prepared in writing stating clearly the following:

- nature of deviation
- the reason for deviation
- the time span for which deviation is required
- procedure that will be followed if deviation is authorised

Deviation requests are to be submitted to F. A & C. A. O. who in turn decides the necessity of deviation. A register of deviations granted will be maintained at Head Office.

5. Security of Manuals

The Manual is the property of the Board and should be used only by authorised employees, authorised auditors and other authorised persons.

MEMBER (ACCOUNTS)

CONTENTS

			Page No.
PART	I	FINANCE AND ACCOUNTS	
CHAPTER	1	Overview	1
“	2	Certain Terminologies	5
“	3	The process of Accounting	9
“	4	Account Codes	15
“	5	Account Rendering Units	20
PART	II	REPORTS AND RETURNS	
CHAPTER	1	Reporting system	23
“	2	Miscellaneous Accounting Areas	33
“	3	Inter Unit Accounting	42
“	4	Taxation	48
“	5	Internal Control & Internal Audit	52
PART	III	ANNUAL STATEMENT OF ACCOUNTS	
CHAPTER	1	Annual Account Rules (Electricity Supply) (Annual Accounts) Rules 1985	56
“	2	Annual Account Compilation	101
“	3	Annual Account Entries	102
PART	IV	ELECTRONIC DATA PROCESSING	
CHAPTER	1	Management information System (MIS) and Electronic Data Processing (EDP)	104
“	2	Computers	108
PART	V	FORMS AND REGISTERS	111

ERRATUM

On page 52, CHAPTER 3 to be corrected as CHAPTER 5

PART I FINANCE AND ACCOUNTS

CHAPTER 1 OVERVIEW

1. The Board as an organisation is engaged in the activity of Electricity generation, Transmission and Distribution. To carry out the various activities involved effectively and efficiently, planning and control becomes necessary. The interface of information (of various types – e.g. technical, commercial, financial etc.) becomes critical to carry out the tasks of planning and control. Though the information system covers a wider specimen, this manual restricts itself to the financial information system.

2. FINANCE AND ACCOUNTING FUNCTION

The finance and accounting function of the Board consists of the following:

- 2.1 Funds Management
 - funds mobilisation
 - working capital management
 - investment management
- 2.2 Accounting
 - financial accounting
 - management accounting
 - cost accounting
- 2.3 Planning & Control
 - budgeting and budgetary control
 - system evaluation and improvements
 - tax planning
 - internal audit
 - performance evaluation
- 2.4 Advisory
 - tariff formulations
 - legal requirements

3. The Finance and Accounting Function is organisationally headed by the Financial Adviser and Chief Accounts Officer. His responsibilities can be broadly classified into three groups, namely;
 - as a treasurer
 - as a controller
 - as an adviser

- 3.1 As a Treasurer
 - Funds management and related activities such as banking, credit and collections, and debtors and payments etc.

 - 3.2 As a Controller
 - finalises budgets and plans and controls through reports, internal audit by conducting performance review and evaluation meetings.

 - 3.3 As an Advisor
 - on issues affecting the financial function of the Board such as formulation of tariff, revisions in law and statutes etc.
4. It should not be concluded from the above that the information is meant for internal control and planning, but information is required for reporting to external agencies such as Government (Central & State), Central Electricity Authority, Lenders such as LIC, IDBI, World Bank etc. Investors (mainly public in electricity bonds) etc.

5. INFORMATION SYSTEM

Financial information of the Board is generated mainly through the accounting system and monitored by the Financial Adviser and Chief Accounts Officer. The Accounting System of the Board is intended to collect, summarise, analyse and report in financial terms the activities of the Board. The reports thus generated falls into the following categories:

(1) Financial Accounting Reports:-

The main objective of these reports are to provide information to agencies outside the Board. This form of reporting is mainly governed by the Electricity (Supply) (Annual Accounts: Rules, 1985).

(2) Management Accounting Reports:-

Normally in addition to the standard financial accounting reports the management of the Board would require additional information and certain analytical reports which are provided through the Management Accounting reports. In the normal course, cost accounting information also falls under this category.

The above classification of information reporting is based on the use while the financial classification would be as follows:-

- Financial Statements : Balance sheet, revenue account and schedules to accounts.
- Supporting Schedules : These are different from the main schedules to the accounts and can be termed as working papers.

- Memorandum Statements : Duty DCB Statements, Demand collection Balance Statements etc.,
- Highlight Reports : Cash Budget, Variance Reports, age analysis of debtors, creditors etc.,

6. The Reports generated through the accounting system as described above are used for planning, controlling, decision making and external reporting. Hence considering the multi-faceted use of the accounting information these should be provided in time and should be reliable.

Since the activities of the Board are carried out at different locations and under different functional groupings, the accounting information is obtained through the different Account Rendering Units designated by the Board.

7. MANUALS.

The manuals evolved are under the following classification and mainly attempt to establish consistent, effective and uniform practices across the units of the Boards.

Volumes	Title
1.	Fuel (Not planned for)
2.	Material Accounting
3.	Capital Expenditure and Fixed Assets Accounting
4.	Sale of Power Accounting
5.	Finance: Cash & Bank Accounting
6.	Personnel Accounting
7.	Chart of Accounts
8.	Journal entries
9.	Information system
10.	Auditing Manual
11.	Print manual

Manuals contain accounting policies, documents, registers and other records to be maintained and flow of information through flow of documents. Manuals have been prepared to provide assistance to staff for easier implementation.

8. VARIOUS ACTS

Besides the above manuals there are various statutes, rules, regulation etc. governing the incorporation of Board, conduct of Board's business etc. Some of them are mentioned below:

- (1) The Indian Electricity Act 1910
- (2) The Electricity (Supply) Act 1948
- (3) The Indian Electricity Rules 1956

- (4) The Electricity (Supply) (Annual Accounts) Rules 1985
- (5) The Kerala State Electricity Board Rules 1959
- (6) Kerala Electricity Duty Act 1963 (and its amendments)
- (7) Kerala State Electricity Supply (KSEB and Licensees area) Surcharge order 1979
- (8) Schedule of fees for periodical Inspection and Test of Consumer's Installation under Rule 46 of I. E. Rules 1956.
- (9) Bonus Act
- (10) Provident Fund Act – 1925
- (11) Various taxation laws (Income tax, Sales Tax, Agricultural Income Tax, Customs & Excise duty, levies on sales of power etc.)

PART I FINANCE AND ACCOUNTS

CHAPTER 2 CERTAIN TERMINOLOGIES

1. CHART OF ACCOUNTS

Preparation of general classification

1.1 An orderly account classification is essential for the preparation of well arranged and intelligible statements. It is called Chart of accounts.

1.2 Chart of accounts possesses certain characteristics.

(a) Explicit account names:

This is the name given to a transaction. Though the name is short and terse; it explains clearly the function and purpose of that account.

(b) Sequence numbered Account Codes:

Account Group (Group Code)	XX	two digits
Main account	XXX	three digits
Sub account	XX XXX	five digits

Further details are given in section on chart of accounts.

(c) Items (codes) are arranged in the same order as used for balance sheet and Revenue account.

2. CERTAIN RECORDS

2.1 Cash Book/Bank Book

— to reflect cash/banking transactions

— every bank account and its transactions are to be disclosed (to put it differently, several bank accounts should not be clubbed together, and should be recorded independently)

2.2 The ledger

— General ledger and subsidiary ledgers come under this. Examples of subsidiary ledgers: Consumers' Personal ledger. Accounts payable ledger etc.

— A ledger is maintained for a group of accounts.

— Produces the summarised record of all company's transactions or it is a device for reclassifying and summarising accounting information.

— LE popularly used is an abbreviation for 'ledger folios' which is the page reference to the ledger account.

2.3 Journal

It is a record for entering all accounting transaction.

3. TRIAL BALANCE

Proof of ledger balance,

- At the end of each accounting period, all ledger balances are entered in the TB. This will ensure the accuracy of the entries in the ledger.
- It provides a convenient base for making, adjusting and closing entries and/or for the preparation of financial statement.

4. REVENUE ACCOUNTS

4.1 Other commonly used names for Revenue accounts are:

- Profit and Loss account (P & L account)
- Operating statements
- Income statements
- Income & Expenditure account

4.2 Revenue account

- Total income or revenue less expenses. The net result will be surplus (profit) or Deficit (loss)
- In addition to showing total income less expenses, revenue account shows comparison between the current period (This year) and a similar period - the previous year (or the previous accounting period).

4.3 Income (Revenue)

- results from sale and other miscellaneous transactions

4.4 Expenditure

- includes all expired cost. Cost is sacrifice made (measured in money) to secure benefits, rights etc. An expired cost is that portion of an expenditure from which no further benefit is expected.

5. DISCOUNT

- A reduction from a list price, quoted price or invoice price. It also refers to the price for obtaining payment on a bill before maturity. Trade discount is a reduction granted by a supplier from the list price of goods or services on business consideration other than prompt payment.

6. EXTRAORDINARY ITEM

- Gain or loss which arises from events or transactions that are distinct from ordinary activities of the enterprise and which are both material and expected not to recur frequently or regularly. This would also include material adjustments necessitated by circumstances, which though related to previous periods are determined in the current period.

7. PRIOR PERIOD ITEM

- A material charge or credit which arises in the current period as a result of errors or omissions in the preparation of financial statements of one or more prior periods.

8. SURPLUS AND DEFICIT

- The credit balance in the profit and loss account is surplus and if it results in a debit balance it is deficit.

—

9. BALANCE SHEET

It is a fundamental accounting report and it shows the financial status of the business as on a given moment of time.

The balance sheet summarises all the assets, liabilities plus surplus (or deficit).

Comparative status of ‘This year’ is given by recording figures of the ‘Previous year’ also.

10. ASSETS & LIABILITIES

Assets - things owned by the Board or amounts due to the Board.

Liabilities - Amount owed by the Board.

11. ASSETS

- Assets are tangible objects or intangible rights owned by the Board yielding continued benefits, both in the future and in the current periods.

12. FIXED ASSETS

Assets held for the purpose of providing or producing goods or services and that which is not held for resale in the normal course of business.

13. CAPITALISATION

When an expenditure is recorded in the accounts as a fixed asset (rather than as an expense or current asset) it is stated to be capitalised as it is the process of transferring the expenditure, booked under work in progress to Fixed Assets.

14. DEPRECIATION

The accounting process of the gradual conversion of fixed assets into expense is called depreciation on a measure of wearing out, consumption or other loss of value of depreciable asset arising from use, passage of time or obsolescence through technology and market charges. It is allocated so as to charge a fair proportion in each accounting period during the useful life of the asset. It includes amortisation of assets where useful life is predetermined.

15. INTANGIBLE ASSETS:

- Assets which do not have a physical identity, e.g. goodwill, patents, copy rights etc.

16. DEFERRED COSTS (DEFERRED REVENUE EXPENDITURE)

- Represents certain assets, usually of intangible nature, the usefulness of which may expire in a short period.

17. NET FIXED ASSETS (Net block)

- Fixed assets less accumulated depreciation thereon up-to-date.

18. CAPITAL COMMITMENT

- Future liability for capital expenditure in respect of which contracts have been made.

19. CAPITAL WORK IN PROGRESS

- Expenditure on capital assets which are in the process of construction or completion.

20. ADVANCE

- Payment made on account but before the completion of a contract or before the acquisition of goods or receipt of services.

21. INVESTMENT

- Expenditure on assets held to earn interest, income, profit or other benefits. Investments are assets held not for operational purposes or for rendering service and are assets other than those classified as fixed assets or current assets.

22. CURRENT ASSETS

- Cash and other assets that are expected to be realised / converted into cash or consumed during the normal course / operating cycle of the business.

23. CURRENT LIABILITIES

- Liability including loans, deposits and bank overdraft which falls due for payment in a relatively short period.

24. WORKING CAPITAL

- It is represented by the excess of current assets over current liabilities.

25. STANDARD COST

- A predetermined cost

26. SUNDRY CREDITORS

- Amount owed by an enterprise on account of goods purchased or services received or in respect of contractual obligations. Also termed as trade credit or accounts payable.

27. SUNDRY DEBTORS

- Persons from whom amounts are due for goods sold or services rendered or in respect of contractual obligations. Also termed as debtor, trade debtor or accounts receivable.

PART I FINANCE AND ACCOUNTS

CHAPTER 3 THE PROCESS OF ACCOUNTING

1. The salient features of the entire process of accounting are described here. The discussion is under the following major sections:

- (1) Account Rendering Unit (ARU)
- (2) Maintenance of Books of Account
- (3) Trial Balance
- (4) Compilation of Accounts
- (5) Accounting period
- (6) Overall checks at different levels

2. ACCOUNT RENDERING UNIT (or Accounting Unit)

Board's accounting shall be divided over several account rendering units (or accounting unit).

Each ARU will have accounting staff. They shall maintain the books of accounts for recording transactions. The transactions may have been effected by the ARU itself or by any of the divisions/sectional offices under its jurisdictions or other wise.

Each ARU shall maintain ledgers/registers and prepare its own trial balance every month.

Transactions between two ARUs shall be recorded as inter-unit transactions.

Separate ledgers are not recommended for various sub-divisions/sections under an ARU. Transactions between different sub-divisions under the same division shall not therefore require any inter-unit accounting although other subsidiary records may be maintained for control over debtors at different sub-divisions, cash at different sub-divisions etc.

Certain other details of ARU are given in the Chapter on Account Rendering Units.

3. CIRCLE OFFICES

Each Circle Office shall be a Major Accounting unit in respect of transactions effected by the circle in its own capacity.

4. HEAD OFFICE

Head Office (HO) shall also be treated as an independent accounting unit to record its own transactions such as payments by HO, receipts by HO etc. Head Office's status shall be equal to a Circle Office for the purpose of inter-unit accounting and compilation of accounts.

5. ADMINISTRATIVE OFFICES

There are certain ARUs carrying out certain administrative functions, which would also render accounts.

6. STORES

Certain stores are having the status of an ARU while others are attached to other ARUs.

7. MAINTENANCE OF BOOKS OF ACCOUNT

Each account rendering unit shall maintain the following books of account:

- (i) General Ledgers in a two-tier system
 - Main General Ledger (MGL)
 - Sub General Ledger (SGL)
- (ii) Journal
 - Standard Journal (SJ)
 - Non-standard Journal (NSJ)
- (iii) Subsidiary Records
 - Party-wise records (PR)
 - Transaction group-wise records
 - transaction wise subsidiary records (TSR)
 - Stock records.

8. FINANCIAL OPERATING DOCUMENTS

The basic approach is to record transactions as they are in individual documents, e.g.

- a) cash received is recorded as a receipt which may sometimes be classified as per tariff or otherwise
- b) each payment is supported by a payment voucher
- c) goods received are recorded on a Receiving note, etc.

9. INTERMEDIARY RECORDS

The transactions as recorded above are summarised using Intermediary Records. They are generally known as Day Books. Day books are of different nature, e. g. GRN Analysis sheet, MRCI Analysis Sheet, Salary Day Book etc. Cash book and Bank Book are also coming under this category.

Summarisation is done monthly and they will be ultimately recorded in Journal. Journal is essentially a primary record of accounting.

10. INTERMEDIARY RECORDS

In addition, cash book, Bank book and materials related records shall be maintained if the ARU has under it any cash or bank or materials transactions.

All cash, bank and materials transactions would also ultimately be recorded in the Journal every month. Therefore, journal is essentially the only primary record of accounting.

11. MAIN GENERAL LEDGER

Main General Ledger (MGL) is the record for classifying all the transactions relating to different account codes with account-wise folios.

12. SUB-GENERAL LEDGER

Sub-General Ledger (SGL) is the record for classifying all the transactions relating to different sub-account heads on sub-account head-wise folios. SGL will to that extent act as a back up register of the transactions recorded in Main General Ledger. The total of balances in sub-accounts (of a main account) in SGL must be equal to the balance in that main account in Main General Ledger. The necessity of SGL arise only if a division of work is to be done.

13. JOURNAL

Journal is a primary record of accounts to record at one place, all the accounting transactions before they are posted on to different account heads in the ledgers.

Journal is split into two sections

- (1) Standard Journal Entries (SJE)
- (2) Non-Standard Journal Entries (NSJE)

14. STANDARD JOURNAL ENTRIES (SJE)

Standard Journal Entries are prescribed for recording the transactions which are of recurring nature and/or otherwise predetermined. By standard journal entry, we mean a pre-defined set of account heads which shall bear credits/debts for a certain type of transaction.

Major advantages of a standard journal entry are:

- (i) the work of passing standard journal entry can be delegated.
- (ii) control can be exercised over accounting for all transactions merely by ensuring that the specific standard journal entries are passed.

15. SCHEME OF OPERATION

15.1 Special serial numbers are blocked as follows:

- (1) 101-300 Regular SJEs
- (2) 301-400 Inter-unit Entries

Part 1 in standard number will be written by originating ARU while part 2 by Responding ARU

(3) 401-500	One time entries
(4) 501-700	Rectification entries
(5) 701-900	H.O entries
(6) 901-1000	Memoranda/contra entries
(7) 1001-2000	Year end/beginning entries
(8) 2001-5000	Non standard journal entries
(9) 5001-	Subsidiary ledger rectification entries

15.2 The above number will be prefixed by the code evolved for accounting work which are as follows:

WORK	CODE
(1) Fuel Accounting	Not Applicable
(2) Material Accounting	MAT
(3) Capital Expenditure and Fixed Assets	FA
(4) Sale of Power	SOP
(5) Finance (Cash & Bank)	CB
(6) Personnel	P
(7) Information System	IS

16. USE OF SJE NUMBERS

The journal entry serial number is to be used by all ARUs every month. And these numbers should not be used for recording transaction other than those meant for.

Even if no transaction, 'NIL' SJL is to be kept. In a SJE, sub numbers can be given so as to accommodate same type of transactions. One SJE may contain more than one entry but of the same type.

17. NON-STANDARD JOURNAL ENTRIES (NSJE)

All other entries other than standard entries shall be treated as Non-standard Journal Entries (NSJE). All NSJEs shall be passed by compilation Section only, since different sections may not have the knowledge of accounting for those non-recurring transactions.

18. SUBSIDIARY RECORDS

Transactions and balance in a specific account need to be supported by subsidiary records which can provide break-up of the transactions and balances. Those types of transactions where a party (suppliers, contractors etc.) is involved in several transactions of the same type e.g. one supplier having 10-15 supply transactions during the month, the subsidiary records to be maintained shall be party-wise. Similarly, where for follow-up and clearance of a balance in an account it is necessary to know the party-wise break-up, the subsidiary records shall be party-wise.

Where transactions of different type affect several transaction groups under an account the records shall be transaction group-wise. For example, a fixed asset account shall be supported by Asset-wise Records where all transactions of an asset may be grouped in an Asset Card. One asset account may have several asset cards to support the total balance in that account. Similarly capital work-in-progress records may be project wise and within a project, cost group-wise, works authorisation wise etc.

In all other cases, Transaction-wise subsidiary Records (TSR) shall be maintained to record the transactions in a chronological order without any grouping of transactions. Subsequent debits and credits which relate to the transaction booked earlier shall be booked against the earlier entry.

19. TRIAL BALANCE

Each accounting unit shall, at the end of every month, prepare a list of balances in all the accounts in its General Ledger. Such list shall be called Trial Balance. The total of debit balances and total of credit balances must be equal in the Trial Balance. Such a tally ensures arithmetical accuracy of transactions.

20. COMPILATION OF ACCOUNTS

At H.O., the accounts shall be first compiled by consolidating the trial balances of all the account rendering units under it, including its own trial balance.

Pre-printed and structured consolidation sheets and registers shall be used in order to avoid errors and expedite consolidation and compilation.

21. MONTH AS AN ACCOUNTING PERIOD

The basic recording of transactions in Journals and ledgers shall be done every month. A broad checking of correctness of posting in ledgers shall also be done every month. Other accounting activities will be done at the end of every month.

22. AT EACH ACCOUNT RENDERING UNIT

- (1) Striking balance in the ledger accounts.
- (2) Preparation of Trial Balance (TB) at each accounting unit. T B. should be in the sequence of chart of accounts and sub totals are to be given for Account code and Account group.
- (3) Booking of Provisions.
- (4) Reconciliation of Inter-unit transactions.
- (5) Reconciliation of balance in Control Accounts with balances in party-wise records. This is by preparing a trial balance/schedule for subsidiary records.

- (6) Reconciliation of other accounts with balances in transaction-wise subsidiary records.

23. AT HEAD OFFICE

— Compilation of Board's accounts.

Firstly detailed accounts shall be prepared for 6 months ending September. This is done half yearly similar to annual accounts closing. However depreciation alone will be provided for the full year.

24. OVERALL CHECKS AT DIFFERENT LEVELS

A practice of overall checks is to be done to detect certain glaring errors in accounting. Such overall checks shall be exercised at every ARU and HO. The principal checks shall be

- (1) Review of negative balances
- (2) Review of nil balances
- (3) Review of glaringly large balances
- (4) Review of non-recurring transactions reflected in accounts
- (5) Comparison with previous period

ARU shall have to furnish overall checks control sheet to HO stating the results of each check and action taken for discrepancies revealed by such overall checks.

PART I FINANCE AND ACCOUNTS

CHAPTER 4 ACCOUNT CODES

1. STRUCTURE OF CHART OF ACCOUNTS

A structured Chart of Accounts has been recommended for booking the various transactions.

2. CODING SCHEME

The Account heads bear a five-digit code. The coding scheme is explained below.

- (1) First and second digits indicate the Account Group
- (2) First and second digits along with the third digit indicate the Main Account Code.
- (3) The fourth and fifth digits are used for coding Sub-Accounts within each Main Account Code
- (4) Main Account Code along with the Sub-Account Codes form the specific Account Code for an Account Head.

3. LOCATION CODE TO BE A PREFIX TO ACCOUNT CODES

The location code shall be a prefix to the account codes in the Chart of Accounts. The location code will remain same for all the transactions at an Accounting Unit. Therefore, the location code shall not be written every time. The code will be pre-printed on all the accounting documents in use at location. Such a structure of account coding has enabled smaller account code of digits.

