



KERALA STATE ELECTRICITY BOARD

Manual on Commercial Accounting System

VOLUME II – MATERIAL ACCOUNTING

VOLUME II MATERIAL ACCOUNTING

FORWORD

1. PURPOSE AND SCOPE

The purpose of the manual is to establish consistent and effective policies and procedure to ensure proper financial management – especially in the area of Material Accounting 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 the Financial Adviser & Chief Accounts Officer.

2. STRUCTURE AND COVERAGE

This volume is sub-divided in to four parts organised with chapters within each part.

PART I GENERAL

Covers: Introduction, Stores' Organisation and Accounting Policies

PART II OPERATING SYSTEM

Covers: Procedures for purchase, stores and Accounting, including Information System and Internal Control.

PART III FORMS AND REGISTERS

PART IV PURCHASE RULES AND REGULATIONS

3. UPDATING

A system being dynamic, it may become necessary to update procedures and other contents of this manual. The updates, if any, in future will be communicated by the Financial Adviser & Chief Accounts Officer (FA & CAO). The updates will supersede the relevant portions of the manual to which they pertain.

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 the following:

- Nature of deviation
- The reason for deviation
- The time span for which deviation required
- Procedure that will be followed if deviation is authorised.

Requests for Deviation are to be submitted to FA & CAO for consideration and necessary action. A Register of Deviation granted will be maintained at Head Office.

5. SECURITY OF MANUALS

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

The manual is issued to the Head of the Account Rendering Unit. He should see that it is always kept in the ARU/Subordinate office for use by authorised person. The manual should be received back from its holder on his leaving the office consequent on leave/transfer/retirement.

ACCOUNTS MEMBER

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ABBREVIATION USED IN THE MANUAL

ARU	Account Rendering Unit
ATN	Asset Transfer Note
AST	Additional Sales Tax
AEE	Assistant Executive Engineer
AE	Assistant Engineer
BO	Board Order
CAS	Commercial Accounting System
CE(C)	Chief Engineer (Civil)
CE(E)	Chief Engineer (Electricity)
CE(MM)	Chief Engineer (Materials Management)

CMRN	Contractors Material Return Note
CMN	Contractors Material Note
CB	Closing Balance
CWIP	Capital Work-in-Progress
CRR	Collection Remittance Register
CSI	Capital Stores Indent
CST	Central Sales Tax
DCB	Disbursement Cash Book
DC	Delivery Chalan
Dy.CE	Deputy Chief Engineer
ED	Excise Duty
EMD	Earnest Money Deposit
EE	Executive Engineer
FA&CAO	Financial Adviser and Chief Accounts Officer
FRN	Field Return Note
FGRN	Finished Goods Received Note
FGTN	Finished Goods Transfer Note
FO	Field Officer/Finance Officer
GRN	Goods Received Note
GL	General Ledger
HO	Head Office
ISTN	Inter Store Transfer Note
ISMRN	Inter Store Materials Received Note
IUMRN	Inter Unit Materials Received Note
IR	Inspection Report
IDBI	Industrial Development Bank of India
IT	Income Tax
JE	Journal Entry
KGST	Kerala Government Sales Tax
KV	Kilo Volt
LD	Load Despatch
LR	Lorry Receipt
LPO	Local Purchase Order
MCV	Materials Cost Variance
MRCI	Materials Requisition-cum-Invoice
MASA	Materials-at-Site Account
MCES	Monthly Consolidated End-use Statement
MTN	Materials Transfer Note

MRFS	Materials Requisition Forecast Statement
MA	Materials Accounting
MCS	Materials Consumption Statement
MW	Mega Watt
NABARD	National Bank for Agriculture and Rural Development
NSJE	Non Standard Journal Entry
O&M	Operation and Maintenance
OB	Opening Balance
PSL	Priced Stores Ledger
PO	Purchase Order
PV	Physical Verification/Payment Voucher
PVR	Physical Verification Report
PAC	Probable Amount of Contract
QL	Quantitative Ledger
RR	Railway Receipt
RIST	Requisition for Inter Store Transfer
REC	Rural Electrification Corporation
RCN	Railway Credit Note
RCC	Reinforced Cement Concrete
SRS	Sub Regional Store
SN	Store Note
SS	Senior Superintendent/Sub Store
SL	Store Ledger
STN	Store Transfer Note
SJE	Standard Journal Entry
ST	Sales Tax
TA	Technical Assistant
WO	Work Order

VOLUME II MATERIAL ACCOUNTING

PART I GENERAL

CHAPTER I INTRODUCTION

1. GENERAL COVERAGE

- 1.1 This manual covers system for materials purchase, consumption, accounting and other related areas
- 1.2 The system would be applicable to materials purchased and consumed at all the locations, namely Hydel Power Stations, Transmission, Distribution and Construction Circles/ Divisions/ Major Sections/ Satellite Section, Main/Regional/ Sub Regional/ Sub Stores, Pole casting and Repair Workshops.
- 1.3 This manual excludes systems and procedures for purchase, consumption and accounting of:
 - ❖ Fuel (coal, gas, residual, fuel oil, furnace oil, high speed diesel, light diesel oil etc.)
 - ❖ Capital equipments purchased under composite supply-cum-erection orders where the title to the goods supplied does not pass to the Board until erection is complete.
 - ❖ Miscellaneous items like stationery, postage stamps etc. which are not routed through material stores.
- 1.4 The systems and procedures would be applicable to both capital stores and stores for operations and maintenance.

2. HIGH LIGHTS**2.1 Common documents**

The documents used for physical movement of materials are also used to represent these physical activities in the books of accounts. This eliminates the chances of transcription errors and brings about greater accuracy and timeliness in the maintenance of accounting records.

2.2 Simplification of receipt and issue costing

The value given to receipt of materials is independent of its value as per suppliers' invoice. Similarly the issue rate and the rate for stock valuation are not tied up to a current receipt rate. This de-linking facilitates immediate valuation of receipt and issue documents and consequently their recording in Priced Stores ledger (PSL) and books of accounts.

2.3 Classification of Materials Transaction

Different types of materials transaction have been properly classified and have to be accounted for in the books of accounts. This would help in correct representation of these different transactions in the periodic and annual accounts and management reports.

2.4 Proper Documentation and Control

The system would ensure that each and every physical activity having a financial implication is supported by a document and is correctly and speedily accounted for. The system also contains control oriented procedures like pre-printing of document numbers, control registers, cut-off numbers etc. to ensure that all transactions are booked in the accounting records for the period to which they relate.

2.5 Accounting for Advances

Formal procedures have been laid down for accounting for advances. The units responsible for payment of advances and their final accounting have been clearly spelt out. In drawing up the final accounts of a unit for a period, the advances paid are adjusted against the liability in respect of materials received against the advance.

2.6 Stock Reconciliation

In order to ensure that there is complete tie-up between the books of accounts and the physical stock, the system envisages periodic reconciliation between the physical stock, the stock records and the materials accounts in the books.

2.7 Provisions for liability

The system ensures immediate creation of a provision for liability in respect of all accepted materials purchased and taken into stock.

3. NOMENCLATURE

In this manual:

Store: means any location carrying out the 'stores' activity:

- Central Stores
- Regional Stores
- Sub-Regional Stores
- Sub Stores

H.O: means the office of the Financial Adviser & Chief Accounts Officer, which does the functions of H.O.

4. MATERIALS CLASSIFICATION & CODING

The system outlined in the manual presumes that the materials are classified and coded. In K.S.E.B while materials are classified, codification suitable for the CAS is yet to be done. Until such codes are developed and intimated, the provisions/column for *materials code* in the various forms and formats *should be left unfilled*.

Notwithstanding the above, material group codes have been developed and incorporated in the Chart of Accounts.

VOLUME II MATERIAL ACCOUNTING

PART I GENERAL

CHAPTER II ORGANISATION

1. In designing the systems and procedures for materials accounting, it has been assumed that Materials Management will be independent service function in the Board's organisation. This function will be responsible for total custody of and control over the materials used in different operating functions of the Board.
2. The functions carried out at the stores are:
 - Receiving
 - Inspection
 - Stocking
 - Issuing
 - Reconciling
 - Reporting
3. The additional functions carried out at such Account Rendering Units (ARUs) to which stores are attached and such stores which are ARUs themselves are:
 - Stock Accounting
 - Supplier Accounting / Bill passing
 - Reporting
4. The main stores structure of the Board
 - Project Central Stores (Civil) - 1
 - Transmission Stores - 1
 - Regional Stores (Electrical Distribution) - 3
5. The other stores are, sub regional stores/sub-stores for Electrical Distribution Wing and Circle level stores for projects and transmission wing.
6. The Main Stores and Regional Stores are independent ARUs, rendering accounts directly to Head Office.

The Sub-regional Stores/Sub-stores render accounts through Circles to which they are attached. In their case, materials accounting is done at two different locations.

- The accounting for receipts, stocking, transfer and consumption are done at the Circle level.
 - Quantitative statements (showing transfers and issues) prepared at the Sub-regional/Sub-store level and reported to the Circle.
7. Material Accounting function is carried out at the ARU to which the store is attached. The function comprises of two branches:
- Priced Stores Ledger (PSL) Branch; and
 - Bill Passing Branch

8. STORES CLASSIFICATION INTO 'CAPITAL' AND 'O & M'

In KSEB set-up, no store can be purely termed as either 'Capital' or 'O & M' because every store caters to both types of material requirements to a varying extent. Based on the majority of material transactions, the stores classification is as follows:

❖ Capital Stores:

- Civil Circle Stores
- Project Central Store (Civil)
- Transmission Central Store
- Transmission Circle Stores

❖ O & M Stores:

- L.D. Circle Store
- All Stores under Electrical Distribution wing
- Generation Circle Stores

VOLUME II MATERIAL ACCOUNTING

PART I GENERAL

CHAPTER III ACCOUNTING POLICIES

1. Policies relating to Material Accounting reproduced from Annexure III of the Electricity (Supply) (Annual Accounts) Rules, 1985 are given below:

MATERIALS ACCOUNTING

Accounting for Materials Transactions

- 2.109 Accounting for all materials transactions shall be in the same period in which the physical event of receipts, issues etc., take place. Similarly, liability for all materials received and accepted by the Board shall be created in the month in which the materials are accepted.

Accounting for Incidental Expenses

- 2.110 Incidental expenses incurred shall not be linked to the actual materials receipts / issues and therefore shall not be treated as Materials Cost. These expenses shall be treated as a period cost and shall be charged to the Revenue Account of the period in which these expenses are incurred.

- 2.111 Recognition of Consumption

Accounting for consumption shall closely follow the physical transactions. Issues of materials in respect of specific works shall be forthwith treated as consumption. Where there are lumpsum withdrawal of materials, consumption shall be recognised only when the exact end-use is established.

2. Procedures relating to Material Accounting as laid down in Annexure V of the Electricity (Supply) (Annual Accounts) Rules, 1985 is given below:

2.20 Accounting procedures relating to Material Cost laid down herein below:

1. Stores which are exclusively catering to the requirements of construction projects shall be treated as "Capital Stores".
2. Stores which are providing materials for both capital and O & M purposes shall book purchase related transactions basically as O & M stores except that the value of issues on capital jobs shall be booked separately.

3. Fast moving items shall be covered by a standard rate system, in which receipts, issues and stocks shall be valued at scientifically determined standard rate and the variance between actual costs and standard rate shall be collected in a separate account called “materials cost variance account”.
4. In case of items not covered by the standard rate system, the receipts shall be valued at Basic Price plus Excise Duty plus Sales Tax. In such cases, the issues shall be valued at the weighted average rate applicable to the closing stock of the previous month. Where the closing stock of the previous month is nil, the valuation of issues shall be at the rate of first receipt of the month.
5. Subsequent increase/decrease in the cost of receipts shall be adjusted in the issue rate prospectively and no retrospective adjustment shall be made to the value of past issues made out of the concerned receipts or to the assets constructed out of such issues.
6. Freight on materials purchased (whether incurred and billed by supplier or incurred by the Board) shall not be treated as materials cost and shall be recorded in the separate account provided for this purpose.
7. All other incidental costs such as packing charges, Octroi etc., shall also not be treated as materials cost and shall be recorded in separate accounts provided for this purpose.
8. Returns from out of the materials issued in the past shall be valued at the issue rate applicable for the month in which the materials are returned.
9. The prescribed basis of valuation of issues and returns may lead to certain anomalies, in stock values. Such anomalies, if any shall be removed at the end of every quarter and the amount by which the stock values requires adjustment shall be accounted for in a separate account prescribed for this purpose.
10. The liability to be created on the acceptance of materials shall be made.
 - at the standard rate in case of fast moving items
 - at the purchase order rate in the case of other items
11. Accounting for advance adjusted and recoveries and deductions made from a supplier’s bill passed by the Board and recognition of the liability, for the net amount due on that bill, shall not be deferred till the actual discharge of the net liability.
12. Loss or shortage in materials stock shall be provided for in the period in which the shortage are observed.

Treatment of materials cost variance.

- 2.21 Under the standard rate system referred to above, materials cost variance, if any, in respect of receipt at construction locations or at O & M locations shall not be charged to Revenue Account or to Capital Works.
- 2.22 The balance in the “Materials cost Variance Account” at the year-end shall be treated as follows:
- (1) Credit balance shall be credited to a Reserve called “Reserve for Materials cost Variance”.
 - (2) Debit balance shall be debited to “Reserve for Materials cost Variance”. If as a result of such debit, the net balance in this reserve account is a debit balance, the amount of debit balance shall be charged to Revenue Account for the year.
- 2.23 Accounting treatment for materials cost variance prescribed above assumes that the standard rates are fixed appropriately and that a system exists for periodic revision of rates whenever significant variances are being observed.
- 2.24 The amount of material cost variance recorded by construction circles and divisions and treated on the above lines, shall be shown by way of a note in the Fixed Assets Schedule in the Board’s Annual Accounts.

3. Other Accounting Policies

3.1 Commercial Accounting

The accounting for materials will be based on the Commercial Accounting practice of recognising liability against all materials liability and accounting for all stores transactions in the same period. This will ensure that accounting records truly and accurately reflect values of the physical stocks at the end of each accounting period.

3.2 Provision for liability

Automatic provision for liability in respect of all purchased materials accepted and taken into stock gets created as per this system independent of supplier’s bill.

3.3 Supplier Accounting

A liability in favour of the suppliers will be recognised in the books of account based on acceptance of materials supplied. Suitable accounting procedures have been instituted to give proper and timely accounting treatment for advances paid, their final adjustment against liability in respect of materials accepted for which supplier invoices have not been passed for payment.

3.4 Control Procedures

Several control oriented procedures like pre-printing of documents numbers, control/follow up registers, cut off numbers etc., have been prescribed to ensure immediate and accurate booking of all materials related transactions in the books of account in the same period to which they relate.

3.5 Stock Reconciliation

Formal stock reconciliation procedures for both quantities and values of stocks have been prescribed to ensure reflection of actual physical state of affairs in the books of account. The stock records and books of accounts will be adjusted on these reconciliations.

3.6 General

Emphasis is given to cut off procedures, provision making requirements, stock reconciliations, write offs, etc., so as to link the accounting of various material transactions to the appropriate Account Rendering Units and period.

VOLUME II MATERIAL ACCOUNTING

PART II OPERATING SYSTEM

CHAPTER I STORES PROCEDURE

1. INTRODUCTION

1.1 In this chapter the stores procedure relating to receipt, issue of materials etc., are covered.

Major points covered are:

- Purchase
- Receipt of materials
 - From suppliers
 - From other stores
 - From field
 - Returns from contractors
- Recording of Stores Transaction
- Issue of materials
 - For consumption
 - To contractors
 - Stock transfer
- Other Stores Transactions

DOCUMENTS FOR STORE TRANSACTIONS

Receipt/Drawal	Basic document	Receipt document/Issue document	Accounting document
1. Receipt from supplier	LR/RR/P.O/Invoice	Goods Received Note (GRN)	GRN sheet analysis
2. Other stores	Inter Store Transfer Note (ISTN)	Inter Store Material Received Note (ISMRN)	ISMRN sheet analysis
3. Field Return from field officers			
a. Under same ARU having Store	Field Return Note (FRN)	Store Note (SN)	SN analysis sheet
b. Field Return from Distribution Division to Circle (SRS)	Inter Unit FRN	Inter Unit Material Received Note IUMRN	IUMRN sheet analysis
4. Contractors Material Return			
a. From the field officers under the same ARU having a store	Contractor's Material Return Note (CMRN)	Contractors Materials Note (CMN)	CMN sheet analysis
b. From field officers of distribution division to circle (SRS)	Inter Unit CMRN	IUMRN	IUMRN sheet analysis
5. Finished Goods from manufacturing locations	Finished Goods Received Note (FGRN)	FRGN	FRGN sheet analysis

	Issues / Distribution	Basic Document	Responding Document	Accounting Document
1.	Issue to other Stores	Requisition for inter-store transfer	ISTN	ISTN analysis sheet
2.	Issue to field officers under the same ARU having a store	MRCI (Note: In this case, invoice portion is not operated)	MRCI	MRCI analysis sheet
3.	Issues to field officers of distribution division from SRS/SS.	MRCI	MRCI	MRCI analysis sheet
4.	Issue to contractors under the same ARU having store	MRCI	MRCI	MRCI analysis sheet
5.	Issue to contractor in the distribution division	MRCI	MRCI	MRCI analysis sheet
6.	Distribution of finished goods from manufacturing location	Allocation order of competent authority	Finished goods Transfer Note (FGTN)	FGTN analysis sheet

1.2 Cut-off Procedures

Recording, classification and analysis of all transactions and documents/reports thereof covered in this manual will require a common cut-off date to be followed in order to facilitate timely reconciliation, with reference to the last number of each and every document.

1.3 Receipts of Materials

A store will receive materials from various sources:

- Suppliers
- Other stores
- Field returns
- Returns from contractors

2. PURCHASE OF MATERIALS

2.1 *General*

For the purchase of all materials, the systems and procedures, and rules and regulations laid down by KSEB will be adhered to. The relevant rules and regulations are enclosed as annexures to this manual.

2.2 *Salient Aspects*

2.2.1 *Classification of materials*

The materials are classified into capital and O & M right from the indenting stage itself.

2.2.2 *Indenting for material purchase planning*

The field units are required to send their requirements of materials for capital works and O & M works separately using the Capital Stores Indent and O & M Stores indent.

2.2.3 *Raising Purchase Order*

The materials management Department at the Head Office shall receive these indents and keep track of them by recording the receipt of the indents in Capital Indent Received Register and O & M Indent Received Register for capital indents and O & M indents respectively. After accumulating sufficient indents, the Materials Management Department initiates purchase actions and finally places a purchase order for supply of materials. The purchase procedures to be followed prior to the placement of purchase order is set out in the rules and regulations enclosed as annexure to this manual.

2.2.4 *Designating Receiving Locations and Despatch of Purchase Order/Purchase Order Amendments*

The Purchase order specifies locations at which the material has to be supplied by the supplier. The Materials Management Department has to ensure that the copies of the Purchase Order (which is the authorising document to receive material) is despatched to the locations designated to receive the material. Amendments to the purchase orders might be effected from time to time. It has to be ensured that these amendments are also despatched to the concerned locations.

2.2.5 *Recording of Purchase Documents*

The purchase order and amendments thereof, if any, have to be recorded by the receiving locations in the Purchase Order Received Register and Purchase Order Amendment Sheet. The amendments to the purchase order have to be correlated with the original purchase order. The purchase order together with the amendments thereto, if any, would form the authorisation for receipt of material.

2.2.6 *Standard Rates*

The Materials Management Department at Head Office shall prepare a list of standard items and standard rates (all Kerala Rates) for each of them and circulate it to the various stores locations. For calculation of the standard rate the standard rate calculation sheet shall be used.

2.2.7 *Purchase at locations other than by Materials Management Department*

Purchase might be initiated by locations themselves. These purchases are also governed by the rules and regulations enclosed as annexures to this manual. The Tender Register shall be maintained for such purchases.

2.2.8 *Local purchases by ARU's without any Stores facility attached to them*

The rules and regulations lay down the procedure for local purchase where the ARU has a store facility attached to it. However for such ARUs/field personnel who effect purchases to meet emergency requirements, the following procedure will apply.

These purchases have to be carried out only when there is an emergency need or if the materials are absolutely essential to carry out the work.

Such purchases should be within the delegation of powers prescribed by Board from time to time.

This will be carried out by the executing officer or the controlling officer as the case may be. The order for purchase will be through the issue of Local Purchase Order (LPO), which will be prepared in quadruplicates, the duplicate copy being given to the supplier. On receipts of material the Officer receiving the material has to certify the quality, adherence to the specifications etc., and accept the material. The acceptance has to be recorded on the LPO. The Bill passing branch shall process the bill only with the original of the LPO. The accounting for local purchase will be done through MASA. A copy of the LPO, shall accompany the MASA as support for having taken the materials into stock.

If, however the purchase is done by a controlling officer and allocated to the difference units / Engineers, then in addition to the above procedures, acknowledgement for receipt of material will be obtained from the executing officer and the LPOs will be accounted for at the ARU.

3. RECEIPT OF MATERIALS FROM SUPPLIERS

3.1 Documents to accompany supplies

In the case of material receipts from suppliers, the supply must be accompanied by a Delivery Chalan/LR or RR/ Invoice copy of the supplier having appropriate purchase order references. No item shall be accepted for which no authority to receive exists. Authority to receive may be in the form of purchase order, etc., and it is necessary that all these have to be watched.

3.2 Store Activities

The stores will carry out the following tasks:

- Collection/Receipt of materials
- Inspection of materials and
- Documentation

3.3 Collection / Receipt of Materials

3.3.1 Collection of materials by stores

Railway Receipt (RR), Lorry Receipt (LR), Air Freight bill and others, if any, will be received by stores either directly from the supplier or through the bank (Documents through Bank) etc. The stores will have the complete custody of these documents. A register (LR/RR Register) will be maintained to keep track of receipt of LR/RR, issue of these documents for collection of materials, details of claim, if any, to be made on the supplier, etc. They will arrange for collection of materials from railways, transport and from others and record the same in the materials Collection Register.

3.3.2 Receipt of Materials

Stores will also receive materials directly from the suppliers.

3.3.3 Materials Directly received at site

In cases where materials are received directly at the site, this section will co-ordinate with the site-operation for the purpose of documentation of this transaction.

3.4 Inspection

Inspection will be done by nominated persons/authority, Inspection may be at the supplier's premises (before despatch of materials to consignee stores) or at the stores (after receipt of materials). The purchase order will mention the authority that has to inspect the materials and also the place and time of inspection. If not, accepted practice and procedure will continue. Technical evaluation and procedures are governed by the Board's policies prescribed and/or practised.

3.4.1 Inspection of materials at supplier's premises

The Inspecting Officer will prepare an Inspection Report (IR) for the inspection of materials at Supplier's premises. The IR should contain the details of the quantity inspected and a copy of the IR will be sent to the consignee stores. In case any sealing has been done on the inspected materials or if they have been marked, the details of such sealing or marking should be given in the IR. At the Consignee Stores, the copy of the IR will be filed in the pending IR file. The receipt of the materials will be matched with the IR. This IR should be attached to the Goods Received Note (GRN) prepared for the receipt of the materials (Form-MAT13).

3.4.2 'Visual' Inspection

All materials received in the Store will be subjected to a 'Visual' Inspection prior to acceptance to ensure that there has been no apparent breakage or shortages. The materials inspected at Supplier's premises need further checking to ensure that the markings are as per the markings mentioned in the IR and materials have not been damaged in transit. Only the materials found acceptable on 'Visual' Inspection will be receipted in the stores.

3.4.3 Inspection of Materials at Stores

Inspection may be done at the Stores, if so required as per the specifications provided in the purchase order. The stores after visual inspection will prepare a Goods Received Note (GRN) and arrange for the inspection of the materials by the Inspection Section (where such section exists) or by the concerned authority/nominee. The details of inspection will be entered in the GRN, while technical evaluation etc. will be recorded separately in a form/register.

3.5 Rejections

The store will maintain record of the rejected materials, which will be either replaced by the suppliers or have to be returned to them. A Rejected Goods Register will be maintained for this purpose.

4. RECEIPT OF MATERIALS FROM OTHER SOURCES

Receipt of materials from other Sources – other stores, field, return from contractors – are dealt under section 'Issue of Materials'.

5. RECORDING OF STORES TRANSACTIONS

5.1 Preparation of Goods Received Note (GRN) Normal Procedure.

5.1.1 Purpose of GRN

Goods Received Note (GRN) will serve as a document for recording receipt and inspection of materials received from suppliers. It will form the basis for stocking of materials and passing the Supplier's bill for payment.

5.1.2 Timing of preparation of GRN

This document with pre-printed serial number will be prepared by receiving section immediately on receipt of materials (after visual inspection) but before inspection by the inspection authority.

5.1.3 Basis for Preparation of GRN

The basis for preparation of GRN are physical receipt of materials, purchase order copy and amendments there to and delivery chalan /RR/LR/Invoice

Materials which are within the purchase order (or any other authorisation) are accepted and others rejected.

5.1.4 Dual utility of GRN

Supplies received from Suppliers will fall into two categories

- Supplies already inspected, and
- Supplies to be inspected.

In case of supplies already inspected, the materials should be accompanied by an IR. Supplies to be inspected will be passed on for Inspection along with the GRN. The findings of inspection will be recorded on the GRN; in the former case from the IR and in the latter case the GRN will itself serve as the document for directly recording the inspection findings. On the quantity to be accepted having been established and entered in the GRN by the inspecting official the GRN will be forwarded for stocking of accepted materials. The rejected materials will be retained separately and not taken into stock.

5.1.5 Updating purchase order

Store will update the purchase order copy with the receipt. The purchase order copy in the stores will, at all points of time, reflect the extent of execution of the purchase order vis-à-vis the delivery schedule.

5.2 Preparation of GRN – for Materials received in lots which take a long duration for inspection.

5.2.1 Preparation of sub GRNs for lots

It is quite natural that materials like transformers, meters etc. received in a store will be taking a long duration for completion of inspection of the entire batch. In such cases the store keeper, as and when materials are received, will prepare GRN for the entire lot. Sub GRNs for convenient lots released from inspection will be prepared which will bear sub numbers to the main GRN, with two digits following the main GRN number.

5.2.2 Maintenance of Control Register

The Sub GRN shall be maintained in the order of return of such inspected materials from Inspection. In order to have a control over the materials sent to and returned from Inspection, a register for this purpose will be maintained in the store. The register shall contain details such as delivery chalan/LR/RR No. date of sending for inspection, date of return after inspection, quantity sent for inspection, quantity returned after the inspection and relevant acknowledgements.

Thus in the case of materials received in lots which take long duration for inspection, the Store Keeper will be preparing sub GRNs only for those quantities that have been duly inspected and certified.

5.2.3 GRN Control Register

Since GRN has to move between several sections, it becomes important to maintain a GRN Control Register to watch the numerical sequence and progress of GRN movement. This shall be maintained in GRN control Register. The GRNs which have been inspected have to be entered in this register.

5.3 Rejected Goods Register

Particulars of the rejected goods are maintained in this register. Materials rejected by store (for deviation from purchase order) will be entered in this register. Details about the claims to be raised on the supplier towards freight etc. for return/storage of rejected materials will be recorded in this register.

6. ISSUES OF MATERIALS

6.1 Issue for Consumption where end use is known

6.1.1 Authorisation for Issue

Stores issue materials for various purposes such as consumption, contractors' use etc. Issues are made against proper authorised documents, which will contain certain details such as material, group/code, material description, quantity required, work order/end use reference, approval, date, number, user department etc.

6.1.2 Issue against Materials Requisition-cum-Invoice (MRCI)

Issues to filed are made against an approved document – Material Requisition-cum-Invoice (MRCI). Stores will confirm whether the MRCI is properly authorised prior to issue. There should not be any unauthorised issues.

Issues of materials from stores for consumption in respect of which the end-use is known, i.e., in the specific work/project identified by project codes are known are dealt in the manual on Capital Expenditure and Fixed Assets.

The end-use will be recorded in the MRCI in terms of work order number/end-use statement reference number.

Note:- Accountability does not cease with the accounting of materials issue as consumption.

6.1.3 End use statement

End-use statement is a document showing the proposed material utilisation. End-use statement is either prepared for a single work or it is prepared for a series of similar standard work for a period of one month. When it is prepared for a month, it is known as Monthly Consolidated End-use Statement (MCES). Work order will be used wherever possible.

6.1.4 *Preparation of End-use Statement*

Work order/End-use Statement represents a formal document authorising the execution of a specific job. The job may be a capital job or an O & M job. An O & M job may be classified into normal repairs and maintenance, special repairs and maintenance, etc.

The procedure for the preparation of end-use statement are detailed in the Manual on Capital Expenditure and Fixed Assets. This document will be prepared by the person responsible for actual execution of the job and sanctioned by appropriate authority. Where a job is to be executed by an outside contractor, the end-use statement will be issued by competent authority.

6.1.5 *Utility of End-use Reference for Accounting*

The end-use will be referred to in the MRCI in terms of work order number/end-use statement reference number in all cases whether capital or O & M. The work order number/end-use statement reference in turn will be translated into relevant account codes at the Accounting Unit for recording these transactions in the books of accounts.

6.2 *Issue for consumption where End-use is not known*

6.2.1 *Issue & Recording Procedure*

It may not be possible to state the end-use at the time of materials request. The drawal for this is also done through Materials Requisition cum Invoice. In such cases, the materials issue may be booked initially to a "Materials at Site Account" (MASA). This will be an intermediary account or holding account till such time the actual end-use is determined. MASA will be identified to an Engineer/Employee who would be responsible for accounting

for the materials drawn under MASA. At fixed intervals (not exceeding a month) consumption against MASA has to be communicated for accounting purpose.

6.2.2 *Recording of drawal against MASA*

The Engineer will main necessary quantitative records for the drawals/receipts, consumption and balance of items drawn under MASA. This recording (of MASA) will be done according to the material group classification. This record will enable periodic reporting of consumption and also form the basis for verification of physical stock at site at any point of time. MASA is a control account supported by Engineer-wise subsidiary ledger in the ARU.

The MASA could be classified into capital and O & M depending on the types of jobs handled by the concerned Engineer, as also by the type of stores-capital or O & M.

6.2.3 *Reporting of Consumption*

Consumption of materials drawn against MASA has to be communicated through a “Consumption Statement” (Monthly).

6.3 *Authorising MRCI for drawing Materials*

In case of Capital and special O & M work orders, the expenditure control has to be exercised prior to incurrence. With this in view, cumulative quantity records of all issues against each of the work orders be maintained by the authorising authority in respect of major items stated in work order / materials end-use statement. Prior to authorising drawal of materials, this record will be referred to ensure that the drawal, of materials, if made, will be within the quantity sanctioned by the Work Order/ End-use Statement. Where the drawal, if made, is likely to exceed the specified limit, the MRCI will be returned with specific comment to this effect. The issue will be effected only after a specific sanction from the competent authority is obtained, taking into account the excess consumption against the work order.

6.4 *Issue of Materials*

After verifying the authorisation of the drawal, the stores will issue the materials against the MRCI. Quantity actually issued will be recorded on the MRCI and on the Quantitative Ledger/Numerical Ledger.

6.5 *MRCI – Number*

The MRCI received from the field offices should have serial numbers. In addition, the stores will assign a unique serial number for each MRCI in the chronological order of materials issued. This number will be termed as “MRCI Number” and will be referred to in the PSL/Numerical Ledger. There

will be four distinct series of “MCRI Numbers” – one for Capital issues, one for O & M issues, one for MASA (Capital) and one for MASA (O & M). This will facilitate monthly analysis and accounting of the issues.

7. ISSUE TO CONTRACTORS

7.1 The issue of materials to contractors will fall under two categories:

- ❖ Against work orders
- ❖ On loan

7.1.1 Issue against work order

The MCRI, having a separate serial should contain the reference of the work order number. The stores will confirm the authorisation of such issue with reference to the work order document which would state the terms and conditions of the work order with regard to issue of materials.

7.1.2 Issue of material on loan

MCRI raised for the issue, will be approved by competent authority, who would authorise issue of materials to the contractor. The MCRI will be stamped as ‘ON LOAN’, in addition to providing works order reference which authorises grant of loan and prescribes recovery rates. Stores will issue the materials to the contractor on the basis of the MCRI. Out pass for the materials will be prepared by the Store Keeper.

8. STOCK TRANSFERS

8.1 Movement within the ARU could be as follows:

8.1.1 One work to another work under the same Account Rendering Unit

In such cases, for accounting purposes, a Store Transfer Note (STN) will be prepared to credit the work transferring the materials and to debit the work using the materials. This documentation will ensure proper accounting of materials costs to the work. In such cases, a copy of the STN should be given to ARU. The STN will be posted on the work order/ End-use Statement.

The direct transfer of materials from a work of an Account Rendering Unit to a work of another Account Rendering Unit should be restricted to the minimum extent. In such cases, if a transfer is required, the materials will be transferred to the Account Rendering Unit through material Transfer Note (MTN). It is similar to STN and a copy of MTN has to be sent to the ARU.

8.1.2 Stock Transfer from one Store to another Store (where both the Stores are under the same Account Rendering Unit)

The procedure for such stock transfer will be similar to the transfer of stores from one store to another store, under difference Account Rendering Units

(Documents to be used in this regard are RIST, ISTN and ISMRN). The only exception being that the accounting for such transfer will be carried out in the same location. To facilitate such accounting, ARUs with more than one Store have to maintain separate numerical ledger and PSL for each store.

8.1.3 *One Section to another Section within the same ARU*

The procedure for this would be similar to the procedure described for movement of materials from one work to another work, within the same Account Rendering Unit

8.2 *Movement outside the ARU:*

8.2.1 *Stock Transfer from one Store to another Store under any other Account Rendering Unit (commonly known as Circle Stores):*

A requisition – ‘Requisition for Inter-store Transfer’ (RIST) – will be raised by the Transferee Stores on the transferor Stores. If the materials are available, the Transfer Store will prepare an Inter-store Transfer Note (ISTN). This document will form the basis for effecting issue. The ISTN will be valued like any other issue. This document will follow the physical transfer of materials to the Transferee Stores. The Transferee Stores, on receipt of the materials along with the ISTN, will prepare an Inter Stores Material Received Note (ISMRN) and will accept the ISTN. The ISTN will indicate the materials item, quantity transferred and value. The total of the different items transferred in an ISTN will be the value of ISTN, which will be referred in the Inter-Unit Account. The Transferee Stores will check, whether the items transferred and the quantity are correctly received. Any difference in quantities/rejections/ damages will be entered in the ‘Remarks’ column of ISMRN and ISTN. Where the transferee stores in view of difference in quantity or rejections or damages is not able to fully acknowledge the debit raised in ISTN, it will prepare an ISTN in turn for the difference between the value of ISTN raised by the other transferor stores and the value actually received by transferee stores. The ISTN with remarks along with ISTN for debit for rejections/ damages/ differences etc. will be forwarded to the transferor stores. A copy of both the ISTNs in the normal course will be forwarded to the Accounts Section of the transferee stores for incorporation in the Inter Unit Accounts and for further reconciliation.

9. **TRANSFER FROM ONE ARU TO ANOTHER ARU**

9.1 *Returns from contractors*

Return of materials from contractors will be against Contractor’s Materials Return Note (CMRN). The returns will be classified into two.

- Return of materials issued on loan
- Return of materials issued against work orders.

9.2 *Field Returns*

9.2.1 *General Field Returns*

All returns of materials from field to Stores will be under “Field Return Note” (FRN). The Field Return Note must specify the works orders or MASA, as the case may be, for return of the materials.

9.2.2 *Field Returns from Distribution Divisions under Distribution Circles*

All return of materials from the filed to Sub Regional Stores (SRS) will be accompanied by Field Return Note specifically marked as “Inter Unit”. Based on such FRN/CMRN, Inter Unit Material Received Note (IUMRN) is prepared in the SRS and copies of the same given to Store Accounting Branch of the Circle. The valued IUMRN in duplicate along with copies of FRN/CMRN; (principle for valuation being standard rate in the case of standard items and current month’s issue rate in the case of non-standard items) will be forwarded to concerned Divisions for acceptance of the IUMRN which serves as a credit note. This procedure is necessary as Distribution Divisions do not have Stores.

10. VALUATION OF MATERIAL TRANSFER DOCUMENTS

The transferor stores should send the ISTN duly valued at the issue rate applicable in its Stores. The ISTN will be receipted in the transferee stores at the same value indicated in the ISTN. Similarly, ISTN raised by the transferee stores for damages/ losses, etc., will be valued at the rate indicated in the original ISTN. However, transferee stores will adjust the rate variance by passing necessary entries. The valuation of all transfer documents should be at standard rates or issues applicable.

11. POSTING OF ISMRN

ISTN is responded by Inter Stores Material Received Note (ISMRN). ISMRN is the basis for updating stock records and simultaneously an ISTN is raised by the transferee stores, for damage/shortages, etc., if found. At the transferor stores, this ISTN for damages and variance will be receipted by an ISMRN.

In case of transit losses, the ISTN will not be backed up by any physical material. If the loss is conceded, immediately an MRCI will be raised to have this written off to “Loss of Materials in Transit Account.”

12. SALE OF STORES ITEMS

Where stores items are sold, an MRCI will be prepared as in the case of issues for consumption and the same authorised by competent authority. This MRCI will be distinctly marked as ‘Sale’ and will be valued in the usual manner like other MRCI.

13. STOCK RECORD

There are two sets of records which will be updated for receipt, stocking and issue of materials. These are Quantitative Ledger (Numerical Ledger) and Value Ledger (Priced Stores Ledger)

13.1 Numerical Ledger

This Ledger gives information such as material code, material description, location reference, unit, quantity and date of receipt and issues, balance quantity etc. There will be a folio for each item of material. This ledger will be updated on stocking and Issue of goods from the stores and the balance stock.

13.2 Priced Stores Ledger (PSL)

Complete details of the materials received and issued are entered in this ledger. Date, material code, material description, location reference, unit, quantity and value of the materials received and issued and balance quantity will be recorded in this ledger.

This record is maintained in the Priced Stores Ledger Branch. The PSL is continuously updated and all documentation concerning materials movement will have to be routed through this Branch.

13.2.1 Valuation of material Receipt

Valuation of the materials will be as per standard rate or as per weighted average rate as the case may be. The top portion of this ledger is to be used to record the actual invoice value and the prevailing standard rate of materials received. This will facilitate in updating standard rates.

13.2.2 Valuation and Posting of Issues in the PSL

The MRCIs after completion of issue of materials and recording thereof will be forwarded to the PSL Branch, for valuation and posting in the PSL. This section will assign an issue rate on the following basis.

(a) For Standard items

- When the opening stock is 'Nil' – The issue rate will be the current standard rate as determined from time to time. The standard rates will be applicable through out the period unless revised.
- When there is opening stock but standard rates are revised

Where standard rates are revised, it has to be recognised that the issue rate for the current period could be different from the stock rate (old standard rate) at which opening balance is valued. In such cases, it has to be ensured that the issues to the extent of the opening balance quantity are valued at the

‘old standard rate’ and issues thereafter only will be valued at the ‘revised standard rate’. In view of the above, it would become necessary for the issues to be kept track of till such time as the opening balance is exhausted so as to enable application of appropriate issue rates as set out above. This may necessitate:

- An issue to be split for the purpose of valuation at the old and revised standard rates, and
- Closing balance to be split for the purpose of valuation at old and revised standard rates.

(b) For Non-standard items

- Where the opening stock for the month is ‘Nil’, the first receipt rate of the month will be the issue rate.
- Where there is opening stock for the month the issue rate will be the previous month’s closing stock rate.

In both the above cases for the non-standard items, the issue rate once determined will hold good for all the issue transactions of the month.

The issue rate determined on the above lines will be entered on the MRCI and the balance extended to establish the MRCI value.

- 14.** Periodically, the stores-in-charge in consultation with user departments, will determine stores items which are obsolete. An MRCI will be prepared duly marked as ‘Obsolete’ and the same approved by competent authority. The obsolete stock will be stored separately. Separate ledgers (PSL and quantitative) will be opened to keep track of these obsolete stores till they are sold or written off. The MRCI will be valued in the normal way.

15. SCRAP

Scrap may be generated in the course of normal operations. In these cases, FRN/SN will be prepared and SN will be valued at standard rates fixed for such scrap or at rates determined by guidelines of the Board. The procedure for return of obsolete or unusable asset to stores is covered in capital expenditure and fixed assets manual

16. RE-ROLLING, CONVERSION, FABRICATION, POLE CASTING ETC.

In these cases, one or more materials will be issued from stores and a finished material will be receipted in Stores. Details are given in chapter on Accounting Procedure.

In fabrication, pole casting/treatment process may be carried out departmentally (internal) or through contractors/ others (external).

16.1 *Internal fabrication, Pole casting/treatment*

The drawal of materials for this purpose follows the same procedure as that for any other work, and MRCI analysis sheet is prepared.

16.2 *Costing of finished goods*

The cost of finished goods apart from the cost of materials will include labour cost, employee cost, administrative and general expenses and other expenses.

The material cost is directly taken to workshop suspense account (22.710); in the case of other components of cost, the amounts are initially booked under the natural head of accounts and then transferred to a holding account under the natural head. These are finally transferred to revenue expenditure pending allocation to capital (15.2). This amount is then transferred to workshop suspense account.

16.3 *Accounting for finished goods at ARU*

On completion of work, a Finished Goods Received Note (FGRN) shall be prepared at the location of the work and forwarded to the ARU of the work centre. At the ARU, based on the FGRN analysis sheet, accounting will be carried out. (There is no physical movement of finished goods).

16.4 *Distribution of finished goods*

The distribution of the finished goods shall be based on the allocation determined by the competent authority. The document for such transfer will be Finished Goods Transfer Note (FGTN) which will also serve as an invoice. Transfer of materials for utilisation in other ARUs will follow the same procedure as that of any other inter unit transfer.

However, if the items are used within the same ARU the accounting will be done through MASA or capital work in progress. The ARU's should maintain PSL for the manufactured items.

All work locations should maintain numerical ledger for materials manufactured and issued. The locations carrying out the work have to send a manufacturing account to the ARU's.

16.5 *External fabrication, pole casting/treatment – Drawal of materials*

16.6 *For cases of labour contracts only*

In this case the materials will be issued directly to works.

16.7 For cases of composite contract

In this case the value of material issued have to be recovered at the rates agreed.

The procedure for drawal of material will be the same as for any other work.

The procedure in respect of accounting for finished goods and transfer of finished goods will be the same as outlined under Internal fabrication.

16.8 Materials drawl against MASA for fabrication

In such cases, the accounting has to be carried out through consumption statement.

16.9 Where ARU of manufacturing centre does not have stores

The procedures described above shall apply, except that the materials are first drawn by the unit as done for any other work (on material transfer inward a/c) and then issued to works/contractors.

16.10 Maintenance of Records

In all the cases, a fabrication ledger shall be maintained for both contractors for labour and for composite contracts. The party wise folio should contain particulars of value of materials, fabrication charges, deposits, retention, etc.

VOLUME II MATERIAL ACCOUNTING

PART II OPERATING SYSTEM FOR MATERIAL ACCOUNTING

CHAPTER II ACCOUNTING PROCEDURE

1. ACCOUNTING PROCEDURES AT THE STORES**1.1 *Location to carryout stores Accounting***

The Priced Stores Ledger (PSL) branch of the store accounting section will be responsible for:

- Valuation of receipts, issues and other stores transactions
- Maintenance of Priced Stores ledger
- Transmitting stores documents to other accounting sections
- Stock valuation
- Value adjustments, and
- Stores expense accounting, if any.

1.2 *Control Registers for stores documents*

The receipt and issue documents will be transmitted along with respective control registers to the PSL *branch* after the completion of the stores activity. Control registers in respect of all the documents generated represent different physical transactions of stores and will be maintained in the stores. (For eg. GRN Control Register, MRCI Control Register etc.). These registers will ensure the receipt of all the documents, and will highlight missing documents. These Registers will also function as Control Registers for PSL updating and finally for account. The control registers to be used are:

- GRN Control Register (for supplier receipt)
- Inter Stores Transfer Note (ISTN) Control Register (for Inter store transfer)
- Contractors Material Note (CMN) Control Register (for returns from contractor)
- Store Note (SN) Control Register – for return from field.
- Material Transfer Note (MTN) Control Register
- Material Requisition-Cum-Invoice (MRCI) Control Register
- Inter Store Material Received Note (ISMRN) Control Register

1.3 *Valuation of Stores documents*

PSL branch will value the documents as outlined in section 13.2 of the chapter on stores procedure.

1.4 *Maintenance of Priced Stores Ledger*

The PSL branch will maintain the Priced Stores ledger, item wise, giving complete information with document reference on the movement of the item and its stock position and also value of the stock. Besides the top portion will give the actual invoice value of material received and the standard rate along with the dates effective. This will be a basis for furnishing details for devising standard rates and other rates to the Materials Management department.

1.5 *Stock Valuation*

1.5.1 *Valuation of closing stock*

At the end of each accounting period (normally a year), the PSL branch will take up valuation of closing stock. As stated earlier, in updating the transactions on to the PSL, balance quantity and value will be struck on a continuing basis. The PSL branch will obtain different document control registers to ensure that all documents have been posted. The steps to be followed in stock valuation are as described below:

1.5.2 *Valuation of Standard items – intervening periods*

In case of standard items, the closing balance will be valued at the current standard rates. In situations where there has been a revision of the standard rates, the closing stock of all items shall carry a break-up of the closing stock at the old and revised standard rates.

1.5.3 *Valuation of Non-Standard items – intervening periods:*

In this case, the closing balance value will be arrived at based on the PSL as under:

Opening Balance

+ Receipts

– Issues = Closing Balance

The stock value determined on the above lines for each of the materials will be added together to determine total materials value at the end of the period.

1.5.4 *Stock Valuation at the year end*

(a) Standard items:

In the case of standard items having transactions during the year, the closing balance at the year-end will be valued at the standard rate, which is applicable during the year. In the case of standard items, having no transaction during the year (which, however, is unlikely considering these are fast-moving items), the closing balance will be valued at the previous year's standard rate.

(b) *Non-standard items:*

The closing stock at the year-end will be valued at the last receipt rate

The stock valuation procedure at the year-end is not based on the stock rate but is consistently based on the standard rate or the last receipt rate. This method is aimed at ensuring that the valuation of stock reflects the current status of the rates.

1.6 *Value adjustments*

The PSL branch will also have to handle the following value adjustments in respect of receipts and stock.

1.6.1 *Value adjustments – Receipts:*

- (a) There would be cases where PSL may require adjustments due to Purchase Order amendment or error in the initial receipt cost recorded in the GRN. Since the materials accounting and supplier payment systems are integrated through a common document – GRN, it is essential that any P.O. amendment affecting both materials and supplier accounting is necessarily routed through the GRN. However, where the P.O. amendment or error affects only supplier accounting, such cases need not be routed through GRN and PSL.
- (b) In the following case, P.O., amendment/error affects both materials and supplier accounting
 - i) Where it is a non-standard item
and
 - ii) The P.O. amendment or error is in respect of basic price or excise duty or sales tax
- (c) In the following cases, P.O. amendment or error will affect only supplier accounting:
 - i) Where it is a standard item
or
 - ii) Where it is a non-standard item and the P.O. amendment or error relates to cost elements other than basic price, excise duty and sales tax.
- (d) The GRN with ‘value’ only (and no quantity) representing amendment to previous GRN upon P.O. amendment/error will be processed through the PSL branch and the PSL updated and the GRN forwarded to the Accounting Unit for materials and supplier accounting and payment

1.6.2 *Value Adjustments – Issues*

There will be no value adjustment to the issue cost consequent upon materials receipt value adjustment. As regards translation of the effect of the receipt value adjustments on to the issues, it must be pointed out that in the case of standard items, this is of no consequence as the issue is at the standard rate. In the case of non-standard items, a single-issue rate is adopted for the month and the rate itself is not correlated to specific receipts. Since the determination of the issue rate is not based on individual receipts rate, P.O. amendments or errors in receipts costing are not to affect issue costing of the past or current period. The revision in receipt value will be recognised in the computation of issue rate of the subsequent period. Further, no value adjustments are made in respect of past issues costed at issue rates not recognising the P.O. amendments/errors.

1.6.3 *Value Adjustments – Stock*

a) The closing balance as per the PSL may require value adjustments in the following cases:

- 1) Positive/Negative value with no quantity
- 2) 'Nil'/Negative value with positive quantity
- 3) Disproportionate value compared to quantity resulting in a closing stock rate significantly different from the current month's last receipt rate.

b) Closing balance value for an item of material will be determined monthly in PSL. Here the closing balance value will be divided by the closing balance quantity to determine closing balance 'stock rate'. This rate would be compared with the month's last receipt rate to confirm that it is reasonable. Major variations requiring revision in rates, especially standard items should be intimated to concerned authority.

c) Where there are situations of any of the three types outlined in (a) above, these will be dealt with as under:

1. *Positive/Negative value with no quantity:*

An MRCI with the value of closing balance not represented by any quantity will be processed by the PSL branch as value adjustments. This will be marked "Value Adjustment" and the same will be approved by the Controlling Officer after confirming accuracy in establishing this value.

2. *Negative value with positive quantity:*

For the purpose of value adjustment, the positive quantity would be valued at the current month's last receipt rate. This would represent the revised closing balance value. The value for adjustment will be derived as under: Revised CB Value – 'Nil'/Negative Value = Value for adjustment. An MRCI for value adjustment will be processed marked as "Value adjustment".

3. *Disproportionate closing balance value:*

Where the 'stock rate' so determined is significantly different as compared to the 'last receipt rate' of the month, the closing balance will be valued at the 'last receipt rate' of the month. If closing balance as per 'Stock account' is higher than the last receipt rate, an MRCI with nil quantity will be passed for the difference. In the case where balance as per 'stock account' is lesser than the last receipt rate, then an MRCI with a negative figure for difference will be processed.

4. A PSL extract for the various items will be entered into a PSL extract sheet. From the difference column of the PSL extract the accounting entries will be posted.

5. The accounting treatment will be the same as for the "Material Cost Variance Account" and the entries will be as under:

To account for positive value adjustment to stock

Dr. Materials Issue a/c.
(Capital/ O & M)
Cr. Material cost variance a/c.

To account for Negative value adjustment to stock

Dr. Materials cost variance A/c.
Cr. Material Issue a/c
(Capital/ O & M)

The individual posting to the PSL will be carried out from the PSL extract statement and the total as struck from the PSL extract statement will be used for journalising the differences using the procedure as described above:

2. STORE EXPENSE ACCOUNTING

2.1 *Maintenance of Imprest Accounts*

An Imprest System is installed in Stores to meet the day-to-day expenses of the Stores like freight, demurrage, materials handling etc. The stores location will also have to maintain a record of the operating expenses at Stores.

2.2 *Accounting for Imprest expense:*

At the end of each month/periodically an Imprest Statement will be prepared, summarising the expenses incurred during the period. The expenses incurred will be classified into:

- 1) Those expenses, which have to be recovered from the suppliers, staff, contractors, insurers, carriers etc., at the same location or elsewhere. This recovery may have to be effected either by the same Accounting Section where these expenses are incurred, or elsewhere and
- 2) Those expenses which have to be borne by the Board

2.2.1 *Recoverable Expenses*

This Imprest Statement will be forwarded to the Accounting Section for booking the expenses and following up the recoveries. The Bill Passing Branch will update the individual Purchase Orders for the recoveries to be made from the supplier. This would subsequently be noted on the respective GRNs when received. These recoverables would also be debited to the respective Sundry Creditors' Accounts at the Supplier Accounting Section. This would eventually be adjusted in the payment to the supplier or recovered otherwise.