4. CODING OF ACCOUNTS EXPLAINED

An account rendering unit shall record its transactions under the proposed Chart of Accounts in the manner discussed below:

- (i) Each account rendering unit shall be assigned a location code which will indicate,
 - (a) Function (generation, transmission etc.) performed at the ARU
 - (b) Specific code given to the ARU. Location Code will be a 3 digit code
 - (c) Logic of Location Codes

1	Miscellaneous Areas	001	to	099
2	Generation Circles	100	to	199
3	Transmission circles	200	to	299
4	Distribution Circles	300	to	320
5	Distribution Divisions	321	to	620
6	B. S. Units	621	to	799
7	Civil Circles	800	to	899
8	Stores Divisions	900	to	949
9	Administrative Offices (Other Offices)	950	to	999

- (ii) The location code of a unit shall be a prefix to each account code used by the account rendering unit.
- (iii) The use of location code is mainly to segregate one unit from another at the time when trial balance or accounts statements/summaries from various account rendering units are received at one place. For example at the stage of compiling accounts from A. R. Units so long as an account rendering unit sends its trial balance / accounts summaries, schedules statements etc. to Head Office with the Location Code written on it, identification of such location is ensured.
- (iv) Therefore on a daily basis, the location code need not be recorded while writing account code on vouchers etc. Instead the code can be pre-printed or rubber stamped in advance.
- (v) Inter-unit advices raised by a location must bear the location code so that receiving unit can easily identify the advices.
- (vi) For inter-unit transactions, however, two location codes are, involved.
 - (a) Location code of the unit where the transaction originates.
 - (b) Location code of the unit which responds.

For example, in the case of transfer of fixed assets from unit 334 to unit 465 - the location code of the unit recording the transaction i.e. 334 will be as mentioned earlier, pre-printed on that unit's vouchers. The account code will be 32465 where 32 is the inter-unit account for fixed assets related transactions and 465 means the transfer is to unit 465.

Correspondingly unit number 465 has got its code pre-printed on its own vouchers. Therefore, it will use the account code 32.334 where 32 is the inter-unit account for fixed assets related transactions and 334 means the transfer is from unit number 334.

5. BLANKS PROVIDED IN TUE CHART OF ACCOUNTS

Blanks have been provided in the Chart of Accounts at Account Group, Main Account Head as well as the Sub-Account Head levels so as to provide flexibility for introduction of new account heads at appropriate levels as per the procedure laid down in the annual accounts rules as follows:

“The Chart of Accounts provides for all possible transactions envisaged by the Central Government. If however Board observes that some of its transactions cannot be booked under any of the account heads or that they need to be booked with greater analysis, new accounts, as may be necessary, shall be introduced. Purpose and usage of each new account shall be clearly defined by the Board.

Any main account code or sub-account code so introduced by a Board must be within the account group concerned.

Any main account code or sub-account code so introduced by a Board may, at Board's discretion be reclassified within the same account group or deleted at any time thereafter.

Introduction of a new account group shall require prior approval of the Central Government. Any approval by the Ministry in this regard shall be in consultation with the C & AG and the concerned State Government.”

6. DELETION OF ACCOUNT CODES

The Board is not permitted to delete any account from the prescribed chart of accounts. This prohibition shall apply even in case where there are no transactions covered by an account.

**7. CHART OF ACCOUNT
(ACCOUNT HEADS AND ACCOUNT CODES)**

Account Group Code	Account Group
--------------------	---------------

10 to 16 CAPITAL EXPENDITURE AND FIXED ASSETS

10 Fixed Assets

11 Other Capital Expenditure/Fixed Assets

12 Provision for Depreciation on Fixed Assets

13 Provision for Depreciation on Other Capital Expenditure/Fixed Assets

14 Capital Work-in-Progress Accounts

15 Other Accounts for Assets at Construction Stage

16 Assets not in use

17 to 19 DEFERRED COSTS AND INTANGIBLE ASSETS

17 Deferred Costs

18 Intangible Assets

20 Investments

21 to 29 CURRENT ASSETS, LOANS AND ADVANCES

21 Fuel Stock Accounts

22 Materials and Related Accounts

23 Receivables against Supply of Power

24 Cash and Bank

25 Advance to Supplier/Contractors - (Capital)

26 Advance to Suppliers/Contractors - (O & M)

27 Other Loans and Advances

28 Sundry Receivables

30 to 39 INTER UNIT ACCOUNTS

30 Inter-Unit Accounts - Fuel

31 Inter-Unit Accounts - Materials

32 Inter-Unit Accounts - Capital Expenditure & Fixed Assets

33 Inter-Unit Accounts - Remittances to Head Office

34 Inter-Unit Accounts - Funds Transfer from Head Office

36 Inter-Unit Accounts - Personnel

37 Inter-Unit Accounts - Other Transactions/Adjustments

40 to 49 CURRENT AND ACCRUED LIABILITIES

40 Fuel related Liabilities

41 Liability for Purchase of Power

42 Liability for Capital Supplies/Capital Works

43 Liability for O & M Supplies/O & M Works

44 Staff related Liabilities & Provisions

46 Other Liabilities and Provisions

47 Deposits for Electrification, Service Connection, etc.

48 Security Deposits from Consumers

50 to 54 CAPITAL LIABILITIES AND OTHER BORROWINGS

50 Borrowings for Working Capital

51 Payments Due on Capital Liabilities

52 & 53 Capital Liabilities (Other than State Government Loans)

54 Funds from State Government

55 to 59 RESERVES AND SURPLUS

55 Contributions, Grants and Subsidies towards Cost of Capital Assets

56 Reserve

57 Reserve Funds

58 Surplus

60 to 69 INCOME

61 Revenue from Sale of Power

62 Other Income

63 Subsidies and Grants

65 Prior Period Income

70 to 89 EXPENSES AND LOSSES

70 Power Purchased Account

71 Cost of Generation of Power

72 Fuel related Losses

74 Repairs & Maintenance

75 Employee Costs

76 Administration and General Expenses

77 Depreciation and other Costs relating to Fixed Assets

78 Interest and other Finance Charges

79 Other Debits to Revenue Account

81 Provision for Income Tax for the year

83 Prior Period Expenses/Losses

90 to 99 MEMORANDUM ACCOUNTS

91 Costs and Revenue at Trial Stage

92 Memorandum Accounts for recording No. of Units of power purchase, generation, sale etc.

8. PROCEDURE FOR OPENING OF NEW ACCOUNT CODES

The Account Rendering Units requiring opening of new account codes may send their requests to F. A. & C A O. who will consider the same and issue the orders for addition of an account code to all the Account Rendering Units stating clearly the code, the description, the purpose, the date from which it becomes effective and treatment to be provided to the transactions prior to this date.

PART I FINANCE AND ACCOUNTS

CHAPTER 5 ACCOUNT RENDERING UNITS

1. ACCOUNT RENDERING UNITS (ARU) are the specified locations determined by the Board to record, collect, summarise and report the financial transactions taking place on a day to day basis. This is referred to as 'Accounting Unit' in the Electricity (Supply) (Annual Accounts) Rules, 1985.

These accounting to Finance functions at these ARU's are normally headed by a qualified Accountant (qualification determined by the Board). Accounting process in an ARU is detailed in the chapter on 'The Process of Accounting'. These ARU's will be identified by designating a location code.

2. SETTING UP AN ACCOUNT RENDERING UNIT

The Board from time to time decides on the policy of setting up an account rendering unit. The Board based on norms (decided from time to time) decides on opening an ARU by issuing a Board Order.

Following the Board Order, H.O. (Financial Adviser and Chief Accounts Officer's Office) would issue details regarding the following:

- Name and level of the Accounting Unit
- Location Code
- Function to be carried out
- Date from which effective
- Unit to which it will belong / be responsible functionally and administratively
- Units which will transfer assets, liabilities etc. to it and details thereof
- Staff set up
- Powers, duties, responsibilities etc., of various personnel there including the unit head
- Requirement of feed back on details of assets etc. so transferred both by transferor and transferee units, etc.

These would be covered in the circular to be issued by the H.O. (Financial Adviser and Chief Accounts Officer's Office). The powers, duties, responsibilities etc., of the various personnel are normally covered by the general guidelines of the Board unless otherwise specifically mentioned in the order setting up the ARU.

The transaction of transfer of assets and liabilities etc., to the new unit from the units transferring the above will be routed through the H.O. and the newly formed units will begin with the balances transferred from Head Office through a Transfer Note. The Transfer Note to the H.O. from the Transfer Unit will contain the necessary details such as schedules to balances etc., and the transferee unit will receive the same details from H.O.

The above procedures in transferring assets, liabilities etc. would be applicable for bifurcation of an ARU or transferring a part of the ARU to another ARU (e.g., transfer of a group of consumers from one ARU to another ARU, transferring of deposits etc).

3. CLOSURE OF AN ACCOUNT RENDERING UNIT

Decisions may be taken by the Board to close an Account Rendering Unit, because of it not justifying the continuance or for merging two or more ARU's etc. In such cases the board notifies the same through a Board Order.

Following the Board Order, the Head Office (Financial Adviser and Chief Accounts Officer's Office) would issue the orders regarding the following:

- the date from which the closure would be effective
- the non-operation of the location code of ARU being closed
- the unit to which the assets and liabilities will be transferred
- the redeployment of staff
- the feed back on actions being taken for closure

The ARU being closed have to complete the following steps:

- carry out all pending operational / functional and accounting jobs.
- updating and tallying all accounting and underlying records.
- settling all dues to / from outsiders, the balances due to / from the Board Employee and send last pay drawn details to the unit to which they are redeployed
- deciding on / clearing all undecided / uncleared issues.
- completing investigation of all materials / fixed assets / cash excesses and shortages arising upon physical verification and accounting appropriately the findings thereof.
- reconciling all Inter-unit Accounts with respective ARU's.
- updating and tallying of all records such as Fixed Asset Register, Works Registers, Consumer Personal Ledger etc.
- making all necessary rectifications, provisions, accruals, adjustments, transfers etc., if closure dates coincides with year end.

After carrying out the above steps the balances will be transferred to H.O. The H.O. in its turn will transfer these to the ARU's receiving these balances through a transfer note.

4. SWITCHING OVER

As the Board is introducing the new Accounting system from 1/4/1986 onwards, the past balances are to be re-stated to conform to the new account heads (codes). Where the balances cannot be restated, Board will transfer these balances to the restructuring account. These balances are to be cleared in the course of time as prescribed by the Electricity (Supply) (Annual Accounts) Rules 1985.

5. FINANCIAL YEAR

At the beginning of every financial year, the closing balance of Assets and liabilities are to be brought forward without any change whatsoever.

Normally opening journal entries have to be prepared comprising of all the balances to be brought forward and this entry will be posted to General Ledger as opening balance using a journal entry.

6. INTER-UNIT BALANCE

At the beginning of every financial year, inter-unit balances (to the extent reconciled) should be transferred to H.O. Current account both at ARU and H.O.

PART II REPORTS AND RETURNS

CHAPTER 1 REPORTING SYSTEM

1. In this chapter the following are discussed

- (1) Statutory Reports containing Annual Accounts and Budgets.
- (2) Monthly Accounts
- (3) Highlight Reports
- (4) Annual Statistics

2. STATUTORY REPORTS

2.1 Annual Statement of Accounts (Annual Accounts)

Annual Statements of Accounts are to be prepared by the Board for every financial year ending 31st March within a period of 6 months. This being a legal requirement the details are governed by The Electricity (Supply) Annual Accounts Rules 1985 which is reproduced in this manual.

2.2 Annual Financial Statements (Budget Estimates)

Legal Requirement:

Board as per Section 61 of the Electricity (Supply) Act, 1948 shall submit to the State Government, the Annual Financial Statements (Budget Estimates) containing Capital Expenditure, Revenue and Expenses for the ensuing year.

As per Section 16(6) of the said Act, the Board shall place before the State Electricity Consultative Council, the annual financial statement and supplementary statements, if any.

Board's approved budget is submitted to the State Government.

The State Government shall place the Budget on the table of the State Legislature for discussion. The Board shall take into consideration, any comments made on the Budget. The detailed procedure is laid down in the manual on Finance.

3. MONTHLY ACCOUNTS

As part of the information reports to be generated, every Account Rendering Unit has to provide returns to the Head Office. One of the primary reports to be submitted is the Trial Balance at the end of every accounting period (in Board, it is usually a month). In the preparation of the Trial Balance, the account rendering units have to prepare supporting schedules, in support of the balances in the Trial Balance.

To recapitulate 'Trial Balance' is a listing of balances in all the accounts in the General ledger. The total of debit balances and total of credit balances must be equal in a trial balance.

Such a tally ensures arithmetical accuracy of the transactions. Some of the account heads in the General Ledger need subsidiary ledgers/registers in order to have detailed information. Balances of subsidiary ledgers/registers have also to be extracted. Such an extract is termed subsidiary ledger trial balance or schedule of balances. This forms the supporting schedule to the Trial Balance.

The various schedules to be sent by the ARU's are provided elsewhere. The explanation regarding preparation of the schedules are discussed here. The schedule numbers refer to the form prescribed by Annual Accounts Rules.

(1) Statement No. 5/17 - Generation, Purchase & Sale of Power:

The information regarding generation of electricity will be furnished in the form by all Generating Units. The Special Officer (Revenue) will give the statement in complete shape.

(2) Statement No. 5/19 - Purchase, issues & stock of materials:

To be prepared by all Account Rendering Units having stores, and Electrical Distribution Divisions (to the extent applicable to them). Please also refer to schedule 26a.

(3) a. Statement No. 5/20 - Reconciliation of receivable against sale of power.

b. 5/20 a. Revenue Reconciliation Account:

To be prepared by all Billing Supervision Units and Special Officer (Revenue) and to the extent applicable to the other units.

(4) Statement No. 9 - Statement of Technical Particulars:

SI. No. 1 and 6 to be prepared by Generating Units. SI. No. 12 to be prepared by B. S. Units. SI. No. 7, 8, 9 and 10 - details to be given by Special Officer (Revenue). SI. No. 11 not applicable.

(5) Schedule 19 - Fixed Assets:

To be prepared by all Account Rendering Units except B. S. Units as their assets belong to the respective Divisions.

(6) Schedule 20 - Function-wise break up of Fixed Assets:

It is mainly applicable where more than one function is handled, (eg. Kottarakkara Transmission Circle).

(7) a. Schedule No. 21/1 - Capital Expenditure in progress.

b. Schedule No. 21/2 - Capital expenditure in progress Sub-schedule.

(8) Schedule No. 22 - Assets not in use.

(9) Schedule No. 26 - Total current assets.

- a. Schedule No. 26 a - Stock (Capital/ O & M)
- b. Schedule No. 26 b - Receivables against supply of power
- c. Schedule No. 26 b/1 - Do. (Sub schedule for category-wise details)
- d. Schedule No. 26 b/2 - Do. (Sub schedule for HT & EHT consumer-wise details)
- e. Schedule No. 26 c - Cash & Bank balances. Reconciliation statement for cash and bank also be attached
- f. Schedule No. 26 d - Loans and advances
- g. Schedule No. 26 e - Sundry receivables

- (10) Schedule No. 27 - Security Deposits from Consumers
- (11) Schedule No. 28 - Other current liabilities
- (12) Schedule No. 31 - Payments due on Capital Liabilities
- (13) Schedule No. 32 - Capital Liabilities
- (14) Schedule No. 33 - Funds from State Government
- (15) Schedule No. 34 - Contributions, Grants & Subsidies towards cost of Capital Assets

(16) Inter-unit Reconciliation Account

This will be supporting to Account Group No. 30 to 37

(17) Schedule of Restructuring Account

Restate what is clearly reconciled and balance will appear in Trial Balance. Details of the progress in clearance has to be given in this schedule.

(18) Local Purchase Schedule

Sending of certain details, debiting/crediting of inter-units etc. need not be lined with Monthly Accounts This will go as independent process, but they will be reconciled with monthly accounts.

A statement showing list of documents to accompany the monthly accounts is prescribed, which is common for all units. A sub-schedule form is also prescribed for furnishing project-wise/scheme-wise/tariff-wise/consumer-wise details, if required, which is not covered by the prescribed schedules.

(The position of restructuring accounts have to be provided for till they are disposed off within a three years' time period).

4. HIGHLIGHT REPORTS AND MONTHLY REPORTS

The details of the reports to be furnished by the different units are dealt in the individual manuals but, however, for easy reference excerpts are provided in this volume.

4.1 MATERIAL ACCOUNTING

1. ACCOUNTING REPORTS AND RETURNS:

The returns, reports and other information required by Head Office and other offices are as follows:

- 1.1 Periodic stock reconciliation statements
- 1.2 Inter-Unit summary-cum-reconciliation statement - along with monthly accounts.
- 1.3 Manufacturing reports - to the controlling office (Circle) and H.O., - eg. pole casting etc.
- 1.4 Report on local purchase of materials - along with monthly accounts
- 1.5 Details of maintenance of stock
- 1.6 Stock - turnover statements
- 1.7 Stock - level statements
- 1.8 Purchase order commitments
- 1.9 Material Requirement Forecast Statement
- 1.10 MASA balances and consumption details of various holders.

HIGHLIGHT REPORTS:

An analysis of movement of stocks is essential for effective inventory control in order to ensure that the required materials are available at the right time.

In order to analyse this, the following statements become important:

Stock Level Statements

Details of occurrence of stock outs

Purchase Order commitments

Stock levels can be fixed for the movements falling under fast moving category. The stock levels can be specified as follows:

maximum level

minimum level

recorder level

The stock level statements would provide the basis for ordering an item immediately or whether it be deferred. Details of occurrences of stock outs provides the information on number of times a material has been requested and the number of times, it has not been available, giving an indication for changes in stock levels to be planned for.

These are essential for effective material planning and inventory control.

Manufacturing Reports provides the number of units manufactured and the information regarding the distribution to the various places for which it was allocated.

The material requirement forecast statement along with the other statements described in the highlight statement would form the basis for materials planning leading to effective material management.

This would result in optimum stocking leading to availability of materials on time and in minimising blocking of funds in the form of inventory.

LIST OF HIGHLIGHT REPORTING FORECASTS:

- Material Requirement Forecast - Quarterly
- Purchase Order Commitment - Monthly (5th of every month)
- MASA balances & consumption details - Monthly (5th of every month)
- Manufacturing report - Monthly (5th of every month)
- Stock Level Statement - Quarterly
- Stock out reports - Quarterly

4.2 CAPITAL EXPENDITURE AND FIXED ASSETS

1. Reports fall into the following categories

- Reports to the Board
- Reports to Institution
- Reports to Government

1.1 Reports to the Board:

1. Progressive capital expenditure statement:

This report gives the expense incurred for a particular project at given point of time. A consolidated statement of this gives the total capital expenditure of the Board.

2. Scheme-wise cash flow:

This is prepared monthly to reflect the cash outflow for projects

3. Fixed Asset Blocks:

This gives a total fixed assets owned or controlled by the Board at a particular point of time.

1.2 Reports to Institution:

Various lending/financial institutions often call for detailed reports in their prescribed Formats.

There will be frequent interconnection with the REC (Rural Electrification Corporation) as they give funds for electrifying various villages on a continuing basis.

1.3 Reports to Government:

State Government, Central Government and CEA (Central Electricity Authority) call for various capital expenditure reports in the formats prescribed by them.

4.3 SALE OF POWER

1. B. S. Units will send:

- (1) Trial Balance together with schedules and Reconciliation Statements to Head Office.
- (2) Highlight Reports

1. Industry-wise Analysis

Industries may be categorised broadly into classes (eg. electronics, engineering, chemicals etc.) and billing data pertaining to these may be reported.

2. Receivable Ratio (Ref. Volume on Finance)
3. Average Realisation per unit

To check the arithmetical accuracy of the billing exercise, the average per unit realisation should be worked out for each category of consumers, for each billing period. Revenue collection ledger will give details for each tariff. This should be compared with the previous month. Though this comparison accuracy is subject to several minor qualifications, it can serve as a broad check at B. S Unit level and other levels to identify the need for a detailed investigation.

2. CONSUMER ARREAR STATEMENT

Quarterly statement of consumer-wise arrears (consumer category-wise) for the quarter ending June, September, December and March should be send from the B S. Units to the H.O. (F.A. & C.A.O), C E. (Ele.) and the concerned Dy. Chief Engineers and Executive Engineers in July, October, January and April respectively.

3. The Accounts Officers of the B. S Units must verify the concerned Registers in the Major Sections and forward the following statements to the H.O. (F.A. & C.A.O), C.E. (Ele.), concerned Dy. Chief Engineers and Executive Engineers monthly so as to arrange for the correct determination of consumption of energy and for the timely assessment of revenue.
 - (1) Faulty Meter Report (Consumer category-wise)
 - (2) Meter Reading not taken Report (consumer category-wise)

4.4 FINANCE

1. ACCOUNTING REPORT AND RETURNS:

The returns, reports and other information required by Head Office and other offices are as follows:

- 1.1 M. R. C. F - Due on 20th of every month
- 1.2 Inter-unit summary cum reconciliation statement along with monthly accounts
- 1.3 Cash Balance particulars
- 1.4 Copies of Collection Remittance Register and Analysis Sheet.
- 1.5 Copies of Revenue Collection ledger
- 1.6 Bank reconciliation statements (Drawing and Collection Account).
- 1.7 Holder-wise details of balances under Permanent Imprest and Temporary Imprest.

2. HIGHLIGHT REPORTS:

2.1 An Analysis of Cash Receipts and Disbursements are essential for effective funds management Information pertaining to these areas are to be collected at fixed intervals (daily, weekly, monthly etc.)

2.2 A report on cash receipts should show atleast the following information:

- Source of receipt
- Time lag between demand and receipt of money
- The banks involved
- The time lag for cashing the cheques
- The time lag for transfer and credit in the H.O. accounts

2.3 A disbursement summary should show the same type of information classified as follows:

- Where the money goes
- How long it took to issue the cheques
- The banks involved (especially payment bank)
- How long it took to cash the cheque by payee
- How long it took to transfer and credit the disbursement accounts

2.4 Steps to improve collection

- Billing Float
prompt billing and delivery of bills

- Collection Float
Encourage consumers or others for paying money promptly.
- Remittance Float - Delay in depositing money into the bank is to be avoided.
- Bank Float - delay in crediting and transferring money to Head Office by banks is to be closely watched and action to be taken to avoid delay.
- Bank information Float
This can occur in any location but with greater gravity in H.O. So a constant follow up is essential.
- Others are:
 - (a) Discount for advance payment as per Board's policies existing from time to time.
 - (b) Evaluation of services rendered by the Banks
 - (c) Telegraphic/telex transfer of funds
 - (d) Spread net banking arrangements

All the above mentioned floats are to be constantly monitored through report, verification, auditing and by improving the system whenever necessary. Reports on billing float and collection float are dealt in sale of power manual. The others are included in this volume.