2.2.2 *Non Recoverable Expenses*

In case of Capital Stores, which do not have any O & M activity under them, the Stores operative expenses at the end of the period will be apportioned between the various Capital Works Order taken up during the period in the ratio of value of materials issues made against the individual Work Orders. Where the Stores caters to both Capital and O & M activities, these incidental expenses will be treated as Revenue Expenses of the period.

3. ACCOUNTING PROCEDURES AT THE ACCOUNTING SECTION

3.1 *Store accounting activities*

At the Accounting Section to which the Store is attached, the different branches will carry out the following activities:

A- *Bill Passing Branch*

Receipts Accounting
Bill Passing
Accounting for Variance – Receipts

B- *Supplier Accounting Section*

Accounting for advances
Accounting for liability

C- *Stock Accounting Branch*

- Maintenance of PSL
- Valuation of documents for receipts, issues and returns
- Quantity and value reconciliation

3.2 Receipts Accounting

Materials purchases will be classified as Capital or O & M depending on the location of the recipient Stores. The store classification will be as presented earlier.

3.2.1 *Types of Receipt accounting to be carried out*

- (a) Those GRNs in respect of which the responsibility for Bill Passing and/or Supplier Accounting is handled by some other Account Rendering Unit:- This would arise in cases where the receiving stores is one of the several Stores receiving supplies from the supplier and or where the terms in the P.O. stipulate the payments to supplier will be effected by another unit. In such cases (eg. Payments under REC Schemes, Letter of Credit, Bills Re-discounting (IDBI) etc.) bill passing will be done by the receiving unit but payment by another ARU.
- (b) Those GRNs in respect of which the responsibility for Bill Passing and Supplier Accounting rests with the concerned Account Rendering Unit itself.

3.2.2 *Coding of GRN for classification*

In order to facilitate segregation of GRNs on the above line in assigning P.O. number, the following procedure shall be followed. All Purchase Orders involving supplies to more than one stores, will be prefixed with Account Rendering Unit number identifying the Account Rendering Unit which will be handling the Bill passing and supplier accounting. Where the bill passing and Supplier accounting is to take place at the receiving stores Account Rendering Unit, the corresponding Account Rendering Unit number will be prefixed.

3.2.3 *Analysis of GRN by materials Group-for value of materials received.*

The GRN Analysis Sheet will contain reference to material code, GRN Number and will reflect the receipt value. In order to ensure that the books of account, at all times, correctly reflect the physical state of affairs, a journal entry will be passed by the Bill Passing branch for materials received based on GRN Analysis Sheet, identifying material groups. Hence, GRN Analysis Sheet has to be analysed to relate receipt values to different material groups. The GRN analysis sheet shall be prepared after inspection is completed.

3.2.4 *Verification of GRN – numbers*

The Bill Passing branch will periodically receive the GRNs along with GRN Analysis Sheet from the Priced Store Ledger branch. The Bill Passing branch shall check and ensure that the GRNs received for bill passing are within the GRN serial number issued on the cut off date for the month for the purpose of accounting,

3.2.5 *Accounting of Receipts for Local Bill passing*

Materials receipts in respect of which Bill Passing and payment is to be done locally and for which there is a *separate* series of GRNs, it will be journalised, for GRN value of materials received.

3.2.6 *Accounting of Receipts for Bill Passing elsewhere*

Where the GRN cover material receipts, the supplier payment in respect of which is to be handled by some other Account Rendering Unit, the receiving unit will pass the following entries;

Material Purchase a/c Dr.
(Capital or O & M)
by material group

Inter Unit (Material) a/c Cr.

and forward the GRN to the concerned Account Rendering Unit after making all verifications. All Inter Unit transfers should have INTER UNIT TRANSFER NOTE (IUTN). The Bill Passing branch of ARU at which the bill passing will be made would pass the following entries:

Inter Unit (Material) a/c Dr.

Liability for supply of material Cr.

3.3 *Bill Passing*

The Bill Passing would involve the following steps:

- 1) GRNs pertaining to Own Account Rendering Unit will be filed in Supplier/P.O. Number sequence.
- 2) Bills received from time to time will also be arranged in Supplier/P.O. Number sequence.
- 3) P.O. copies received from time to time will be segregated based on account rendering unit number included in P.O. Number, P.Os relating to its own Account Rendering Unit number will be filed in P.O. Serial Number sequence.
- 4) The GRN, the Bill and the P.O. will be matched based on:
 - a) Delivery Challan No.
 - b) P.O. Number and
 - c) LR/RR No.
- 5) The matched bill will be checked to confirm whether the bill is in line with the Purchase Order and the GRN

3.3.1 *Matching of Purchase Order & Supplier Bill*

In case of Non-standard items, the GRN value covering Basic Price + Excise Duty + Sales Tax, must match with the supplier bill and Purchase Order. In case of Standard items, the matching will be between the P.O. and Supplier Bill. Differences, if any, of these documents at the time of bill passing will be dealt with as under:

3.3.2 *Where GRN value and supplier Bill are not matching, but the P.O. is in line with Supplier Bill*

In this case, it is possible that there has been error in processing GRN, or a P.O. amendment has not been considered. PSL branch will prepare a Supplementary GRN (Value only) to rectify the error on intimation by Bill Passing Branch. These GRN's will be marked 'Value adjustment only'

3.3.3 *Where GRN value and Supplier bill are not matching, but the P.O. is in line with the GRN*

In this case, there is an error in the supplier bill. Bill will be passed only to the extent of GRN/P.O. value. A supplier bill can be passed for payment, only when the supplier bill, P.O. and GRN are matching.

3.3.4 *Recording in GRN of Recoveries to be made from Supplier*

There may be instances, where in the Board has incurred expenses like freight, demurrage, wharfage, clearing, forwarding, materials handling, loading, unloading etc. and which have to be recovered from the supplier in terms of the P.O. These expenses, when incurred and accounted for should be related to supplier P.O. Number and RR/LR Number.

3.3.5 *Recoveries based on Imprest statements*

The Imprest Statement identifying recoveries to be made has to be referred by the Bill Passing Branch for correlating these recoveries to specific P.O./GRN. The Bill Passing Branch will record these recoveries from the Imprest Statement to the P.O., initially, and finally, into the GRNs when received. This would be done in all cases, whether Bill Passing is done in the Account Rendering Unit or elsewhere.

3.3.6 *Maintenance of Bill Passing Register*

- (1) The Suppliers' Bills should be entered in a Register called Bill Passing Register, which will be maintained by the Bill Passing Branch. The entries in this register should be numbered serially. A payment voucher (PV) will be prepared for each of the suppliers Bills passed locally for payment. Serial Number noted in the Bills passing Registers will be shown in the payment Voucher, as cross-reference. The fact of passing the bill for payment should be noted in the GRN. It is important to note that the bill passing can be done only on the basis of original GRN.
- (2) The Bill passing Register will be updated as and when bills are verified and passed for payment. The due date for payment of the Bill taking into account the credit period, as also the terms and mode of payment and cash discount entitlement, if any, as per the P.O. terms, will also be recorded in brief on PVs. The passed bills will then be forwarded for payment.
- (3) The bill Passing Register will form the basis for translating the liability for materials to Sundry Creditors Control Account. At the end of each accounting period, the Bill Passing Register will be closed and different columns totalled for the purpose of journalising the bills passed for payment during the period. The following journal entries will be passed.

Liability for supply of materials A/c Dr.
(for GRN values corresponding to the
bills passed for payment)

Freight Inward A/c Dr.

Materials Cost Variance A/c Dr/Cr.

Sundry Creditors Control A/c Cr

3.3.7 *Adjustment of Advance Paid*

The details of advance paid and adjusted, if any, will be shown in the Bill Passing Register. On payment of advances or on receipt of advice regarding advance payment (where it is paid elsewhere and transferred to the Account Rendering Unit through Inter-Unit Account) the P.O. copy would be updated for advance paid. This would enable recording of the detail of advance paid on the Bill Passing Register and adjustments thereof against the Bills passed. The initial entry on Bill passing creates full liability for materials received, in Sundry Creditors Control Account. This would have to be set-off to the extent of advance paid to the supplier.

Advances paid and in respect of which the Bills are not yet passed for payment will continue to be reflected in the “Advance to Suppliers Account”. Accordingly, the Sundry Creditors Account will reflect the correct net liability, since both these Accounts are maintained in the Suppliers’ Control Ledger.

3.4 *Supplier Accounting*

3.4.1 *Maintenance of Sundry Creditors Ledger*

A Sundry Creditors Ledger has to be maintained by Accounts Section. This is a subsidiary ledger, which will serve as a back up for Sundry Creditors Control Account.

The passed bills will be posted to the individual accounts of the suppliers in the Sundry Creditors Ledger. The postings will be done from Bill Passing Register and/or passed bills. The Sundry Creditors Ledger has separate pages to record advances and Bills – the left hand side page for advance accounting and the other one for bill accounting. In addition, the recoveries to be made from the supplier would have already been recorded in the individual account of the supplier from the Cash Imprest Statement.

3.4.2 *Accounting for Payment to Suppliers*

At the end of the accounting period, the payments to suppliers will be recorded and journalised as follows:

Sundry creditors control a/c	Dr.
Bank a/c (Cash Book entry)	Cr.

Where an advance is involved, only the balance amount will be paid. With this entry, the specific Sundry Creditors account will be completely squared up. The payment to individual supplier will be recorded in the Sundry Creditors Ledger. The balance in the Sundry Creditors Control Account should at all time reconcile with the total of the balances of the individual suppliers’ accounts. Each supplier’s account will have P.O. wise analysis.

3.4.3 *Reconciliation with General Ledger*

The General Ledger will have independent Control Accounts for advances to suppliers and Sundry Creditors for supply of materials. However, there will be a common Ledger with separate column to identify advance and creditors accounting. This will facilitate the setting off of the advances paid to suppliers against credits given to them for supply of materials. General Ledger will always reflect – Sundry Creditors net of advances. ‘Advance to Suppliers Account’ in the General Ledger would reflect advances against bills which are pending bill passing. From the subsidiary ledger it would be possible to extract balances separately against advance and the creditors, thereby facilitating reconciliation with the General Ledger.

3.4.4 *Recoveries from supplier*

The accounting treatment of certain transactions related to supplier accounting is discussed in the following paragraphs.

(i) Recoveries from Suppliers

Expenses incurred in connection with the receipt of materials will be accounted initially, as under:

Expenses recoverable A/c	Dr.
Cash A/c	Cr.
or	
Bank A/c	Cr.
(Cash Book entry)	

(ii) The expenses recoverable would have to be analysed. These would fall into two categories:

(a) Those relating to cases where the bill passing/supplier accounting rests with another Account Rendering Unit. The expense recoveries in this case will be journalised as under:

Inter-Unit (other adjustments) A/c	Dr.
Expenses recoverable A/c	Cr.

An Inter-Unit Transfer Note (IUTN) giving details of the recoveries to be made from the supplier while making payment will be drawn up and sent to the concerned Account Rendering Unit. In fact, this IUTN will serve as the basis for journalising this transaction. In the other Account Rendering Unit this recoverable amount will be related to specific supplier account. The IUTN received will be accounted in the other Accounting Unit, and journalised as follows;

Sundry creditors control a/c	Dr.
Inter-unit (other adjustment) a/c	Cr.

- (b) Those relating to cases where the bill passing/supplier accounting rests with the Account Rendering Unit itself:

The expenses incurred, which have to be recovered, will be related to specific supplier, posted in the Sundry Creditors Ledger, and journalised as under:

Sundry creditors control a/c	Dr.
Expenses Recoverable A/c	Cr.

3.4.5 *Accounting for advance to suppliers*

- 1) The accounting for advances will take place in the Account Rendering Unit where the Bill Passing/Supplier accounting take place. In other words, advance, irrespective of the ARU where it is paid, will be transferred to the Unit which would handle Bill Passing/Supplier Accounting. The accounting entries relating to advance payment and accounting are enumerated below:

On payment of advance

Advance to Supplier a/c	Dr.
Bank a/c (Cash Book entry)	Cr

For transferring advances paid, to other Units

Inter-unit (other adjustment) a/c	Dr.
Advance to supplier	Cr

At the ARU receiving the transfer

Advance to Supplier a/c	Dr.
Inter-unit (other adjustment) a/c	Cr

- 2) Payment to contractors, including the Bill Passing procedure is discussed in detail in the manual on “Capital Expenditure and Fixed Assets”.

3.5 *Differences in value of materials received*

The materials received will have two values.

- Cost at which the materials receipt has been valued (standard rate or P.O. rate) in the GRN and PSL; and
- Cost as per Suppliers' bill as passed. Difference, if any, between the two values would consist of the following.

A. *Expenses not forming part of the standard/P.O. rate*

- i) Freight, forwarding expenses incurred by the supplier, but to be borne per P.O. by and billed to the Board along with the cost of materials supplied, and
- ii) Other miscellaneous expenses like packing etc. to be borne by the Board as per the P.O. and billed by the supplier.

B. Variation in estimation/application of standard/P.O. rate

Variation in the estimated rate in respect of basic price, excise duty and Sales Tax.

The standard rate and the P.O. rate used in costing the receipt in GRN for materials receipt accounting would cover only basic Price + Excise Duty + Sales Tax. Among other associated receipt costs, freight is the most significant cost element. The freight cost may be part of the suppliers' Bill or it could be incurred and charged separately. In either case, the freight cost will be accounted for under a separate head of account "Freight Inward A/c", if the same is to be borne by the Board. The other minor expenses billed by the supplier and differences arising due to variation in estimation/Application of standard/P.O. rate will be accounted together under "Materials Cost Variance Account".

3.6 *GRN's awaiting Bill Passing*

The initial liability for materials received will be cleared by debiting that account for Bills Passed at the values at which the original liability was created. The Balance in the "Liability for Supply of Materials a/c" will represent value of materials received but in respect of which Bill has not been received/passed. The GRN Analysis Sheet will be updated for Bills Passed (noting the serial number in the Bill passing Register) as well as for cases where bills are to be passed elsewhere. All GRNs which do not have the Bill Passing Register serial numbers and which relate to the Account Rendering Unit should total up to the value of balance in "Liability for supply of materials account". Thus at the end of the accounting period, it is possible to

reconcile the balance in “Liability for supply of materials account” with the GRN Analysis sheets highlighting GRNs awaiting.

The difference between the credit to the “Sundry Creditors Control Account” and the debit to “Liability for Supply of Materials Account” and “Freight Inward Account” will be charged/credited to “Materials Cost Variance Account”.

3.7 *Stock Accounting by ARU*

The Accounting for different stores transactions, other than receipt, (which is discussed earlier under ‘Receipts Accounting’) is discussed in the following paragraphs.

3.7.1 *Issues Accounting*

- (i) MRCI will be analysed based on the end-use and materials group. They are,
 - (a) Capital Works Orders

Within this category by individual work order numbers / Monthly Consolidated End-use Statement (MCES)
 - (b) O & M Works Orders

Within this category by individual work order numbers/MCES
 - (c) Materials at Site Account (MASA)

Within this category by individual field Engineers.
- (ii) A copy of the analysis of the issues relating to capital jobs will be used to build up Work in Process Register.
- (iii) The Materials at Site Account (MASA) is an intermediary stock account which will be Capital or O & M depending on the stores location/Engineers drawing the materials. At the Stores which handles both Capital and O & M works, the MASA will be initially treated as O & M.
- (iv) The materials consumption will be accounted separately for Capital and O & M. In order to determine stock values of Capital and O & M stores separately at the end of a period through the books of account, the receipts also have to be classified into Capital and O & M. But in view of the practical limitations as regards identifying materials into Capital and O & M at the time of receipts at locations handling both Capital and O & M jobs, the following procedure shall be followed.

- (v) In respect of materials issues charged to MASA, the ARU will maintain separate Engineer wise record of materials issues to and returns from MASA. At any point of time, the MASA in books of account should tally with the subsidiary record. The consumption details against their respective MASA, will be received in the ARU through 'Consumption Statement'. Thus consumption statement would state against each materials item/group.

Opening Stock
Add : Receipt of materials
Less : Consumption
Less : Returns
Closing Stock

The receipts and consumption have to be classified as required by the Board's Policy from time to time, but however atleast the following classification has to be provided.

Receipts:

- a. Receipts of material from stores
- b. Receipts of material through STNs
- c. Receipts of material through MTNs
- d. Receipts of material through local purchase
- e. Receipts of material – items in quantity only
- f. Others (specify)

3.7.2 *Accounting for Consumption:*

The consumption have to be functionally classified as:

- ❖ Consumption for capital works (Board)
- ❖ Consumption for capital works (REC)
- ❖ Others to be specified (eg. NABARD etc.)
- ❖ Consumption for Repairs and Maintenance classified into
 - Normal repairs and maintenance
 - Repairs and maintenance under special and foreseen schemes sanctioned as part of annual budget
 - Repairs and maintenance under specially sanctioned schemes for unforeseen repairs and maintenance.

- (i) The consumption will have to be supported by consumption statement, which will indicate consumption for each work. Based on this consumption statement, the following journal entries are passed:

- | | | | |
|-----|---|-----|-----|
| (a) | Capital work in progress account | Dr. | |
| | Specific expenses account | Dr. | |
| | Materials at site (O & M) account | | Cr |
| | (as per specific engineers MASA
consumption Statement) | | |
| | | | |
| (b) | Materials Issues (O & M) account | Dr. | |
| | Materials issues (Capital) account | | Cr. |
| | (to the extent of consumption for capital works) | | |
- (ii) In order to enable proper accounting for consumption, the Engineers will be maintaining necessary records at their end. The Account Rendering Unit would have to ensure that the books of accounts reflect the up-to-date status. To achieve this:
- The actual physical stock will be compared with the Ledgers/Statement maintained by the Engineers
 - The value as per Books of Accounts will be matched with Engineer-wise subsidy record, and
 - This subsidiary record, in turn, will be compared with the ledgers maintained by Engineers at the site.

3.8 *Issue to and returns from Contractors*

Separate Stores documents in Numerical sequence are to be used for issues to and returns from contractors, namely MRCI for issues to contractors and Contractors Materials Return Note (CMRN) for returns from them.

- Issues>Returns – on Loan; and
- Issues>Returns – against Work Orders

Issues>Returns will be analysed as per material group

3.8.1 *Issue>Returns – on Loan*

The MRCI and CMRN will carry remarks to enable classification on the above lines. Materials given on loan to contractors will be debited to “Advance to Contractors Account:” When returned the said amount will be credited.

The purpose of routing this transaction through the advance account is to make necessary adjustments while settling contractors’ bills. The following journal entries will be passed:

On Issue

Advance to contractors a/c	Dr.
Materials issued to contractors a/c	Cr

On Return

Reversal of the above entry

3.8.2 The Contractors Materials Control Account will serve as an intermediary Stock Account wherein materials issues to/returns from contractors will be accounted. This account will be supported by subsidiary records which will identify materials lying with each contractor, by contractor and by work order. The issues to/returns from a contractor will be accounted against materials consumption only at the time of contractors' bill passing. At this point, the balance in a specific contractors materials control account (of a contractor) will be reviewed against the services rendered in terms of contractors bill and work order. Necessary transfers to Capital work in progress account or specific expenses account from the contractors materials control account will be effected at this stage. Detailed accounting procedure relating to this is covered in the manual on "Capital Expenditure and Fixed Assets" (Vol.3). The contractors materials control account is comparable to Materials at Site Account (MASA) of the field Engineers in as much as both serve as intermediary Stock Accounts.

3.8.3 *Issues/Returns against work orders – contractors*

The MRCI and CMRN would refer to the work order numbers against which the materials are issued to/returned by contractors. Material issues to/Returns from contractors will be grouped by contractors and by work orders and journalised as follows:

On Issue

Contractors Material control a/c (Capital or O & M)	Dr.
Materials issued to contractors	Cr

On Return

Materials returned by contractors	Dr.
Contractors material control a/c (Capital or O & M)	Cr

3.9 *Stock Transfers*

3.9.1 Document flow

ISTN will be a common document to record issues to and returns from other stores within the Board. In case of stock transfers, issue from one Store will be a receipt in another store. ISTN is responded by ISMRN in the receiving store.

The Inter-Unit (Materials) Account will be identified to specific Account Rendering Unit in the Board. A copy of the ISTN for issues will be sent along with the materials to the transferee Stores, so that the transferee can reflect the transaction in the Inter-unit (Materials) Account. Similarly, receipt from other stores will be backed by an ISTN/ISMRN. This will facilitate Inter Unit reconciliation. The journal entries to be passed are as follows:

At transferor stores

Inter-Unit (Materials) a/c	Dr.
Materials transfer outward a/c	Cr

At transferee stores

Material Transfer inward a/c	Dr.
Inter-unit materials a/c	Cr

An abstract of ISTN/ISMRN will be made at the end of each month and inter unit reconciliation carried out. The responsibility for reconciliation will rest with the transferor stores.

3.9.2 Accounting for issue from Distribution Circle (Stores) to the Sections to be accounted for by the Division.

1) The MRCI raised by the section has to be authorised by the Executive Engineer of the Division.

2) MRCI will be valued (at PSL Branch of Circle) and distributed as follows:

2 copies to be sent to the Division

1 copy to accompany the material

3) The Division acknowledges one copy of the MRCI and returns it to the Circle. This material is also further classified against type of drawal of each section.

4) At the month end, based on MRCI analysis sheet the circle passes the following entry:

(a) Dr. Inter Unit Account - Material
Cr. Material Transfer Outward Account

At the end of the month, based on the MRCI analysis sheet, Division will pass following entries.

- (a) Dr. Material Transfer Inward Account
Cr. Inter Unit Account - Material
- (b) Dr. Work/MASA
Cr. Materials Issue Account – O & M

3.10 *Field Returns*

3.10.1 *Returns from Section (Field) to the Circle (Stores)*

The Field Officer returning the material will prepare a Field Return Note (FRN), in 6 copies.

The stores will receive the material and respond by raising an Inter-Unit Material Received Note (IUMRN). The Circle will send two copies to the ARU where it will act as a credit note. The IUMRN will be valued at the prevailing standard rate for standard items and weighted average rate for non-standard items.

At the Circle, the materials are taken to stock following the procedure of preparing an IUMRN Analysis Sheet and pass the following entry:

- Dr. Material Transfer Inward Account
- Cr. Inter Unit Account – Material

When Division receives the IUMRN the following entries will be passed:

- (a) Dr. Inter Unit Account – Material
Cr. Material Transfer Outward Account
- (b) Dr. Material Issue Account
Cr. MASA/Work, etc.

Return to Store within the ARU

Here the responding documents will be a Store Note, all other procedures remaining the same.

3.10.2 *Return from Contractors (through Division) to the Circle Stores.*

Contractors prepare CMRN in 6 copies. The SRS will receive the material and respond by an IUMRN. The Circle will forward 2 copies to ARU (Division) where it will act as a credit note.

At the Division, using the contractors ledger and work order references, the contractor is given credit for the return of materials.

The returning of materials to Circle Stores will follow the procedure as outlined in 3.10.

The following journal entries will be passed in the Division,

- (a) Dr. Materials Returned by Contractors Account
 Cr. Contractors Material Control Account

- (b) Dr. Inter-Unit Account
 Cr. Material Transfer Outward Account

At the Circle, the following entry will be passed based on IUMRN Analysis Sheet:

- Dr. Material Transfer Inward Account

- Cr. Inter Unit Account – Material

3.11 *Material Stock Account*

The Materials Stock Account is a control account which would reflect the opening balance at the beginning of the year. All other material accounts would reflect the materials transactions during the year, and at the beginning of the next financial year, the balance in these accounts would be transferred to the Materials Stock Account – Capital or O & M, as applicable (under specific materials groups). The Materials at Site Account and Contractors Materials Control Account represent stock balance values, which are of importance across the accounting year for the purpose of materials control.

3.12 *Provision for Liability*

In order to ensure that the books of account reflect the physical transactions correctly, provision for liability would have to be made in respect of physical transactions which have not been recorded in the books of account and against which a liability exists. The provision for liability would relate to:

- Materials, and
- Expenses related to materials

Provision for Liability in respect of Materials

The total liability for materials purchased is created based on the consideration whether title in respect thereof has passed to the Board in terms of the P.O. In the normal course, physical receipt transactions as reflected in the GRN Analysis Sheet form the basis for recording liability for materials purchased in the books of account. At the period-end, in order to correctly reflect the liability in the books of account, it is necessary to take note of the following situations.

3.12.1 Materials Inspected but not reflected in GRN Analysis Sheet

These refer to cases where the GRNs updated for inspection are still awaiting posting in the PSL. Such GRNs will be identified from the GRN Control Register.

3.12.2 Materials pending Inspection

These refer to cases where materials received in Stores are either to be sent for inspection or are under inspection. These cases also would be ascertained from the GRN Control Register. However for certain items which have a longer testing period will also be accounted under this category and on completion of testing will be accounted for as purchase.

3.12.3 Materials in Transit

This refers to cases where materials are yet to be received in Stores, but the title thereto and, therefore, the liability in respect thereof has already passed to the Board in terms of the P.O. These cases will be identified with reference to LR/RR Register, Despatch Advices and the corresponding P.Os. In respect of all the above situations, provision for liability will be made only at period-ends. In view of the above, there could be no situations of transactions not recorded in the books of account against which a liability exists.

3.13 Provision for Liability in respect of Freight and other Incidental Expenses

3.13.1 Condition for provision of Liability

Provision for these expenses will have to be made only if all the following conditions are met, namely:

- Materials have been actually received in Stores.
- In terms of the Purchase order, there is a liability on the part of the Board towards these expenses, and
- These expenses have not been actually paid as at the period-end.

3.13.2 *Assessment of liability and accounting for it*

The pending GRNs and their respective POs will be referred to assess liability, if any exists, for freight and other incidental expenses. Where a liability exists, it needs to be confirmed from the Imprest Statement whether the same has been discharged. If not discharged, these expenses will have to be provided for in the books of account as under:

Freight Inward Account	Dr.	
Incidental stores expenses account	Dr.	
Provision for liability for expenses Account		Cr

This entry would be reversed at the beginning of the subsequent accounting period and the liability, when actually discharged, will be accounted for in the usual manner.

3.14 *Creation of Liability for Railway Credit Notes*

In addition to the above, on a regular basis, liability will have to be created in respect of Railway Credit Notes (RCNs) issued to Railways towards freight, demurrage, wharfage etc. This will be journalised as under:

Freight Inward Account	Dr.	
Incidental Stores Expenses Account	Dr.	
Liability for RCN issued Account		Cr

As and when these RCNs are encashed, the said liability account will be cleared as under:

Liability for RCNs Issued Account	Dr.	
Bank Account		Cr

This would ensure that in respect of freight and other incidental expenses incurred for materials, the liability is correctly reflected in the books of account.

3.15 *Stock Reconciliation*

In order that the value of stock shown in the books of account of the Account Rendering Unit are in line with that of the physical stock on hand at the Stores, stock reconciliation will have to be done for quantities and values of stock held in each stores.

3.15.1 Quantity Reconciliation

Reconciliation of quantities of stock in the books and on hand will be done in the following sequence:

- Physical Stock vis-à-vis Quantitative ledger/Numerical Ledger
- Quantitative Ledger/Numerical ledger vis-à-vis PSL

3.15.2 Physical stock vis-à-vis Quantitative Ledger (QL)

The QL will reflect at any point of time, the physical stock of the item at the Stores. Therefore, whenever a physical count is taken, it will be matched with the QL balance. The physical verification will be done in a two-fold manner on a continuous basis and on once a year basis.

3.15.3 Stock Taking

Continuous stock-taking will be conducted at each store by personnel deputed by an independent officer nominated by the Board for this purpose. The deputed staff will cover items for physical verification selected at random on a scientific basis.

3.15.4 Coverage of Stores for Stock Taking

As regards coverage, it will be ensured that each store is taken up at least once a year. The physical verification programme/schedule will be kept confidential as it will contain details as to which stores are to be covered, when and which (or how many) items are to be selected for physical verification. The element of surprise will be an important part in the exercise.

3.15.5 Preparation of physical verification report.

The Stock Verifiers, on reaching selected Stores, will first take the cut-off details of documents generated in the Stores. Thereafter, items will be selected as per the detailed guidelines given for selection. Physical verification of the selected items will be done and a PHYSICAL VERIFICATION REPORT (PVR) prepared.

3.15.6 Physical Verification Report (PVR)

The PVR is prepared by the Stock Verifier who has been deputed to conduct the physical verification. He will first note down the QL balance of items which have been selected for physical verification. Thereafter, in the course of physical verification, he will enter the quantities measured or counted in the PVR. The difference if any, between the two quantities will indicate the excess/shortage of stock.

After a preliminary check as to whether all documents upto the cut-off have been posted in the QL and the arithmetical tally of receipts, issues and closing balance therefore, the Stock Verifier along with the Store-in-Charge will adjust the QL for the physically verified balance. The excess/shortage noticed will also be recorded on the QL.

The PVR will be prepared in triplicate, one copy to be retained by the stock Verifier (to be handed over to the Internal Audit Office), second and third copies to be given to the PSL for valuation which will retain one copy and forward the other to the Accounting Section after valuation.

3.15.7 Annual Stock Taking

The annual stock-taking will be conducted as on March 31st every year. It will be done by personnel deputed by the same office as one conducting the continuous stock taking and, if so required (due to the large number of stores), Officers from other wings of the Board may also be deputed to participate. The coverage of stock to be verified will be most of the items not covered under continuous stock-taking and also an appropriate portion of the item covered thereunder. In terms of value, the physical stock taking should cover a substantial portion. The stock taking procedure will be similar to the one enumerated above. A PVR will be prepared for this verification also.

3.15.8 QL vis-à-vis PSL

Quantitative balances of all items as per QL and as per PSL will be tallied at the end of each accounting period. All QL will be taken to the PSL Section and item-wise tally done. Discrepancies, if any, noticed thereupon, should be entered in a Reconciliation Register to be maintained by the PSL Section.

3.15.9 Treatment of Errors

Errors detected (mainly of omissions or wrong/multiple posting) will be immediately rectified by making the necessary adjustment in the erroneous record. Such adjustment should be recorded and initialled in the Reconciliation Register and the erroneous record corrected by the official to whom the PSL Section reports.

3.15.10 Adjustment of discrepancies

To adjust values, if necessitated on account of the discrepancies in quantities noticed on comparison of physical stocks with QL/PSL, a MRCI/SN will be prepared for shortage/excess quantities, duly authorised by the Stock Verifier and Stores-in-charge. The MRCI/SN will be stamped "For PV Adjustment" and will be processed in the usual manner.

3.15.11 Accounting for Excesses/Shortages

Excesses/Shortages will be investigated before the year end (ie. 31st March) and accounted for, before and after investigation.

The balances in Materials Shortages and Materials Excesses will represent value of excesses/shortages of materials pending investigation.

The recoverable account will be debited when the investigation shows that the shortages are the responsibility of an employee of the Board. This account will be cleared on making a recovery through the pay roll or otherwise, or on authorisation of waiver and write-off therefore by competent authority. The entries to be passed are as follows:

On discovery of shortages

Materials shortages pending investigation	Dr.	
Materials stock adjustment (Capital/O & M)		Cr

On discovery of excess

Materials stock adjustment a/c (Capital/ O & M)	Dr.	
Materials excess pending investigation a/c		Cr

Entries to be passed after investigation

Shortage on physical verification of stock	Dr.	
Employees recoverable a/c	Dr.	
Materials shortages pending investigation		Cr

For unexplained excess

Materials excess pending investigation	Dr.	
Miscellaneous income a/c		Cr

3.15.12 Value Reconciliation

Value of stock as per PSL will be tallied with the balance in the Materials Stock Account in the General ledger at the end of each accounting period.

An extract of PSL balances will be prepared for the items in stock and the total of the extract tallied with the Materials Stock Account in the General Ledger (for this purpose Stock Balance Value has to be derived from other stock accounts).

Any discrepancy will be investigated and necessary accounting entry passed after due approval of competent authority.

3.15.13 *Cut-off procedures*

The purpose of having formal cut-off procedures for various stores documents is three-fold:

- To make provision for liability in respect of materials received on purchase for which the suppliers' bills have not been passed.
- To know the correct book balances, after all relevant postings are made in the stock records, for the purpose of stock-taking
- To ensure that all the physical transactions and the physical state of affairs relating to materials are properly reflected in the books of account. (By ensuring that all stores documents upto the cut-off have been booked in the same period and no document after the cut-off has been so booked).

3.16 *Re-Rolling, Conversion, Fabrication, Pole casing, etc.*

- 1) The above type of manufacturing process is carried out in various ARU. The accounting procedure is given in this section. The procedure include internal manufacturing process and external manufacturing process and routing of finished goods, through stores or otherwise.

3.16.1 *Internal fabrication, pole casing/treatment*

(a) *On drawal of material*

An MRCI analysis sheet will be prepared and the accounting entries shall be passed as follows:

Workshop Suspense a/c	Dr.	
Material Issue a/c		Cr

The details of the accounting entries for booking of other related cost and transferring them to workshop suspense account are provided separately in the section on standard journal entry.

(b) *Accounting for finished goods*

The finished goods accounting shall be carried out based on the finished goods received analysis sheet and the following entry is to be passed.

Materials purchase a/c	Dr.	
Workshop suspense a/c		Cr

(c) *Accounting for transfer to other ARUs*

The ARUs receiving the finished goods, accounting will be carried out based on Finished Goods Transfer Note (FGTN) following the procedure set out under normal accounting for inter-unit transaction.

(d) *Accounting for consumption within the ARU*

This is accounted for through MASA or directly for the capital works to which it has been issued. The following entries shall be passed:

MASA/ CWIP a/c	Dr.	
Materials Issue a/c		Cr

The accounting entries are set out in detail in the section on standard journal entries.

3.16.2 *External fabrication, Pole-casting/treatment*

(a) *Contracts for labour only*

The materials will be directly issued to work and the following entries will be made:

Cost of fabricated materials a/c	Dr.	
Materials Issue a/c		Cr

Contractors Bill Passing

On receipt of bill from the contractor and passing the same a liability favouring the contractor is created. Recoveries to be made from the contractors bill are duly made by passing suitable accounting entries. For the transfer of expenses such as employee cost, administrative and general expenses etc., the accounting procedure would be the same as described in the case of internal fabrication with the exception that the debit should be given to the 'cost of fabricated materials a/c.' The other procedures in respect of accounting for transfer of finished goods remain the same.

(b) *Composite contract*

i) The issue of materials would be accounted for as follows:

Materials issued to fabricators a/c	Dr.	
Materials Issued to contractors a/c		Cr

ii) Contractors Bill Passing

In the case of the materials issued to contractors under materials issued to fabricators account:

On receipt of contractors bill and passing the same the fabrication charges and cost of materials shall be separately accounted. If there is a difference between the issue rate and the agreed rate then the following rule applies:

If agreed rate is higher than issue rate then Debit the materials issued to fabricator's account.

If the issue rate is higher than the agreed rate Credit the materials issued to fabricator's account. In cases where materials are drawn for such works through MASA , the accounting has to be carried out through the consumption statement.

(c) *Where work centre ARU does not have a store*

Even in cases where the ARU for the manufacturing centre does not have store the same procedure shall apply, except that the materials are first drawn by the unit as for any other work (on Material Transfer-Inward a/c) and then issued to works/Contractors.

The details of accounting entries are provided in the Section on Journal entries.

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CHAPTER III INFORMATION SYSTEM

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 turn over 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 analysis this, the following statement 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

Re-order level

The stock level statements would provide the basis for ordering an item immediately or whether it can be deferred depending upon the orders of their lead time provided by the purchase order commitments. Details of occurrences of stock outs provides the 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 provide the number of units manufactured and the information regarding the distribution to the various places for which it was allocated.

The Materials 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 - 5th of every month
- Stock Level Statement - Quarterly
- Stock out reports - Quarterly

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CHAPTER IV INTERNAL CONTROL AND INTERNAL AUDIT

1. Material accounting and auditing plays a very important role. Accounting is a continuous process of not only recording the movement of items but also taking snapshot pictures at intervals. An accurate material stock picture depends on the controls exercised, physical verification and use of proper valuation. According as a part of overall control, Internal Auditor is expected to audit purchasing, receiving, inspecting, stocking etc. to assess the overall effectiveness of stock handling.
2. Internal control – Board internal control points are given below as a framework for material auditing;
 - 2.1 General:
 1. Segregation of responsibilities for custody and accounting is essential.
 2. Whether there exists a system to prevent overstocking, spoilage, shortage, fraud etc.
 3. Safety of stock-storage and protection to premises.
 - 2.2 Receiving:
 1. Proper recording of all receipts-counting, weighing, measuring etc.
 2. Any unauthorised receipts
 3. Numerical control of documents

2.3 Issuing:

1. Proper authority for all withdrawals
2. Proper documentation

2.4 Stock balance:

1. Physical inventory taken periodically
2. Any variation between physical balance and records maintained. Disposal of the same
3. Valuations are done properly as per the policies
4. Stock records are up-to-date
5. Identifying excess, surplus, obsolete and slow moving items.

2.5 Others:

1. Properly following of cut off procedure wherever necessary
2. Accounting of all materials which has been received especially at the year end

3. Common errors in stock compilation:

1. Improper name, size, etc.
2. Wrong unit
3. Erroneous application of unit prices
4. Totalling errors

The above are some common errors which are to be properly guarded against.

DETAILED AUDIT PROGRAMME

Audit programme will act as a guideline to carryout the audit.

1. Particulars
 - 1.1 Evaluation of internal control (see the para on internal control)
 - 1.2 Compliance with generally accepted accounting principles
 - 1.3 Compliance with Board's policies and procedures

- 1.4 Compliance with statutory requirements
- 2. Stores
 - 2.1 Receiving
 - 1. Maintenance of all records
 - 2. Numerical sequence of records
 - 3. Flow of records
 - 4. Recording is up-to-date or not
 - 2.2 Issues
 - 1. Authority of all issues
 - 2. Proper documents
 - 3. Matching with work order
 - 2.3 Stock records
(Numerical and value)
 - 1. Posting and balancing
 - 2. Valuation as per policy. Any changes?
 - 3. Comparison
 - 2.4 Valuation
 - 1. Consistence with policies
 - 2. Standard rate accuracy
 - 3. Weighted average valuation
 - 4. Disposal of variances
 - 2.5 Physical Inventory (Stores and MASA)
 - 1. Date of taking stock
 - 2. Items taken for verification
 - 3. Reconciliation with stock records
 - 4. Disposal of variances

2.6 Stock at other places

1. Contractors' issues, consumption, balances – value
2. Workshops/repair shops
3. Bonded/other warehouses

2.7 Year/period end operation

1. Cut off procedure
2. Creation of liability for all items
3. Certificate for stock at other places

2.8 Overall assessment

1. Excess items
2. Obsolete items
3. Spoiled items
4. Shortage for work
5. Shortage as per records and stock
6. Slow moving items
7. Stock consumption ratio
8. Consumption of stock balance (OB + purchase – issue)
9. Verification of accounting entries and agreeing with ledger balances
10. Proper documentation for stock movements

2.9 Efficiency recommendation

1. Safety of stock
2. Purchase lot
3. Transportation
4. Inter-unit transfer

- 5. Handling devices
 - 6. Inspection procedures and devices
 - 7. Other areas
- 2.10 Budgetary Control
 - 2.11 Reporting
 - 1. Daily Reports
 - 2. Monthly Reports
 - 3. Yearly Reports

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CHAPTER V ACCOUNTING ENTRIES

Material accounting entries are grouped in this Manual based on the nature of the Account Rendering Unit as given below:

- | | | |
|-----|--|--|
| I | CAPITAL STORES | Civil Circle Stores, Project Central Stores, Transmission Central Store, Transmission Circle Stores |
| II | O & M STORES | Load Despatch Circle Store, Generation Circle Stores and Regional Stores |
| III | SUB REGIONAL STORES | (Stores attached to Electrical Circles) |
| IV | ELECTRICAL DISTRIBUTION DIVISION | |
| V | ACCOUNT RENDERING UNITS WHERE THERE IS NO STORES | |
| | | (A) Units where construction activities are undertaken and Capital Account Numbers operated for Stores transactions |
| | | (B) Units where repairs and maintenance activities are undertaken and O & M Account numbers operated for stores transactions |

I. CAPITAL STORES

(Applicable to ARUs where materials are mainly used for construction activities – Civil Circle/ Transmission Circle/Project Central Stores / Transmission Central Stores etc.)

I. STANDARD JOURNAL ENTRIES

(A) REGULAR JOURNAL ENTRIES

(Number blocking: SJE MA: 101 to 300)

SJE MA. 101 : FOR RECEIPT OF MATERIALS FROM SUPPLIERS

DATA SOURCE : GRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.201 to 22.212 and 22.219	Capital Material Purchase A/c.	xx	
42.1xx	Liability for supply of Materials (Capital)		xx

Note: Material groups to which the items received relate are only to be operated.

SJE MA. 102 : ON PASSING OF BILLS OF SUPPLIERS

DATA SOURCE : SUPPLIERS BILL PASSING REGISTER

Account Code	Description	Dr.	Cr.
42.1 xx	Liability for supply of Materials A/c (Capital)	xx	
76.220	Freight A/c (Capital)	xx	
79.110	Material cost variance A/c (Capital)	xx	
42.2 xx	Sundry Creditors Control A/c. (Capital)		xx
79.110	Material cost variance A/c (Capital)		xx

Note: Material cost variance A/c. to be operated depending on the variance as it actually results – (ie) whether debit variance or credit variance

SJE MA. 103 : FOR ADJUSTMENT OF ADVANCES AND OTHER RECOVERABLES ON PASSING OF BILLS OF SUPPLIERS

DATA SOURCE : SUPPLIERS BILL PASSING REGISTER

Account Code	Description	Dr.	Cr.
42.2 xx	Sundry Creditors Control A/c (Capital)	xx	
25.1 xx	Advances to suppliers A/c – Interest bearing (Capital)		xx
25.5 xx	Advances to suppliers A/c – Interest free (Capital)		xx
28.810	Expenses Recoverable from Suppliers A/c		xx

Note: Code Nos. 25.1, 25.5 and 42.2 are to be followed by Project Codes

SJE MA. 104 : FOR RECEIPTS OF MATERIALS FROM OTHER STORES

DATA SOURCE : ISMRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.401 to 22.412 and 22.419	Material Transfer Inward A/c.	xx	
31. xxx	Inter Unit A/c Materials		xx

Note:- In the case of receipt of materials returned from the Distribution Divisions under the control of Distribution Circle also, the above journal entry shall come in to operation. The data source would be Inter Unit Material Received Note Analysis.

SJE MA. 105 : FOR RECEIPTS OF MATERIALS RETURNED BY SUBORDINATES/CONTRACTORS

DATA SOURCE : SN ANALYSIS SHEET/CMN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.301 to 22.312 and 22.319	Material Issue A/c. (Capital)	xx	
22.361 to 22.372 and 22.379	Material Returned by contractor's A/c.		
14. xxx	Capital work in progress/		xx
25.7 xx	Contractors material Control A/c. (Capital)		
74.xxx	Repairs and maintenance		

FOR RECEIPTS OF MATERIALS RETURNED BY ARUs WHERE THERE IS NO STORE SEE: SJE MA. 104

DATA SOURCE: IUMRN ANALYSIS SHEET

SJE MA. 105 : FOR ISSUE OF MATERIALS TO WORKS

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
74.xxx	Repairs and maintenance	xx	
14.xxx	Capital work in progress		
22.301 to 22.312 and 22.319	Material Issue A/c (Capital)		xx

Note:- The main A/c. Code 74 shall be followed by the relevant Sub Classification Codes and Main Account Code 14 shall be followed by relevant Scheme Codes.

SJE MA. 107 : FOR ISSUE OF MATERIALS TO CONTRACTORS

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
25.xxx	Contractors material control A/c (Capital)	xx	
22.341 to 22.352 and 22.359	Materials issued to contractors A/c.		xx

SJE MA. 108 : FOR ISSUE OF MATERIALS TO OTHER STORES / UNITS

DATA SOURCE : ISTN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
31.xxx	Inter Unit A/c. Material	xx	
22.421 to 22.432 and 22.439	Material Transfer Outward A/c.		xx

Note:- In the case of issue of materials to Divisions under the control of the Distribution Circle also, the above journal entry shall come into operation. The Data source would be MRCI Analysis Sheet.

SJE MA. 109 : FOR SALE OF STORES

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
79.301	Sale of Stores A/c	xx	
22.301 to 22.312 and 22.319	Material Issue A/c. (Capital)		xx

Note:- On receipt of sale proceeds, the proceeds shall be accounted through CRR by credit to A/c Code 79.301.

SJE MA. 110 : FOR ACCOUNTING OF PROFIT ON SALE OF STORES

DATA SOURCE : SALE ACCOUNT

Account Code	Description	Dr.	Cr.
79.301	Sale of Stores A/c.	xx	
62.330	Profit on sale of stores A/c.		xx

SJE MA. 111 : FOR ACCOUNTING OF LOSS ON SALE OF STORES

DATA SOURCE : SALE ACCOUNT

Account Code	Description	Dr.	Cr.
79.573	Loss on sale of stores A/c	xx	
79.301	Sale of Stores A/c.		xx

SJE MA. 112 : FOR TRANSFER OF MATERIALS BETWEEN FIELD OFFICERS WITHIN THE ACCOUNT RENDERING UNIT

DATA SOURCE : STORE TRANSFER NOTE

Account Code	Description	Dr.	Cr.
14. xxx	Capital work in progress /	xx	
74. xxx	Repair and maintenance /		
25.7 xx	Contractors Material Control A/c. (Capital)		
14. xxx	Capital work in progress /		xx
74. xxx	Repair and maintenance /		
25.7 xx	Contractors Material Control A/c (Capital)		

SJE MA. 113 : FOR ADJUSTMENT OF SECURITY DEPOSIT RECEIVED IN CASH AGAINST AMOUNT DUE FROM SUPPLIER

DATA SOURCE : GENERAL LEDGER FOLIO OF SUPPLIERS' A/C.

Account Code	Description	Dr.	Cr.
46.101	Security Deposit in Cash A/c (Cap.)	xx	
42.2xx	Sundry creditors control A/c (Cap)		xx

SJE MA. 114 : FOR FORFEITURE OF DEPOSIT RECEIVED IN CASH

DATA SOURCE : PURCHASE ORDER FILE

Account Code	Description	Dr.	Cr.
46.101	Security Deposit in Cash A/c (Cap.)	xx	
62.918	Security Deposit forfeited A/c		xx

SJE MA. 115 : FOR RECEIPT OF SECURITY DEPOSIT BY WAY OF BANK GUARANTEE/FIXED DEPOSIT RECEIPT AND OTHER SECURITIES

DATA SOURCE : BANK GUARANTEED/FIXED DEPOSIT RECEIPT, ETC.

Account Code	Description	Dr.	Cr.
28.930	Security from Suppliers A/c	xx	
46.102	Security from Suppliers other than in Cash A/c (Cap)		xx

Note:- On refund of Security Deposit other than in Cash, the above Journal Entry should be reversed.

SJE MA. 116 : FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED BY WAY OF BANK GUARANTEE / FIXED DEPOSIT RECEIPT / OTHER SECURITIES

DATA SOURCE : PURCHASE ORDER FILE

Account Code	Description	Dr.	Cr.
46.102	Security Deposit other than in Cash a/c (Cap)	xx	
62.918	Security Deposit forfeited A/c		xx

SJE MA. 117 : FOR FORFEITURE OF EARNEST MONEY DEPOSIT

DATA SOURCE : PURCHASE ORDER FILE

Account Code	Description	Dr.	Cr.
46.103	Earnest Money Deposit A/c (Cap)	xx	
62.918	Security Deposit forfeited A/c		xx

SJE MA. 118 : FOR ISSUE OF MATERIALS FOR INTERNAL FABRICATION, POLE-CASTING / TREATMENT

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.710	Workshop suspense A/c	xx	
22.301 to 22.312 and 22.319	Material issue A/c (Cap)		xx

SJE MA. 119 : FOR TRANSFER OF EXPENSES SUCH AS SALARIES, WAGES ADMINISTRATION AND GENERAL EXPENSES ETC. RELATING TO INTERNAL FABRICATION, POLE-CASTING / TREATMENT PROCESS TO REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS.

DATA SOURCE : COMPUTATION SHEETS

Account Code	Description	Dr.	Cr.
15.203	Revenue expenses pending allocation over capital works – Employee cost	xx	
15.204	Revenue expenses pending allocation over capital works – Administration and General expenses	xx	
75.900	Employee Cost chargeable to Capital works		xx
76.900	Administration and General Expenses Chargeable to Capital Works		xx

Note:- Transfer of expenses such as salaries, wages, etc., required only if the employees are engaged exclusively for the work.