2.5 Improving cash disbursements:

Knowing the exact daily cash balance is important. It facilitates decisions for temporary investments and arranging cash transfers. Week-end transfer of funds require special attention. Fund transfers at the week end or before holidays are normally transferred/credited by the banks to the units on the following working day only. So it is preferable to transfer the funds during the beginning or middle of the week. The week end float may be avoided as far as possible.

- Maximized use of cash does not mean delay in payment to suppliers, as this can lower the Board's credit rating.
- Discounts offered by vendors must be considered in relation to average current interest rates paid by the Board and other factors.

2.6 Cash Budget – MRFCF:

- (1) Forecasting cash receipts and disbursements improves cash control.
- (2) Comparing this year's cash position to the previous year's, high lights areas of change. Action can be taken to improve and minimize adverse trends such as:
 - increasing effort to collect money
 - reducing expenses
 - deferring capital expenditure

- reducing purchases
- deferring selected liability payments etc.

2.7 Reporting formats are included in this manual

2.8 List of highlight reporting formats:

- MRCF - Due on 20th of every month
- Bank Transfer float - Due on 5th of every month
- Cash flow report (Memoranda entries) - Due on 10th every month
- Scheme-wise cash flow Report - Due on 10th every month
- Daily Cash flow - Following day
- Daily commitments - Daily

4.5 LONG TERM PLANS

Board prepares long term plans (5 to 10 Years) with a view to find out (a) Form and size of assets and (b) Composition of liabilities. The components of this include setting of financial objectives, planning of ongoing operations, capital budgeting, tariff structure and financial structure. Following statements are prepared by Board regularly:

1. Derivation of Average Tariff
2. Revenue Account (Income Statement)
3. Balance Sheet
4. Source and uses of Funds (Fund Flow Statement)
5. Key Financial indicators
6. Other working papers

Over and above, information required by Central Electricity Authority/Government will also be prepared in their prescribed formats. Normally this will have a link with plans of the Government.

4.6 PERSONNEL

1. Chart of Accounts is designed in such way as to give all relevant personnel cost information. Hence proper attention be given in booking the cost especially when expenses are to be classified to charge as capital expenditure.
2. Further to the information given in monthly accounts (i.e. through monthly trial balance) the following further information should be prepared and submitted.

- Personnel cost variance

It is a comparison with budget

- Absence analysis
- Employee category-wise unauthorised absence is reported in this.

4.7 COSTING OF POWER

Highlight report on costing of power is dealt in Miscellaneous Accounting area in this volume.

5. ANNUAL STATISTICS

The Board as an annual exercise, collect, process and publish certain statistics. In order to serve as an input in the preparation of such statistics, the different units have to send in, both technical and financial information. These are essential and the same have to be sent periodically.

PART II REPORTS AND RETURNS

CHAPTER 2 MISCELLANEOUS ACCOUNTING AREAS

1. In this chapter the following are discussed
 - a) Costing of Power
 - b) Expense accounting
 - c) Capital and Reserves

2. COSTING OF POWER
 - 2.1 The discussion in this chapter is structured in the following lines
 - (1) Objectives of determining cost of power
 - (2) Computing the cost of generation
 - (3) Computing stage-wise cost of Transmission and Distribution
 - (4) Preparation of 'Flash' cost accounts - a highlight report for the management

OBJECTIVES OF DETERMINING COST OF POWER

- 2.2 The following are the objectives of determining cost as power generated, purchased transmitted and distributed in a State:
 - (1) Tariff Policy

In order to lay down the tariff policy of the Board, cost determination at each stage becomes necessary.
 - (2) Valuation of Inter-State transactions.

Inter-State sales/purchases of energy are often governed by rates determined on a 'cost' or 'cost plus' basis.
 - (3) Judging of operational efficiency

Costs need to be monitored so as to evaluate efficiency of generation, transmission and distribution functions.
 - (4) Early indicator of financial performance

A costing exercise can be used by the management to get rough and ready quick idea of the financial performance of the Board much before the annual accounts of the Board are ready.
 - (5) Reconciliation with financial accounts

The cost workings independently compiled should be broadly reconciled with the financial accounts. This would confirm overall accuracy of the financial accounting system.

COST OF GENERATION

- 2.3 The cost of generation should be worked out separately for each of the following:
- (1) Hydro - for each plant and as a whole
 - (2) Overall generation (Say, Thermal & Hydro) of Board as a whole
 - (3) Cost of power purchased
 - (4) Cost of total power available for sale - Board as a whole

HYDRO

- 2.4 At the end of each month, every Hydro station should prepare a Cost Statement (Exhibit 1). Royalty and other variable costs should be at actuals for the month whereas repairs and maintenance and establishment overheads should be taken on an estimated basis (say previous month's actuals).

Exhibit 1

HYDRO COST STATEMENT - HIGHLIGHT REPORT

COST STATEMENT FOR THE MONTH OF	
Gross Generation	
Auxiliary Consumption	
Net Generation	

	Value (Rs)	Per Unit (Paise)
1. Royalty payable for water		
2. Other variable costs		
3. TOTAL		
4. Repairs and Maintenance		
5. Establishment costs		
6. TOTAL COSTS		

- 2.5 Head office should receive Cost Statements from each power station and prepare a consolidated cost statement for all the Hydro plants of the Board.

OVERALL GENERATION COST

- 2.6 The cost statements should be fused to prepare an overall Generation Cost Statement (Exhibit 2). This statement shall also include power purchased from other states. Thereby, the overall cost of power available for sale shall be arrived at.
- 2.7 The Chart of Accounts has provision to record generation and purchase/sale of power information. These being critical parameters in the Boards operations, it should form a part of the accounting system. The chart of accounts provides for the following memoranda accounts which will capture on a monthly basis the actual data on generation, purchase, sale etc. This will be consolidated and at HO the total figures for the Board will be available. The memoranda accounts are;

- Total Units A/c
- Units Generated A/c
- Auxiliary Consumption A/c
- Units purchased A/c
- Units Sold A/c

Exhibit 2

HIGHLIGHT REPORT ON OVERALL GENERATION COST STATEMENT

Month _____	<u>Units</u>	<u>Value (Rs)</u>	<u>Per Unit</u>
Thermal (Not applicable)			
Hydro			
Total			
Power purchased			
Total power available			

COMPUTATION OF STAGE-WISE COSTS

- 2.8 Every quarter, a statement should be prepared showing the cost of power at different points of the power system. (This will be largely similar to the existing format prescribed by the CEA). The statement shall show the incremental and cumulative cost at each stage viz. generation, EHV transmission, HV transmission and distribution. This statement shall be called the *Stage-wise Cost Computation Statement (SCCS)*.

2.9 The costs to be absorbed would be:

In the case of generation:

- (a) Fuel (for thermal)
- (b) Repairs and maintenance
- (c) Establishment costs
- (d) Variable expenses for Hydro stations
- (e) Government Levies on Generation
- (f) Depreciation on generating assets
- (g) Interest cost on generating assets

(It will be noticed that costs in (a) to (d) above are also covered by the Cost Statements discussed earlier).

In the case of EHV & HV transmission and distribution:-

- (a) Repairs and maintenance
- (b) Establishment costs
- (c) Depreciation on assets
- (d) Interest cost on assets

2.10 All data for the preparation of the SCCS should be taken from the financial books of the Board (i.e., the trial balance for the quarter).

2.11 The units received and sent out at each stage should be arrived at from actual meter-readings received from field offices at the end of the quarter.

2.12 In order to compute 'per-unit' costs at each stage, the costs for each stage should be divided by the units sent out from that stage. *The 'per unit' rate for the previous stage should be proportionately increased for the line loss at each stage.* By inference, the units sent out from the distribution stage must equal the total units billed.

2.13 The SCCS shall absorb all costs other than Head Office, and other general overheads i.e., if the per unit cost for power sold (as worked out by the SCCS) is multiplied by the units sold, total costs of the Board (excluding HO and other general overheads), for the quarter, shall be arrived at.

Exhibit 3

STAGE-WISE COST STATEMENT (SCCS)

	Units sent out	Paise Per Unit
<u>Rs</u>		
(A) GENERATION		
1. Fuel (for thermal)		
2. Repairs and Maintenance		
3. Establishment costs		
4. Royalty and other variable hydro costs		

	Units sent out	Rs	Paise Per Unit
5. Depreciation on generating assets			
6. Interest on generating assets			
7. Cost of rower purchased			
8. Excise duty on generation			
9. Total generating cost (1 to 8)		<u>A</u>	
10. Units generated	p		
11. Units purchased	q		
12. Total units (p + q)	<u>r</u>		
13. Generating cost per unit $\left[\frac{(A)}{r} \right]$			a

(B) EHV TRANSMISSION

1. Repairs and Maintenance			
2. Establishment costs			
3. Depreciation on EHV assets			
4. Interest on EHV assets			
5. Total EHV costs (1 to 4)		<u>B</u>	
6. Units sent out	s		
7. Per unit rate for EHV $\left[\frac{B}{S} \right]$			b
8. Cumulative per unit rate $(b + a \times \frac{r}{s})$			c

(C) HV TRANSMISSION

1. Repairs and Maintenance
2. Establishment costs
3. Depreciation on HV assets

	Units sent out	Paise Rs Per Unit
4. Interest on HV assets		
5. Total HV costs (1 to 4)		<u>C</u>
6. Units sent out	t	
7. Per unit rate for HV	$\frac{(C)}{t}$	d
8. Cumulative per unit rate		e
	$\frac{(d + c \times s)}{t}$	

(D) DISTRIBUTION

1. Repairs and maintenance		
2. Establishment costs		
3. Depreciation on Distribution assets		
4. Interest on Distribution assets		
5. Total Distribution costs		
6. Units sent out		u
7. Per unit rate for Distribution	$\frac{(D)}{u}$	f
8. Cumulative per unit rate (f + e x t)	$\frac{(f + e \times t)}{u}$	g

2.14 Using the cost workings developed on the above lines, it should be possible to establish contribution (Billed value of power sold less direct costs at all stages) towards HO and other general overheads. This contribution will form the basis of evaluation of tariff policy etc. Appropriate tariff modification can be worked out of such that it will generate a contribution geared upto meet estimated HO and general overheads and stipulated rate of return.

HIGHLIGHT REPORTS - COST OF POWER

2.15 In order to give management a preliminary rough idea of the performance of the Board for a month, Highlight Report should be prepared at Head Office in the manner explained in the following paragraphs (Exhibit 4).

- 2.16 Units sold during the month shall be estimated on the basis of generation of the month (as reported in the overall Generation cost statement). This shall also include power purchased from other states/bodies. The overall line loss percentage actually ascertained for the Board in the previous quarter shall be applied to the total units available for sale in order to arrive at the estimated units sold. These units shall be valued at the average realisation rate for the previous month for the Board as a whole. The resultant will be the estimated revenue for the month.
- 2.17 The costs shall be arrived at in the following manner.
- (1) Generation Costs
Element-wise from the Cost Statements received each month from power stations.
 - (2) Cost of Power Purchased
Units purchased valued at rates as per agreement if any or at previous month's rate in case of 'global accounting' governed by SREB.
 - (3) Repairs and maintenance and establishment costs for Transmission and Distribution Circles.
Previous months actuals to be reported as current month's estimates by each T & D Circles in a manner similar to Cost Statements received from power stations.
- 2.18 The costs so determined should be reduced from the estimated revenue to arrive at the 'contribution'.
- 2.19 At the end of every quarter, the three months' Highlight Report of Contribution should be consolidated into a 'Consolidated Highlight Report of Contribution. This could be compared with the SCCS (which was prepared from the financial books). Each figure in this report should be reconciled with the financial books as represented by the SCCS.

Exhibit 4

**HIGHLIGHT REPORT
CONTRIBUTION STATEMENT**

1. REVENUE FROM SALE OF POWER

(net generation - previous quarter's actual loss percentage) x Average Actual Realisation Rate for previous month.

A

Less

2. COSTS

(a) Generation costs (element-wise as per Cost statements of power Station)	B	
(b) Cost of Power purchased	C	
(c) Repairs and maintenance - T & D	D	
(d) Establishment Costs - T & D	E	
(e) B + C + D + E	F	
(f) Contribution (A - F)	G	

3. EXPENSE ACCOUNTING

3.1 This section covers discussion on the procedure involved in accounting different revenue items of expenditure incurred in executing the activities of the generation, transmission and distribution and head office.

3.2 Classification of Expenses

The different items of revenue expenditure may be classified under the following heads or the purpose of discussion of the accounting procedure.

- (1) Miscellaneous purchases comprising of printing and stationery, medical expenses, books and periodicals etc.
- (2) Services like telephone charges, rent, rates and taxes, electricity, water charges, legal and professional fees etc.
- (3) Transport expenses comprising material, maintenance etc.
- (4) Travelling expenses (dealt in Personnel Manual)

3.3 Miscellaneous purchases and Service Bills.

All purchase above certain value will be backed by formal purchase order (PO) routed through purchase department or through other specified offices. Where a PO is present, the payments to supplier and accounting will be based on the terms of the PO. Where there is no PO, the payment to Supplier and accounting will be based on suppliers' bill which will be approved by the user department for quantity, quality and price.

In the case of miscellaneous purchases, the items purchased may be directly delivered by the supplier to the user department or it may be routed through the stores. Quantitative Stores Ledger should be maintained for the specified items.

The user department or the stores as the case may be will acknowledge receipt and acceptance of the materials on the face of the bill. This attested bill will be submitted to accounts department for payment.

Bill passing section in such cases will be guided by the following checks:

- (1) whether items covered by the bill fall under 'Miscellaneous' category
- (2) whether it has been approved by designated authority
- (3) considering the value of purchase, does the authority have powers to authorise the Purchase.

Expense bills can be broadly classified into two:

- (1) Those which will have to be paid immediately.
- (2) Those which have a credit period.

In the case of (1) above, for example rent, telephone charges etc. the bills will be forwarded immediately by the Bill Passing Section to Cash & Bank Section for payment. A cash / bank payment voucher will be prepared and the payment will be made.

In the case of (2) above, the Bill Passing Section will record the expenses and set up a liability in the books of account.

The cash and bank section will take up for payment the expense dates when they fall due. The sundry creditors control account will be identified to individual account of the supplier in the Sub-Ledger.

3.4 Transport Expenses

Petrol and Diesel may be procured in bulk and stored at the Stores/or other specified places. In such cases whenever they are issued they will be supported by a Materials Requisition identifying the vehicle number and duly approved by appropriate authority. At the end of the month, these MRs will be summarised and transport expenses will be debited.

Where petrol or diesel is procured from dealers, it is operated through a coupon system (indent form). Under this system, there is no cash transaction. The dealer gives petrol or diesel against authorised coupons. These coupons are submitted to the Board by the dealer for settlement of payment periodically.

4. CAPITAL AND RESERVES

The capital of the Board has no equity components and is made up of borrowings and capital raised through bonds/debentures.

The other components contributing to the networth are free reserves consisting of appropriations from Revenue account, contributions, grants and subsidies towards the cost of capital assets. Contribution in addition to those collected from consumers may also consist of contribution provided by other departments of Government such as irrigation etc. and popularly referred to as Share cost'.

PART II REPORTS AND RETURNS

CHAPTER 3 INTER UNIT ACCOUNTING

1. MEANING OF INTER UNIT TRANSACTIONS

Inter Unit Transactions (IUT) will be recognised in accounts when they are between offices linked to two different Account Rendering Units (ARU), e.g.

- (1) One Division of a Circle transacting with another Division of the same Circle
- (2) A Division transacting with its Circle Office
- (3) A Division transacting with a Division of some other Circle
- (4) A Division transacting with some other Circle Office
- (5) One Circle Office transacting with another Circle Office
- (6) Field Offices (Division or Circle or Billing Supervision Units) transacting with Head Office.

Under this rule, any transfer of materials, assets, cash etc. or any other transaction between offices of the same ARU need not be recorded in accounts although entries may be made in any non-accounting records/subsidiary record maintained for monitoring movements between offices. However such transactions recording through journal entries are encouraged eventhough there is no effect in accounting balances. Where, however the two offices involved in a transaction belong to two different ARUs, the transaction shall have to be accounted for as an inter-unit transaction (IUT).

2. TYPES OF TRANSACTIONS

The IUTs have been classified broadly into the following groups:

2.1 IUTs relating to materials such as:

- Transfer of materials between stores attached to different ARUs or between two ARUs
- Payments to suppliers by one ARU for supplies to another ARU. This will include both advance payments as well as final payments against passed bills of suppliers. Corresponding to the payment by the paying unit, the ARU receiving materials from suppliers shall also account for the transaction as IUT.

2.2 IUTs relating to Capital Expenditure and Fixed Assets such as

- Transfer of assets
- Payment by one ARU to contractors for capital works at another ARU
- Payment by one ARU under supply-cum-erection contracts at another ARU

- 2.3 IUTs relating to remittance by distribution Divisions/Circles/Billing Supervision Units to H.O. of moneys collected from consumers.
- 2.4 IUTs relating to transfer of funds by H.O. to Circles and Divisions for disbursement.
- 2.5 IUTs relating to personnel such as
 - Payment of salaries etc. by one ARU on behalf of another ARU
 - Transfer of outstanding loans and advances to an employee from the ARU where the employee was posted to another ARU where he is now transferred.
- 2.6 Other Transactions, for example
 - Payment of expenses by one ARU on behalf of another ARU.
 - Transfer of Net Revenue and Appropriation Account balance by all Circles to H.O. (When it become operational i.e. when ARUs started preparing Revenue Account Balance Sheet etc.).
 - Transfer of Government levies to H.O.
 - Closing entries of Inter unit balances at the year end / periodically to be passed after reconciliation with H.O — Inter unit Final account.
 - Opening entries at ARUs for recording the opening assets and liabilities and the balancing figures to H.O. current account.

The salient features of the system of inter unit accounting are discussed below:

3. LEVEL FOR INTER-ACTION (Temporarily suspended):
 - 3.1 Circles will deal with other Circles for
 - its own IUTs and
 - IUTs of its divisions with other Circles or with divisions of other circles
 - 3.2 Circles will deal with its divisions for
 - its own transactions and
 - external division's/circle's transaction with its division
 - 3.3 One Circle's division would not thus deal directly with another circle or another Circle's division
 - 3.4 Maximum number of Inter-unit accounts a division (and B.S. Unit) would have will be equal to the total number of other divisions (within the circle) and an account for its circle office.
 - 3.5 Maximum accounts a circle would have will be equal to
 - Account for each of its own division plus total number of other circles and other specified ARUs (Stores, H.O., CEs Offices).

4. DIVIDING THE RECONCILIATION WORK

- 4.1 Each ARU is bound to reconcile the IU balances in its books of accounts.
- 4.2 Originating ARU will be responsible for reconciling the balances. This will be by preparing a monthly statement of account.

5. SEPARATE ACCOUNTS FOR DIFFERENT TYPES OF INTER-UNIT TRANSACTIONS

- 5.1 Separate account has been provided for each of the categories of transactions. Details are given elsewhere.
- 5.2 Such segregation would enable dividing the responsibility of reconciliation over different accounting sections at a location - e.g. Material Accounting Section would reconcile Material related transactions, cash and bank section would reconcile funds related transactions and so on.
- 5.3 Segregation would also expedite reconciliation since each section will maintain the relevant records and supporting advices and vouchers.

6. LINKING THE ORIGINAL TRANSACTIONS WITH INTER-UNIT TRANSFER NOTES

The cash vouchers or journal vouchers or other schedules recording any IUT shall have extra copies which can in turn be used straight as a supporting document for Inter-Unit Transfer Note. (IUTN).

7. PROHIBITION OF PARTIAL ACCEPTANCE

Practice of partial acceptance of Inter-unit debit or credit advices will not be permitted.

8. PROCESS OF INTER UNIT TRANSFERS AND BALANCE RECONCILIATION

- 8.1 Inter-unit Accounts are classified into seven based on type of transactions detailed at the beginning of this chapter.

The details are given below:

Account Group/Code	Account Head
30	Fuel (not in operation)
31	Materials
32	Capital Expenditure and Fixed Assets
33	Remittance to H.O.
34	Fund Transfer from H.O.
35	Open
36	Personnel
37	Other transactions/adjustments

Each of the above account groups have to be made specific by using location codes and name of the Account Rendering Unit (ARU). Using the above classification, Inter-unit Accounting has to be done.

8.2 Inter-unit Reconciliation:

- (1) Each Account Rendering Unit has to prepare a statement of Account for the transactions carried out (originating as well as receiving) with the other ARUs using the classifications given above. This Statement of Account should be prepared in four copies (ARU wise and Account Group Wise). Three copies will be sent to the other unit, and the originating unit will get back two copies duly confirmed by the other unit. Out of the confirmed two copies received one copy will be sent along with the monthly accounts. As there is a time lag in getting these balances from the other ARUs, a gap of one month is given for sending this confirmed statement of accounts. An exception for this is, for March Accounts when confirmed statement should follow.
- (2) Inter unit transactions will not fall in any of the categories, like assets, liabilities, income or expenditure. However, they have the nature of an asset account or a liability account, i.e. they have credit or debit characteristics. When Board's accounts are consolidated, the inter unit transactions are netted off and the final balance should be nil. To achieve this, ARUs have to reconcile the inter unit balances as stated above and the differences, if any are to be disposed off at the earliest point of time, but in the March Accounts, all the differences are to be cleared. Inter unit balances in March Accounts are to be perfectly matched.

9. FINAL TREATMENT OF INTER UNIT BALANCES

9.1 The matched and reconciled inter unit balances should be transferred to Head Office quarterly (i.e. previous quarter balances in the following quarter) except for the quarter ending March. ARUs should transfer simultaneously matched balances to H.O. Matched balances being arrived at by netting out the matched items. For such transfer, a new account code - 37.030 styled as H.O. Inter unit Final Accounts - is used by each ARU and thereby resulting a new balance with H.O. in addition to H.O. current account (37.010). This transfer is to be officially intimated to H.O. using an Inter Unit Transfer Note (IUTN). H.O. on receipt of IUTN operates two account codes – 37.030. H.O. Inter unit final accounts and 37.040 Inter Unit Closing Account - for booking the IUTN.