SJE MA. 120 : FOR TRANSFER OF REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS TO WORKSHOP SUSPENSE A/C

DATA SOURCE : COMPUTATION SHEETS

Account Code	Description	Dr.	Cr.
22.710	Workshop Suspense A/C	xx	
15.203	Revenue Expenses pending allocation over capital works – Employee cost		xx
15.204	Revenue expenses pending allocation over capital works – Administration and General Expenses		xx

SJE MA. 121 : WHEN FINISHED GOODS ARE VALUED AND TAKEN INTO ACCOUNT IN THE CASE OF INTERNAL FABRICATION, POLE CASTING / TREATMENT

DATA SOURCE : FGRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.201 to 22.212 and 22.219	Material purchase A/c – (Cap)	xx	
22.710	Workshop suspense A/c		xx

WHEN FINISHED GOODS ARE ISSUED FOR UTILISATION IN OTHER ARUs SEE: SJE MA. 108

DATA SOURCE: FG TN ANALYSIS SHEET

SJE MA. 122 WHEN FINISHED GOODS UTILISED IN THE SAME ARU WHERE MANUFACTURING IS CARRIED OUT

DATA SOURCE : FGRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
14.xxx	Capital work-in-progress/	xx	
74.xxx	Repairs and maintenance/		
25.7xx	Contractors Material Control A/c (cap.)		
22.301 to 22.312 and 22.319 22.341 to 22.352 and 22.359	Material issue A/c (Cap)		xx
	Materials issued to Contractors A/c		

SJE MA. 123 : FOR ISSUE OF MATERIALS FOR EXTERNAL FABRICATION, POLE-CASTING / TREATMENT WHERE THE CONTRACT IS FOR LABOUR ONLY

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.721	Cost of fabricated materials A/c	xx	
22.301 to 22.312 and 22.319	Material issue A/c (Cap)		xx

SJE MA. 124 : ON PASSING OF THE BILL FOR THE CONTRACT (CONTRACT FOR LABOUR ONLY)

DATA SOURCE : CONTRACTORS BILL

Account Code	Description	Dr.	Cr.
76.281	Fabrication charges	xx	
42.2xx	Contractors Control A/c (Cap)		xx

SJE MA. 125 : FOR EFFECTING RECOVERIES FROM THE CONTRACTORS' BILLS

DATA SOURCE : CONTRACTORS' BILL

Account Code	Description	Dr.	Cr.
42.2xx	Contractors control A/c (Cap)	xx	
46.924	Income tax		xx
62.999	Miscellaneous Income		xx
46.104	Retention Money from Suppliers / Contractors (Cap)		xx

SJE MA. 126 : FOR TRANSFER OF FABRICATION CHARGES, EMPLOYEES COST, ADM. AND GENERAL EXPENSES, ETC. RELATING TO EXTERNAL FABRICATION, POLE-CASTING/TREATMENT ETC. TO REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS (APPLICABLE TO CONTRACT FOR LABOUR AS WELL AS CONTRACT FOR COMPLETED ITEM OF WORK)

DATA SOURCE : COMPUTATION SHEETS

Account Code	Description	Dr.	Cr.
15.203	Revenue Expenses pending allocation over Capital works - Employees cost	xx	
15.204	Revenue Expenses pending allocation over Capital works - Administration and General Expenses	xx	
76.282	Fabrication charges absorbed in the cost of Fabrication		xx
75.900	Expenditure chargeable to Capital works- Employee Cost		xx
76.900	Expenditure chargeable to Capital works- Administration and General Expenses		xx

SJE MA. 127 : FOR TRANSFER OF REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS TO COST OF FABRICATED MATERIALS ACCOUNT (APPLICABLE TO CONTRACTS FOR LABOUR AS WELL AS CONTRACTS FOR COMPLETED ITEMS OF WORK)

DATA SOURCE : COMPUTATION SHEETS

Account Code	Description	Dr.	Cr.
22.721	Cost of fabricated materials A/c	xx	
15.203	Revenue Expenses pending allocation over Capital works - Employees cost		xx
15.204	Revenue Expenses pending allocation over Capital works - Administration and General Expenses		xx

SJE MA. 128 : WHEN FINISHED GOODS ARE VALUED AND TAKEN INTO ACCOUNT

DATA SOURCE : FGRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.201 to 22.212 and 22.219	Capital Material Purchase A/c	xx	
22.721	Cost of fabricated materials A/c		xx

SJE MA. 129 : FOR ISSUE OF MATERIALS TO CONTRACTORS FOR EXTERNAL FABRICATION, POLE-CASTING/ TREATMENT, ETC., WHEN THE CONTRACT IS FOR COMPLETED ITEMS OF WORK (BOTH LABOUR AND MATERIAL)

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.720	Materials issued to Fabricators A/c	xx	
22.341 to 22.352 and 22.359	Materials issued to Contractors A/c		xx

SJE MA. 130 : ON RECEIPT OF CONTRACTORS BILL AND PASSING THE SAME (CONTRACT FOR BOTH LABOUR & MATERIALS)

DATA SOURCE : CONTRACTORS BILL

Account Code	Description	Dr.	Cr.
22.281	Fabrication charges A/c (contractors labour portion)	xx	
22.721	Cost of fabricated materials A/c (cost of materials consumed as per the bill at stock issue rate)		xx
42.2xx	Sundry creditors control a/c (Cap)		xx

SJE MA. 131 : FOR EFFECTING RECOVERIES FROM THE CONTRACTOR'S BILL

DATA SOURCE : CONTRACTOR'S BILL

Account Code	Description	Dr.	Cr.
42.2xx	Sundry creditors control a/c (Cap)	xx	
46.924	Income Tax		xx
62.999	Miscellaneous Income		xx
46.104	Retention Money from Contractors (cap)		xx
22.720	Materials issued to Fabricators A/c		xx

SJE MA. 132 : FOR ADJUSTMENT OF DIFFERENCE BETWEEN AGREED RATE AND ISSUE RATE OF MATERIALS ISSUED TO CONTRACTORS

DATA SOURCE : CONTRACTOR'S BILL AND AGREEMENT

Account Code	Description	Dr.	Cr.
<i>If the agreed rate is higher</i>			
22.720	Materials issued to Fabricators A/c	xx	
22.721	Cost of fabricated Materials A/c		xx
<i>If the issue rate is higher</i>			
22.721	Cost of fabricated Materials A/c	xx	
22.720	Materials issued to Fabricators A/c		xx

(B) INTER UNIT JOURNAL ENTRIES

(Number blocking: SJE MA: 301 to 400)

1. FOR IDBI / REC PAYMENT IN CASES WHERE MATERIALS RECEIVED IN ONE UNIT AND ADVANCE PAYMENT ARRANGED AT THE HEAD OFFICE

(i) ON RECEIPT OF MATERIALS SEE: MA: 101

DATA SOURCE: GRN ANALYSIS SHEET

Note:- On receipt of the bill for advance payment, the consignee ARU will pass the bills as usual and specifically noting that the bills are payable under R.E.C. Inventory Loan/ IDBI Bills are re-discounting scheme and forward them to FA & CAO/ Chief Engineer (MM) (No accounting entry need be passed in the consignee ARU while doing this).

(ii) SJE MA: 301 : ON RECEIPT OF DEBIT IUTN FROM H.O. FOR PAYMENT MADE TO THE SUPPLIER

DATA SOURCE : DEBIT IUTN AND SUPPLIERS INVOICE

Account Code	Description	Dr.	Cr.
25.5xx	Advance to suppliers (Cap)	xx	
37.999	Inter Unit A/c - (Other Adjustments)		xx

(iii) ON RECEIPT OF FINAL BILL FROM THE SUPPLIER AND PASSING THE SAME FOR PAYMENT/ADJUSTMENT AT THE ARU SEE: SJE MA: 102 & 103

DATA SOURCE: SUPPLIER'S BILL, PURCHASE ORDER AND BILL PASSING REGISTER

2. FOR RECEIPT OF MATERIALS IN ONE ARU AND PASSING & PAYMENT OF THE BILLS IN ANOTHER ARU

(i) SJE MA: 302 : ENTRY IN THE CONSIGNEE ARU ON RECEIPT OF MATERIALS

DATA SOURCE : GRN ANALYSIS SHEET AND PURCHASE ORDER

Account Code	Description	Dr.	Cr.
22.201 to 22.212 and 22.219	Capital Material Purchase A/c	xx	
31.xxx	Inter Unit A/c – Material		xx

Note: After passing the above Journal Entry; original copy of the GRN should be forwarded along with the credit IUTN, to the ARU where the payment is arranged.

(ii) SJE MA. 303 : FOR TRANSFER OF EXPENSES RECOVERABLE FROM SUPPLIERS (PAYMENT MADE THROUGH DISBURSEMENT CASH BOOK/PAYMENT MADE OUT OF TEMPORARY IMPREST) TO THE ARU WHERE PASSING AND PAYMENT OF THE BILLS ARE MADE

DATA SOURCE : DISBURSEMENT CASH BOOK/IMPREST SHEET

Account Code	Description	Dr.	Cr.
37.xxx	Inter Unit A/c (other adjustments)	xx	
28.810	Expenses recoverable from Suppliers/Contractors		xx

(iii) ENTRY IN THE ARU WHERE THE BILL IS PASSED AND PAYMENT ARRANGED

SJE MA. 304 : ON RECEIPT OF CREDIT IUTN ALONG WITH THE GRN

DATA SOURCE : IUTN AND GRN

Account Code	Description	Dr.	Cr.
31.xxx	Inter Unit A/c - Material	xx	
42.1xx	Liability for supply of materials/Works (cap)		xx

SJE MA. 305 : FOR ACCEPTANCE OF DEBIT IUTN RECEIVED FROM THE CONSIGNEE ARU TOWARDS TRANSFER OF EXPENSES RECOVERABLE FROM SUPPLIERS (REF: SJE MA: 303)

DATA SOURCE : DEBIT IUTN

Account Code	Description	Dr.	Cr.
28.810	Expenses recoverable from suppliers/Contractors	xx	
37.xxx	Inter Unit A/c (other adjustments)		xx

FOR PASSING THE BILLS OF SUPPLIERS (FOR PAYMENT)
SEE: SJE MA 102 & 103

DATA SOURCE: SUPPLIERS BILL PASSING REGISTER

(C) ONE TIME JOURNAL ENTRIES
(Number blocking: SJE MA: 401 to 500)

SJE MA: 401 : FOR SEGREGATION OF OBSOLETE ITEMS OF STORES

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.760	Obsolete materials in stock A/c	xx	
22.301 to 22.312 and 22.319	Material Issue A/c (cap)		xx

Note: The materials segregated should be valued at existing rates i.e., standard rate or weighted average rate, whichever is applicable.

SJE MA: 402 : FOR WRITE-OFF OF OBSOLETE ITEMS OF STORES

DATA SOURCE : SURVEY REPORT

Account Code	Description	Dr.	Cr.
79.561	Loss on obsolete materials A/c	xx	
22.760	Obsolete materials in stock A/c		xx

SJE MA: 403 : FOR SALE OF OBSOLETE ITEMS

DATA SOURCE : SURVEY REPORT AND SALE ACCOUNT

Account Code	Description	Dr.	Cr.
79.301	Sale of Store A/c	xx	
22.760	Obsolete materials in stock A/c		xx

Note: The sale proceeds shall be accounted through CRR by credit to A/c. code 79.301

**FOR ACCOUNTING PROFIT ON SALE OF OBSOLETE
ITEMS OF STORES – SEE SJE MA 110**

DATA SOURCE: SALE ACCOUNT

**FOR ACCOUNTING LOSS ON SALE OF OBSOLETE
ITEMS OF STORES – SEE SJE MA 111**

DATA SOURCE: SALE ACCOUNT

**SJE MA: 404 : FOR EXCESS NOTICED UPON PHYSICAL
VERIFICATION/INVENTORY OF MATERIALS –
PENDING INVESTIGATION**

**DATA SOURCE : PHYSICAL VERIFICATION REPORT AND S.N.
ANALYSIS SHEET**

Account Code	Description	Dr.	Cr.
22.501 to 22.512 and 22.519	Material stock Adjustment A/c (Cap)	xx	
22.810	Stock excess pending investigation		xx

SJE MA: 405 : FOR SHORTAGES NOTICED UPON PHYSICAL VERIFICATION/INVENTORY OF MATERIALS – PENDING INVESTIGATION

DATA SOURCE : PHYSICAL VERIFICATION REPORT AND MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.830	Stock shortage pending Investigation	xx	
22.501 to 22.512 and 22.519	Material Stock adjustment A/c. (Cap)		xx

SJE MA: 406 : FOR UNEXPLAINED EXCESS AFTER INVESTIGATION

DATA SOURCE : INVESTIGATION REPORT

Account Code	Description	Dr.	Cr.
22.810	Stock excess pending Investigation A/c.	xx	
62.905	Excess found on physical verification of stock A/c.		xx

SJE MA: 407 : FOR UNEXPLAINED SHORTAGES AFTER INVESTIGATION

DATA SOURCE : INVESTIGATION REPORT

Account Code	Description	Dr.	Cr.
79.511	Loss of materials A/c.	xx	
28.401	Amount recoverable from employees A/c.	xx	
22.830	Material shortage		xx
62.999	Miscellaneous Income		xx

Note: The debit to be raised against the A/c. Code 28.401 is issue rate or market rate whichever is higher. If the market rate is higher, the difference shall be credited to A/c. code 62.999 Misc. Income.

SJE MA. 408 : FOR CLOSURE OF INTERNAL FABRICATION, POLE-CASTING/TREATMENT WORK ACCOUNT (WORKSHOP SUSPENSE ACCOUNT)

DATA SOURCE : GENERAL LEDGER FOLIO FOR WORKSHOP SUSPENSE ACCOUNT

Account Code	Description	Dr.	Cr.
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a) If the Workshop suspense A/c. shows a Debit Balance

79.110	Materials cost variance A/c.(Cap)	xx	
22.710	Workshop suspense A/c.		xx

b) If the Workshop Suspense a/c. shows a credit balance

Reverse of the above entry

SJE MA. 409 : FOR CLOSURE OF EXTERNAL FABRICATION, POLE-CASTING/TREATMENT WORKS ACCOUNT (COST OF FABRICATED MATERIALS ACCOUNT)

DATA SOURCE : GENERAL LEDGER FOLIO FOR COST OF FABRICATED MATERIALS ACCOUNT

Account Code	Description	Dr.	Cr.
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a) If the cost of fabricated materials A/c. shows a debit balance

79.110	Materials Cost Variance A/c.(Cap)	xx	
22.721	Cost of Fabricated materials A/c.		xx

b) If the cost of fabricated materials A/c. shows a credit balance

Reverse of the above entry

(D) RECTIFICATION JOURNAL ENTRIES

(Number blocking: SJE MA: 501 to 700)

Note: Reconciliation journal entries have to be proposed by the ARUs as and when required assigning Non-standard Journal Entry Numbers (NSJE MA:) from 2001 to 5000. see also Note under II – Non-Standard Journal Entries.

(E) HEAD OFFICE JOURNAL ENTRIES
(Number blocking: SJE MA: 701 to 900)

**SJE MA: 701 : ON RECEIPT OF PASSED BILL OF SUPPLIERS FROM
CONSIGNEE ARUs FOR IDBI / REC PAYMENT**

DATA SOURCE : SUPPLIER'S BILL AND PURCHASE ORDER

Account Code	Description	Dr.	Cr.
31.xxx	Inter Unit A/c material	xx	
53.302	REC Inventory Loan/		xx
52.401	Borrowings from IDBI		

(F) MEMORANDA JOURNAL ENTRIES
(Number blocking: SJE MA: 901 to 1000)

(G) YEAR-END/BEGINNING JOURNAL ENTRIES

(Number blocking: SJE MA: 1001 to 1900)

**SJE MA: 1001 : FOR YEAR-END CLOSURE OF STOCK ACCOUNT
UPON MERGER OF VARIOUS RECEIPTS FROM STOCK
ACCOUNTS AT THE YEAR-END IN THE MATERIAL
STOCK ACCOUNT**

**DATA SOURCE : GENERAL LEDGER BALANCES UNDER VARIOUS
STOCK RELATED ACCOUNT CODES**

Account Code	Description	Dr.	Cr.
22.601 to 22.612 and 22.619	Material Stock Account (Cap)	xx	
22.501 to 22.512 and 22.519	Material Stock Adjustment A/c (Cap)		xx
22.201 to 22.212 and 22.219	Material Purchase A/c (Cap)		xx
22.361 to 22.372 and 22.379	Material returned by Contractors A/c		xx
22.401 to 22.412 and 22.419	Material Transfer Inward A/c		xx

**SJE MA: 1002 : FOR YEAR-END CLOSURE OF STOCK ACCOUNT
UPON MERGER OF VARIOUS ISSUES FROM STOCK
ACCOUNTS AT THE YEAR-END IN TO MATERIAL
STOCK ACCOUNT**

**DATA SOURCE : GENERAL LEDGER BALANCES UNDER VARIOUS
STOCK RELATED ACCOUNT CODES**

Account Code	Description	Dr.	Cr.
22.301 to 22.312 and 22.319	Material Issue A/c (Cap.)	xx	
22.341 to 22.352 and 22.359	Material Issued to Contractors A/c	xx	
22.421 to 22.432 and 22.439	Material Transfer Outward A/c (Cap)	xx	
22.501 to 22.512 and 22.519	Material Stock Adjustment A/c	xx	
22.601 to 22.612 and 22.619	Material Stock A/c (Cap.)		xx

SJE MA. 1003 : FOR MATERIALS IN TRANSIT

DATA SOURCE : RR/LR/MATERIAL COLLECTION REGISTER

Account Code	Description	Dr.	Cr.
22.680	Capital Materials in-transit A/c	xx	
42.300	Provision for liability for supply of Materials (Cap)		xx

Note:- This entry should be reversed at the beginning of the subsequent accounting period.

SJE MA. 1004 : FOR PROVISION FOR LIABILITY OF FREIGHT AND OTHER INCIDENTAL STORE EXPENSES

DATA SOURCE : LR/RR/MATERIAL COLLECTION REGISTER/P.O./ INVOICE

Account Code	Description	Dr.	Cr.
76.210	Freight on Capital Equipment	xx	
76.271	Incidental stores and handling expenses	xx	
46.430	Provision for liability for expenses A/c		xx

Note:- This entry should be reversed at the beginning of the subsequent accounting period.

SJE MA. 1005 : FOR PROVISION FOR LIABILITY OF MATERIALS PENDING INSPECTION

DATA SOURCE : GRN CONTROL REGISTER

Account Code	Description	Dr.	Cr.
22.660	Capital materials pending Inspection A/c	xx	
42.300	Provision for liability for supply of material A/c (Cap)		xx

Note:- This entry should be reversed at the beginning of the subsequent accounting period.

II NON-STANDARD JOURNAL ENTRIES
(Number blocking: NSJE: 2001 to 5000)

Note: Non-standard Journal Entries (NSJE) are Journal Entries which are not standardised by the Head Office. NSJEs are to be prepared only by compilation Section, if necessary, by giving serial numbers under the above number blocking from 2001 onwards. Such NSJEs which are of a recurring nature will be standardised by the Head Office and included in the relevant categories of SJE. So any Journal entry which has not been included in the SJE given above has to be treated as NSJEs.

II O & M STORES

(Applicable to ARUs where materials are mainly used for Repairs and maintenance activities – Regional Stores/LD Circle Stores/ Generation Circle Stores etc.)

I. STANDARD JOURNAL ENTRIES

(A) REGULAR JOURNAL ENTRIES

SJE MA. 133 : FOR RECEIPTS OF MATERIALS FROM SUPPLIERS

DATA SOURCE : GRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.221 to 22.232 and 22.239	O & M Material Purchase A/c	xx	
43.100	Liability for Supply of Materials A/c (O & M)		xx

Note: Material groups to which the items received relate are only to be operated.

SJE MA. 134 : ON PASSING OF BILLS OF SUPPLIERS

DATA SOURCE : SUPPLIERS BILL PASSING REGISTER

Account Code	Description	Dr.	Cr.
43.100	Liability for supply of Materials A/c (O & M)	xx	
76.221	Freight A/c (O & M)	xx	
79.120	Material Cost variance A/c. (O & M)	xx	
79.120	Material Cost variance A/c. (O & M)		xx
43.200	Sundry creditors control A/c. (O&M)		xx

Note: Material cost variance A/c to be operated depending on the variance as it actually results (ie.) whether debit variance or credit variance.

SJE MA. 135 : FOR ADJUSTMENT OF ADVANCE AND OTHER RECOVERABLES ON PASSING OF BILLS OF SUPPLIERS

DATA SOURCE : SUPPLIERS BILL PASSING REGISTER

Account Code	Description	Dr.	Cr.
43.200	Sundry creditors control A/c. (O&M)	xx	
26.101	Advances to Suppliers A/c – Interest bearing (O & M)		xx
26.501	Advances to Suppliers A/c – Interest Free		xx
28.810	Expenses recoverable from suppliers A/c		xx

FOR RECEIPT OF MATERIALS FROM OTHER STORES SEE. SJE MA: 104

DATA SOURCE: ISMRN ANALYSIS SHEET

SJE MA. 136 : FOR RECEIPTS OF MATERIALS RETURNED BY SUBORDINATES/CONTRACTORS

DATA SOURCE : S.N. ANALYSIS SHEET/ CMN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.321 to 22.332 and 22.339	Material Issue A/c/ (O & M)	xx	
22.361 to 22.372 and 22.379	Materials Returned by Contractors A/c.		
74.xxx	Repairs and Maintenance		xx
26.xxx	Contractors Material Control A/c (O & M)		
14.xxx	Capital Work-in-Progress		

FOR RECEIPTS OF MATERIALS RETURNED BY ARUs WHERE THERE IS NO STORES: SEE SJE MA: 104

DATA SOURCE: IUMRN ANALYSIS SHEET

SJE MA. 137 : FOR ISSUE OF MATERIALS TO WORK

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
74.xxx	Repairs and maintenance	xx	
14.xxx	Capital work-in-progress		
22.321 to 22.332 and 22.339	Material Issue A/c (O & M)		xx

Note: The Main Account Code 74 shall be followed by relevant Sub-classification codes and account Code 14 shall be followed by relevant Scheme Codes.

SJE MA. 138 : FOR ISSUE OF MATERIALS TO CONTRACTORS

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
26.701	Contractors Material Control A/c (O&M)	xx	
22.341 to 22.352 and 22.359	Material Issued to Contractors A/c		xx

FOR ISSUE OF MATERIALS TO OTHER STORES / UNITS
SEE. SJE MA: 108

DATA SOURCE: ISTN ANALYSIS SHEET

SJE MA. 139 : FOR SALE OF STORES

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
79.301	Sale of Stores A/c	xx	
22.321 to 22.332 and 22.339	Material Issue A/c (O & M)		xx

Note: On receipt of sale proceeds the proceeds shall be accounted through Cash Book
by credit to A/c Code 79.301

FOR ACCOUNTING OF PROFIT ON SALE OF STORES SEE
SJE MA: 110

DATA SOURCE: SALE ACCOUNT

FOR ACCOUNTING OF LOSS ON SALE OF STORES SEE
SJE MA: 111

DATA SOURCE: SALE ACCOUNT

SJE MA. 140 : FOR TRANSFER OF MATERIALS BETWEEN FIELD OFFICERS WITHIN THE ARU

DATA SOURCE : STN

Account Code	Description	Dr.	Cr.
14.xxx	Capital work-in-Progress/	xx	
74.xxx	Repairs & Maintenance/		
26.7xxx	Contractors Material Control A/c (O& M)		
14.xxx	Capital work-in-Progress		xx
74.xx	Repairs and Maintenance		
26.7xx	Contractors Material Control a/c (O&M)		

SJE MA. 141 : FOR ADJUSTMENT OF SECURITY DEPOSIT RECEIVED IN CASH AGAINST AMOUNT DUE FROM SUPPLIER

DATA SOURCE : GENERAL LEDGER FOLIO OF SUPPLIER'S ACCOUNT

Account Code	Description	Dr.	Cr.
46.121	Security Deposits in Cash A/c (O&M)	xx	
43.200	Sundry Creditors Control A/c (O&M)		xx

SJE MA. 142 : FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED IN CASH

DATA SOURCE : PURCHASE ORDER FILE

Account Code	Description	Dr.	Cr.
46.121	Security Deposits in cash A/c (O&M)	xx	
62.918	Security Deposit forfeited A/c		xx

SJE MA. 143 : FOR RECEIPT OF SECURITY DEPOSIT BY WAY OF BANK GUARANTEE/ FIXED DEPOSIT RECEIPT AND OTHER SECURITIES

DATA SOURCE : BANK GUARANTEE/ FIXED DEPOSIT RECEIPT ETC.

Account Code	Description	Dr.	Cr.
28.930	Security from Suppliers A/c	xx	
46.122	Security from supplier other than in cash A/c. (O&M)		xx

Note: On refund of Security Deposit other than in cash, the above Journal entry will be reversed.

SJE MA. 144 : FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED BY WAY OF BANK GUARANTEE/FIXED DEPOSIT RECEIPT/OTHER SECURITIES

DATA SOURCE : PURCHASE ORDER FILE

Account Code	Description	Dr.	Cr.
46.122	Security Deposit other than in cash A/c.(O&M)	xx	
62.918	Security Deposit forfeited A/c.		xx

SJE MA. 145 : FOR FORFEITURE EARNEST MONEY DEPOSIT

DATA SOURCE : PURCHASE ORDER FILE

Account Code	Description	Dr.	Cr.
46.123	Earnest Money Deposit A/c. (O&M)	xx	
62.918	Security Deposit forfeited A/c.		xx

SJE MA. 146 : FOR ISSUE OF MATERIALS FOR INTERNAL FABRICATION, POLE CASTING/TREATMENT

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.710	Workshop Suspense A/c.	xx	
22.321 to 22.332 and 22.339	Material Issue A/c. (O&M)		xx

FOR TRANSFER OF EXPENSES SUCH AS SALARIES, WAGES, ADMINISTRATION AND GENERAL EXPENSES ETC. RELATING TO INTERNAL FABRICATION POLE CASTING/TREATMENT PROCESS TO REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS. SEE SJE MA. 119

DATA SOURCE: COMPUTATION SHEETS

Note: Transfer of expenses such as salaries, wages etc. required only if the employees are engaged exclusively for the work.

FOR TRANSFER OF REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS TO WORKSHOP SUSPENSE ACCOUNT
SEE SJE MA. 120

DATA SOURCE: COMPUTATION SHEETS

SJE MA. 147 : WHEN FINISHED GOODS ARE VALUED AND TAKEN INTO ACCOUNT IN THE CASE OF INTERNAL FABRICATION, POLE CASTING/TREATMENT

DATA SOURCE : FGRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.221 to 22.232 and 22.239	O & M Material Purchase A/c.	xx	
22.710	Workshop suspense A/c.		xx

WHEN FINISHED GOODS ARE ISSUED FOR UTILISATION
IN OTHER ACCOUNT RENDERING UNITS. SEE SJE MA.
108

DATA SOURCE: FGTN ANALYSIS SHEETS

**SJE MA. 148 : WHEN FINISHED GOODS ARE UTILISED IN THE
SAME ACCOUNT RENDERING UNIT WHERE
MANUFACTURING IS CARRIED OUT**

DATA SOURCE : FGTN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
14.xxx	Capital work in progress	xx	
74.xxx	Repairs and maintenance		
26.7xx	Contractor's material control A/c (O&M)		
22.321 to 22.332 and 22.339	Material Issue A/c (O&M)		xx
22.341 to 22.352 and 22.359	Material Issued to Contractors A/c		

**SJE MA. 149 : FOR ISSUE OF MATERIALS FOR EXTERNAL
FABRICATION, POLE CASTING / TREATMENT
WHERE THE CONTRACT IS FOR LABOUR ONLY**

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.721	Cost of fabricated materials A/c	xx	
22.321 to 22.332 and 22.339	Material Issue A/c (O&M)		xx

**SJE MA. 150 : ON PASSING OF THE BILL FOR THE CONTRACT
(CONTRACT FOR LABOUR ONLY)**

DATA SOURCE : CONTRACTOR'S BILL

Account Code	Description	Dr.	Cr.
76.281	Fabrication Charges A/c	xx	
43.200	Contractors Control A/c (O&M)		xx

**SJE MA. 151 : FOR EFFECTING RECOVERIES FROM THE
CONTRACTORS BILL**

DATA SOURCE : CONTRACTOR'S BILL

Account Code	Description	Dr.	Cr.
43.200	Contractors Control A/c (O&M)	xx	
46.924	Income Tax		xx
62.999	Miscellaneous Income		xx
46.104	Retention etc. etc.		xx

FOR TRANSFER OF FABRICATION CHARGES, EMPLOYEE COST, ADMINISTRATION & GENERAL EXPENSE, ETC., RELATING TO EXTERNAL FABRICATION, POLE CASTING/TREATMENT, ETC., TO REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS
SEE SJE MA: 126
(Applicable to Contracts for labour as well as contracts for completed items of work)

DATA SOURCE: COMPUTATION SHEET

FOR TRANSFER OF REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS TO COST OF FABRICATED MATERIALS ACCOUNT
SEE. SJE MA: 127

DATA SOURCE: COMPUTATION SHEETS

SJE MA. 152 : WHEN FINISHED GOODS ARE VALUED AND TAKEN INTO ACCOUNT

DATA SOURCE : FGRN ANALYSIS SHEETS

Account Code	Description	Dr.	Cr.
22.221 to 22.232 and 22.239	O & M Material purchase A/c	xx	
22.721	Cost of fabricated materials A/c		xx

FOR ISSUE OF MATERIALS TO CONTRACTORS FOR EXTERNAL FABRICATION, POLE CASTING/TREATMENT, ETC., WHERE THE CONTRACT IS FOR COMPLETED ITEMS OF WORK (BOTH LABOUR AND MATERIALS)
SEE SJE MA: 129

DATA SOURCE: MRCI ANALYSIS SHEET

SJE MA. 153 : ON RECEIPT OF CONTRACTOR'S BILL AND PASSING THE SAME (CONTRACT FOR BOTH LABOUR AND MATERIALS)

DATA SOURCE : CONTRACTOR'S BILL

Account Code	Description	Dr.	Cr.
76.281	Fabrication Charges A/c. (Contractor's labour portion)	xx	
22.721	Cost of Fabricated materials A/c (Cost of materials consumed as per the bill at stock issue rate)	xx	
43.200	Sundry creditors' control A/c (O&M)		xx

**SJE MA. 154 : FOR EFFECTING RECOVERIES FROM THE
CONTRACTOR'S BILL**

DATA SOURCE : CONTRACTOR'S BILL

Account Code	Description	Dr.	Cr.
43.200	Sundry creditors' control A/c (O&M)	xx	x
46.924	Income Tax		xx
62.999	Miscellaneous Income		xx
46.104	Retention		xx
22.720	Materials issued to Fabricators A/c		xx

FOR ADJUSTMENT OF DIFFERENCE BETWEEN AGREED
RATE AND ISSUE RATE OF MATERIALS ISSUED TO
CONTRACTOR
SEE SJE MA. 132

DATA SOURCE: CONTRACTOR'S BILL AND AGREEMENT

(B) INTER UNIT JOURNAL ENTRIES

FOR IDBI/REC PAYMENT IN CASES WHERE MATERIALS RECEIVED IN ONE UNIT AND ADVANCE PAYMENT ARRANGED AT THE HEAD OFFICE

(i) ON RECEIPT OF MATERIALS SJE: MA: 133

DATA SOURCE: GRN ANALYSIS SHEET

Note:- On receipt of the bill for advance payment, the consignee ARU will pass the bills as usual and specifically noting that the Bills are payable under R.E.C. Inventory Loan/ IDBI Bills re-discounting scheme and forward them to FA & CAO/ Chief Engineer (MM) (No accounting entry need be passed in the consignee ARU while doing this).

(ii) SJE MA: 306 : ON RECEIPT OF THE DEBIT IUTN FROM HEAD OFFICE FOR PAYMENT MADE TO THE SUPPLIER

DATA SOURCE : DEBIT IUTN AND SUPPLIER'S INVOICE

Account Code	Description	Dr.	Cr.
25.5xx	Advance to suppliers (O & M)	xx	
37.999	Inter Unit A/c – (Other Adjustments)		xx

**(iii) ON RECEIPT OF FINAL BILL FROM THE SUPPLIER AND PASSING THE SAME FOR PAYMENT/ADJUSTMENT AT THE ARU.
SEE: SJE MA: 134 & 135**

DATA SOURCE: SUPPLIER'S BILL, PURCHASE ORDER AND SUPPLIER'S BILL PASSING REGISTER

**FOR RECEIPT OF MATERIALS IN ONE ARU AND
PASSING & PAYMENT OF THE BILLS IN ANOTHER
ARU**

(i) SJE MA: 307 : ENTRY IN THE CONSIGNEE ARU ON RECEIPT OF MATERIALS

DATA SOURCE : GRN ANALYSIS SHEET AND PURCHASE ORDER

Account Code	Description	Dr.	Cr.
22.221			
to			
22.232	O & M Material Purchase A/c	xx	
and			
22.239			
31.xxx	Inter Unit A/c – material		xx

Note: After passing the above journal entry, original copy of the GRN along with the credit IUTN should be forwarded to the ARU where the payment is arranged.

**(ii) FOR TRANSFER OF EXPENSES RECOVERABLE FROM SUPPLIERS (PAYMENT MADE THROUGH DISBURSEMENT CASH BOOK/PAYMENT MADE OUT OF TEMPORARY IMPREST) TO ARU WHERE PASSING & PAYMENT OF THE BILLS ARE MADE
SEE: SJE MA: 303**

DATA SOURCE: DISBURSEMENT CASH / BOOK IMPREST SHEET

(iii) ENTRY IN THE ARU WHERE THE BILL IS PASSED AND PAYMENT ARRANGED

SJE MA: 308 : ON RECEIPT OF CREDIT IUTN ALONG WITH THE GRN

DATA SOURCE : IUTN & GRN

Account Code	Description	Dr.	Cr.
31.xxx	Inter Unit A/c – material	xx	
43.100	Liability for supply of material (O&M)		xx

**FOR ACCEPTANCE OF DEBIT IUTN RECEIVED FROM
CONSIGNEE ARU TOWARDS TRANSFER OF EXPENSES
RECOVERABLE FROM SUPPLIERS (REFER:
TRANSACTION (ii) ON PAGE 87) SEE SJE MA: 305**

DATA SOURCE: DEBIT IUTN

**FOR PASSING THE BILLS OF SUPPLIER'S FOR
PAYMENT**

SEE: SJE MA: 134 and 135

DATA SOURCE: SUPPLIER'S BILL PASSING REGISTER

(C) ONE TIME JOURNAL ENTRIES

**SJE MA. 410 : FOR SEGREGATION OF OBSOLETE ITEMS OF
STORES**

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.760	Obsolete materials in stock A/c	xx	
22.321	to		
22.332	Material Issue A/c (O&M)		xx
and			
22.339			

Note: The materials segregated should be valued at existing rates, ie., standard rate or weighted average rate, whichever is applicable.

**FOR WRITE OFF OF OBSOLETE ITEMS OF STORES
SEE SJE MA. 402**

DATA SOURCE: SURVEY REPORT

FOR SALE OF OBSOLETE ITEMS SEE - SJE MA. 403

DATA SOURCE: SURVEY REPORT AND SALE ACCOUNT

Note: The sale proceeds shall be accounted through C.R.R. by credit to A/c code 79.301

FOR ACCOUNTING OF PROFIT ON SALE OF OBSOLETE
ITEMS OF STORES SEE - SJE MA. 110

DATA SOURCE: SALE ACCOUNT

FOR ACCOUNTING OF LOSS ON SALE OF OBSOLETE
ITEMS OF STORES SEE - SJE MA. 111

DATA SOURCE: SALE ACCOUNT

**SJE MA. 411 : FOR EXCESS NOTICED ON PHYSICAL VERIFICATION
/ INVENTORY OF MATERIALS – PENDING
INVESTIGATION**

**DATA SOURCE : PHYSICAL VERIFICATION REPORT AND SN
ANALYSIS SHEET**

Account Code	Description	Dr.	Cr.
22.521 to 22.532 and 22.539	Material Stock adjustment A/c (O&M)	xx	
22.810	Stock excess pending Investigation		xx

SJE MA. 412 : FOR SHORTAGES NOTICED ON PHYSICAL VERIFICATION / INVENTORY OF MATERIALS – PENDING INVESTIGATION

DATA SOURCE : PHYSICAL VERIFICATION REPORT AND MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.830	Stock shortage pending Investigation	xx	
22.521 to 22.532 and 22.539	Material Stock adjustment A/c (O&M)		xx

FOR UNEXPLAINED EXCESS AFTER INVESTIGATION SEE – SJE MA: 406

DATA SOURCE: INVESTIGATION REPORT

FOR UNEXPLAINED SHORTAGES AFTER INVESTIGATION SEE – SJE MA: 407

DATA SOURCE: INVESTIGATION REPORT

Note: The Debit to be raised against the A/c Code 28.401 is Issue rate or Market rate whichever is higher. If the Market rate is higher, the difference shall be credited to 62.999 Miscellaneous Income

SJE MA. 413 : FOR CLOSURE OF INTERNAL FABRICATION, POLE-CASTING/TREATMENT WORKS ACCOUNT (WORKSHOP SUSPENSE ACCOUNT)

DATA SOURCE : GENERAL LEDGER FOLIO OF WORKSHOP SUSPENSE ACCOUNT

a) If the workshop suspense A/c. shows a debit balance

Account Code	Description	Dr.	Cr.
79.120	Materials Cost Variance A/c.(O & M)	xx	
22.710	Workshop suspense A/c		xx

b) If the workshop suspense A/c shows a credit balance

Reverse of the above entry

SJE MA. 414 : FOR CLOSURE OF EXTERNAL FABRICATION, POLE-CASTING/TREATMENT WORKS ACCOUNT (COST OF FABRICATED MATERIALS ACCOUNT)

DATA SOURCE : GENERAL LEDGER FOLIO OF FABRICATED MATERIALS ACCOUNT

a) If the cost of Fabricated materials A/c. shows a Debit balance

Account Code	Description	Dr.	Cr.
79.120	Materials Cost Variance A/c.(O & M)	xx	
22.721	Cost of Fabricated materials A/c		xx

b) If the cost of Fabricated materials A/c shows a credit balance

Reverse of the above entry

**(D) RECTIFICATION JOURNAL ENTRIES
(Number blockings SJE MA 501 to 700)**

SEE: Note under Capital Stores – I Standard Journal Entries – D. Rectification Journal Entries; and II – Non-Standard Journal Entries.

**(E) HEAD OFFICE JOURNAL ENTRIES
(Number blocking SJE MA 701 to 900)**

ON RECEIPT OF PASSED BILLS OF SUPPLIERS FROM CONSIGNEE ARUs FOR IDBI / REC PAYMENT. SEE – SJE MA: 701

DATA SOURCE: SUPPLIERS BILL AND PURCHASE ORDER

**(F) MEMORANDA JOURNAL ENTRIES
(Number blocking SJE MA 901 to 1000)**

(G) YEAR END / BEGINNING JOURNAL ENTRIES
(Number blocking SJE MA 1001 to 1900)

SJE MA. 1006		: FOR YEAR END CLOSURE OF STOCK ACCOUNT ON MERGER OF VARIOUS RECEIPTS FROM STOCK ACCOUNTS AT THE YEAR END INTO MATERIAL STOCK ACCOUNT	
DATA SOURCE		: GENERAL LEDGER BALANCES UNDER STOCK RELATED ACCOUNT CODES	
Account Code	Description	Dr.	Cr.
22.621 to 22.632 and 22.639	Material Stock A/c (O&M)	xx	
22.521 to 22.532 and 22.539	Material Stock Adjustment A/c (O&M)		xx
22.221 to 22.232 and 22.239	O & M material purchase A/c		xx
22.361 to 22.372 and 22.379	Materials returned by contractors A/c		xx
22.401 to 22.412 and 22.419	Material Transfer Inward A/c		xx

SJE MA. 1007 : FOR YEAR END CLOSURE OF STOCK ACCOUNT ON MERGER OF VARIOUS ISSUES FROM STOCK ACCOUNTS AT THE YEAR END INTO MATERIAL STOCK ACCOUNT

DATA SOURCE : GENERAL LEDGER BALANCES UNDER VARIOUS STOCK RELATED ACCOUNT CODES

Account Code	Description	Dr.	Cr.
22.321 to 22.332 and 22.339	Material Issue A/c (O&M)	xx	
22.341 to 22.352 and 22.359	Material issued to contractors A/c	xx	
22.421 to 22.432 and 22.439	Material Transfer outward A/c	xx	
22.521 to 22.532 and 22.539	Materials stock adjustment A/c (O&M)	xx	
22.621 to 22.632 and 22.639	Materials stock A/c (O&M)		xx

SJE MA. 1008 : FOR MATERIALS IN TRANSIT

DATA SOURCE : RR/LR/MATERIAL COLLECTION REGISTER

Account Code	Description	Dr.	Cr.
22.690	O & M Materials-in-Transit A/c	xx	
43.300	Provision for liability for supply of Materials (O&M)		xx

Note: This entry should be reversed at the beginning of the subsequent accounting period

SJE MA. 1009 : FOR PROVISION FOR LIABILITY OF FREIGHT AND OTHER INCIDENTAL STORES EXPENSES

DATA SOURCE : RR/LR/MATERIAL COLLECTION REGISTER/P.O./INVOICES FROM SUPPLIERS

Account Code	Description	Dr.	Cr.
76.220	Freight on O & M Equipment	xx	
76.270	Incidental stores and handling expenses (O&M)	xx	
46.430	Provision for liability for expenses A/c		xx

Note: This entry should be reversed at the beginning of the subsequent accounting period

SJE MA. 1010 : FOR PROVISION FOR LIABILITY FOR MATERIALS PENDING INSPECTION

DATA SOURCE : GRN CONTROL REGISTER

Account Code	Description	Dr.	Cr.
22.670	O & M Materials pending Inspection A/c	xx	
43.300	Provision for supply of materials A/c (O&M)		xx

Note: This entry should be reversed at the beginning of the subsequent accounting period

II. NON-STANDARD JOURNAL ENTRIES

(Number Blocking NSJE MA 2001 to 5000)

SEE: Note under “CAPITAL STORES, II NON-STANDARD JOURNAL ENTRIES”

III. SUB-REGIONAL STORES

(Applicable to Electrical Distribution Circles)

I. STANDARD JOURNAL ENTRIES

(A) REGULAR JOURNAL ENTRIES

FOR RECEIPT OF MATERIALS FROM SUPPLIERS
SEE - SJE MA: 133

DATA SOURCE: GRN ANALYSIS SHEET

ON PASSING OF BILLS OF SUPPLIERS SEE - SJE MA: 134

DATA SOURCE: SUPPLIER'S BILL PASSING REGISTER

FOR ADJUSTMENT OF ADVANCES AND OTHER
RECOVERABLES ON PASSING OF BILLS OF SUPPLIERS
SEE - SJE MA: 135

DATA SOURCE: SUPPLIER'S BILL PASSING REGISTER

FOR RECEIPTS OF MATERIALS FROM OTHER STORES
SEE - SJE MA: 104

DATA SOURCE: ISMRN ANALYSIS SHEET

SJE MA. 155 : FOR RECEIPT OF MATERIALS RETURNED BY FIELD OFFICERS/ CONTRACTORS DIRECTLY UNDER THE CONTROL OF THE CIRCLE

DATA SOURCE : SN ANALYSIS SHEET/ CMN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.321 to 22.332 and 22.339	Material Issue A/c (O&M)	xx	
22.361 to 22.372 and 22.379	Materials Returned by Contractors A/c		
22.650	MASA O & M		xx
14.xxx	Capital work-in-progress		
74.xxx	Repairs & Maintenance		
26.7xx	Contractors' Material Control (O&M)		

FOR RECEIPTS OF MATERIALS RETURNED BY FIELD OFFICERS/ CONTRACTORS OF THE DIVISIONS UNDER THE CONTROL OF THE CIRCLE SEE - SJE MA: 104

DATA SOURCE: ISMRN ANALYSIS SHEET

FOR RECEIPT OF MATERIALS RETURNED BY ARUs WHERE THERE IS NO STORE - SEE : SJE MA: 104

DATA SOURCE: IUMRN ANALYSIS SHEET

FOR ISSUE OF MATERIALS TO WORKS DIRECTLY UNDER
THE CONTROL OF CIRCLE - SEE : SJE MA: 137

DATA SOURCE: MRCI ANALYSIS SHEET

FOR ISSUE OF MATERIALS TO WORKS UNDERTAKEN IN THE
DIVISIONS UNDER THE CIRCLE - SEE : SJE MA: 108

DATA SOURCE: MRCI ANALYSIS SHEET

FOR ISSUE OF MATERIALS TO CONTRACTORS DIRECTLY
UNDER THE CONTROL OF THE CIRCLE - SEE : SJE MA: 138

DATA SOURCE: MRCI ANALYSIS SHEET

FOR ISSUE OF MATERIALS TO CONTRACTORS ENGAGED BY
THE DIVISIONS UNDER THE CIRCLE - SEE : SJE MA: 108

DATA SOURCE: MRCI ANALYSIS SHEET

**SJE MA. 156 : FOR ISSUE OF MATERIALS TO FIELD OFFICERS
(AGAINST MASA) DIRECTLY UNDER THE CONTROL
OF THE CIRCLE**

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.650	MASA O & M	xx	
22.321 to 22.332 and 22.339	Material Issue A/c (O&M)		xx

FOR ISSUE OF MATERIALS TO FIELD OFFICERS OF THE
DIVISIONS UNDER THE CIRCLE - SEE : SJE MA: 108

DATA SOURCE: MRCI ANALYSIS SHEET

FOR ISSUE OF MATERIALS TO OTHER STORES/UNITS
SEE : SJE MA: 108

DATA SOURCE: ISTN ANALYSIS SHEET

FOR SALE OF STORES - SEE : SJE MA: 139

DATA SOURCE: MRCI ANALYSIS SHEET

FOR ACCOUNTING OF PROFIT ON SALE OF STORES
SEE : SJE MA: 110

DATA SOURCE: SALE ACCOUNT

FOR ACCOUNTING OF LOSS ON SALE OF STORES
SEE : SJE MA: 111

DATA SOURCE: SALE ACCOUNT

SJE MA. 157 : FOR TRANSFER OF MATERIALS BETWEEN FIELD OFFICERS DIRECTLY UNDER THE CONTROL OF THE CIRCLE

DATA SOURCE : STORE TRANSFER NOTE (STN)

Account Code	Description	Dr.	Cr.
14.xxx	Capital work-in-progress	xx	
74.xxx	Repairs and Maintenance		
26.7xx	Contractors Material Control A/c (O&M)		
26.650	MASA (O&M)		
14.xxx	Capital work-in-progress		xx
74.xxx	Repairs and Maintenance		
26.7xx	Contractors Material Control A/c (O&M)		
26.650	MASA (O&M)		

SJE MA. 158 : ON RECEIPTS OF MATERIAL-AT-SITE-ACCOUNT WITH CONSUMPTION STATEMENT (DEBIT SLIP) FROM FIELD OFFICERS DIRECTLY UNDER THE CONTROL OF THE CIRCLE

DATA SOURCE : CONSUMPTION STATEMENT & MATERIAL-AT-SITE-ACCOUNT

Account Code	Description	Dr.	Cr.
14.xxx	Capital work-in-progress	xx	
74.xxx	Repairs and Maintenance		
22.650	MASA (O&M)		xx

SJE MA. 159 : FOR ACCOUNTING OF MATERIALS ORIGINALLY ISSUED AGAINST MASA (O & M) BUT USED FOR CAPITAL WORKS

DATA SOURCE : CONSUMPTION STATEMENT

Account Code	Description	Dr.	Cr.
22.321 to 22.332 and 22.339	Material Issue A/c (O&M)	xx	
22.301 to 22.312 and 22.319	Material Issue A/c (Capital)		xx

Note: The transfer from Material issue Account – O & M to Material Issue Account – Capital has to be done only to the extent of value of materials used for capital works.

FOR ADJUSTMENT OF SECURITY DEPOSIT RECEIVED IN
CASH AGAINST AMOUNT DUE FROM SUPPLIER SEE : SJE
MA: 141

DATA SOURCE: GENERAL LEDGER FOLIO OF SUPPLIER'S
ACCOUNT

FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED IN
CASH SEE: SJE MA: 142

DATA SOURCE: PURCHASE ORDER FILE

FOR RECEIPT OF SECURITY DEPOSIT BY WAY OF BANK
GUARANTEE/ FIXED DEPOSIT RECEIPT AND OTHER
SECURITIES SEE: SJE MA: 143

DATA SOURCE: BANK GUARANTEE / FIXED DEPOSIT
RECEIPT, ETC.

Note: On refund of security deposit other than in cash, the above Journal entry will be
reversed.

FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED BY
WAY OF BANK GUARANTEE/ FIXED DEPOSIT RECEIPT /
OTHER SECURITIES SEE: SJE MA: 144

DATA SOURCE: PURCHASE ORDER FILE

FOR FORFEITURE OF EARNEST MONEY DEPOSIT
SEE: SJE MA: 145

DATA SOURCE: PURCHASE ORDER FILE

SJE MA. 160 : FOR ISSUE OF MATERIALS FOR INTERNAL FABRICATION, POLE-CASTING/ TREATMENT WORK DONE DIRECTLY UNDER THE CONTROL OF THE CIRCLE

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.710	Workshop suspense Account	xx	
22.650	MASA (O & M)		
22.321 to 22.332 and 22.339	Material Issue A/c (O & M)		xx

SJE MA. 161 : ON RECEIPT OF MASA WITH CONSUMPTION STATEMENT (DEBIT SLIP) FOR INTERNAL FABRICATION, POLE-CASTING / TREATMENT WORKS FROM FIELD OFFICERS DIRECTLY UNDER THE CONTROL OF THE CIRCLE

DATA SOURCE : CONSUMPTION STATEMENT AND MASA

Account Code	Description	Dr.	Cr.
22.710	Workshop suspense Account	xx	
22.650	MASA (O & M)		xx

Note: SJE MA: 159 shall also be passed along with the above Journal entry

FOR TRANSFER OF EXPENSES SUCH AS SALARIES, WAGES, ADMINISTRATION AND GENERAL EXPENSES, ETC., RELATING TO INTERNAL FABRICATION, POLE-CASTING/TREATMENT WORKS TO REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS SEE: SJE MA: 119

DATA SOURCE: COMPUTATION SHEETS

FOR TRANSFER OF REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS TO WORKSHOP SUSPENSE ACCOUNT SEE: SJE MA: 120

DATA SOURCE: COMPUTATION SHEETS

WHEN FINISHED GOODS ARE VALUED AND TAKEN INTO ACCOUNT IN THE CASE OF INTERNAL FABRICATION, POLE-CASTING/TREATMENT PROCESS DIRECTLY UNDER THE CONTROL OF THE CIRCLE SEE: SJE MA: 147

DATA SOURCE: FGRN ANALYSIS SHEET

WHEN FINISHED GOODS ARE ISSUED FOR UTILISATION IN OTHER ACCOUNT RENDERING UNITS - SEE: SJE MA: 108

DATA SOURCE: FGTV ANALYSIS SHEET

WHEN FINISHED GOODS ARE UTILISED IN THE CIRCLE
WHERE MANUFACTURING IS CARRIED OUT – SEE SJE MA:
148/156

DATA SOURCE: MRCI ANALYSIS SHEET

**SJE MA. 162 : FOR ISSUE OF MATERIALS FOR EXTERNAL
FABRICATION, POLE-CASTING/TREATMENT DONE
DIRECTLY UNDER THE CONTROL OF THE CIRCLE
(WHERE THE CONTRACT IS FOR LABOUR ONLY)**

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
22.721	Cost of fabricated materials Account	xx	
22.650	MASA (O & M)		
22.321 to 22.332 and 22.339	Material Issue A/c (O&M)		xx

**SJE MA. 163 : ON RECEIPT OF MASA WITH CONSUMPTION
STATEMENT (DEBIT SLIP) FOR EXTERNAL
FABRICATION, POLE-CASTING/ TREATMENT
PROCESS FROM FIELD OFFICERS (WHERE
CONTRACT IS FOR LABOUR ONLY)**

DATA SOURCE : CONSUMPTION STATEMENT AND MASA

Account Code	Description	Dr.	Cr.
22.721	Cost of fabricated materials Account	xx	
22.650	MASA (O & M)		xx

Note: SJE MA: 159 shall also be passed along with the above Journal Entry.

ON PASSING OF THE BILL FOR THE CONTRACT FOR EXTERNAL FABRICATION ETC. (CONTRACT FOR LABOUR ONLY)

SEE SJE MA: 150

DATA SOURCE: CONTRACTORS' BILL

FOR EFFECTING RECOVERIES FROM THE CONTRACTORS' BILL (EXTERNAL FABRICATION ETC. – CONTRACT FOR LABOUR ONLY) SEE SJE MA: 151

DATA SOURCE: CONTRACTORS BILL

FOR TRANSFER OF FABRICATION CHARGES, EMPLOYEES COST, ADMINISTRATION AND GENERAL EXPENSES ETC. RELATING TO EXTERNAL FABRICATION ETC. TO REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS (APPLICABLE TO CONTRACTS FOR LABOUR AS WELL AS CONTRACTS FOR COMPLETED ITEMS OF WORK)

SEE SJE MA: 126

DATA SOURCE: COMPUTATION SHEETS

FOR TRANSFER OF REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS TO COST OF FABRICATING MATERIALS ACCOUNT (APPLICABLE TO CONTRACTS FOR LABOUR AS WELL AS CONTRACTS FOR COMPLETED ITEMS OF WORK)

SEE SJE MA: 127

DATA SOURCE: COMPUTATION SHEETS

WHEN FINISHED GOODS ARE VALUED AND TAKEN INTO
ACCOUNT SEE SJE MA: 152

DATA SOURCE: FGRN ANALYSIS SHEETS

FOR ISSUE OF MATERIALS TO CONTRACTORS FOR
EXTERNAL FABRICATION, POLE-CASTING / TREATMENT,
ETC. WHEN THE CONTRACT IS FOR COMPLETED ITEMS OF
WORK (WORK DONE DIRECTLY UNDER THE CONTROL OF
CIRCLE) SEE SJE MA: 129

DATA SOURCE: MRCI ANALYSIS SHEETS

Note: If the materials are issued from MASA of the Field Officer, the issue should be
made through STN, debiting 22.720 – Material issued to Fabricators A/c by credit
to MASA. In this case SJE MA: 159 should also be passed.