9.2 Detailed Procedure:

- (1) An ARU should prepare quarterly an Inter Unit Matched Items List in quadruplicate containing matched items pertaining to each ARU with which it had transactions. This IU matched items list is prepared from the monthly statement of accounts used for inter unit reconciliation.
- (2) On receipt of Matched Items List (4 copies), the receiving ARU should verify the particulars and confirm it and return 2 copies.
- (3) Both ARUs after the above process pass a journal entry transferring the balances to 37.030 H.O. Inter Unit Final Account.
- (4) Together with Journal Entry IUTNs are prepared by both ARU. IUTN together with one copy of Inter Unit Matched Items List duly acknowledged by both ARUs is sent to H.O.

- (5) H.O. on receipt of each IUTN should audit the statement for ensuring the matching carried out by ARUs; pass necessary journal entry involving account codes.

— 37.030 H.O. Inter Unit Final Accounts or

— 37.040 Inter Unit Closing Account

9.3 A subsidiary ledger may be maintained to disclose ARU wise transactions.

- (1) The Account heads 37.030 and 37.040 contain only 'contra' entries in H.O. These two accounts become NIL independently on the receipt of balances simultaneously from the ARUs.
- (2) When the opening balances are brought forward by ARUs in April, the balances under 37.030 should be ignored. However all balances in assets and liabilities are to be brought forward by ARU. The difference between these two will be reflected in the H.O. current account 37.010. (If any balance in Inter unit account remain unroconciled or not matched, it will also form a part of the pending balance of the units).

10. Inter Unit Accounting at Head Office:

Head office is having a unique responsibility of accounting certain transactions on behalf of other ARUs. They are P. F., Pension and Gratuity, Government levies (duties & Inspection fee), Employee Loans (House & Vehicle), arranging payment to Suppliers on behalf of ARU as per schemes governed by REC and IDBI, etc. Besides, H.O. is also consolidating the funds transferred by banks to main bank account. Responsibilities and accounting involved are;

- (1) Ensure the receipt of IUTNs pertaining to each areas from concerned ARUs PF, Pension levies, loans IDBI & REC Scheme and funds. A register showing details of transactions, ARU-wise and month-wise and Supplier-wise for REC & IDBI Schemes should be maintained.
- (2) Summarise IUTNs chronologically or ARU-wise or Bank-wise as the case may be (i.e. preparation of Day Book) and prepare journal entries.
- (3) The information required are;
- | | |
|--|------------------------|
| (a) ARU-wise monthly balance | - for all transactions |
| (b) Month-wise transaction information | - Funds transfers |
- (month in which transaction has been carried out)
- (4) Employee-wise details are required for P. F. and Loans.
- (5) Interest computation for PF is to be carried out annually and necessary journal entry is to be passed.
- (6) An element of collection charges is involved in electricity Duty and other levies payable to Government. This also has to be taken into account by the H.O.

- (7) ARUs are expected to send one IUTN for one account code for one month. However both debit and credit details are to be given in supporting schedules. If necessary (e. g. employee loans where recoveries and advances paid are booked in one head of account).

11. General Principles of Inter Unit Accounting:

- (1) Inter unit accounting is communicated through IUTN with certain exceptions to material accounting area.
- (2) IUTN should give details of transactions including Debit and Credit.
- (3) IUTNs should be serially numbered and number should be controlled through an IUTN control register.
- (4) ARU receiving IUTN should also have an IUTN Receiving Register.
- (5) Originating and Receiving ARUs may keep Day books of IUTN (depending on the quantum) to summarise transaction for a month. Day Books become a source for journal entry.
- (6) Inter unit balances are to be reconciled periodically and differences are to be disposed off.
- (7) Reconciled and matched balances are to be, transferred to H.O. to net out the concerned ARUs. This is the final disposal of Inter unit balances.
- (8) Matched Balances need not be brought forward as Opening Balance in April accounts while unmatched balances are brought forward.

PART II REPORTS AND RETURNS

CHAPTER 4 TAXATION

1. Board falls under the purview of various taxation laws and various other levies charged by Government.
 1. Income-tax Act
 2. Agricultural Income-tax Act
 3. Sales Tax (Central and State Governments) Act
 4. Government levies on sale of power
 5. Customs & Excise duty

2. INCOME TAX

2.1 For the purpose of Indian Income-tax Act, the Board is considered as a deemed company. So the Board is liable to pay income-tax (ref. Sect. 80 of the Ele. (Supply) Act 1948).

2.2 Board's obligation under income-tax are as follows:

1. Board's taxes
2. Deduction of tax at source (employees, contractors etc.)

2.3 Requirements under Income-tax are broadly classified as follows:

- | | |
|--------------------------------|---|
| a) Benefits | eg. Allowances, weighted deduction, legal reserves, incentives |
| b) Disallowances | eg. Certain salaries cash payments in excess of Rs 2,500/- |
| c) Details | eg. Miscellaneous income, rent particulars |
| d) Specific claims | eg. Certain contingent liabilities, claims as per certain legal interpretation |
| e) Tax computation and Returns | eg. advance tax, tax deducted at source, capital gains, tax provision / payment |

2.4 Major obligation of the Board with dates are given below:-

(1) ANNUAL RETURN FOR THE BOARD - 31st July to submit return of Income-tax for the Board. If not, extension of time has to be obtained. This will be done by Head Office.

(2) QUARTERLY RETURN AND ANNUAL RETURN

Quarterly statements are to be filled for the tax deducted at source for interest payments (Form No. 26 A) and for payments to contractors and subcontractors under form No. 26 C. Due dates are 15th July, 15th Oct, 15th Jan and 15th April.

Annual return for interest payment exceeding Rs. 1,000/- without deduction of tax at source to be filed under form No. 27A on or before 30th April.

(3) SALARY RETURN

Annual return of salary to be filed by Board Offices under form No. 24A has to be filed on or before 30th April.

(4) Advance tax: Advance tax returns are to be filed as and when applicable.

2.5 Board's obligation to remit taxes within due dates are given below:

- (1) Tax deducted at source from (i) interest payments exceeding Rs.1,000/- and (ii) payments to contractors or subcontractors exceeding Rs.10,000/- are to be paid.
 - a) within one month from the last day of the month in which deduction is made, and
 - b) within two months of the expiry of the month in which amount of interest is credited.
- (2) Tax deducted at source from salary is to be paid within one week from the date of such deduction.
- (3) If the Board has to pay income tax, the annual return has to be accompanied by proof of payment of self assessment tax.

2.6 It becomes obligatory on the part of drawing officers and head office to file return and remit taxes. Taxes to be deducted at sources are to be done invariably by all drawing/disbursing officers.

2.7 TAX PLANNING AND PRACTICES.

- (1) Board gives great emphasis for tax planning to avail all the incentives and benefits provided by the legislature. Besides it is an obligation on the part of the Board to optimise returns from investments and effectively control the operational costs and thereby increase the value added in the economy (as a part of social obligation).
- (2) Board's tax planning areas are as follows:
 - a) Capital structure: Optimal capital mix is always aimed at by the Board.
 - b) Method of accounting and policies. Board follows mainly accrual accounting system. Besides clear cut accounting policies are laid out for the operation of the accounting system.
 - c) Depreciation: For the purpose of Annual Accounts, Board follows straight line method of depreciation while for income tax purpose, Board follows written down value (WDV) method of depreciation calculation.
 - d) Sources of Finance: Besides capital structure, Board ploughs back finance generated through depreciation, retained earnings, legal reserve, certain funds (PF & Pension Fund). These funds are utilised to generate greater return.

- e) Salary: From the point of view of the Board's employees, a proper tax planning is done by having Government provident fund, pension scheme and welfare measures.

3. AGRICULTURAL INCOME TAX

- 3.1 As per the Agricultural Income Tax Act, Board is bound to file the annual return before 1st June.
- 3.2 Every ARU should give required particulars to Head Office on or before 30th April. The form will be supplied by H.O. from time to time or previous year's format has to be used. Each Account Rendering Unit has to maintain a file for this.
- 3.3 Head Office will compile the returns received from ARUs and file the return before 1st June in form prescribed by the Act.

4. SALES TAX

Board is a Sales Tax assessee as per the Sales Tax Act. Returns filing and Sales Tax assessment are attended to by Chief Engineer (Civil). The details of Sales Tax collected and remitted and statement showing 'C' forms issued for purchase of materials have to be sent to Chief Engineer (Civil). Normal details required are categories of Sales Tax under which articles are sold, the impact of Sales Tax and AST etc. The cheques for Sales Tax collected should be sent to Chief Engineer (C) every month along with details.

5. GOVERNMENT LEVIES ON SALE OF POWER

- 5.1 The Board has to make payments to Government on account of Electricity Duty and other levies. The following are the payments to be made to Government on this account.

- (i) Duty under Section 3(i) of K.E.D Act 1963. This duty is absorbed in Board's accounts.
- (ii) Duty under Section 4 of Kerala Electricity Duty Act. The Board assesses and collects Duty @ 10% of the energy from the consumers taking supply below 11 KV @ 30% of the price of the energy from consumers taking supply at 11 KV and above. The Board can retain 1% of the collection as collection charges and the balance is remitted to Government.
- (iii) Duty on self generated energy. 1.20 Ps. per unit generated and consumed is to be collected from consumers who generate energy for their own use. This duty is also payable to Government after retaining collection charges.
- (iv) Inspection Fee
This is 50 Ps./month per L.T. consumer. A collection charge of 1% of the collection can be retained by the Board.
- (v) Supply surcharge as per Kerala State Electricity Supply (Kerala State Electricity Board and Licensees Areas) Surcharge Order 1984.
Surcharge @ 2.5 Ps./unit of energy supplied is to be collected from EHT & HT consumers and paid to Government after retaining 1% as collection charges.

5.2 PAYMENTS

- (2) The details of the Acts and Rules and regulations made thereunder are reproduced in Part III of the Manual on sale of Power. The normal procedure followed is as follows:

The Board pays duty under Kerala Electricity Duty Act 1963 and supply surcharge in the succeeding month.

- (2) Procedure for making payment towards Inspection Fee from 1-4-1986 is as given below (Refer B.O. No. Estt IV. 421/85/10-1-1986).
- (i) The total number of L.T. Consumers as on 1st January every year will be ascertained by the Financial Adviser & Chief Accounts Officer from the Chief Engineer (Electricity- General) before 31st March of that year.
 - (ii) Adhoc payment will be made to Government every month based on the number of the consumers deducting the collection charges @ 1%. The amount will be rounded off to the nearest rupee while making the payment.
 - (iii) Adhoc payment will be made to Government by the Financial Adviser & Chief Accounts Officer before 10th of the succeeding month.
 - (iv) The cash collection units will indicate the inspection fee collected separately in the statement so that the total collection for a year can be ascertained from the annual accounts.
 - (v) If the Adhoc payment made is found to be less than the annual collection (excluding collection charges), the short fall will be made good on finalisation of the annual accounts by 30th June of every year. The collection statement for that year will be furnished to the Chief Electrical Inspector to Government before 31st July of that year. If the adhoc payment is found to be higher than the amount actually payable by the Board, the excess remitted will be adjusted against the payment to be made in the following month.

6. CUSTOMS AND EXCISE DUTY

6.1 CUSTOMS DUTY

The Board imports equipments and goods required for use from time to time. On these, the Board has to pay customs duty as applicable.

It may also be noted that the Board can hire warehouse with the customs offices (these are referred to as “customs Bounded Warehouses”) and stock the imported items there. The customs duty needs be paid only when the items are taken out of these warehouses for use. The policies regarding the treatment of customs duty is elaborately provided in the manual on capital expenditure and fixed assets.

6.2 EXCISE DUTY

Excise duty is payable on manufactured goods as defined in the Excise Tariff Rules.

PART II REPORTS AND RETURNS

CHAPTER 3 INTERNAL CONTROL AND INTERNAL AUDIT

1. Following Internal auditing areas are discussed in this chapter
 1. Inter unit accounting
 2. Restructuring Account
 3. Taxation
 4. Financial Statements
 5. Technical Particulars and statistical audit

2. INTER UNIT ACCOUNTING – AUDIT
 - 2.1 Inter unit accounting and inter unit reconciliation are of great importance. Hence it is given as a separate programme specifically to make sure that recording and processing of these accounts are properly carried out.
 - 2.2 Inter unit accounting are classified into certain account groups which are given in the chart of accounts.
 - 2.3 A specimen audit programme for inter unit accounting is given below:
 - a. Inter unit transfer note
 - preparation
 - supporting documents
 - amount
 - account codes
 - b. Journal Entry Vouching
 - c. Subsidiary Ledgers
 - posting
 - totalling
 - carrying forward etc.
 - schedule extraction
 - d. Reconciliation
 - preparation of statement of account
 - confirmation with other Account Rendering Units
 - disposal of differences
 - e. Schedules (sent to Head Office)
 - compare with the subsidiary ledger
 - totals
 - comparison with previous month

NOTE: Any delay in reconciling should be reported and it should be strictly watched and followed up.

3. RESTRUCTURING ACCOUNT – AUDIT

Board has introduced a restructuring account for restating the past balances. This is in addition to the restructuring account required for the retrospective adjustment for interest and depreciation required by the Electricity (Supply) (Annual Accounts) Rules, 1985.

- (1) Auditors should verify that the balances under the Restructuring Account have been properly restated.
- (2) Transfer Note for the balances received from the Head Office should be compared with the ledgers. Head Office balances in the books of the ARU should not be attested without the approval of the Head Office.
- (3) Restating of the balance into new account codes should be verified to see that classifications are correctly done.
- (4) Restatement is permitted to the extent of the reconciled balances. Unreconciled balances in no case shall be restated.

4. TAXATION

4.1 Auditing of various taxes/duties is a part of the internal audit. Various taxes payable by the Board include the following:

- Income Tax of Employees
- Income Tax of Contractors
- Income Tax of Board
- Sales Tax
- Customs Duty
- Excise Duty
- Electricity Duties and other levies
- Inspection Fee
- Stamp Duties

(Mortgaging by employees/by Board, purchase of property etc).

4.2 Auditing of these areas are governed by various legal provisions.

4.3 Broadly the areas requiring attention are

- assessee
- assessment

- collection of taxes
- accounting provision/entries
- payment

5. FINANCIAL STATEMENTS

5.1 Financial statements include the following

- trial balance
- revenue accounts
- net revenue and appropriation account
- balance sheet
- source and uses of funds
- statement of technical particulars
- other schedules

5.2 The auditing process should ensure that the schedules together with supporting statements are received in time

5.3 The figures in the supporting statements should agree with the figures provided in the schedules.

5.4 The figures in the schedules should agree with the trial balance

5.5 The trial balance will not have the credit and debit balance for the same account head. It will have only either debit or credit balance. The trial balance have to be checked for the adherence of this. Also verify the extraction of trial balance.

5.6 For those accounts the balances of which are transferred to H.O. there should not be any closing balance in the accounts of ARU unless otherwise details are provided.

5.7 The balance of cash (both bank and cash) on hand as indicated in the statements should be keenly watched for very heavy balances.

5.8 Accounts which are compiled at H.O. together with the records are to be verified.

5.9 Financial statements should be technically evaluated using standard accounting tools such as:-

- number of months stock holding
- number of months accounts payable

- number of months accounts receivable
- comparison with previous months'/previous years'/budget
- average revenue realisation and matching with tariff
- consumer number and category – sectionwise
- local purchases schedules
- compliance with accounting policies and accounting principles
- WIP schedule and capitalisation
- Expenses analysis and capitalisation
- miscellaneous receipts analysis
- provisions created
- notes to accounts
- self financing ratios
- debt equity ratios
- operating ratios
- return on capital employed

5.10 At the year end, special emphasis should be given for appropriately cutting off documents number and verifying whether all the documents upto and inclusive of that number have been accounted for.

5.11 Confirmation/Certificates of balances should be obtained periodically and/or at year end for the following accounts.

- a. Bank balances - Certificate from all Banks at the yearend. Bank may give the balances in their own form or specimen form in this manual may be used.
- b. Imprest balances - Balance confirmation should be obtained from all imprest holders invariably at the year end.
- c. Balances in the accounts of Debtors, Creditors, Advances, Deposits given, certain category consumers etc., - should be confirmed at the year end (or periodically on a continuous basis). If possible cent percent balance confirmation may be attempted. However, selective basis confirmation of balances will also serve the purpose. Selection of parties should be on a scientific basis keeping certain criteria such as
 - parties with nil balances
 - parties with balances but no transactions for a long period
 - parties with large balances
 - parties with heavy transactions, etc.

6. TECHNICAL PARTICULARS AND STATISTICAL AUDIT

- 6.1 As per the requirement of Annual Account Rules, memoranda accounts are to be prepared for the physical quantity of electricity generated, imported, exported, auxiliary consumption and unit sold in a special way.
- 6.2 Auditors are expected to verify the above and based on this, examine the cost of production, loss of energy and average realisation per unit sold.
- 6.3 Board gives various statistical reports. The authenticity of the same is to be audited.

PART	III ANNUAL STATEMENT OF ACCOUNTS
CHAPTER 1	ANNUAL ACCOUNT RULES (THE ELECTRICITY (SUPPLY) (ANNUAL ACCOUNTS) RULES 1985)

This chapter contains extracts from The Electricity (Supply) (Annual Accounts) Rules 1985. The chart of Accounts is separately dealt in detail in Commercial Accounting System Manual – Vol. VII. The accounting principles, policies and procedures are given in the manuals covering the respective areas. However, extracts of matters not covered in any other manuals are given in this chapter.

CONTENTS

- I. COMPILATION OF ANNUAL ACCOUNTS
 1. Accounting period
 2. Timing for compilation and submission of annual accounts
 3. Form and contents of Annual Statements of accounts
 4. Chart of Accounts
 5. Basic accounting principles and policies
 6. Disclosure of accounting policies
 7. Accounting policies for transactions not covered by Annexure II
 8. Criteria for departure from the prescribed accounting policies
 9. Adjusting Entries.
- II. ADOPTION OF ANNUAL ACCOUNTS

ANNEXURE I - ANNUAL STATEMENT OF ACCOUNTS

PART I - STATEMENTS

Statement No.	Title
1.	Revenue Account
2.	Net Revenue and Appropriation Account
3.	Balance Sheet
4.	Statement of Accounting Policies
5.	Notes to Accounts
6.	Function-wise Analysis of Revenue and Expenses
7.	Sources and Uses of Funds
8.	Statement of Capital Base and Surplus (under Section 59 of the Electricity (Supply) Act, 1948)
9.	Statement of Technical Particulars

PART II—SCHEDULES TO THE REVENUE ACCOUNT

1. Revenue from Sale of Power
2. Element-wise Analysis of Revenue
3. Average Realisation from Sale of Power
4. Revenue Subsidies and Grants

5. Other Income
6. Purchase of Power
7. Generation of Power
8. Repairs and Maintenance
9. Employee Costs
10. Administration and General Expenses
11. Depreciation and Related Debits (Net)
12. Interest and Finance Charges
13. Interest and Finance Charges Capitalised
14. Other Expenses Capitalised
15. Other Debits
16. Extra-ordinary Items
17. Provision for Income-tax

PART III — SCHEDULES TO THE BALANCE SHEET

18. Net Prior Period Credits/Charges
19. Fixed Assets and Provision for Depreciation
20. Function-wise Break-up of Fixed Assets
21. Capital Expenditure in Progress
22. Assets not in Use
23. Deferred Costs
24. Intangible Assets
25. Investments
26. Total Current Assets
 - 26 (a) Stocks
 - 26 (b) Receivables against Supply of Power
 - 26 (c) Cash and Bank Balances
 - 26 (d) Loans and Advances
 - 26 (e) Sundry Receivables
27. Security Deposits from Consumers
28. Other Current Liabilities
29. Subsidy Receivable from Government
30. Borrowings for Working Capital
31. Payments due on Capital Liabilities
32. Capital Liabilities
33. Funds from State Government
34. Contributions, Grants and Subsidies towards Cost of Capital Assets
35. Reserves and Reserve Funds

ANNEXURE II - BASIC ACCOUNTING PRINCIPLES**I. COMPILATION OF ANNUAL ACCOUNTS**

1. Accounting Period —The accounting period for which the annual accounts have to be compiled by a Board shall be a period of twelve calendar months ending on the 31st day of March every year or in the case of the first accounts a shorter period commencing on the date of constitution of the Board and ending on the immediately following the 31st day of March.
2. Compilation and submission of annual accounts - Every Board shall at the end of each financial year, compile its annual accounts for that year, and, within six months from the end of such financial year, submit the said Annual Accounts and auditors' report thereon to the Central Electricity Authority and to the concerned State Government.
 - (2) The accounts when submitted to the Central Electricity Authority and to the State Government shall have the auditors' report at the top followed by Annual Statement of Accounts arranged in the order mentioned in sub-rule (1) of rule 5.
3. Form and contents of Annual Statement of Accounts:-
 - (1) The Annual Statement of Accounts of a Board shall comprise of the following Statements and Schedules arranged in the order given below:-

Statement No.	Title
1.	Revenue Account
2.	Net Revenue and Appropriation Account
3.	Balance Sheet
4.	Statement of Accounting Policies
5.	Notes to Accounts
6.	Function-wise Analysis of Revenue and Expenses
7.	Sources and Use of Funds
8.	Statement of Capital Base and Surplus (under Section 59 of the Act, and
9.	Statement of Technical Particulars

- (2) The Annual Accounts shall present a true and fair view of the financial position of the Board at the end of the financial year and of the results of the operations of the Board for that year.
4. Chart of accounts:—
 - (1) The Chart of Accounts shall come into force with effect from the date of commencement of these rules. The transactions of a Board which take place after the said date shall, subject to rule 11 be accounted, for under the account heads provided in the Chart of Accounts (Refer CAS Vol-VII Chart of Accounts).