ON RECEIPT OF CONTRACTORS' BILL AND PASSING THE
SAME (CONTRACT FOR BOTH LABOUR AND MATERIAL)
SEE SJE MA: 153

DATA SOURCE: CONTRACTORS' BILL

FOR EFFECTING RECOVERIES FROM CONTRACTORS' BILL
SEE SJE MA: 154

DATA SOURCE: CONTRACTORS' BILL

FOR ADJUSTMENT OF DIFFERENCE BETWEEN AGREED
RATE AND ISSUE RATE OF MATERIALS ISSUED TO
CONTRACTORS
SEE SJE MA: 132

DATA SOURCE: CONTRACTORS' BILL AND AGREEMENT

(B) INTER UNIT JOURNAL ENTRIES

FOR IDBI/REC PAYMENT IN CASES WHERE MATERIALS
RECEIVED IN SUB-REGIONAL STORE AND ADVANCE
PAYMENT ARRANGED AT THE HEAD OFFICE

(i) ON RECEIPT OF MATERIALS SEE: SJE MA: 133 AND NOTE
UNDER O & M STORES B – INTER UNIT JOURNAL
ENTRIES – TRANSACTION (i)

DATA SOURCE: GRN ANALYSIS SHEET

(ii) ON RECEIPT OF DEBIT IUTN FROM HEAD OFFICE FOR
PAYMENT MADE TO THE SUPPLIER SEE: SJE MA: 306

DATA SOURCE: DEBIT IUTN AND SUPPLIERS' INVOICE

(iii) ON RECEIPT OF FINAL BILL FROM THE SUPPLIER AND
PASSING THE SAME FOR PAYMENT AND OR
ADJUSTMENT AT THE ARU SEE: SJE MA: 134 & 135

DATA SOURCE: SUPPLIERS' BILL, PURCHASE ORDER AND
SUPPLIER'S BILL PASSING REGISTER

FOR RECEIPT OF MATERIALS IN THE CIRCLE AND PASSING
AND PAYMENT OF BILLS IN REGIONAL STORES/OTHER
STORES, ENTRY IN THE CIRCLE OFFICE

- (i) ON RECEIPT OF MATERIALS
SEE SJE MA: 307 AND NOTE UNDER IT

DATA SOURCE: GRN ANALYSIS SHEET AND PURCHASE
ORDER

- (ii) FOR TRANSFER OF EXPENSES RECOVERABLE FROM
SUPPLIERS (PAYMENT MADE THROUGH
DISBURSEMENT CASH BOOK / PAYMENT MADE OUT OF
TEMPORARY IMPREST) TO ARU (REGIONAL STORES /
OTHER STORES) WHERE PASSING AND PAYMENT OF
THE BILLS ARE MADE SEE: SJE MA: 303

DATA SOURCE: DISBURSEMENT CASH BOOK / IMPREST
SHEET

(C) ONE TIME JOURNAL ENTRIES

FOR SEGREGATION OF OBSOLETE ITEMS OF STORES
SEE SJE MA: 410 AND NOTE UNDER IT

DATA SOURCE: MRCI ANALYSIS SHEET

FOR WRITE-OFF OF OBSOLETE ITEMS OF STORES
SEE SJE MA: 402

DATA SOURCE: SURVEY REPORT

FOR SALE OF OBSOLETE ITEMS OF STORES
SEE SJE MA: 403 AND NOTE UNDER IT

DATA SOURCE: SURVEY REPORT AND SALE ACCOUNT

FOR ACCOUNTING OF PROFIT ON SALE OF OBSOLETE
ITEMS OF STORES SEE SJE MA: 110

DATA SOURCE: SALE ACCOUNT

FOR ACCOUNTING OF LOSS ON SALE OF OBSOLETE ITEMS
OF STORES SEE SJE MA: 111

DATA SOURCE: SALE ACCOUNT

FOR EXCESS NOTICED UPON PHYSICAL VERIFICATION/
INVENTORY OF MATERIALS PENDING INVESTIGATION
SEE SJE MA: 411

DATA SOURCE: PHYSICAL VERIFICATION REPORT AND S.N.
ANALYSIS SHEET

FOR SHORTAGES NOTICED UPON PHYSICAL VERIFICATION
/ INVENTORY OF MATERIAL PENDING INVESTIGATION
SEE SJE MA: 412

DATA SOURCE: PHYSICAL VERIFICATION REPORT AND
MRCI ANALYSIS SHEET

FOR UNEXPLAINED EXCESS AFTER INVESTIGATION
SEE SJE MA: 406

DATA SOURCE: INVESTIGATION REPORT

FOR UNEXPLAINED SHORTAGES AFTER INVESTIGATION
SEE SJE MA: 407 AND NOTE UNDER IT

DATA SOURCE: INVESTIGATION REPORT

FOR CLOSURE OF INTERNAL FABRICATION, POLE-CASTING
/ TREATMENT WORKS ACCOUNT (WORKSHOP SUSPENSE
ACCOUNT)

DATA SOURCE: GENERAL LEDGER FOLIO OF WORKSHOP
SUSPENSE ACCOUNT

- a) IF THE WORKSHOP SUSPENSE ACCOUNT SHOWS A DEBIT
BALANCE SEE SJE MA: 413
 - b) IF THE WORKSHOP SUSPENSE ACCOUNT SHOWS A
CREDIT BALANCE - REVERSE OF SEE SJE MA: 413
-

FOR CLOSURE OF EXTERNAL FABRICATION, POLE-CASTING
/ TREATMENT WORKS ACCOUNT (COST OF FABRICATED
MATERIALS ACCOUNT)

DATA SOURCE: GENERAL LEDGER FOLIO OF COST OF
FABRICATED MATERIALS ACCOUNT

- a) IF THE COST OF FABRICATED MATERIALS ACCOUNT
SHOWS A DEBIT BALANCE - SEE SJE MA: 414
 - b) IF THE COST OF FABRICATED MATERIALS ACCOUNT
SHOWS A CREDIT BALANCE – REVERSE OF SJE MA: 414
-

(D) RECTIFICATION JOURNAL ENTRIES

(Number blockings: SJE MA 501 to 700)

See: Note under Capital Stores – I – Standard Journal Entries – D.
Rectification Journal Entries; and II Non-standard Journal Entries.

(E) HEAD OFFICE JOURNAL ENTRIES

(Number blockings: SJE MA 701 to 900)

ON RECEIPT OF PASSED BILLS OF SUPPLIERS FROM THE
DISTRIBUTION CIRCLE FOR IDBI / REC PAYMENT
SEE SJE MA: 701

DATA SOURCE: SUPPLIERS BILL AND PURCHASE ORDER

(F) MEMORANDA JOURNAL ENTRIES

(Number blockings: SJE MA 901 to 1000)

(G) YEAR-END / BEGINNING JOURNAL ENTRIES

(Number blockings: SJE MA 1001 to 1900)

FOR YEAR-END CLOSURE OF STOCK ACCOUNT UPON
MERGER OF VARIOUS RECEIPTS FROM STOCK ACCOUNTS
AT THE YEAR-END INTO MATERIAL STOCK ACCOUNT
SEE SJE MA: 1006

DATA SOURCE: - GENERAL LEDGER BALANCES UNDER
STOCK RELATED ACCOUNT CODES

FOR YEAR-END CLOSURE OF STOCK ACCOUNT UPON
MERGER OF VARIOUS ISSUES FROM STOCK ACCOUNTS AT
THE YEAR-END INTO MATERIAL STOCK ACCOUNT
SEE SJE MA: 1007

DATA SOURCE: - GENERAL LEDGER BALANCES UNDER
STOCK RELATED ACCOUNT CODES

FOR MATERIALS IN TRANSIT
SEE SJE MA: 1008 AND NOTE UNDER IT

DATA SOURCE: - RR/LR/MATERIAL COLLECTION REGISTER

FOR PROVISION FOR LIABILITY OF FREIGHT AND OTHER
INCIDENTAL STORE EXPENSES
SEE SJE MA: 1009 AND NOTE UNDER IT

DATA SOURCE: - RR/LR/MATERIAL COLLECTION
REGISTER/PO/ INVOICES FROM SUPPLIERS

II NON-STANDARD JOURNAL ENTRIES

(Number blockings: NSJE MA 2001 to 5000)

See: Note under Capital Stores – II Non-standard Journal
Entries

IV ELECTRICAL DISTRIBUTION DIVISION

I. STANDARD JOURNAL ENTRIES

(A) REGULAR JOURNAL ENTRIES

SJE MA. 164	: DIRECT PURCHASE FOR WORK/MASA		
DATA SOURCE	: GRN ANALYSIS SHEET AND MRCI ANALYSIS SHEET / LOCAL PURCHASE ORDER BOOK		
Account Code	Description	Dr.	Cr.
22.650	MASA (O & M)	xx	
43.100	Liability for Supply of materials (O&M)		xx

ON PASSING OF BILLS OF SUPPLIERS SEE SJE MA: 134

DATA SOURCE: SUPPLIERS' BILL PASSING REGISTER

FOR ADJUSTMENT OF ADVANCES AND OTHER
RECOVERABLES ON PASSING OF BILLS OF SUPPLIERS
SEE SJE MA: 135

DATA SOURCE: SUPPLIERS' BILL PASSING REGISTER

SJE MA. 165 : FOR RECEIPT OF MATERIALS FROM SUB-REGIONAL STORES AND ITS ISSUE (ROUTED THROUGH DIVISION)

DATA SOURCE : MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
<i>Receipt</i>			
22.401 to 22.412 and 22.419	Material Transfer Inward A/c	xx	
31.xxx	Inter Unit A/c – Material		xx
<i>Issue</i>			
14.xxx	Capital work-in-progress	xx	
74.xxx	Repairs and Maintenance		
26.7xx	Contractors Material Control A/c (O&M)		
22.650	MASA (O&M)		
22.321 to 22.332 and 22.339	Material Issue A/c. (O&M)		xx
22.341 to 22.352 and 22.359	Materials Issued to Contractors A/c.		

FOR RECEIPT OF MATERIALS FROM OTHER DIVISIONS
WITHIN THE CIRCLE AND ITS ISSUE – FOR RECEIPTS
SEE SJE MA: 104
FOR ISSUES SEE: SJE MA: 137/138/156

DATA SOURCE: MTN (INWARD) ANALYSIS SHEET

SJE MA. 166 : FOR RETURN OF MATERIALS BY FIELD OFFICERS/CONTRACTORS TO THE SUB-REGIONAL STORE (ROUTED THROUGH DIVISION)

DATA SOURCE : IUMRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
<i>Receipt</i>			
22.321 to 22.332 and 22.339	Material Issue A/c. (O&M)	xx	
22.361 to 22.372 and 22.379	Materials returned by Contractors A/c		
22.650	MASA (O&M)		xx
14.xxx	Capital Work-in-Progress		
74.xxx	Repairs and Maintenance		
26.7xx	Contractors Materials Control A/c (O&M)		
<i>Issue (Return)</i>			
31.xxx	Inter Unit A/c. Material	xx	
22.421 to 22.432 and 22.439	Material Transfer Outward A/c.		xx

FOR ISSUE TO OTHER DIVISIONS WITHIN THE SAME CIRCLE
SEE: SJE MA: 155 – FOR RECEIPTS FROM FIELD
SEE: SJE MA: 108 – FOR ISSUES TO OTHER DIVISIONS

DATA SOURCE: MTN (OUTWARD) ANALYSIS SHEET

FOR TRANSFER OF MATERIALS BETWEEN FIELD OFFICERS
WITHIN THE DIVISION SEE: SJE MA: 157

DATA SOURCE: STORE TRANSFER NOTE

ON RECEIPT OF MATERIAL-AT-SITE ACCOUNT WITH
CONSUMPTION STATEMENT FROM FIELD OFFICERS
SEE: SJE MA: 158

DATA SOURCE: CONSUMPTION STATEMENT & MATERIAL-
AT-SITE ACCOUNT

ON ACCOUNTING OF MATERIALS ORIGINALLY ISSUED
AGAINST MASA (O&M) BUT USED FOR CAPITAL WORKS
SEE: SJE MA: 159

DATA SOURCE: CONSUMPTION STATEMENT

FOR ADJUSTMENT OF SECURITY RECEIVED IN CASH
AGAINST AMOUNT DUE FROM SUPPLIER - SEE: SJE MA: 141

DATA SOURCE: GENERAL LEDGER FOLIO OF SUPPLIER'S
ACCOUNT

FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED IN
CASH SEE: SJE MA: 142

DATA SOURCE: PURCHASE ORDER FILE

FOR RECEIPT OF SECURITY DEPOSIT BY WAY OF BANK
GUARANTEE/FIXED DEPOSIT AND OTHER SECURITIES
SEE: SJE MA: 143

DATA SOURCE: BANK GUARANTEE / FIXED DEPOSIT
RECEIPT, ETC.

Note: On refund of Security Deposit other than in cash, the above journal entry will be
reversed.

FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED BY
WAY OF BANK GUARANTEE / FIXED DEPOSIT RECEIPT /
OTHER SECURITIES SEE: SJE MA: 144

DATA SOURCE: PURCHASE ORDER FILE

FOR FORFEITURE OF EARNEST MONEY DEPOSIT
SEE: SJE MA: 145

DATA SOURCE: PURCHASE ORDER FILE

FOR RECEIPT OF MATERIALS FROM SUB REGIONAL STORES
FOR INTERNAL FABRICATION, POLE CASTING / TREATMENT
WORK AND ITS ISSUE – FOR RECEIPTS:
SEE: SJE MA: 104; FOR ISSUES: SEE: SJE MA 160

DATA SOURCE: MRCI ANALYSIS SHEET

ON RECEIPT OF MASA WITH CONSUMPTION STATEMENT
(DEBIT SLIP) FOR INTERNAL FABRICATION, POLE
CASING/TREATMENT WORKS FROM FIELD OFFICERS
SEE: SJE MA: 161 & 159

DATA SOURCE: CONSUMPTION STATEMENT AND MASA

FOR TRANSFER OF EXPENSES SUCH AS SALARIES, WAGES,
ADMINISTRATION AND GENERAL EXPENSES, ETC.,
RELATING TO INTERNAL FABRICATION, POLE
CASTING/TREATMENT PROCESS TO REVENUE EXPENSES
PENDING ALLOCATION OVER CAPITAL WORKS. SEE: SJE
MA: 119

DATA SOURCE: COMPUTATION SHEETS

FOR TRANSFER OF REVENUE EXPENSES PENDING
ALLOCATION OVER CAPITAL WORKS TO WORKSHOP
SUSPENSE ACCOUNT. SEE: SJE MA: 120

DATA SOURCE: COMPUTATION SHEETS

WHEN FINISHED GOODS ARE VALUED AND TAKEN INTO
ACCOUNT IN THE CASE OF INTERNAL FABRICATION, POLE
CASTING/TREATMENT. SEE: SJE MA: 147

DATA SOURCE: FGRN ANALYSIS SHEET

WHEN FINISHED GOODS ARE ISSUED FOR UTILISATION IN
OTHER ARUs - SEE: SJE MA: 108

DATA SOURCE: FGTV ANALYSIS SHEET

WHEN FINISHED GOODS ARE UTILISED IN THE DIVISION
WHERE MANUFACTURING IS CARRIED OUT
SEE: SJE MA: 148/156

DATA SOURCE: FGRN ANALYSIS SHEET

FOR RECEIPT OF MATERIALS FROM SUB-REGIONAL STORES
FOR EXTERNAL FABRICATION, POLE CASING/TREATMENT
AND ITS ISSUE (WHERE THE CONTRACT IS FOR LABOUR
ONLY)
SEE: SJE MA: 104 AND 162

DATA SOURCE: MRCI ANALYSIS SHEET

ON RECEIPT OF MASA WITH CONSUMPTION STATEMENT
(DEBIT SLIP) FOR EXTERNAL FABRICATION, POLE
CASTING/TREATMENT PROCESS FROM FIELD OFFICES
(WHERE CONTRACT IS FOR LABOUR ONLY)
SEE: SJE MA: 163 AND 159

DATA SOURCE: CONSUMPTION STATEMENT AND MASA

ON PASSING OF THE BILLS FOR CONTRACT FOR EXTERNAL
FABRICATION ETC. (CONTRACT FOR LABOUR ONLY)
SEE: SJE MA: 150

DATA SOURCE: CONTRACTORS' BILL

FOR EFFECTING RECOVERIES FROM THE CONTRACTORS
BILL (EXTERNAL FABRICATION ETC - CONTRACT FOR
LABOUR ONLY) SEE: SJE MA: 151

DATA SOURCE: CONTRACTORS' BILL

FOR TRANSFER OF FABRICATION CHARGES, EMPLOYEES COST, ADMINISTRATION AND GENERAL EXPENSE, ETC. RELATING TO EXTERNAL FABRICATION, ETC., TO REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS (APPLICABLE TO CONTRACTS FOR LABOUR AS WELL AS CONTRACT FOR COMPLETED ITEM OF WORK)-SEE: SJE MA: 126

DATA SOURCE: COMPUTATION SHEETS

FOR TRANSFER OF REVENUE EXPENSES PENDING ALLOCATION OVER CAPITAL WORKS TO COST OF FABRICATED MATERIALS ACCOUNT (APPLICABLE TO CONTRACTS FOR LABOUR AS WELL AS CONTRACTS FOR COMPLETED ITEMS OF WORK) - SEE: SJE MA: 127

DATA SOURCE: COMPUTATION SHEETS

WHEN FINISHED GOODS ARE VALUED AND TAKEN INTO ACCOUNT SEE: SJE MA: 152

DATA SOURCE: FGRN ANALYSIS SHEETS

FOR RECEIPT OF MATERIALS FROM SUB REGIONAL STORES
FOR EXTERNAL FABRICATION, POLE CASTING ETC., AND
ITS ISSUE (WHERE THE CONTRACT IS FOR BOTH LABOUR
AND MATERIAL). SEE: SJE MA: 104 & 129

DATA SOURCE: MRCI ANALYSIS SHEET

Note: If the materials are issued from MASA of the Field Officer, the issue should be
made through STN debiting 22.720 – Material issued to Fabricator's A/c., by
credit to MASA. In this case SJE MA 159 should also be passed.

ON RECEIPT OF CONTRACTORS' BILL AND PASSING THE
SAME (CONTRACTS FOR BOTH LABOUR & MATERIALS)
SEE: SJE MA: 153

DATA SOURCE: CONTRACTORS' BILL

FOR EFFECTING RECOVERIES FROM THE CONTRACTORS'
BILL
SEE: SJE MA: 154

DATA SOURCE: CONTRACTORS' BILL

FOR ADJUSTMENT OF DIFFERENCE BETWEEN AGREED
RATE AND ISSUE RATE OF MATERIALS ISSUED TO
CONTRACTOR
SEE: SJE MA: 132

DATA SOURCE: CONTRACTORS' BILL AND AGREEMENT

(B) INTER UNIT JOURNAL ENTRIES

X X X

(C) ONE TIME JOURNAL ENTRIES

FOR CLOSURE OF INTERNAL FABRICATION, POLE CASTING/
TREATMENT WORKS ACCOUNT (WORKSHOP SUSPENSE
ACCOUNT)

DATA SOURCE: GENERAL LEDGER FOLIO OF WORKSHOP
SUSPENSE ACCOUNT

a) IF THE WORKSHOP SUSPENSE ACCOUNT SHOWS A
DEBIT BALANCE ACCOUNT SEE SJE MA: 413

b) IF THE WORKSHOP SUSPENSE ACCOUNT SHOWS A
CREDIT BALANCE - REVERSE OF SJE MA: 413

FOR CLOSURE OF EXTERNAL FABRICATION, POLE
CASTING/ TREATMENT WORKS ACCOUNT (COST OF
FABRICATED MATERIALS ACCOUNT)

DATA SOURCE: GENERAL LEDGER FOLIO OF FABRICATED
MATERIAL ACCOUNT

a) IF THE COST OF FABRICATED MATERIALS ACCOUNT
SHOWS A DEBIT BALANCE - SEE SJE MA: 414

b) IF THE COST OF FABRICATED MATERIALS ACCOUNT
SHOWS A CREDIT BALANCE - REVERSE OF SJE MA: 414

(D) RECTIFICATION JOURNAL ENTRIES
(Number blockings: SJE MA 501 to 700)

See: Note under Capital Stores – I Standard Journal Entries – D – Rectification
Journal Entries; and II Non-standard Journal entries

(E) HEAD OFFICE JOURNAL ENTRIES

X X X

(F) MEMORANDA JOURNAL ENTRIES
(Number blocking: SJE MA 901 to 1000)

(G) YEAR END / BEGINNING JOURNAL ENTRIES
(Number blocking: SJE MA 1001 to 1900)

SJE MA. 1011	: FOR YEAR END CLOSURE OF STOCK ACCOUNT UPON MERGER OF VARIOUS RECEIPTS FROM STOCK ACCOUNTS AT THE YEAR END INTO MATERIAL STOCK ACCOUNT		
DATA SOURCE	: GENERAL LEDGER BALANCES UNDER RELATED ACCOUNT CODES		
Account Code	Description	Dr.	Cr.
22.621 to 22.632 and 22.639	Material Stock A/c. (O&M)	xx	
22.221 to 22.232 and 22.239	Materials purchase A/c. (O&M)		xx
22.361 to 22.372 and 22.379	Material Returned by Contractors A/c		xx
22.401 to 22.412 and 22.419	Material transfer Inward A/c		xx

**SJE MA. 1012 : FOR YEAR END CLOSURE OF STOCK ACCOUNT
UPON MERGER OF VARIOUS ISSUES FROM STOCK
ACCOUNTS AT THE YEAR END INTO MATERIAL
STOCK ACCOUNT**

**DATA SOURCE : GENERAL LEDGER BALANCES UNDER VARIOUS
STOCK RELATED ACCOUNT CODES**

Account Code	Description	Dr.	Cr.
22.321 to 22.332 and 22.339	Material Issue A/c. (O&M)	xx	
22.341 to 22.352 and 22.359	Materials issued to contractors A/c.	xx	
22.421 to 22.432 and 22.439	Material Transfer outward A/c	xx	
22.621 to 22.632 and 22.639	Material Stock A/c (O&M)		xx

**II. NON-STANDARD JOURNAL ENTRIES
(Number blocking: NSJE MA 2001 to 5000)**

See: Note under Capital Stores – II Non-Standard Journal Entries.

V ACCOUNT RENDERING UNITS WHERE THERE IS NO STORE

A. UNITS WHERE CONSTRUCTION ACTIVITIES ARE UNDERTAKEN AND CAPITAL ACCOUNT NUMBERS ARE OPERATED FOR STORES TRANSACTIONS.

I. STANDARD JOURNAL ENTRIES

(A) REGULAR JOURNAL ENTRIES

SJE MA. 167 : DIRECT PURCHASE FOR WORK

DATA SOURCE : GRN ANALYSIS SHEET AND MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
14.xxx	Capital work-in-progress	xx	
74.xxx	Repairs and Maintenance		
25.7xx	Contractors material Control A/c (capital)		
42.1xx	Liability for supply of material (Capital)		xx

ON PASSING OF BILLS OF SUPPLIERS - SEE: SJE MA: 102

DATA SOURCE: SUPPLIERS' BILL PASSING REGISTER

FOR ADJUSTMENT OF ADVANCES AND OTHER
RECOVERABLES ON PASSING OF BILLS OF SUPPLIERS
SEE: SJE MA: 103

DATA SOURCE: SUPPLIERS' BILL PASSING REGISTER

SJE MA. 168 : FOR RECEIPTS OF MATERIALS FROM OTHER STORES AND ITS ISSUE

DATA SOURCE : ISMRN ANALYSIS SHEET AND MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
<i>Receipt</i>			
22.401 to 22.412 and 22.419	Material Transfer Inward A/c.	xx	
31.xxx	Inter Unit A/c. Material		xx
<i>Issue</i>			
14.xxx	Capital work-in-progress	xx	
74.xxx	Repairs and Maintenance		
25.7xx	Contractors Material Control A/c (Capital)		
22.301 to 22.312 and 22.319	Material Issue A/c (Capital)		xx
22.341 to 22.352 and 22.359	Material Issued to contractor's A/c		

Note: The field officers/ contractors will be drawing the materials directly from other stores. But the transaction is routed through the "ARU without store" for accounting purpose

SJE MA. 169 : FOR RETURN OF MATERIALS BY FIELD OFFICERS AND CONTRACTORS TO THE STORE FROM WHERE SUCH MATERIALS WERE ORIGINALLY DRAWN (ROUTED THROUGH THE ARU)

DATA SOURCE : ISMRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
<i>Receipt</i>			
22.301 to 22.312 and 22.319 22.361 to 22.372 and 22.379	Material Issue A/c. (Capital)	xx	
22.372 and 22.379	Material Returned by contractors A/c		
14.xxx	Capital work-in-progress		xx
74.xxx	Repairs and Maintenance		
25.7xx	Contractors Material Control A/c (Capital)		
<i>Issue (Return)</i>			
31.xxx	Inter Unit A/c - Material	xx	
22.421 to 22.432 and 22.439	Material Transfer outward A/c		xx

FOR TRANSFER BETWEEN FIELD OFFICERS WITHIN THE ARU- SEE: SJE MA: 113

DATA SOURCE: STORE TRANSFER NOTE

FOR ADJUSTMENT OF SECURITY RECEIVED IN CASH
AGAINST AMOUNT DUE FROM SUPPLIER - SEE: SJE MA: 113

DATA SOURCE: GENERAL LEDGER FOLIO OF SUPPLIERS'
ACCOUNT

FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED IN
CASH SEE: SJE MA: 114

DATA SOURCE: PURCHASE ORDER FILE

FOR RECEIPT OF SECURITY DEPOSIT BY WAY OF BANK
GUARANTEE/ FIXED DEPOSIT RECEIPT AND OTHER
SECURITIES - SEE: SJE MA: 115

DATA SOURCE: BANK GUARANTEE/FIXED DEPOSIT
RECEIPT, ETC.