- (2) A Board may, in accordance with the provisions make additions or modifications to the Chart of Accounts if the local conditions or procedures so warrant.
5. Basic accounting principles and policies —
 - (1) The transactions of a Board shall be accounted in accordance with the basic accounting principles and policies laid down in Annexure II.
 - (2) The said basic accounting principles and policies shall be adopted immediately on the commencement of these rules
 - (3) The basic accounting principles and policies shall be applied only prospectively, that is to say, only to the transactions which take place on the commencement of these rules.
6. Disclosure of accounting policies — A Board shall, in its Annual Accounts, include a Statement of accounting policies (Statement 4) confirming adherence to the prescribed accounting policies and also stating therein the departures, if any, made therefrom.
7. Accounting policies for transactions not covered by Annexure II:-
 - (1) A Board shall adopt commercial accounting system of year-end accruals even in respect of transactions for which no specific policy is prescribed in Annexure. The accounting policy adopted in such cases shall be stated in the statement of accounting policies, if the amounts involved are significant.
 - (2) Even the accounting policies other than the prescribed policies applied to a Board's peculiar transactions in accordance with sub-rule (1) above shall be so applied consistently from year to year.
 - (3) In the event of several or all the Boards commencing new activities of the nature not hitherto carried out, the Central Government shall, in consultation with the Comptroller and Auditor General of India and the concerned State Governments, upon intimation or knowledge thereof, lay down wherever considered necessary the accounting policies relating to the transactions arising from the said new set of activities. Appropriate account heads may be specified by the Central Government for booking such transactions. Disclosure requirement for reporting of such transactions in Annual Accounts shall also be laid down by the Central Government in consultation with the Comptroller and Auditor General of India and the concerned State Governments
8. Criteria for departure from the prescribed accounting policies –
 - (1) Board may make a departure from the prescribed accounting policies only in the following circumstances, namely:-
 - (a) situations in which, for reasons to be recorded in writing, the prescribed accounting policies are considered impracticable or unnecessary:
 - (b) by adoption of the prescribed accounting policies, the Board's accounts would fail to give a true and fair view.
 - (2) Any departure from the prescribed accounting policies or change in respect of the accounting policies adopted by the Board under sub-rule (1) of rule 9 shall be disclosed in a Board's annual accounts for the year of departure or change as also for the first two years immediately thereafter. Such disclosure shall also include the reasons for the said departure or on change and its effect on the surplus for the year on capital base to be considered for the purposes of computation of the minimum surplus under section 59 of the Act.

- (3) Where the departure from the prescribed accounting policies referred to in sub-rule (2) above involves deviation from the account heads as prescribed in the Chart of Accounts or introduction of new accounts heads, the fact shall be reported to the Central Government and the Comptroller and Auditor General of India.

9. Adjusting Entries - The Board may make any adjusting entries in its accounts for the financial year ending on the thirty first day of March, 1986, to make such accounts conformable to the provisions of these rules.

II. ADOPTION OF ANNUAL ACCOUNTS

Adoption of annual accounts by the Board –

- (1) Annual accounts of a Board shall be considered and initially adopted by the Board before their submission for audit to the Comptroller and Auditor-General of India or to any other person authorised by him in this behalf.
- (2) These accounts shall, upon completion of the audit by the aforesaid authority and after incorporating therein any changes necessitated be considered and finally adopted by the Board.

ANNEXURE – 1

PART 1 — STATEMENTS

ANNUAL STATEMENTS OF ACCOUNTS

STATEMENT 1

(A) REVENUE ACCOUNT		(Rs. in Lakhs)	
Schedule Note		This Year	Previous Year
Units sold in (millions)			
INCOME			
1*	Revenue from Sale of Power	-	
4	Revenue Subsidies and Grants	-	
5	Other Income	-	
	TOTAL		
EXPENDITURE			
6	Purchase of Power	-	
7	Generation of Power	-	
8	Repairs and Maintenance	-	
9	Employee Costs	-	
10	Administration and General Expenses	-	
11	Depreciation and Related Debits (Net)	-	
12	Interest and Finance Charges	-	
	Sub-total	-	
Less: Expenses Capitalised :			
13	Interest and Finance Charges Capitalised	-	
14	Other Expenses Capitalised	-	
	Sub-total	-	
15	Other Debits	-	
16	Extra-ordinary item	-	
	TOTAL	-	
PROFIT (LOSS) BEFORE TAX			
17	Provision for Income-tax	-	
PROFIT (LOSS) AFTER TAX			
18	Net Prior Period Credits / (Charges)	-	
SURPLUS (DEFICIT)		-	
Surplus as a percentage of the value of fixed assets of the Board in service at the beginning of the year			
Minimum specified by the State Government			
Actual			
Minimum surplus specified by the State Government for 20..... 20..... (subsequent year) is		%	%

Schedules 2 and 3 relate to Element-wise Analysis of Revenue and Average Realisation from Sale of Power respectively.

(B) NET REVENUE & APPROPRIATION ACCOUNT (Rs. in Lakhs)

NOTE	This Year	Previous Year
Balance brought forward from last year		
Surplus (Deficit) from Revenue Account		
CREDITS		
Transfer from General Reserve		
APPROPRIATIONS		
Contributions to Reserve and Reserve Funds		
*— Sinking Fund for Repayment of Borrowings		
— General Reserve		
BALANCE CARRIED FORWARD		

*Operation of this account may be held in abeyance

STATEMENT 3

(C) BALANCE SHEET (Rs. in Lakhs)

Schedule Note	As at 31 st March this year	As at 31 st March Previous year
NET ASSETS		
19*	Net Fixed Assets	-
	Gross Block	-
	Less: Accumulated Depreciation	-
	Net Fixed Assets	-
21	Capital Expenditure in Progress	-
22	Assets not in Use	-
23	Deferred Costs	-
24	Intangible Assets	-
25	Investments	-
	Net Current Assets	
	Total Current Assets	-
	Less:	
26	Total Current Liabilities;	
	Security Deposits from Consumers	-
	Other Current Liabilities	-
27	Total Current Liabilities	
28	Net Current Assets	
29	Subsidy Receivable from Government	-
NET ASSETS		

FINANCE BY		
30	Borrowings for Working Capital	-
31	Payment due on Capital Liabilities	-
32	Capital Liabilities	
33	Funds from State Government	-
34	Contributions, Grants and Subsidies towards Cost of Capital Assets	-
35	Reserves and Reserve Funds	-
	Surplus/ (Deficit)	
TOTAL FUNDS		-
*Schedule 20 relates to Function-wise Break-up of Fixed Assets.		

(D) STATEMENT OF ACCOUNTING POLICIES	STATEMENT 4
--------------------------------------	-------------

1. Statement on Compliance with the Provisions of the Electricity (Supply) Act. 1948 and the Rules made thereunder

The Board has maintained its accounts and compiled its Annual Statement of Accounts in accordance with the related provisions of the Electricity (Supply) Act, 1948 and the Rules made thereunder:

The following departures from the Basic Accounting Principles and Accounting Policies (as permitted under the Rules) have been made for the reasons stated thereagainst:

- (a) (b) (c)

2. Changes in Accounting policies

The accounting policies adopted by the Board have been essentially followed during the year, except for the changes in the following areas:

(For each change in the accounting policy, state

- policy followed hitherto
- policy adopted during the year
- the amount, if material, by which any item in the Revenue account, Net Revenue and appropriation account or Balance Sheet, has been affected by the change. For this purpose, a plus/minus change of 3% or more shall be considered to be material).

(E) NOTES TO ACCOUNT	STATEMENT 5
----------------------	-------------

Notes to accounts are an important requirement in providing a true & fair view. Notes must be as clearly worded as possible and be able to fully convey the matter without any ambiguity. Amounts involved must be given wherever relevant.

Notes should be split into 2 sections:

- (A) Notes to Revenue Account and Net Revenue & Appropriation Account and
- (B) Notes to Balance Sheet

Wherever a note relates to items in both the sections, the note should be given in the Section for Revenue Account.

Cross reference of note number should be given against the relevant item in the Revenue Account, Net Revenue & Appropriation Account, Balance Sheet or any of the other Statements or Schedules. Similarly, relevant Schedule number/Statement number should also be stated against the note.

The matters included in the attached list must be disclosed in 'Note to Accounts' by every board except in cases where any of them are not applicable to a Board. This list however is not intended to be an exhaustive list and, therefore, a Board would have to select other matters for which a note would be essential in the Annual Accounts.

Explanation of Certain Terms used in the Notes to Accounts

- (1) Note 1 refers to 'Contracts placed but not executed and not provided for.' This term means:

The total value of work contracted as on the date of the Balance Sheet

Less:

Contract value of work which is executed and accounted for (i. e. either paid for or a liability in favour of the supplier/contractor having been provided for) as on that date.

Less:

Amount of advance payments (made against the unexecuted portion of contract) which remains unadjusted as on the date of the Balance Sheet.

The word 'contract' for the purpose of this note covers all types of capital contracts, such as contracts for capital supplies, contracts for erection of capital assets, contracts for supply-cum erection of capital assets etc. contract value of which exceeds Rs.1 crore each.

- (2) Notes 3 and 4 below refer to 'unconditional obligations for purchase and unconditional right of sale of power'.

An 'unconditional purchase obligation' is any arrangement for purchase of power from other bodies which is non-cancellable or is cancellable only.

- upon the occurrence of some remote contingency or
- with the permission of the other party or
- If a replacement agreement is signed between the same parties or
- upon payment of a penalty of such an amount that the continuation of the agreement appears reasonably assured.

What is ‘unconditional purchase obligation’ for the purchasing party is ‘an unconditional right of sale’ for the selling party.

- (3) Notes 3 and 4 distinguish unconditional purchase obligations “with financing arrangement” from others. Unconditional purchase obligations “with financing agreement” means the purchase arrangement of the type described in (2) above which was negotiated as part of financing for the facilities (generating station, transmission lines etc.) that will provide the contracted power. Example of such an arrangement is financing of NTPC projects by the World Bank subject to NTPC entering into agreements with State Electricity Boards for purchase of power to be generated by NTPC.

MATTERS TO BE DISCLOSED IN ‘NOTES TO ACCOUNTS’

	End of This year	End of Previous year
	Rs.	Rs.
1. Commitments for Capital Expenditure		
Contracts placed but not executed and not provided for		
Works Authorised but not contracted		
Total		
2. Aggregate amount of Capital Liabilities falling due for Repayment/Redemption - next year		
3. Unconditional Obligations for Purchase of Power		
- With Financing Arrangement		
- Others		
4. The disclosure shall include information referred to in note 3 above for purchase obligations.		
5. In respect of Contingent Liabilities which are in excess of 1 crore each in value. Board shall disclose the total amount contingently payable if the liabilities were to become actual liabilities as of the date of the Balance Sheet.		
6. Lien etc. on Board’s assets		
7. Conditions, if any, remaining unfulfilled as on the date of the Balance Sheet for government grants etc. though the grant is received.		
8. Board’s assets, whether adequately insured or not.		
9. Accumulated losses and unabsorbed depreciation and investment allowance as at the year-end in the income-tax proceedings.		
	This year	Previous year
	MT	MT
10. Coal Receipts, Consumption and Stock’s Quantities		
Opening Stock	—	—
Gross Receipts	—	
<i>Less</i> : Transit Loss		

	This year	Previous year
	MT	MT
Net Receipts	—	
Opening Stock plus Net Receipts	—	
Less: Consumption	—	
Closing Stock	—	

11. Amount of Liability for customs duty on capital equipment, spares and other materials in Bonded Warehouse which is not provided for.

12. Classification of Expenditure;

“All expenses are reflected in Revenue Account under natural heads. Accordingly expenses shown under Purchase of Power, Generation of Power or Repairs and Maintenance do not include any employee costs, depreciation, administration and general expenses and interest and finance charges which are disclosed separately”.

13. Revenue Account includes the following costs and revenue at trial stage in respect of the undermentioned generating stations, incurred after the capitalisable period i.e., Full period of trial stage or the period of three months from the commencement of trial stage (whichever is shorter):

- (1) Location of Generating Station
- (2) Capacity
- (3) Period of trial stage
- (4) Units generated, auxiliary consumption and net generation during the trial stage
- (5) Revenue from sale of power generated during trial stage (Total less : Capitalised = Charged to Revenue A/c)
- (6) Costs incurred during trial stage — (item wise break-up) (total less : Capitalised = Charged to Revenue A/c)

14. Revenue Account includes the following continuing expenses relating to the undermentioned closed Power Stations, Lines, Sub-Stations etc.

- (1) Details of the closed Power Station/Line/Sub-Station
- (2) Date of Closure
- (3) Total expenses incurred since closure Rs..... of which Rs..... is incurred during the year
- (4) Break-up of expenses into Employee Costs, Repairs and Maintenance, Administration

15. Note regarding reasons for extremely abnormal increase /decrease in the value of items in Annual Accounts as compared to those in the previous year.
16. Take-over of Licensee, broad details of assets and liabilities taken over, mortgages etc. of the assets not released upto the Balance Sheet date, compensation paid/payable and disputes, if any, raised by the licensee regarding the take-over, compensation or other matters.
17. Generation, Purchase and sale of Power (in million units)

	THIS YEAR			PREVIOUS YEAR		
	Units Generated	Auxiliary Consumption	Net	Units Generated	Auxiliary Consumption	Net
Thermal	x	x	x			
Hydel	x	x	x			
Gas	x	x	x			
Purchase			x			x
Sale			x			x
T & D Losses	Units & %			Units & %		

18. Generating Stations

	<u>Location</u>	<u>Capacity</u>
A. Plants in operation since the beginning of the year		
B. Plants commissioned during the year		
C. Plants decommissioned during the year		

19. Purchase, Issues and Stocks of Materials (Value recorded in Account heads 22.2 to 22.6 should be disclosed here)

	Balance in Account code	This Year	Previous Year
(A) Opening Stock		Rs.	Rs.
- Capital	22.60 & 22.61	x	
- O & M	22.62 & 22.63	x	x
Total			
(A) Purchases			
- Capital	22.20 & 22.21	x	
- O & M	22.22 & 22.23	x	x
Total			x
(C) Opening Stock Plus purchases			x

VOL IX — INFORMATION SYSTEM

		Balance in Account code	This Year	Previous Year
			Rs.	Rs.
(D)	Issues for Consumption			
	- Capital	22.30 & 22.31	x	
	- O & M	22.32 & 22.33	x	x
	<u>Total</u>			
(E)	Issued to Contractors			
	- Issues	22.34 & 22.35	x	x
	- Returns	22.36 & 22.37	x	
	<u>Net issues</u>			x
(F)	Opening Issues (D + E)			
(G)	Closing Stock			x
	- Capital	22.60 & 22.61	x	
	- O & M	22.62 & 22.63	x	
	<u>Total</u>		x	
	Transfer Inward	22.40 & 22.41	x	
	Transfer Outward	22.42 & 22.43	x	

20. Reconciliation of Receivables against Sale of Power

		Account code	This Year	Previous Year
			Rs.	Rs.
(A)	Opening Balance			
		23.1	x	
		23.2	x	
		23.4		
		23.5		
		23.6		
		23.7	x	
				x
(B)	Revenue from Sale of Power			
		61.1	x	
		61.2	x	
		61.3		
		61.6		
		61.7		
		61.9		
(C)	Total Electricity Duty and other Levies Charged	61.501 to 61.539		

VOL IX — INFORMATION SYSTEM

		Account code	This Year	Previous Year
			Rs.	Rs.
(D)	Delayed Payment Charges	62.250	x	
(E)	Total Debits (B to D)			x
(F)	Total (A + E)			x
(G)	Collections from Consumers	23.3	x	
(H)	Discount to Consumers for Timely Payment of Bills	78.820 to 78.839	x	
(I)	Bad Debts Written-off	79.410	x	
(J)	Security Deposits from Permanently Disconnected Consumers adjusted	-	x	
(K)	Total Credits (G to J)			x
(L)	Closing Balance (F — K)			x
(M)	Break-up of Closing Balance	23.1		
		23.2		
		23.4		
		23.5		
		23.6		
		23.7		
(N)	Increase/Decrease in Receivables (A — L)			
21.	Bases of determining quantities of Fuel Receipts, Consumption and Stocks at Power Stations of the Board.			

(F) FUNCTION-WISE ANALYSIS OF REVENUE AND EXPENSES**STATEMENT 6**

Sr.No.	Item	Function (See Note 1 below)	GENERATION					Trans- mission	Cons- truction	DISTRIBUTION				Stores Organisation	Management & Administration	Grand Total
			Hydel	Thermal	Gas	Total			HV	MV & LV	Public- Lighting	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
REVENUE																
1.	Revenue from Sale of Power															
2.	Revenue Subsidies and Grants (See Note 3)															
3.	Other Income (See Note 3)															
4.	TOTAL INCOME															
EXPENSES																
1.	Purchase of Power (Put it in total column)															
2.	Generation of Power															
	— Fuel Consumption															
	— Other Fuel related costs															
	— Operating Expenses															
	Sub-total															
	— Fuel related Losses															
	Total															
3.	Repairs and Maintenance															
4.	Employee Costs															
5.	Administration and General Expenses															
6.	Depreciation and Related Debits (Net)															
7.	Interest and Finance Charges															
8.	Total Expenses															
9.	Less: Expenses Capitalised															
10.	Add: Expenses Re-allocated															
11.	NET EXPENSES															
NOTES:-																
	(1)	The functions shown in this schedule are only illustrative. Actually the analysis would be for those functions which are incorporated in the Location Codes assigned to accounting units.														
	(2)	To be shown in the column of the function the subsidy / grant relates to.														
	(3)	This being the income accounts group for different types of income including miscellaneous receipts, each function is likely to have some amount of some income.														

STATEMENT 7

(G) SOURCES AND USES OF FUNDS		(Rs.in lakhs)		
Note	Sr. No.	Particulars	THIS YEAR	PREVIOUS YEAR
		FUNDS PROVIDED BY		
		Profit before tax (excluding Revenue Subsidies and Grants)	X	X
		Less: Tax payments during the year	X	
		Add: Debits to Revenue Account not requiring Cash Outlay		
		— Depreciation	X	
		— Amortisation of deferred costs	X	
		— Amortisation of intangible assets	X	X
		Less: Credits to Revenue Account not involving cash receipts	X	
			X	
			X	
			X	X
		Net Funds from Earnings		X
		Receipts of Revenue Subsidies and Grants		X
		Contributions, Grants and Subsidies towards cost of capital assets		X
		Proceeds from disposal of fixed assets		X
		FUNDS FROM OPERATIONS		X
		Increase/(Decrease) in Working Capital		
		— Stocks	X	
		— Receivables against Supply of Power	X	
		— Loans & Advances	X	
		— Sundry Receivables	X	
		— Sub-total	X	
		— Security Deposit from Consumers	X	
		— Current and Accrued Liabilities	X	
		Net Increase/Decrease in Working Capital		X
		Increase / Decrease in Cash and Bank Balances		X
		Increase / Decrease in Borrowings for Working Capital		X
		FUNDS UTILISED ON WORKING CAPITAL		X
		NET FUNDS FROM OPERATIONS		X
		FUNDS UTILISED ON CAPITAL EXPENDITURE		
		On Projects (Refer Annexure to Statement 7 for Projectwise break-up)		X
		Intangible assets		X
		Deferred costs		X
		TOTAL CAPITAL EXPENDITURE		
		SHORTFALL IN CAPITAL FUNDS MET FROM EXTERNAL SOURCES		

NET INCREASE/(DECREASE) IN CAPITAL		
LIABILITIES		
Fresh Borrowings		
State Loans	x	
Foreign Currency Loans/Credits	x	
Other Borrowings	x	
Less: Repayments		
State Loans	x	
Foreign Currency Loans/Credits	x	
Other Borrowings	x	
Increase/ (Decrease) in Payments Due on Capital Liabilities	x	x
Net Increase/(Decrease) in Capital Liabilities		x
NET (INCREASE) / DECREASE IN INVESTMENTS		x
NET CAPITAL FUNDS FROM EXTERNAL SOURCES		x
Net Funds from Operation as a percentage of Total Capital Expenditure		%

(G-1) PROJECT-WISE ANALYSIS OF CAPITAL EXPENDITURE

Annexure to Statement 7

Project Code	Brief Description of Project	Total Project Cost		Cost upto the end of the Previous Year	Cost Incurred during this Year	Total cost upto the end of this year
		Original Sanction	Revised Sanction			
	GENERATION					
	Sub-total (A)					
	TRANSMISSION LINES & SUB-STATIONS (B)					
	Sub-total (B)					
	RURAL ELECTRIFICATION ©					
	OTHER PROJECTS (D)					
	Sub-total (D)					
	Total (A to D)					
	Construction machinery not covered by any Project					
	Revenue expenses capitalised					
	Provision for Works completed					
	GRAND TOTAL					

Notes : (1) Cost incurred this year does not include the –

Increase /decrease in following balances as compared to these balances at the end of previous year

Increase/ (decrease) in advances for capital supplies/capital Works Rs. _____

Increase/ (decrease) in capital stores at construction locations Rs. _____

(Increase)/ decrease in liability for capital supplies/capital works Rs. _____

NET Rs. _____

- (2) In the capital expenditure on take—over of licensee mentioned in project code
above Compensation paid in cash is Rs. _____
- and
- Compensation in form of Bonds/Debenture is Rs. _____

STATEMENT 8

(H) STATEMENT OF CAPITAL BASE AND SURPLUS [under Section 59 of the Electricity (supply) Act, 1958]				
Sr. No.	Particulars	Schedule	At the beginning of this year	At the beginning of previous year
1.	Original Cost of Fixed Assets	19		
2.	Less : Accumulated Depreciation	19		
3.	Net Block (1 – 2)			
4.	Consumer's Contribution	34		
5.	CAPITAL BASE (3 – 4) (i.e. Value of Fixed Assets in Service at the beginning of the year under Section 59)			
Sr. No.	Particulars		This year	Previous year
6.	SURPLUS (under Section 59)			
7.	Surplus as a % of Capital Base (under Section 59)		%	%

STATEMENT 9

(I) STATEMENT OF TECHNICAL PARTICULARS				
Sr. No.	Particulars		This year	Previous year
1.	Installed Generating Capacity (in MW) at the year end			
	Hydel			
	Thermal			
	TOTAL			
2.	Normal Maximum Demand on the system (in MW)			
	(a) Restricted			
	(b) Unrestricted			
3.	Plant Capacity available at the time maximum system demand was met (as a % of Declared Net Capacity of generating stations)		%	%

4.	Plant Load Factor			
5.	Generation (in Million KWH)			
	Hydel			
	Thermal			
		TOTAL		
6.	Auxiliary Consumption (in Million KWH)			
7.	Power Purchases (in Million KWH) Sources			
		TOTAL		
8.	Power available for Sale (in Million KWH) (5 - 6+7)			
9.	Power Sold (in Million KWH)			
10.	Transmission & Distribution Losses			
	— in Million KWH (8 - 9)			
	— As a % of total power available for sale		%	%
11.	Fuel			
	(a) Consumption (in MT)			
	Coal			
	RFO/FO			
	LD Oi/HSD			
	(b) Average Calorific Value per kg of Fuel Consumed (in K. Cal/Kg)			
	Coal			
	RFO/FO			
	LD Oi/HSD			
	(c) Consumption per Unit of Generation (in Kg/KWH)			
	Coal			
	RFO/FO			
	LD Oi/HSD			

Sr. No.	Particulars	This Year		Previous Year	
		No. of Consumers	Connected Load in MW	No. of consumers	Connected Load in MW
12.	Sale of Power				
	Consumer Category				
	(i) Domestic				
	(ii) Commercial				

- (iii) Public Lighting
- (iv) Irrigation and Dewatering
- (v) Public Water Works
- (vi) Industrial (LT/HT, Power-Intensive, Special)
- (vii) Railway Traction
- (viii) Bulk Supply
- (ix) Outside Supplies
- (x) Miscellaneous

TOTAL

Note: Wherever appropriate indicate % Increase/Decrease over the previous year in brackets

PART II

SCHEDULE TO THE REVENUE ACCOUNT

REVENUE FROM SALE OF POWER			SCHEDULE 1	
Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
1	2	3	4	5
1.		Consumer		
2.		categorywise/		
3.		sub-accounts		
4.		under main		
.		accounts 61.2		
.		and 61.3 and		
.		consumerwise		
.		sub-accounts		
.		under main		
15		account 61.1		
Total Revenue				
16.	Electricity Duty Recovery	61.501 to 61.519		
17.	Other State Levies Recovery	61.521 to 61.539		
18.	Meter Rent / Service Line Rental	61.6		
19.	Recoveries for Theft of Power/Malpractice	61.7		
20.	Sub-total			
21.	Wheeling Charges Recoveries	61.8		
22.	Miscellaneous charges from Consumers	61.9		
23.	GROSS REVENUE FROM SALE OF POWER			
24.	Less: Electricity Duty Payable (Contra)	61.541 to 61.559		
25.	Other State Levies Payable (Contra)	61.561 to 61.579		
26.	TOTAL			

ELEMENT-WISE ANALYSIS OF REVENUE			SCHEDULE 2	
Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
REVENUE				
	Demand charges	Last digit of the sub-accounts for each consumer category grouped by element		
	Energy Charges			
	Fuel Cost Adjustment Charge			
	Power Factory Surcharge			
	Adjustment to Past Billings			
TOTAL				

ELECTRICITY DUTY & OTHER STATE LEVIES	
Electricity Duty Recovery	61.501 to 61.519
Other State Levies Recovery	61.521 to 61.539
TOTAL EXCISE	
METER RENT/SERVICE LINE RENTAL	
	61.6
RECOVERIES FOR THEFT OF POWER/ MALPRACTICES	
	61.7
WHEELING CHARGES RECOVERIES	
	61.8
MISCELLANEOUS RECOVERIES	
Fuse Charges	Sub-accounts under 61.9
TOTAL MISCELLANEOUS RECOVERY	
	61.9
GROSS REVENUE FROM SALE OF POWER	
Less: Electricity Duty Payable (Contra)	61.551 to 61.559
Other State Levies Payable (Contra)	61.561 to 61.579
TOTAL	

AVERAGE REALISATION FROM SALE OF POWER

SCHEDULE 3

Previous Year						This Year			
Units sold						Units sold			
No. of Consumers	Units	% of Total Units sold	Average Realisation in paise per unit	Sr. No.	Consumer Category	No. of Consumers	Units	% of Total Units sold	Average Realisation in paise per unit
		100%			TOTAL			100%	

Average realisation from each category of consumers should be computed as follows:

- Revenue from Sale of Power to the Consumer Category
- Plus Electricity Duty and other State Levies Recovery from that Category
- TOTAL divided by the number of unit sold to that category.

REVENUE SUBSIDIES AND GRANTS		SCHEDULE 4	
Particulars	Account code	This Year	Previous Year
		Rs.	Rs.
		Each of the sub-accounts under main account 63-1	
TOTAL			

OTHER INCOME			SCHEDULE 5	
Sr. No.	Particulars	Account code	This Year	Previous Year
			Rs.	Rs.
1.	Interest on Staff Loans and Advances	62.210 to 62.219	x	
2.	Income from Investment	62.220 to 62.239	x	
3.	Interest on Loans & Advances to Licensees	62.240	x	
4.	Delayed Payment Charges from Consumers	62.250	x	
5.	Interest on Advances to Suppliers/Contractors	62.260	x	
6.	Interest from Banks (other than on Fixed Deposits)	62.270	x	
7.	Income from Trading	62.3	x	
8.	Income from Staff Welfare Activities	62.6	x	
9.	Miscellaneous Receipts	62.9	x	
TOTAL				

PURCHASE OF POWER			SCHEDULE 6	
Sr. No.	Particulars	Account code	This Year	Previous Year
			Rs.	Rs.
1.	Power purchased	70.1		
		Each sub-account separately		
2.	Total Power purchase			
3.	Write-off of cost of acquiring rights to receive power from other bodies	70.3		
4.	Wheeling charges	70.4		
TOTAL				

VOL IX — INFORMATION SYSTEM
SCHEDULE 7

GENERATION OF POWER

Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
Fuel Consumption				
1.	Coal	71.110	x	
2.	Oil	71.120	x	
3.	Gas	71.140	x	
4.	----	to	x	
		71.199		
5.	Total (1 to 4)			x
6.	Other Fuel Related Costs	71.2 —		x
		71.3		x
		(71.4) —		x
		62.7)		
Sub-total for Fuel Cost (5 + 6)				x
Operating Expenses				
8.	Cost of Water	71.5		
	— Hydel Power		x	
	— Thermal Power		x	x
9.	Lubricants and Consumable Stores	71.6		x
10.	Station Supplies	71.7		x
11.	Sub-total for Operating Expenses (8 to 10)			x
12.	Cost of Generation of Power (7 + 12)			x
13.	Fuel Related Losses	(72.1		x
		72.2)		
		72.3		
14.	TOTAL (12 + 13)			x

REPAIRS AND MAINTENANCE

SCHEDULE 8

Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
	Repairs and Maintenance to Plant & Machinery	74.1		
	Building	74.2		
	Civil Works	74.3		
	Hydraulic Works	74.4		
	Lines, Cable Network etc.	74.5		

Sr. No	Particulars	Account code	This Year Rs.	Previous Year Rs.
	Vehicles	74.6		
	Furniture & Fixture	74.7		
	Office Equipments	74.8		
TOTAL				

EMPLOYEE COSTS

SCHEDULE 9

Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
1.	Salaries	75.1		
2.	Overtime	75.2		x
3.	Dearness Allowance	75.3	x	x
4.	Other Allowances	75.4		x
5.	Bonus	75.5		x
6.	Sub-total			x
7.	Medical Expenses Reimbursement	75.611	x	
8.	Leave Travel Assistance	75.612	x	
9.	Earned Leave Encashment	75.617	x	
10.	Payment under Workmen's Compensation Act	75.629	x	
11.	Total Other Staff Costs (7 to 10)			x
12.	Staff Welfare Expenses	75.7		x
13.	Terminal Benefits	75.8		x
TOTAL				

ADMINISTRATION AND GENERAL EXPENSES

SCHEDULE 10

Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
1.	Rent, Rates and Taxes	76.101		
		76.102	x	x
2.	Insurance	76.104 to 76.106	x	x
3.	Telephone charges Postage, Telegram and Telex Charges	76.111 to 76.112		
4.	Legal Charges	76.121	x	
5.	Audit Fees	76.122	x	
6.	Consultancy Charges	76.123	x	

7.	Technical Fees	76.124	x	
8.	Other Professional Charges	76.125		
9.	Conveyance & Travel	76.131 to 76.139		
10.	Other Expenses	76.151 to 76.190		
	Fees & Subscription		x	
	Books & Periodicals		x	
	Printing & Stationery		x	
	Advertisements		x	
	Contributions		x	
	Electricity Charges		x	
	Water Charges		x	
	Entertainment		x	
	Miscellaneous Expenses		x	
11.	Total of Other Expenses			
12.	Freight	76.210 to 76.220	x	
13.	Other Purchase related expenses	76.230 to 76.299		x
14.	Total freight and other Purchase related expenses	76.2		x
15.	TOTAL			

DEPRECIATION AND RELATED DEBITS (NET)

SCHEDULE 11

Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
1.	Depreciation	77.1 & 77.2		x
2.	Asset Decommissioning Costs	77.5		x
3.	Small and Low Value Items Written-off	77.6		x
4.	Sub-total			x
5.	Written down value of assets scrapped	77.710	x	
6.	Write-off of deficits of fixed Assets observed upon physical verification	77.720	x	

Sr. No	Particulars	Account code	This Year Rs.	Previous Year Rs.
7.	Loss on Sale of Fixed Assets	77.730	x	
8.	Total of 5 to 7			x
9.	Total Debits (4 and 8)			x
	Less:			
10.	Gain on Sale of Assets (excluding Capital Gains 62.4 Rstransferred to Capital Reserve)			x
11.	TOTAL			

INTEREST AND FINANCE CHARGES

SCHEDULE 12

Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
1.	Interest on State Government Loans	78.1		x
2.	Interest on Bonds	78.2		x
3.	Interest on Debentures	78.3		x
4.	Interest on Foreign Currency Loans/Credits	78.4		x
5.	Interest on Other Loans / Deferred Credits	Each Sub-account under 78.5 shown separately	x	x
6.	Penal Interest in respect of Capital Liabilities	78.591 to 78.599		x
7.	Interest to Consumers	78.6		
8.	Total Interest on Capital Liabilities			x
9.	Interest on Borrowings for Working Capital	78.7	x	
10.	Other Interest and Finance Charges			
11.	Discount to Consumers for Timely Payment of bills	78.820 to 78.39	x	
12.	Interest to Suppliers/Contractors	78.841 to 78.842	x	
13.	Interest on Fixed Deposits	78.850	x	
14.	Interest on Contributory Provident Fund	78.851		
15.	Interest on General Provident Fund	78.852		
16.	Other Interest	Other sub account under 78.85	—	x
17.	Cost of Raising Finance	78.861 to 78.869	—————	x

18.	Discount on issue of Bonds/Debentures	78.871	x	
19.	Premium on Redemption of Bonds / Debentures	78.873	x	x
20.	Other Charges	78.881		x
		to		
		78.889		
21.	Interest on sums paid by State Government under Guarantees	78.890		
22.	TOTAL			x

Note: The interest charges shown in the Schedule are after deducting a rebate of Rs..... earned for timely payment of interest repayment of borrowings.

INTEREST AND FINANCE CHARGES CAPITALISED

SCHEDULE 13

This Schedule shall contain the detailed working for computing the amount of capitalised interest on funds used during construction stage.

This Year

Previous Year

OTHER EXPENSES CAPITALISED

SCHEDULE 14

1.	Capitalisation of Cost of Generation during trial stage	71.9
2.	Employee Costs capitalised	75.9
3.	Administration and General Expenses capitalised	76.9
4.	Depreciation and related costs capitalised	77.9

TOTAL

OTHER DEBITS

SCHEDULE 15

Sr. No.	Particulars	Account code	This Year	Previous Year
			Rs.	Rs.
1.	Materials Cost Variance	79.1		
2.	Research & Development Expenses	79.2		
3.	Cost of Trading/Manufacturing Activities	79.3		
4.	Bad and Doubtful Debts Written off/Provided for	79.4		
5.	Miscellaneous Losses & Write-offs	79.5		
6.	Sundry Expenses	79.7		
		(each sub account separately)		
TOTAL				

EXTRAORDINARY ITEMS

Extraordinary items are defined as “Those items which arise from events or transactions outside the ordinary activities of the Board and which are both material and expected not to recur frequently or regularly. They do not include items which, though exceptional in terms of amount and occurrence (and which may therefore require separate disclosure), arise from the events or transactions within the ordinary activities of the Board. Similarly prior period items are not extraordinary items merely because they relate to a prior year.

	This Year Rs.	Previous Year Rs.
1. Extraordinary Credits (including subsidies against loss on account of flood, fire, cyclone etc. Account Head 63.2)		
I		
I		
I		
I		
Total Credit		
2. Extraordinary Debits (Losses on Account of Flood, Cyclone, Fire etc. Account Head 79.8)		
I		
I		
I		
I		
Total Debits		
3. Extraordinary items (Net)		

PROVISION FOR INCOME TAX

SCHEDULE 17

Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
	Provision for Income Tax	46.8		
TOTAL				

NET PRIOR PERIOD CREDITS/CHARGES

SCHEDULE 18

Prior period items are defined as those items which arise

- from retrospective change in the basis of accounting (it may be noted that retrospective changes in the basis of accounting should be avoided as far as possible).
- on correction of fundamental error in accounts of prior periods.
- on account of short or excess provision made in previous years

Waiver of any liability relating to revenue expense of past years (such as waiver of interest for past years by State Government in view of the Board’s weak financial position) would be treated as prior period income.

Sr. No.	Particulars	Account code	This Year	Previous Year
			Rs.	Rs.
1.	Income relating to previous years	Separately each sub-account under 65.1 to 65.9		
2.	Prior period expenses/losses	Separately for each sub-account under 83.1 to 83.9		
3.	Net Prior period credits/Charges (I – 2) or (2 – 1) as the case may be			

PART III

SCHEDULE TO THE BALANCE SHEET**FIXED ASSETS & PROVISION FOR DEPRECIATION****SCHEDULE 19**

Sr. No.	Asset Group	Account code	Gross Block				
			At the end of pre year	Additions	Deductions	Reclassification	At the end of the year*:
1.	Land & Land Rights	10.1					
2.	Buildings	10.2					
3.	Hydraulic Works	10.3					
4.	Other Civil Works	10.4					
5.	Plant & Machinery	10.5					
6.	Lines and Cable Network	10.6					
7.	Vehicles	10.7					
8.	Furniture & Fixtures	10.8					
9.	Office Equipment	10.9					
SUB -TOTAL							
10.	Capital Expenditure resulting in an asset not belonging to the Board	11.1					
11.	Spare Units/Service Units	11.2					
12.	Capital Spares at Generating Stations	11.3					
13.	Asset taken over from Licensees-pending final valuation	11.5					
TOTAL							
TOTAL for Previous Year							

- Notes: (1) Previous year's figures should be shown in brackets below each figure
- (2) Disclose by way of a note that "Gross block does not include value of small and low value assets each costing below Rs. 500 charged to Revenue Account in the year in which they are first put to use.
- Value of such assets charged to Revenue Account
- during the year Rs.....
- Total upto the Balance Sheet date (i.e. including previous years' write offs) Rs.....(*This Schedule include columns printed below too) .

Provision for Depreciation				Net block	
At the End of Previous Year	Depreciation for the year	Adjustments on Deductions	Re-classification	At the End of the Year	At the End of Previous Year

FUNCTION WISE BREAK UP OF FIXED ASSETS											SCHEDULE 20	
Gross Block						Provision for Depreciation					Net Block	
Function	At the end of the previous year	Additions	Deductions	Reclassification	At the end of the year	At the end of the previous year	Depreciation on deductions	Adjustment	Reclassification	At the end of the year	At the end of the year	At the end of the previous year
Thermal Generation												
Hydel Generation												
Transmission												
Distribution												
TOTAL												
Previous Year												

CAPITAL EXPENDITURE IN PROGRESS				SCHEDULE 21	
Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.	
1.	Capital Work-in-progress	14			
2.	Contracts-in-progress	15.1			
3.	Sub-total				
4.	Revenue Expenses Pending Allocation over Capital Works	15.2			
5.	Provision for completed work	15.5			
6.	Construction Facilities (Cost Rs. less Provision for Depreciation Rs.....)	15.6			
7.	Assets at construction stage (3 to 6)				
8.	Advances for Suppliers/Contractors (Capital)				
9.	TOTAL				

- Note:
- Under the standard rate based valuation, certain fast moving items of stores are charged to works at their standard rates and not at actual cost. For the year as a whole, the variance between the standard rate and the actual cost accumulated in Materials Cost Variance shows (an excess of standard cost over actual cost Rs.....) (an excess of actual cost over standard cost Rs.....) on the total purchases of materials (for use for both capital and O & M) recorded during the year Rs.....
 - Contracts-in-progress represents the portion of interim payments made to contractors for capital works executed in respect of which title is to pass to the Board only upon completion of the contract.
 - Depreciation on construction facilities charged to capital work during the year is Rs.....

ASSETS NOT IN USE

SCHEDULE 22

Balance in the beginning of the previous year	Additions during the previous year	Deductions during the previous year	Sr.No.	Asset Group	Account Code	Balance at the end of the previous year	Additions during the year	Deductions during the year	Balance at the end of (This year)
Rs.	Rs.	Rs.				Rs.	Rs.	Rs.	Rs.
			1.	Written down value of obsolete/Scrapped assets					
						16.1			
									Each sub-account separately disclosed
									TOTAL
TOTAL									

DEFERRED COSTS

SCHEDULE 23

Balance in the beginning of the previous year	Cost deferred during the previous year	Costs charged to revenue during the previous year	Particulars	Account Code	Balance at the end of the previous year	Cost deferred during the year	Costs charged to revenue during the year	Balance at the end of (This year)
Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.
			Deferred Revenue Expenditure		17.2			
			– Compensation for premature takeover of Licensee		17.221			
				Other sub-accounts under	17.2			
			Total Deferred Revenue Expenditure					
			Expenditure on survey/feasibility studies of projects not yet sanctioned		17.3			
Total deferred Costs 17								

INTANGIBLE ASSETS

SCHEDULE 24

Balance in the beginning of the previous year	Cost Incurred during the previous year	Costs charged to revenue during the previous year	Intangible Assets	Account Code	Balance at the end of previous year	Cost incurred during the year	Costs charged to revenue during the year	Balance at the end of this year
Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.
			Payments to acquire right to receive power from other bodies	18.100				
			Expenses for forming and organising the Board	18.200				
Total								

INVESTMENTS

SCHEDULE 25

Balance in the beginning of the previous year	Further investments during the previous year	Investments realised during the previous year	Sr.No.	Investment	Account Code	Balance at the end of the previous year	Further investments during the year	Investments realised during the year	Balance at the end of this year	Details of investments, certificates etc., pledged or given as security deposit
			1.	Investments against funds	20.1					
				Sub-total						Each sub account separately
			2.	Investments other than fund investments	20.2					
				Sub-total						Each sub account separately
			3.	Investments in subsidiaries	20.3					
				Sub-total						Each sub account separately
			4.	Investments in partnerships/joint ventures	20.4					
				Sub-total						Each sub account separately
Grand Total										

TOTAL CURRENT ASSETS**SCHEDULE 26**

Sr. No.	Current Asset	Schedule	This Year	Previous Year
1.	Stocks	26(a)		
2.	Receivables against Supply of Power	26 (b)		
3.	Cash and Bank Balances	26 (c)		
4.	Loans and Advances	26 (d)		
5.	Sundry Receivables	26 (e)		
6.	TOTAL			

STOCKS**SCHEDULE 26(a)**

Sr. No.	Particulars	Account code	This Year	Previous Year
			Rs.	Rs.
1.	Fuel stocks	21.101	x	
		21.105	x	
		21.108	x	
2.	Coal in Transit	21.121	x	
3.	Oil in Transit	21.125	x	x
4.	Stock of Materials at Construction stores	22.60 &		x
		22.61		x
5.	Stock of Materials at Other Stores	22.62 &		x
		22.63		
6.	Materials in Site	22.64 &		x
		22.65		x
7.	Materials pending Inspection	22.66 &		x
		22.67		x
8.	Materials in Transit	22.68 &		x
		22.69		x
9.	Other Materials Accounts	22.7		x
10.	Fuel Stock Excess/Shortages - Pending Investigation	21.2		x
11.	Materials Stock Excess/shortage - Pending Investigation	22.8		x
TOTAL				

RECEIVABLES AGAINST SUPPLY OF POWER**SCHEDULE 26 (b)**

Sr. No.	Particulars	Account Code	This Year	Previous Year
1.	Sundry Debtors for Sale of Power	23.1		
2.	Sundry Debtors for Inter-State Sale of Power	23.6		
3.	Sundry Debtors for Electricity Duty	23.2		
4.	Provision for Unbilled Revenue	23.4		
5.	Dues from Permanently Disconnected Consumers (net of security deposits forfeited)	23.5		
6.	Sundry Debtors - Miscellaneous Receipt from Consumers	23.7		
	Sub-total			
7.	Less Provision for Doubtful dues from consumers	23.9		
TOTAL				

CASH AND BANK BALANCES**SCHEDULE 26 (c)**

Sr. No.	Particulars	Account Code	This Year	Previous Year
1.	Cash on hand	24.1		
2.	Cash Imprests with staff	24.2		
3.	Balance with Banks	24.3 & 24.4		
4.	Cash in Transit	24.5 & 24.6		
TOTAL				

VOL IX — INFORMATION SYSTEM
SCHEDULE 26(d)

LOANS & ADVANCES

Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
1.	Advances for O & M Supplies/Works	26.1 to 26.7	x	
2.	Advances for Fuel Supplies	26.8	x	
3.	Sub-total			
4.	Loans & Advances to staff	27.1 & 27.2	x	
5.	Loans & Advances to Licensees	27.3	x	
6.	Advance Income Tax/deductions at source	27.4	x	
7.	Loans & Advances— Others	27.8	x	
8.	TOTAL			
9.	Less: Provision for Doubtful Loans and Advances	27.9	x	
10.	TOTAL (8 - 9)			

SUNDRY RECEIVABLES

SCHEDULE 26(e)

Sr. No.	Particulars	Account code	This Year Rs.	Previous Year Rs.
1.	Sundry Debtors - Trading Account	28.1		x
2.	Income accrued and due - on investments	28.210 to 28.240	x	
	- other Income accrued and due	28.290	x	x
3.	Income accrued but not due	28.3		
4.	Amount recoverable from Employees/ Ex-Employees	28.4		x
5.	Fuel Related Receivables & Claims			
	- Grade difference of Coal (Net of provision for loss on grade difference)	28.511 & 28.512	x	
	- Railway claims for Coal	28.513 & 28.514	x	
	- Others	Other Sub-accounts under 28.5	x	
6.	Other Claims & Receivables	28.7 & 21.8		x
7.	Deposits	28.9		x
	TOTAL			

SECURITY DEPOSITS FROM CONSUMERS

SCHEDULE 27

Sr. No.	Particulars	Account code	This Year	Previous Year
			Rs.	Rs.
1.	Security Deposits from Consumers (in cash)	48.1		
2.	Security Deposits from Consumers (other than in cash)	48.2		
3.	Interest Payable on Consumers' Deposits	48.3		
TOTAL				

OTHER CURRENT LIABILITIES

SCHEDULE 28

Sr. No.	Particulars	Account code	This Year	Previous Year
			Rs.	Rs.
1.	Liabilities to Railway's for Coal Receipts	40.1	x	
2.	Liability on account of Grade Differences of Coal	40.2	x	
3.	Unpaid Coal Bills	40.7	x	
4.	Other Fuel related Liabilities	Other sub-accounts under 40	x	
5.	Liability for Purchase of Power	41.1 & 41.2		x
6.	Liability for Capital Supplies/Works	42.1, 42.2 & 42.3		x
7.	Liability for O & M Supplies/Works	43.1, 43.2 & 43.3		x
8.	Staff related liabilities and provisions	44.1 to 44.4		x
9.	Deposits & Retentions from Suppliers and contractors (Net of deposits received in form of investments. etc).	41.6 & 28.930		x
10.	Electricity Duty & Other Levies Payable to Govt.	46.3		x
11.	Liability for Expenses	46.4		x
12.	Amount owing to Licensees	46.6		x
13.	Accrued/Unclaimed amounts relating to Borrowings	46.7		x
14.	Provision for Income Tax	46.8		x
15.	Other Liabilities and Provisions	46.9		x
16.	Sub-total			x
17.	Deposits for Electrification, Service connection etc.	47		x
18.	TOTAL			

SUBSIDY RECEIVABLE FROM GOVERNMENT

SCHEDULE 29

Sr. No.	Particulars	Account code	This Year	Previous Year
			Rs.	Rs.
	Capital Subsidy/Grant Receivable	28.610		
	Revenue Subsidy/Grant Receivable	28.620		
TOTAL				

BORROWINGS FOR WORKING CAPITAL**SCHEDULE 30**

Sr. No.	Particulars	Account code	This Year	Previous Year
			Rs.	Rs.
1	Cash Credit from Banks	50.1		
2	Bank Overdrafts	50.2		

TOTAL

Note:- Temporary borrowings raised and repaid during the years Rs.....

PAYMENT DUE ON CAPITAL LIABILITIES**SCHEDULE 31**

Due at the beginning of previous year	Becoming due during the previous year	Payments made during the previous year	Sr.No.	Particulars	Account Code	Due at the end of the previous year	Becoming due during this year	Payments made during the year	Due at the end of the year
			1.	REPAYMENTS DUE	51.101 to 51.199 each sub account separately				
Total Repayments									
			2.	INTEREST ACCRUED AND DUE	51.201				
				- On Capital Liabilities – State Government	to 51.299				
				- On Other Capital Liabilities					
Total Interest Accrued & Due									
			3.	TOTAL					

CAPITAL LIABILITIES

SCHEDULE 32

Outstanding at the beginning of the previous year	Amount received during the previous year	Repayments due during the previous year	Sr.No.	Particulars	Details of interest rate, moratorium and rate applicable at the end of the year	Account Code	Outstanding at the end of the previous year	Amount received during the year	Repayments due during the year	Outstanding at the end of the year
			1.							
			2.			Each sub-account under				
			3.			52 & 53				
			4.							

TOTAL

- Note 1. In respect of foreign currency loans/credits, the amount shown as received during the year [includes increase of Rs.....(previous years Rs.....)] [is net of decrease of Rs..... (previous year)] made consequent upon the realignment the rupee value of loans/credits in terms of exchange rate at the end of the year.
2. Borrowing Power: Maximum borrowing power under Section 65 (B) of Electricity (Supply) Act 1948
- Less: Exercised upto the end of the year
- Add : Redeemed during the year
- Balance of exercisable borrowing power as at the end of the year
3. Securities offered against the borrowings.

FUNDS FROM STATE GOVERNMENT

SCHEDULE 33

Outstanding at the beginning of the previous year	Amount received during the previous year	Repayments due during the previous year	Sr.No.	Particulars	Details of interest rate, moratorium and rate applicable at the end of the year	Account Code	Outstanding at the end of the previous year	Amount received during the year	Repayments due during the year	Outstanding at the end of the year
			1.			Each sub-account under				
			2.			54.1& 53.2 shown separately				

Outstanding at the beginning of the previous year	Amount received during the previous year	Repayments due during the previous year	Sr.No.	Particulars	Details of interest rate, moratorium and rate applicable at the end of the year	Account Code	Outstanding at the end of the previous year	Amount received during the year	Repayments due during the year	Outstanding at the end of the year	
			3.								
			4.								
<hr/>											
			9.	TOTAL LOANS							
			10.	Amount received from State Government under Guarantees		54.3 & 54.4					
<hr/>											
11. TOTAL											

Note: - The amount outstanding at the end of the year includes

- Rs..... being the fair value of assets donated by State Government

- Rs..... being fair value of assets received under lease from the State Government

CONTRIBUTIONS, GRANTS AND SUBSIDIES TOWARDS COST OF CAPITAL ASSETS

SCHEDULE 34

Balance at the beginning of the previous year	Received during the previous year	Sr.No.	Particulars	Account Code	Balance at the end of the previous year	Additions during the year	Total at the end of the year
		1.	Consumer's Contribution	55.1			
		2.		Separately for			
		3.		each sub-			
		19.		account			
		20.	Total Consumers' Contribution				
		21.	Subsidies towards cost of Capital Assets	55.2			
		22.	Grants towards cost of Capital Assets	55.3			
<hr/>							
TOTAL							

Note:- Note The amount of subsidies, grants etc, becoming refundable (owing to reasons such as Board's failure to fulfil the conditions for subsidies/grants) should be shown as a negative amount in the column for 'Additions during the year' and reasons therefore, should be disclosed by way of note in this Schedule.

RESERVE AND RESERVE FUNDS

SCHEDULE 35

Balance at the beginning of previous year	Additions during the previous year	Deductions during the previous year	Sr.No.	Particulars	Account Code	Balance at the end of the previous year	Additions during the year	Deductions during the year	Balance at the end of the year
			1.	RESERVES	Each sub-account under 56 & 57 to be shown separately (Excluding net Revenue Appropriation A/c.)				
			2.						
			3.						
			10.	Total Reserves					
			11.	RESERVE FUNDS					
			15.	Total Reserve Fund					

Break-up of General Reserve Additions/Deductions.

ANNEXURE II

BASIC ACCOUNTING PRINCIPLES

1. A Board shall follow the basic accounting principles laid down in the following paragraphs in the preparation of its Annual Accounts.

ENTITY OF A BOARD FOR THE PURPOSE OF ANNUAL ACCOUNTS

2. Annual Accounts of a Board shall reflect the transactions of the Board and of any other body in which the Board has ownership rights as a sole owner, partner or a member of association of persons and in the management of which the Board can exercise and actually exercises significant influence.
3. A mere right to receive a part or whole of the power generated by any other body whether at cost or at a prefixed rate shall not be the ground for reflecting the transactions of such body in a Board's accounts.
4. Where the transactions of any other body have to be reflected in more than one Board's accounts in accordance with the paragraph 1.2, each Board shall reflect the assets, liabilities, income and expenses of that body in proportion of its ownership share in that body.
5. Interest acquired by a Board in anybody whose transactions do not require incorporation into a Board's accounts in accordance with the paragraph 1.2 shall be disclosed at cost, in Board's accounts as investments. In such cases the excess or shortfall of Board's share of the net assets of the body over the cost of acquiring the interest in that body shall be disclosed in the Board's accounts by way of a note.

HISTORICAL COST CONVENTION

6. In a Board's accounts, Assets, Liabilities, Expenses and Revenue shall be recorded at the amounts at which the transactions took place. This policy implies that no revaluation of assets or liabilities shall be done for adjusting them to replacement cost, current cost etc. Similarly depreciation on replacement cost basis shall also not be permitted.

GOING CONCERN CONCEPT

7. Financial statements of a Board shall be drawn up on the premise that its business will continue indefinitely.

CONSISTENCY CONCEPT

8. Uniform accounting policies shall be applied on the same basis from year to year. Even the accounting policies followed in respect of areas not specifically covered here after or in cases where departure from the prescribed accounting policy is permitted, shall be followed consistently from year to year.

TRUE AND FAIR PRESENTATION

9. Accounts of a Board shall present a true and fair view of the financial position and results of operations of the Board. True and fair view implies the disclosure of all information necessary for a reader's understanding of the financial position and results of operations of the Board.

10. The objective of prescribing the forms of annual accounts of a Board is to prescribe the minimum and uniform disclosure required by all Boards. Additional information in the accounts or by way of notes may be given if it is necessary to ensure true and fair presentation.

CASH BASIS OF ACCOUNTING ONLY WHERE PRESCRIBED

11. The cash basis of accounting i.e. the practice of booking costs, revenues, assets and liabilities when money is received or paid and not when accrued shall not be adopted by a Board except in the specific cases where cash basis is prescribed. In all other cases, a Board shall follow commercial accounting system which requires recording of transactions by which revenues, costs, assets and liabilities are reflected in the accounts for the period in which they accrue.

NO RETROSPECTIVE ADJUSTMENTS TO PRIOR PERIOD REVENUE COSTS

12. All prior period revenue or costs arising on account of a difference between an accounting estimate made for accrual and the actual values involved or on account of any other reason shall be accounted for prospectively and no retrospective restating of past year's figures shall be permitted.

COMPARATIVE FIGURES FOR PREVIOUS YEAR

13. Comparative figures for the previous year shall be given in the Annual Accounts. No regrouping of previous year's figures shall be permitted except in cases, where a different basis for the figures for the same item has been adopted during the current year.

RESERVES NOT TO ABSORB CHARGE AGAINST REVENUE

14. Reserves of a Board whether created out of appropriation from surplus of past years or in any other manner shall not be used (except in prescribed circumstances) for absorbing the costs which would otherwise be a charge against the revenue of the current year, past years or future years.

REVENUES NOT TO BE DIRECTLY CREDITED TO RESERVES

15. No reserves shall be given any credit for any amount which should otherwise be treated as revenue for the current year, past years or future years.

OFFSETTING OF ASSETS AND LIABILITIES

16. In the balance sheet of a Board, assets and liabilities shall be set off against each other only when a legal right of offset exists. Payables to one party shall therefore not be set off against receivables from the same party unless the Board has a legal right to offset the two.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

17. All events or transactions occurring after the date of balance sheet and before the date of the auditors' report shall be treated in the following manner:

- (1) Two types of subsequent events and transactions require consideration by the Board.
- (2) The first type consists of these events that provide additional evidence with respect to the conditions that existed at the date of the balance sheet and affect the estimates necessary for accrual etc, in the process of preparing annual accounts. All information that becomes available prior to the finalisation of the annual accounts should be used in evaluating the conditions on which the estimates were based. The annual accounts shall be adjusted for any changes in estimates resulting from the use of such evidence. Identifying the events that require adjustment in accounts calls for the exercise of judgement and knowledge of the facts. For example, a loss on an uncollectible receivable as a result of a consumer's deteriorating financial condition leading to bankruptcy subsequent to the balance sheet date, would be indicative of his poor financial condition existing at the balance sheet date, thereby calling for adjustment of the accounts. On the other hand a similar loss resulting from a consumer's major casualty such as a fire or flood subsequent to the balance sheet date would not be indicative of conditions existing, in respect of the consumer at the balance sheet date and adjustment would not be called for.
- (3) The second type consists of events that provide evidence with respect to conditions that did not exist at the balance sheet date but arose subsequent to that date. These events should not result in adjustment of the accounts. Some of these events, however, may be of such a nature that the omission of their disclosure may result in misleading statements. Examples of this type of event (which should not result in adjustment to accounts but which do require disclosure) are takeover of a licensee, loss from fire, flood etc.

NO DEFERMENT OF LOSS WRITE OFF

18. The Revenue Account for a Board shall reflect full amount of the loss, if any, to the Board due to any natural calamities like cyclone, flood etc., on recurring events like fire or possibly recurring events like receipt of inferior grade of coal. No part of the loss shall be deferred for write off over future years.

3% RETURN AND THE TREATMENT OF UNUSUAL AND EXTRA-ORDINARY GAINS AND LOSSES AND PRIOR YEAR INCOME AND EXPENSES

19. In a Board's Revenue Account, all unusual and extraordinary losses or gains and prior period's income and expenses shall be disclosed separately. However, for the purpose of compliance with Section 59 requiring minimum surplus of 3% on fixed assets base, such unusual and extraordinary losses and gains and prior period credits and charges shall be considered in the same way as other usual and recurring income, expenses, losses or gains for the year. Such a treatment will reflect (and not conceal by ignoring such items) that the Board's operating surplus has been affected during the year on account of such items.

PART III ANNUAL STATEMENT OF ACCOUNTS

CHAPTER 2 ANNUAL ACCOUNT COMPILATION

Annual accounts are compiled at H.O. This is facilitated by consolidating the trial balances of ARUs and disclosing the Figures in the prescribed formats. However, H.O. requires additional information for the disclosure purpose. Disclosure requirements are given in the Notes to Accounts in Schedules and in rules and regulations.

Detailed circular alerting the ARUs may be issued by H.O. during February.

A detailed account may be prepared for 6 months ending September. This half yearly closing may be done in an elaborate manner. Depreciation for the whole year can be booked in this half yearly closing.

PART III ANNUAL STATEMENT OF ACCOUNTS

CHAPTER 3 ANNUAL ACCOUNT ENTRIES

1. Journal Entries are used for preparing the annual accounts. The journal entry codes are given below:

IS	101	-	Regular Standard Journal Entries
“	301	-	Inter Unit Entries
“	401	-	One time Entries
“	501	-	Rectification Entries
“	701	-	HO Entries
“	901	-	Memoranda /Contra Entries
“	1001	-	Year end/Beginning Entries
“	2001	-	Non standard journal entries
“	5001	-	Subsidiary ledger Entries

2. OF the above, certain entries are passed only at the close of the accounting year. The account rendering units should ensure that all such entries are passed while preparing the trial balance. The details of such entries are dealt with in the individual volumes. The nature of such entries are indicated below:-

(1) Fixed Assets

- Interest allocation
- Expense allocation
- Capitalisation
- Provision for depreciation
- Capital gain/Loss
- Provision for capital works contract
- Write off infructuous expenses
- Losses relating to fixed assets

(2) Materials

- liabilities to supplier
- stock clearing entries and other adjustments
- MASA balances and stock
- Provision for Advances going bad

(3) Finance

- Interest provision
- Fund creation and adjustments
- Expenses provision including miscellaneous and sundry expenses
- Bad debt/Advances provision
- Losses and write offs

- (4) Sales of Power
 - Accrued revenue
 - Provision for bad debts
- (5) Personnel
 - Provision for establishment liabilities, P F., pension & gratuity fund creation and adjustments.
- (6) Restructuring Accounts
 - Entries showing restructuring and adjustments.
- (7) Others
 - Entries required to close the revenue account
 - Appropriation account-relevant entries
- (8) Notes to Accounts
 - As required in the annual accounts rules it has to be disclosed.

PART	IV ELECTRONIC DATA PROCESSING
CHAPTER	1 MANAGEMENT INFORMATION SYSTEM (MIS) & ELECTRONIC DATA PROCESSING (EDP)

1. MIS: A Management Information System is one that aids management in making, carrying out and controlling decisions. Decision making, including the process leading up to the decision, termed planning and management can be defined as the planning and control of the physical and personnel resources of the organisation in order to realise the organisation's objectives.

2. ELEMENTS OF A MANAGEMENT INFORMATION SYSTEM

2.1 Types of information

The first element is the types of information that would be required at different levels in the organisation. In an organisation control can be defined at three levels.

(1) OPERATIONAL CONTROL

Process performed to control the basic activities such as generation, transmission, distribution, consumption etc.

(2) MANAGEMENT CONTROL

Includes process or functions that facilitate the management of these processes delegated to the operational control level.

(3) STRATEGIC PLANNING

It represents the strategic planning process, wherein decisions such as capacity creation, tariff etc. are taken.

2.2 These controls are carried out at the different levels of the organisation which can broadly be classified into the following:

(1) TOP MANAGEMENT

Establishes the policies, plans and objectives of the Board, as well as a general budget frame work under which the various departments will operate.

(2) MIDDLE MANAGEMENT

These factors are promulgated and passed down to middle management where they are translated into specific goals for each department.

Middle management issues the specific programmes, goals and review and performance yardsticks to operating management. This level performs the job and executes the work to enable the organisation to realise its objectives.

2.3 The following table summarises the distinction between the different management levels:

	Characteristic	Top Management	Middle Management	Operating Management
1	Focus on Planning	High	Moderate	Minimum
2	Focus on Control	Moderate	High	High
3	Time Frame	One to five years	Upto a year	Day to day
4	Scope of Activity	Extremely broad	Entire functional area	Single sub function or sub task
5	Nature of Activity	Relatively unstructured	Moderately structured	Structured
6	Level of complexity	Very complex	Less Complex	Structured
7	Job measurement	Difficult	Less difficult	Relatively easy
8	Results of activity	Plans, policies and strategies	Implementation schedules and performance yardsticks	End product
9	Type of information utilised	External and internal	Internal	Internal
10	No. of people Involved	Few	Moderate number	Many
11	Interaction	Across functions	Intra department	Inter department

3. INFORMATION

- 3.1 The second element in the term Management Information System is Information which has increasingly come to play an important role in planning and controlling the operations of a business.
- 3.2 Processed data is called information and is in a form to assist management and other users.
- 3.3 It has been indicated earlier that different levels of management utilise different types of information. The levels to which they can be structured also depends on the nature of information used. If the information is structured it can be programmed. Since the information requirement at the level of operating management is structured, these can be more easily computerised.

3.4 Information for planning purposes stresses the future and this is unstructured when compared to information required at the operating level. This however does not preclude the use of historical information by the top management. The focus of top management is on future planning and policies.

3.5 INTERNAL INFORMATION

The way in which the internal information and external information are brought out is given in the following diagram.

	Reported	Processed
Internal	A	B
External	C	D

Internal Information is a by product of the normal operations of an organisation. Internal information is generally historical or static in nature and it is after the fact data (post facto). If just the occurrence is reported then the information falls under category A, if this is further processed using certain techniques (statistical or otherwise) then it falls under category B.

3.6 EXTERNAL INFORMATION

It is data the source of which is outside the operations of the organisation. Such information gathered (e. g. population growth) and not processed falls under category C, while if the data collected is processed further (e. g. projection of demand for electricity) then it falls under category D.

3.7 Hence summarising the information elements 'data base' forms the core of information system. Simply stated, Data Base is a unified collection of data that is utilised by the various information systems. The form, capacity and degree of integration of data depend on the needs to which the data is put/used plus cost considerations.

3.8 The technical dimensions of the data base are such elements as response time, capacity, inter relationships of data elements, security and validity. The following costs are normally considered:

Cost to acquire data

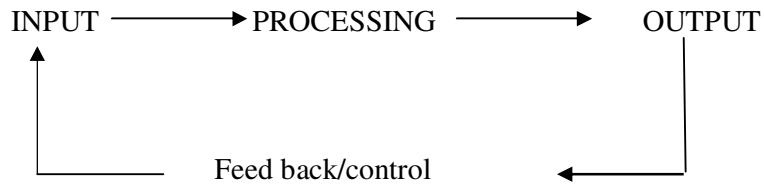
Cost to store/maintain data

Cost to access/process data

3.9 The system design is normally done by a system specialist taking the above factors into consideration and considering the organisation structure and the information requirements expressed by the management as given.

4. SYSTEM ELEMENT

- 4.1 The last elements in the term Management Information System is the System Element. A system can be defined as a set of arrangement of things so related or connected to form a unity or organisation or a broader definition describes it as a regular orderly way of doing something. Generally it can be described as follows:



- 4.2 Feed back or control is a very important element in .system operation. Control can be automatic, such that the system is programmed to detect errors or potential errors. Effective system design requires careful attention to feedback/control which can be considered a separate and direct phase of system development.

A management information system encompasses both physical and information systems. An information system is designed to enable management to obtain a clearer view of the Board's use or misuse of its facilities. It can throw up alternatives and test the impact of the same on applying those alternatives on the physical system. Hence it can clearly be seen that the physical and information system are not independent but interdependent. The interlinkage between the different sections of physical processes has to be well understood to make the management information system effective.

Hence the Management Information System, if well conceived and designed, can aid the control and review functions providing sufficient data base for decisions making and planning. The MIS can be either manually operated or computerised. If computerised, it is known as mechanical information system. Hence to provide a background, source of the concepts of computers are given in the following chapter.

PART	IV ELECTRONIC DATA PROCESSING
CHAPTER	2 COMPUTERS

1. A computer is a machine like any other machine invented, built and operates by human beings. It is a calculating machine. Its importance lies in its

- Speed of computation
- Accuracy of results
- Reliability, and
- Flexibility

2. CLASSIFICATION:

2.1 Computers may be classified on various considerations.

Class I — By the form of information to be processed/under processing

Class II — By the use

Class III — By the variety of application

2.2 Class I Computer:

They are further classified into

- Analog computers
- Digital computers
- Hybrid computers

Analog computers normally process continuous data (such as length, voltage etc.) while digital computers accept, process and produce discrete data. Digital computers are normally used. Hybrid computers use both analog and digital components and techniques.

2.3 Class II computers:

Depending on the use, computers are categorised as scientific and commercial computers.

2.4 Class III computers:

According to the variety of applications, there exist the special purpose and the general purpose computers.

3. FUNDAMENTALS OF A DIGITAL COMPUTER

3.1 Structure

- (1) A digital computer can be regarded as two basic electronic systems – the central processor unit (CPU) and the peripheral.

- (a) The central processor unit contains

- Internal memory/main memory
- arithmetic and logic unit
- control unit

The CPU is the nerve control of the computer where the actual computing process takes place.

- (b) The peripherals contain

- input devices (eg. Key board, card reader etc)
- output devices (eg. Line printers, magnetic type readers)
- backing storage (eg. Magnetic tape, disc readers)
- operator's console

3.2 HARDWARE AND SOFTWARE

- (1) The physical units of a computer are collectively called 'the hardware'. Computer hardware consists of various devices and circuits which are mechanical, electrical, electronic and/or optical in nature. The hardware capabilities of a system are evaluated by:

- the memory size
- the degree to which the present memory can be expanded
- the time needed to execute various commands or input-output operations
- the number and types of input/output devices supported by the system

- (2) SOFTWARE AND COMPUTER LANGUAGES

It is a collection of programs written to bring the hardware of a computer into operation.

Computer program is in certain computer languages.

Computer languages are broadly classified as follows:

- machine languages
- Assembly languages
- high-level languages

A set of instructions are created with the computer. These instructions are written in machine language. Assembly languages are also low level languages used in translating certain instructions into machine language. High level languages are oriented towards the problem rather than the machine. Following are some of the high level languages used.

COBOL	- Common business oriented language
BASIC	- Beginners all purpose symbolic instruction code
FORTTRAN	- Formula translator
PASCAL	

4. OPERATIONAL MODES:

4.1 Following are the modes of computer operation

- batch processing
- multi programming
- time sharing
- real time

4.2 In the batch processing, jobs are executed one job at a time. A system with a multi programming capability permits two or more jobs at the same time. In the time sharing mode many persons use the system simultaneously. Real time exhibits the same general characteristics of a time sharing system. Here also many users simultaneously access the computer. However, in a real time, a program receives all the users while in the time sharing users call in their program.

4.3 It is possible for all users to have access to more than one computer installation. This is through a linking process called a computer network system.

5. CERTAIN TERMINOLOGIES

5.1 BINARY DIGITS (BITS) - the digits 1 and 0(zero) are used in the binary number system.

BYTE - a fixed number of bits (6 to 8) often corresponds to a character

5.2 MEMORY

It is a vital subsystem of computer. Memory holds data, results of computation, instruction and other information. Memory technology is fast moving and microcomputers use the reuse conductor memories.

6. Certain types of computers

6.1 Mainframe

A main frame computer is a very large computer system typically for data processing in business or advanced scientific application.

6.2 Mini computers

A Mini computer is a small computer compared to mainframe and the cost is less compared to mainframe.

6.3 Micro computers

Microprocessor based computer system (Micro computer) is a small computer having a special chip (integrated circuit) called micro processor.

PART V FORMS AND REGISTERS

1. Monthly Accounts
2. Interunit Reconciliation Account
3. Schedule of Restructuring Account
4. Local Purchase Schedule
5. Sub-Schedule Form
6. Journal Voucher-cum Register
7. Ledger
8. Interunit Reconciliation Statement
9. Project Progress Report
10. Cash Flow Statement

Name of Office:

Accounts for month of:

Location code:

LIST OF DOCUMENTS TO ACCOMPANY THE MONTHLY ACCOUNTS

Sr. No.	Particulars	Statement schedule No.	Whether sent or not	If sent page No.	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1	Trial Balance				
2	Generation, Purchase & Sale of power	5/17	(See page 67)		
3	Purchase, Issue & stock of Materials	5/19	(See page 67&68)		
4	Reconciliation of Receivables against Sale of power	5/20	(See page 68&69)		
5	Revenue Reconciliation	5/20a			
6	Statement of technical Particulars	9	(See page 73,74&75)		
7	Fixed Assets	19	(See page 86)		
8	Function-wise Break up of Fixed Assets	20	(See page 87)		
9	Capital Expenditure-in-Progress	21	(See page 87)		
10	Capital Expenditure-in-Progress (Sub-Schedule)	21/1			
11	Assets not in use	22	(See page 88)		
12	Total current Assets	26	(See page 90)		
13	Stock(Capital / O & M)	26a			
14	Receivables against supply of power	26b			
15	Receivables against supply of power(sub-schedule for category wise details)	26b/1			
16	Receivables against supply of power(sub-schedule for HT&EHT consumer-wise)	26b/2			
17	Cash & Bank Balances	26c			
18	Loans & Advances	26d			
19	Sundry Receivables	26			
20	Security Deposits from consumers	27			
21	Other current Liabilities	28			
22	Payments due on Capital Liabilities	31	(See page 95)		
23	Capital Liabilities	32			
24	Funds from State Government	33			
25	Contributions, Grants & Subsidies towards cost of Capital Assets	34			
26	Inver-Unit Reconciliation Account				
27	Schedule for Restructuring account				
28	Local Purchase schedule				

Note: Tick in col.4., if the schedule is sent.

Date:

Signature

KERALA STATE ELECTRICITY BOARD

AO/FO/AAO/DA

LOCATION

EE/DY/CE

MONTH

TRIAL BALANCE AS ON

Account Code	Account Head	Debt	Credit	Schedule No. Page no.	Remarks
(1)	(2)	(3)	(4)	(5)	(6)

TOTAL

Note: 1. Sub-total should be given for each Account Group.
First two digits from the Accounts Group.

(Date)

(Signature)

Location:

Month:

REVENUE RECONCILIATION ACCOUNT

Statement 5/20 a

	Particulars	Amount	Amount	Remarks
I.	Cash Collection			
	Total cash collection till previous month			
	Collection during current month			
	Year-to-date (YTD) Collection	_____		
II.	Revenue collection Ledger			
	Collection till previous month			
	Collection during current month	_____		
	Year-to-date (YTD) collection	_____		
III.	General Ledger collection			
	Collection till previous month			
	Collection during current month			
	Year-to-date (YTD) collection	_____		
	Adjustments other than cash collection	_____		
	Board's offices consumption			
	Cheques dishonoured	_____		
	NET			

Note: Item Nos. I, II & III should tally

Date:

Signature

Location:

Month:

Work order No/Date.....

Date of commencement.....

Expected Date of Completion..... Schedule: 21/1

CAPITAL EXPENDITURE IN PROGRESS

Sub-Schedule

Work-in-Progress Schedule (Project-wise)

Sr.No.	Particulars	Account Code	As on pre: year	Additions	Deductions	At the end of this period
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Capital work-in-progress:	14				
	1. Land					
	2. Buildings					
	3. Hydraulic Works					
	4. Other Civil Works					
	5. Plant and Machinery					
	6. Lines, Cable Network, etc.					
	7. Vehicles					
	8. Furniture & Fixtures					
	9. Office Equipments					
	Sub-Total					
2.	Contracts-in-progress	15.1				
3.	Revenue Expenses Pending allocation over capital works	15.2				
4.	Provision for completed work	15.5				
5.	Construction facilities (Cost Rs..... less provision for depreciation Rs.....)					
6.	Assets at construction Stage 3 to 6)					

(1)	(2)	(3)	(4)	(5)	(6)	(7)
7.	Advances for suppliers/ contractors (Capital)	25.1 to 25.9				
8.	TOTAL					

Note: Contracts-in-progress represents the portion of interim payments made to contractors for capital works executed in respect of which title is to pass to the Board only upon completion of the contract

This should be prepared project wise / work order wise

(Date)

(Signature)

KSEB

Location:
Month:
Schedule: 26a

STOCK (CAPITAL/O&M)

Sr No.	Material group	Account Code	OB	Purchase	Total	Own consum- ption	Issues			CB	Transfer	
							Issues	Return	Net		Inward	Outward
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1,2&3	Fuel coal & Oil (Not Applicable)											
4 & 5	Stock of Materials	22.60 to 22.63										
	1. Steel											
	2. Cement											
	3. Metering Equipment											
	4. Transformers											
	5. Cables & Conductors											
	6. Poles											
	7. Electric Light Fittings											
	8. Spares											
	9. Line Material											
	10. Wood & Wood materials											
	11. Explosives											
	12. Tools & Plant											

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	13. Jeeps, Cars & Other Transport vehicles											
	14. Others											
	Sub Total											
6.	Material-at-sight-Account (MASA)(Engineer-wise-details)	22.64 to 22.65										
	Sub Total											
7.	Materials pending Inspection	22.60 to 22.67										
8.	Material-in-transit (year-end entry only)	22.68 to 22.69										
	Sub Total											
9.	Other material Accounts	22.7										
	1. Workshop suspense Account	22.710										
	2. Materials issued to Fabricators	22.720										
	3. Materials issued on loan to parties other than contractors	22.730										

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
4.	Capital Equipments & capital spares in Bonded Ware houses	22.740										
5.	Materials in Bonded Ware houses	22.750										
6.	Obsolete Material stock	23.750										
7.	Faulty & Damaged items	22.770										
8.	Scrap	22.780										
Sub total												
10	Fuel Stock Excess / Shortages pending Investigation											
11	Material stock excess/shortages pending Investigation	22.8										
1.	Stock excess pending Investigation	22.810										
2.	Stock short pending Investigation	22.830										
TOTAL												

Date:

Signature:

KSEB

Month:
Location:
Schedule: 26 b**RECEIVABLES AGAINST SUPPLY OF POWER**

SR No.	Particulars	Account Code	Dr.		Cr.		Age Analysis	Remarks
			This period	Previous year	This period	Previous year		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Sundry Debtors for sale of power (show category-wise - section-wise)	23.1						
2.	Sundry Debtors for Inter State Sale of Power	23.6						
	1. NTPC	23.601						
	2. TNEB	23.602						
	3. KEB	23.603						
3.	Sundry Debtors for Electricity Duty	23.2						
4.	Provision for unbilled Revenue	23.4						
5.	Dues from permanently disconnected consumers (Net of Security Deposits forfeited)	23.5						
6.	Sundry Debtors – Miscellaneous Receipts from consumers	23.7						
Sub Total								
7.	Less Provision for Doubtful Debts from consumers	23.9						

Notes: Details of doubtful debts, if any, shall be given consumer-wise.

Date:

Signature:

KSEB

Location:

Month:

Schedule: 26 b/1

RECEIVABLES AGAINST SUPPLY OF POWER – CATEGORY-WISE

SR No.	Particulars	Account Code	Dr.		Cr.		Remarks
			This period		Previous year		
			Rs.	Ps.	Rs.	Ps.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Sundry Debtors for sale of power	23.1					
	1. Domestic	23.101					
	2. Commercial	23.102					
	3. Public Lighting	23.103					
	4. Irrigation & Dewatering	23.104					
	5. Public Water Works	23.105					
	6. Industrial LT	23.107					
	7. Railway Traction	23.108					
	8. Bulk Supply	23.109					
	9. Miscellaneous	23.111					
2.	Provision for unbilled Revenue	23.4					
3.	Sundry Debtors – Miscellaneous Receipts from consumers	23.7					
Total							

Notes: Give the consumer category wise details of doubtful debts, if any (irrecoverable)
Section wise

Date:

Signature:

KSEB

Location:

Month:

Schedule: 26 b/2

RECEIVABLES AGAINST SUPPLY OF POWER – HT & EHT CONSUMER-WISE

SR No.	Particulars	Account Code	Dr.		Cr.		Age Analysis	Remarks
			This period	Previous year	This period	Previous year		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Sundry Debtors for sale of power Industrial HT & EHT	23.1 23.106						
	1.							
	2.							
	3.							
	4.							
	5.							
	etc.							
2.	Provision for unbilled Revenue	23.4						
3.	Sundry Debtors – Miscellaneous Receipts from Consumers	23.7						
TOTAL								

- Notes: 1. Give consumer-wise details
2. Details of doubtful debts, if any, shall be given – Consumer-wise

Date:

Signature:

Location:
 Month:
 Schedule: 26c

CASH AND BANK BALANCES

Sr. No.	Particulars	Account Code	As on previous year		Upto this period		Remarks
			Rs.	Ps.	Rs.	Ps.	
(1)	(2)	(3)	(4)		(5)		(6)
1.	Cash on hand (holder-wise)	24.1					
	Sub-total						
2.	Imprest with staff (holder-wise)	24.210					
	Sub-total						
3.	Temporary Imprest with staff (holder-wise)	24.220					
	Sub-total						
4.	Bank Balance (Bank-wise)	24.3 & 24.4					
	Sub-total						
	Total						

- Note: 1. Period outstanding may be stated in the case of temporary imprest
 2. The balances may be shown holder-wise/Bank-wise

(Date)

(Signature)

Location:
Month:
Schedule: 26d

LOANS & ADVANCES

Sr. No.	Particulars	Account Code	Dr.		Cr.		Age Analysis	Remarks
			As on pre year	Upto date.	As on pre year	Upto date.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Advance for O & M supplies/works	26.0						
	— Interest bearing	26.1						
	— Interest free	26.5						
2.	Contractors Material Control A/c (O & M)	26.7						
3.	Sub-total							
4.	Loans & Advances to staff							
	— Interest bearing	27.1						
	— Interest free	27.2						
5.	Sub-total							
6.	Loans & Advances to Licensees	27.3						
7.	Advance Income Tax / deduction at source	27.4						
8.	Loans & Advances - others	27.8						
9.	Total							
10.	Less Provision for doubtful Loans & Advances	27.9						
11.	Total (9-10)							

Note: Party-wise details may be given

Date:

Signature

KSEB

Location:
Month:
Schedule: 26 e

SUNDRY RECEIVABLES

SR No.	Particulars	Account Code	Dr.		Cr.		Age Analysis	Remarks
			This period	Previous year	This period	Previous year		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Sundry Debtors – Trading Account	28.1						
	Sub-total							
2.	Income accrued and due - on Investments	28.210 to 240						
	- others	28.290						
	Sub-total							
3.	Income accrued but not due	28.3						
4.	Amount recoverable from Employees/Ex-Employees	28.4						
5.	Fuel – (Not applicable)							
6.	Other claims and receivables	28.7 & 28.8						
7.	Deposits	28.9						
	TOTAL							

Notes: Party-wise details may be given supported by separate schedules

Date:

Signature:

Location:
Month:
Schedule: 27

SECURITY DEPOSITS FROM CONSUMERS

Sr. No.	Particulars	Account Code	This period	previous year	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	Security Deposits from consumers (in cash) (Category-wise)	48.1			
	Sub-total				
2.	Security Deposits from consumers (other than in cash) (Category-wise)	48.2			
	Sub-total				
3.	Interest payable on consumers Deposits (Category-wise)	48.3			
	Sub-total				
	TOTAL				

Note: Consumer category-wise and section-wise details may be given

(Date)

(Signature)

KSEB

Location:
Month:
Schedule: 28**OTHER CURRENT LIABILITIES**

SR NO.	Particulars	Account code	This period	Previous year	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1 to 4	Not applicable				
5.	Liability for purchase of power				
	1. NTPC	41.101			
	2. TNEB	41.102			
	3. KEB	41.103			
	Sub-total				
6.	Liability for Capital Supplies/Works	42.1 to 3			
7.	Liability for O&M supplies/works	43.1 to 3			
8.	Staff related Liabilities and provisions	44.1 to 4			
9.	Deposits and retentions from supplies and contractors	46.1&28.930			
10.	Electricity duty and other levies payable to government	46.3			
11.	Liability for expenses	46.4			
12.	Amount owing to licensees	45.6			
13.	Accrued or unclaimed amounts relating to Borrowings	46.7			
14.	Provisions for income tax	46.8			

(1)	(2)	(3)	(4)	(5)	(6)
15.	Other Liabilities and provisions	46.9			
16.	Sub-total				
17.	Deposits for Electrification, Service connection etc.	47			
18.	Total				

- Note:
1. All above liabilities should be shown separately under different account heads and supported by separate schedules
 2. Staff related liabilities: Party-wise details for the current month need not be given. However, the balances outstanding for the previous month has to be given.

127

Date:

Signature

KSEB

Location:

Month:

Schedule: 32

CAPITAL LIABILITIES

SR NO.	Particulars	Account code	Outstanding at the end of the previous year	Amount received during the previous year	Repayment due during the year	Outstanding at the end of the year	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.		Each sub-					
2.		account					
3.		under					
4.		52&53					
TOTAL							

Note: 1. In respect of foreign currency, loans/credits, the amount shown as received during the year (Includes increase of Rs. (Previous year Rs.) (is not of decrease of Rs. (Previous year Rs.) made consequent upon the realignment the rupee value of Loans/credits in the terms of Exchange rate at the end of the year.

2. Borrowing Power: Maximum borrowing power under section 65(B) of Electricity (Supply) Act, 1948.
Less exercised upto the end of the year
Add redeemed during the year.

Balance of exercisable borrowing power as at the end of the year

3. Securities offered against the borrowings.

Date

Signature

KSEB

Location:

Month:

Schedule: 33

FUNDS FROM STATE GOVERNMENT

SR NO.	Particulars	Details of interest rate moratorium and rate applicable at the end of the year	Account code	Outstanding at the end of the previous year	Amount received during the previous year	Repayment due during the year	Outstanding at the end of the year	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.			Each sub-					
2.			account					
3.			under					
4.			54.1&54.2					
			shown					
			separately					
9.	Total Loans							
10.	Amount received from State Government under Guarantees		54.3&54.4					
13.	Total							

Note: The amount outstanding at the end of the year includes

Rs. being the fair value of assets donated by State Government

Rs. being fair value of assets received under lease from State Govt.

Date

Signature

KSEB

Location:
Month:
Schedule: 34**CONTRIBUTIONS, GRANTS & SUBSIDIES TOWARDS COST OF CAPITAL ASSETS**

SR NO.	Particulars	Account code	Balance at the end of the previous year	Addition during the period	Year to date (YTD)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Consumer's Contribution(category wise and section wise details)	55.1 separately for each sub-account				
2.						
3.						
.						
.						
19.						
20.	Total consumer's contribution					
21.	Subsidies towards cost of capital Assets	55.2				
22.	Grants towards cost of capital Asset	55.3				
	Total					

Note: The amount of subsidies, grants etc. becoming refundable (owing to reasons such as Board's failure to fulfil the conditions for subsidies/grants) should be shown as a negative amount in the column for "Additions during the year" and the reason therefore, should be disclosed by way of a note in this schedule.

Date:

Signature

KSEB

Location:

Month:

INTER-UNIT RECONCILIATION ACCOUNTS

(1) Opening balance as per unit Ledger

(2) Invoices sent pertaining to current month

(3) Invoices received

Closing balance

(4) Balance as per other ARU

Difference

Details of difference

Note: This reconciliation statement is for the previous month. However, this will be sent along with the confirmation statement of other ARU (see Circular No.17/86 of FA & CAO)

Date:

Signature

KSEB
IS:2

Location:
Month:

SCHEDULE OF RESTRUCTURING ACCOUNT

Account Head	Opening balance	Amount cleared till previous month	Amount cleared during the month	Total amount cleared year to-date (YTD)	Balance outstanding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Note: Give Account-Head wise details

Date:

KSEB

IS:3

Name of officer:

Location:

Designation:

Month:

LOCAL PURCHASE - SCHEDULE

SR.NO.	Details of materials purchased	Amount	Purchases upto previous month	Year to date (YTD) purchase	Remarks
(1)	(2)	(3)	(4)	(5)	(6)

Date

Signature

IS:

Location:

KSEB

Month:

SUB SCHEDULE FORM

SR NO.	REF	Particulars	Account code	Remarks
--------	-----	-------------	--------------	---------

Note: A standard Sub-schedule form is prescribed as a guideline. The details required to be furnished may be shown category wise/period wise etc.

Date:

Signature

IS:5
KSEB

LEDGER

Date	Particulars	Folio	J.No.	V.No.	Dr.		Cr.		Dr. or Cr.	Balance	
					Rs.	Ps.	Rs.	Ps.		Rs.	Ps.

KERALA STATE ELECTRICITY BOARD

IS: 6
Location code:
Month:

Location (Originating ARU)
Inter-unit Reconciliation
Statement with(Name of ARU)
Account code

	Dr.	Cr.
	Rs.	Rs
1. Opening balance as per unit ledger		
2. Invoices sent		
3. Invoices received and accepted		
4. Closing balance		

Signature
(Originating ARU)

To be filled in the responding ARU

	Dr.	Cr.
<i>(Name of ARU)</i>	Rs.	Rs.
5. Opening balance as per unit ledger		
6. Invoices sent		
7. Invoices received and accepted		
8. Closing balance		

9. Difference

10. Reconciliation

- A. Closing balance as per the statement sent by ARU.....
- B. Closing balance as per this ARU.....

Dr.	Cr.
Rs.	Rs.

Difference

11. Analysis of difference

A. Invoices received but not accepted

- 1. Invoice No.....dated.....Rs.....
- 2. Invoice No.....dated.....Rs.....
- 3. Invoice No.....dated.....Rs.....

B. Invoices sent but not accepted

- 1. Invoice No.....dated.....Rs.....
- 2. Invoice No.....dated.....Rs.....
- 3. Invoice No.....dated.....Rs.....

C. Others

- 1.
- 2.
- 3.

Signature
(Responding ARU)

KSEB
Scheme:

PROJECT PROGRESS REPORT

IS: 7
Location:
Month:

ASSET GROUP	Previous month		Current month		Year to date		Project to date	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
1. Land								
WIP								
Capitalised								
2. Building								
WIP								
Capitalised								
3. Hydraulic Works								
WIP								
Capitalised								
4. Other Civil Works								
WIP								
Capitalised								
5. Plant & Machinery								
WIP								
Capitalised								
6. Lines cable network etc								
WIP								
Capitalised								
7. Vehicles								
WIP								
Capitalised								
8. Furniture and Fixtures								
WIP								
Capitalised								
9. Office Equipment								
WIP								
Capitalised								

Signature

KSEB IS: 8	ASSET GROUP	CASH FLOW STATEMENT							
		Previous month		Current month		Year to date		Scheme to date	
		Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
1.	Land								
	Liability								
	Advance								
2.	Building								
	Liability								
	Advance								
3.	Hydraulic Works								
	Liability								
	Advance								
4.	Other Civil Works								
	Liability								
	Advance								
5.	Plant & Machinery								
	Liability								
	Advance								
6.	Lines cable network etc								
	Liability								
	Advance								
7.	Vehicles								
	Liability								
	Advance								
8.	Furniture and Fixtures								
	Liability								
	Advance								
9.	Office Equipment								
	Liability								
	Advance								

Signature