Note: On refund of Security Deposit other than in Cash, the above Journal entry should
be reversed.

FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED BY
WAY OF BANK GUARANTEE/ FIXED DEPOSIT RECEIPT/
OTHER SECURITIES - SEE: SJE MA: 116

DATA SOURCE: PURCHASE ORDER FILE

FOR FORFEITURE OF EARNEST MONEY DEPOSIT
SEE: SJE MA: 117

DATA SOURCE: PURCHASE ORDER FILE

(B) INTER-UNIT JOURNAL ENTRIES

X X X

(C) ONE-TIME JOURNAL ENTRIES

X X X

(D) RECTIFICATION JOURNAL ENTRIES

See Note under Capital Stores – I Standard Journal Entries – D.
Rectification Journal Entries; and II Non Standard Journal Entries.

(E) HEAD OFFICE JOURNAL ENTRIES

X X X

(F) MEMORANDA JOURNAL ENTRIES

X X X

(G) YEAR-END / BEGINNING JOURNAL ENTRIES

**SJE MA. 1013 : FOR YEAR END CLOSURE OF STOCK ACCOUNT
UPON MERGER OF VARIOUS RECEIPTS FROM STOCK
ACCOUNTS AT THE YEAR END IN THE MATERIAL
STOCK ACCOUNT**

**DATA SOURCE : GENERAL LEDGER BALANCES UNDER VARIOUS
STOCK RELATED ACCOUNT CODES**

Account Code	Description	Dr.	Cr.
22.601 to 22.612 and 22.619	Material Stock A/c. (Capital)	xx	
22.201 to 22.212 and 22.219	Material Purchase A/c (Cap)		xx
22.361 to 22.372 and 22.379	Materials Returned by Contractors A/c		xx
22.401 to 22.412 and 22.419	Material Transfer Inward A/c		xx

SJE MA. 1014 : FOR YEAR END CLOSURE OF STOCK ACCOUNT UPON MERGER OF VARIOUS ISSUES FROM STOCK ACCOUNTS AT THE YEAR END IN THE MATERIAL STOCK ACCOUNT

DATA SOURCE : GENERAL LEDGER BALANCES UNDER VARIOUS STOCK RELATED ACCOUNT CODES

Account Code	Description	Dr.	Cr.
22.301 to 22.312 and 22.319	Material Issue A/c. (Capital)	xx	
22.341 to 22.352 and 22.359	Materials issued to contractors A/c (Cap)	xx	
22.421 to 22.432 and 22.439	Material Transfer Outward A/c	xx	
22.601 to 22.612 and 22.619	Material Stock A/c (Cap)		xx

II. NON-STANDARD JOURNAL ENTRIES
(Number blocking: NSJE MA 2001 TO 5000)

See Note under Capital Stores – II Non-Standard Journal Entries

**B. UNITS WHERE REPAIRS & MAINTENANCE ACTIVITIES
ARE UNDERTAKEN AND O & M ACCOUNT NUMBERS
OPERATED FOR STORES TRANSACTIONS**

I. STANDARD JOURNAL ENTRIES

A. REGULAR JOURNAL ENTRIES

SJE MA. 170 : DIRECT PURCHASE FOR WORK

DATA SOURCE : GRN ANALYSIS SHEET AND MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
14.xxx	Capital work-in-progress	xx	
74.xxx	Repairs and Maintenance		
26.7xx	Contractors Material Control A/c (O&M)		
43.100	Liability for supply of Materials (O&M)		xx

ON PASSING OF BILLS OF SUPPLIERS - SEE: SJE MA: 134

DATA SOURCE: SUPPLIERS BILL PASSING REGISTER

FOR ADJUSTMENTS OF ADVANCES AND OTHER
RECOVERABLES ON PASSING OF BILLS OF SUPPLIERS
SEE: SJE MA: 135

DATA SOURCE: SUPPLIERS BILL PASSING REGISTER

SJE MA. 171 : FOR RECEIPTS OF MATERIALS FROM OTHER STORES AND ITS ISSUE

DATA SOURCE : ISMRN ANALYSIS SHEET AND MRCI ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
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Receipt

22.401 to 22.412 and 22.419	Material Transfer Inward A/c	xx	
31.xxx	Inter Unit A/c - Material		xx

Issue (Return)

14.xxx	Capital work-in-progress	xx	
74.xxx	Repairs and Maintenance		
26.7xx	Contractors Material Control a/c (O&M)		
22.321 to 22.332 and 22.339	Material Issue A/c (O&M)		xx
22.341 to 22.352 and 22.359	Material Issued to Contractors A/c		

Note: The materials are actually drawn by the field officers / contractors directly from other stores. But the transaction is routed through the ARU for accounting purpose.

SJE MA. 172 : FOR RETURN OF MATERIALS BY FIELD OFFICERS AND CONTRACTORS TO THE STORE FROM WHERE SUCH MATERIALS WERE ORIGINALLY DRAWN (ROUTED THROUGH THE ARU)

DATA SOURCE : IUMRN ANALYSIS SHEET

Account Code	Description	Dr.	Cr.
<i>Receipt</i>			
22.321 to 22.332 and 22.339	Material Issue A/c (O&M)	xx	
22.361 to 22.372 and 22.379	Material Returned by Contractors A/c		
14.xxx	Capital work-in-progress		xx
74.xxx	Repairs and Maintenance		
26.7xx	Contractors Material control A/c (O&M)		
<i>Issue (Return)</i>			
31.xxx	Inter Unit A/c - Material	xx	
22.421 to 22.432 and 22.439	Material Transfer outward A/c.		xx

FOR TRANSFER BETWEEN FIELD OFFICERS WITHIN THE
ARU SEE: SJE MA: 140

DATA SOURCE: STN

FOR ADJUSTMENT OF SECURITY DEPOSIT RECEIVED
AGAINST AMOUNT DUE FROM SUPPLIER - SEE: SJE MA: 141

DATA SOURCE: GENERAL LEDGER FOLIO OF SUPPLIER'S
ACCOUNT

FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED IN
CASH

SEE: SJE MA: 142

DATA SOURCE: PURCHASE ORDER FILE

FOR RECEIPT OF SECURITY DEPOSIT BY WAY OF BANK
GUARANTEE / FIXED DEPOSIT RECEIPT AND OTHER
SECURITIES - SEE: SJE MA: 143

DATA SOURCE: BANK GUARANTEE / FIXED DEPOSIT
RECEIPT, ETC.

Note: On refund of security deposit other than in Cash, the above journal entry will be
reversed.

FOR FORFEITURE OF SECURITY DEPOSIT RECEIVED BY
WAY OF BANK GUARANTEE / FIXED DEPOSIT RECEIPT /
OTHER SECURITIES - SEE: SJE MA: 144

DATA SOURCE: PURCHASE ORDER FILE

FOR FORFEITURE OF EARNEST MONEY DEPOSIT
SEE: SJE MA: 145

DATA SOURCE: PURCHASE ORDER FILE

B. INTER UNIT JOURNAL ENTRIES

X X X

C. ONE TIME JOURNAL ENTRIES

X X X

D. RECTIFICATION JOURNAL ENTRIES

See: Note Under Capital Stores – I. Standard Journal entries –
D. Rectification Journal Entries – and II. Non-standard
Journal Entries.

E. HEAD OFFICE JOURNAL ENTRIES

X X X

F. MEMORANDA JOURNAL ENTRIES

X X X

G. YEAR END / BEGINNING JOURNAL ENTRIES

FOR YEAR END CLOSURE OF STOCK ACCOUNT UPON
MERGER OF VARIOUS RECEIPTS FROM STOCK ACCOUNT AT
THE YEAR END INTO MATERIAL STOCK ACCOUNT - SEE: SJE
MA: 1011

DATA SOURCE: GENERAL LEDGER BALANCES UNDER
VARIOUS STOCK RELATED ACCOUNT
CODES

FOR YEAR END CLOSURE OF STOCK ACCOUNT UPON
MERGER OF VARIOUS ISSUES FROM STOCK ACCOUNT AT
THE YEAR END INTO MATERIAL STOCK ACCOUNT - SEE: SJE
MA: 1012

DATA SOURCE: GENERAL LEDGER BALANCES UNDER
VARIOUS STOCK RELATED ACCOUNT
CODES

II. NON-STANDARD JOURNAL ENTRIES
(Number blockings NSJE MA 2001 to 5000)

See: Note under capital stores – II Non-standard journal entries

VOLUME II - MATERIAL ACCOUNTING

PART III - FORMS AND REGISTERS

Sl. No.	FORM	No:
1.	Capital Stores Indent	MAT – 1
2.	Capital Stores Indent Received Register	MAT – 2
3.	O & M Stores Indent	MAT – 3
4.	O & M Stores Indent Received Register	MAT – 4
5.	Material Code List	MAT - 5
6.	List of Standard Items with Standard Rates	MAT – 6
7.	Standard Rate Calculation Sheet	MAT – 7
8.	Tender Register	MAT – 8
9.	Purchase Orders Received Register	MAT – 9
10.	Purchase Order Amendment Sheet	MAT – 10
11.	Purchase Order Delivery Control Sheet	MAT – 11
12.	Materials Collection Register	MAT – 12
13.	Goods Received Note (GRN)	MAT – 13
14.	GRN Control Register	MAT – 14
15.	GRN Analysis Sheet	MAT – 15
16.	Requisition for Inter-Store Transfer (RIST)	MAT – 16
17.	Inter Stores Transfer Note (ISTN)	MAT – 17
18.	Inter Stores Transfer Note (Issued) Control Register	MAT – 18
19.	Inter Stores Material Received Note (ISMRN)	MAT – 19
20.	Inter Stores Material Received Note Control Register	MAT – 20
21.	Inter Store Material Received Note Analysis Sheet	MAT – 21
22.	Contractors Material Return Note (CMRN)	MAT - 22
23.	Contractors Material Note (CMN)	MAT – 23
24.	Contractors Material Note Control Register	MAT – 24
25.	Contractors Material Note Analysis Sheet	MAT – 25
26.	Field Return Note (FRN)	MAT – 26
27.	Store Note (SN)	MAT – 27
28.	Store Note Control Register	MAT – 28
29.	Store Note Analysis Sheet	MAT – 29
30.	Suppliers' Bill Passing Register	MAT – 30
31.	Suppliers' Bill Received Register	MAT – 31
32.	Store Ledger (Numerical)	MAT – 32
33.	Priced Stores Ledger (PSL)	MAT – 33
34.	PSL Abstract	MAT – 34
35.	Open	MAT – 35

36.	Stock Reconciliation Report	MAT – 36
37.	Material Requisition Cum Invoice (MRCI)	MAT – 37
38.	Material Requisition Control Register	MAT – 38
39.	Material Requisition Cum Invoice Analysis Sheet	MAT – 39
40.	Open	MAT – 40
41.	Monthly Consolidated End-use Statement (MCES)	MAT – 41
42.	Material At Site Account (MASA)	MAT – 42
43.	Material Consumption Statement	MAT – 43
44.	Store Transfer Note (STN)	MAT – 44
45.	Finished Goods Received Note (FGRN)	MAT – 45
46.	Open	MAT – 46
47.	Work Authorization	MAT – 47
48.	Work Order	MAT – 48
49.	Local Purchase Order	MAT – 49
50.	Asset Transfer Note (ATN)	MAT – 50
51.	Inter Unit Material Received Note (IUMRN)	MAT – 51
52.	Inter-Unit Material Received Note Analysis Sheet	MAT – 52
53.	Inter Stores Transfer Note Analysis Sheet	MAT – 53
54.	Finished Goods Transfer Note (FGTN)	MAT – 54
55.	Manufacturing Account	MAT – 55
56.	Finished Goods Report	MAT – 56
57.	IUMRN Control Register	MAT – 57
58.	Material Transfer Note (MTN) Control Register for Field Officers	MAT – 58
59.	Material Transfer Note Control Register for transferor ARU	MAT – 59
60.	Material Transfer Note (MTN).	MAT – 60
61.	MTN Analysis Sheet	MAT – 61
62.	Priced Stores Ledger Extract for Stock Adjustment.	MAT - 62

FORM	CAPITAL STORES INDENT	MAT - 1
------	-----------------------	---------

PREPARED BY: Indenting Officer in triplicate as and when necessary

ISSUED: Original to Chief Engineer (Material Management) Duplicate to Deputy Chief Engineer if the Indenting Officer is Executive Engineer. Triplicate is the book copy.

PURPOSE: For procuring or arranging to procure materials required for issue to Capital Stores.

ACTION IN ACCOUNTS SECTION: None

NOTE: If the Deputy Chief Engineer is the Indenting Officer, the indent need be prepared in duplicate only.

FORM	CAPITAL STORE INDENT RECEIVED REGISTER	MAT - 2
------	--	---------

MAINTAINED IN : Office of the Chief Engineer (MM) and Deputy Chief Engineer.

ISSUED TO: None

PURPOSE: For recording the receipt of indents received from various field officers

ACTION IN ACCOUNTS SECTION: None

NOTE: Deputy Chief Engineer will be maintaining this register for recording indents received from Executive Engineer.

K.S.E. BOARD

CAPITAL STORES INDENT

MAT - 1
LOCATION CODE:

To

The Chief Engineer (Materials Management)
Kerala State Electricity Board

Please arrange to procure and issue the following items for the work mentioned below.

The materials are to be delivered to

Sl. No.	Nature of Work	Materials Code	Materials Description	Unit	Quantity Required	Date on which materials are required	Stock Ledger Balance	Quantity to be Ordered	Estimated value		Remarks
									Rs.	ps.	
1	2	3	4	5	6	7	8	9	10	11	

Place:

Date:

Signature & Designation of
Indenting Officer

K S E BOARD

CAPITAL STORES INDENTS RECEIVED REGISTER

MAT - 2
LOCATION CODE:

PERIOD FROM

TO

Sl.No.	CSI No.	CSI Date	Project	Material Code	Unit	Quantity Indented	Date of requirement	ACTION DETAILS				Initials of the Officer	Remarks.
								P.O. Ref.	P.O. Date	Supplier	Quantity ordered		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

FORM	O&M STORES INDENT	MAT-3
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PREPARED BY: Indenting officer in triplicate.

ISSUED TO: Immediate Supervising Officer depending upon the officer who is preparing the Indent.

PURPOSE: For procuring or arranging to procure materials required, for issue to O&M Stores

ACTION IN ACCOUNTS SECTION : None

FORM	O&M STORES INDENT RECEIVED REGISTER	MAT-4
------	-------------------------------------	-------

MAINTAINED BY: The officer who receives the indent

ISSUED TO: None

PURPOSE: For recording the receipt of indents received from various field offices

ACTION IN ACCOUNTS SECTION: None

K S E BOARD

O & M STORES INDENT

MAT-3
LOCATION CODE:

To
THE PURCHASE OFFICER,
K.S.E. BOARD.

Please arrange to procure and issue the following items for the work mentioned below.
The materials are to be delivered to

Sl. No.	Name of work	Materials Code	Materials Description	Unit	Quantity required	Date on which materials required	Stock ledger balance	Quantity to be ordered	Estimate value Rs. Rs.	Remarks
1	2	3	4	5	6	7	8	9	10	11

Place:

Signature & Designation of
Indenting Officer.

Date:

K S E BOARD

O & M STORES INDENT RECEIVED REGISTER

MAT-4

PERIOD FROM.....TO.....

LOCATION CODE

Sl. No.	O & M Stores Indent No.	O & M Stores Indent Date	Name of work	Material Code	Unit	Qty. Indented	Date of Requirement	Action Details				Remarks
								P.O. Ref	P.O Date	Qty. Ordered	Initial of the Officer	
1	2	3	4	5	6	7	8	9	10	11	12	13

FORM

MATERIAL CODE LIST

MAT-5

PREPARED BY: Chief Engineer (Material Management)

ISSUED TO: All Stores and Field Offices

PURPOSE : To indicate the code for various materials.

ACTION IN ACCOUNTS SECTION: None

FROM

LIST OF STANDARD ITEMS WITH STANDARD RATES

MAT-6

PREPARED BY: Chief Engineer (Materials Management)

ISSUED TO: All Stores and Field Offices.

PURPOSE: To indicate the items included in the Standard list and their rates.

ACTION IN ACCOUNTS SECTION: None.

KSE BOARD**MATERIAL CODE LIST****MAT-5
LOCATION CODE**

Sl.No.	Name of Material	Specification	Material Code No.	Remarks.
1	2	3	4	5

KSE BOARD**LIST OF STANDARD ITEMS WITH STANDARD RATES****MAT-6
LOCATION CODE**

Sl.No.	Name of Material (Group-wise)	Unit	Standard Rate	Remarks
1	2	3	4	5

FORM

STANDARD RATE CALCULATION SHEET

MAT-7

PREPARED BY: Chief Engineer (Materials Management)

ISSUED TO: None

PURPOSE: To calculate Standard rate

ACTION IN ACCOUNTS SECTION: None

FORM

TENDER REGISTER

MAT-8

PREPARED BY: Office of the Purchasing Officer

ISSUED TO: None

PURPOSE: To record the receipt of tenders and subsequent details and decisions on them.

ACTION IN ACCOUNTS SECTION : None.

K S E BOARD

O & M STORES INDENT

MAT – 3
LOCATION CODE

To

THE PURCHASE OFFICER,
K.S.E. BOARD.

Please arrange to procure and issue the following items for the work mentioned below.

The materials are to be delivered to

Sl. No.	Name of work	Materials Code	Materials Description	Unit	Quantity required	Date on which materials required	Stock ledger balance	Quantity to be ordered	Estimate value Rs. Rs.	Remarks
1	2	3	4	5	6	7	8	9	10	11

Place:

Signature & Designation of
Indenting Officer.

Date:

K S E BOARD

O & M STORES INDENT RECEIVED REGISTER
PERIOD FROMTO.....

MAT-4
LOCATION CODE

Sl.No.	O & M Stores Indent No.	O&M Stores Indent Date	Name of work	Material Code	Unit	Qty. Indented	Date of Requirement	Action Details				Remarks
								P.O Ref.	P.O. Date	Qty. Ordered	Initials of the Officer	
1	2	3	4	5	6	7	8	9	10	11	12	13

FORM

MATERIAL CODE LIST

MAT-5

PREPARED BY: Chief Engineer (Materials Management)

ISSUED TO: All Stores and Field Offices

PURPOSE: To indicate the code for various materials.

ACTION IN ACCOUNTS SECTION: None

FORM
MAT-6

LIST OF STANDARD ITEMS WITH STANDARD RATES

PREPARED BY: Chief Engineer (Materials Management)

ISSUED TO: All Stores and Field Offices.

PURPOSE: To indicate the items included in the Standard list and their rates.

ACTION IN ACCOUNTS SECTION: None

KSE BOARD

MATERIAL CODE LIST

**MAT-5
LOCATION CODE**

Sl. No.	Name of Material	Specification	Material Code No	Remarks.
1	2	3	4	5

KSE BOARD

LIST OF STANDARD ITEMS WITH STANDARD RATES

**MAT-6
LOCATION CODE**

Sl.No.	Name of Material (Group-wise)	Unit	Standard Rate	Remarks
1	2	3	4	5

FORM	STANDARD RATE CALCULATION SHEET	MAT-7
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PREPARED BY: Chief Engineer (Materials Management)

ISSUED TO: None

PURPOSE: To calculate Standard rate

ACTION IN ACCOUNTS SECTION: None

FORM	TENDER REGISTER	MAT-8
------	-----------------	-------

PREPARED BY: Office of the Purchasing Officer

ISSUED TO: None

PURPOSE: To record the receipt of tenders and subsequent details and decision on them.

ACTION IN ACCOUNTS SECTION: None

K S E BOARD**STANDARD RATE CALCULATION SHEET**MAT-7
LOCATION CODE

Sl.No.	Name of Material	P.O. No. Date & Bill No. Date	Unit	Basic Price including price variation	Excise Duty		CST/KGST		AST		Standard Rate	Remarks
					Rate	Amt.	Rate	Amt.	Rate	Amt.		
1	2	3	4	5	6	7	8	9	10	11	12	13

K S E BOARD**TENDER REGISTER**MAT-8
LOCATION CODE:

Sl.No.	Nature of work/Tender or Quotation	Due date and time for receipt of Tender	E.M.D. Rs.	Date and time of Receipt of Tenders	Initial of Officer	Date of opening	Name of Contractor in the order of Receiving of Tender and Quotation	Total No. of Tenders received	Initial of Officer	Remarks.
1	2	3	4	5	6	7	8	9	10	11

FORM	PURCHASE ORDERS RECEIVED REGISTER	MAT-9
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PREPARED BY: The Store – the Bill Passing Branch will maintain this register.

ISSUED TO: None

PURPOSE: To record the receipt and details of Purchase Orders (POs)

ACTION IN ACCOUNTS SECTION: None

FORM	PURCHASE ORDER AMENDMENT SHEET	MAT-10
------	--------------------------------	--------

PREPARED BY: The Purchasing Officer – in five copies

ISSUED TO: 1. Supplier
2. Indenting Officer
3. Consignee Stores
4. Bill Passing Section
5. Book Copy

PURPOSE: To inform regarding amendments made to the Purchase Order.

ACTION IN ACCOUNTS SECTION: None

K S E BOARD**PURCHASE ORDERS RECEIVED REGISTER****MAT-9
LOCATION CODE:**

Sl.No.	P.O. No.	P.O. No.	Supplier's Name	Materials ordered Code/ Description	Quantity Ordered	Unit	Purchase order value		Advance payable		Initial of the Officer	Remarks
							Rs.	Rs.	Rs.	Rs.		
1	2	3	4	5	6	7	8	9	10	11		

K S E BOARD**PURCHASE ORDER AMENDMENT****MAT-10
LOCATION CODE**

Supplier's Name:

P.O. No.

P.O. Amendment No.

Supplier's Address:

P.O. Date:

P.O. Amendment Date:

Location:

Sl. No.	Materials Code	Materials Description	Unit	Change in Qty ordered		Change in incidental expenses		Change in price		Change in delivery schedule		Change in other items.		Remarks
				From Qty	To Qty	From Rs.	To Rs.	From Rs.	To Rs.	From Period	To Period	From Period	To Period	
1	2	3	4	5	6	7	8	9	10					10

Prepared by CE/SE/EE

Posted to P.O. register

Issued to supplier/indentor/division stores.

PURCHASE OFFICER

FORM

PURCHASE ORDER DELIVERY CONTROL SHEET

MAT-11

PREPARED BY: The Store and Bill Passing Branch.

ISSUED TO: None.

PURPOSE: For keeping track of delivery of materials against a Purchase Order.

ACTION IN ACCOUNTS SECTION: None

FORM

MATERIALS COLLECTION REGISTER

MAT-12

PREPARED BY: The Stores

ISSUED TO: None

PURPOSE : To record the collection of materials from various points such as Road/Rail Offices.

ACTION IN ACCOUNTS SECTION. None

KSE BOARD**PURCHASE ORDER DELIVERY CONTROL SHEET****MAT-11**

Sl. No.	P.O. No. Date	Supplier's Name	Material ordered	Unit	Quantity ordered	Quantity received	Balance qty. to be supplied	Initial of the officer	Remarks
1	2	3	4	5	6	7	8	9	10

K S E BOARD**MATERIALS COLLECTION REGISTER (STORES)****MAT-12**

Sl. No.	D.C. SI.No. & Date	LR/RR No. Dt.	P.O. Ref.	Delivery Date	Delivery Details	Material Code	Material Description	Unit	Qty. As per LR/RR	Qty. received	Qty. damaged/short	Whether open delivery was taken & details	Claim details	Ref.	Initial of the Officer	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

PREPARED BY: The Store in six copies.

ISSUED: One advance copy to Store Accounting Section-Four copies are sent to "Inspection" along with materials. This will be done against acknowledgement in the book copy-One copy retained as Office copy.

ACTION:

AT INSPECTION: One copy retained: Three copies along with materials are sent to Store Keeper (For posting Numerical ledger) after entering the inspection results. This will be done against acknowledgement in the copy retained in the Inspection Section.

NUMERICAL LEDGER: After posting in the Numerical Ledger two copies (one original) are sent to PSL Branch. One copy is retained by Store Keeper.

PSL BRANCH – One copy (original) after posting in the PSL and giving values is sent to Bill Passing Branch. One copy retained as Office copy.

PURPOSE: For recording the receipt of materials from suppliers

NOTE (1) Separate GRN is to be prepared for every receipt and for each purchase order.

(2) Rejected materials, if any, should be kept in the Stores and returned to the party.

KERALA STATE ELECTRICITY BAORD

MAT-13

GOODS RECEIVED NOTE (GRN)

Location Code

Supplier's Name and address. P.O. No. and date

R/R No. Date

GRN. No.

L/R No. Date

Delivery Chalan

No & Date

Date

Sl. No.	Materials			UNIT	Qty.	Value		Quantity		Rate Standard rate/Actual Purchase price)	Value for accepted materials		Store Ledger Ref.			Remarks
	Description	Group	Code			Rs.	Rs.	Rejected	Accepted		Rs.	Rs.	Folio	Line No.	Line Balance	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		

Total

Prepared By

Inspection Findings

Date of Receipt of materials After Inspection

Bill Payment Particulars

Checked By

Accepted materials as per Column '9' received in good Condition and posted in Store ledger on

Bill No. dt.
Bill Amount Rs.
Bill Value Passed Rs. Rs.

Date sent for Inspection. Materials as per column '6' above Received and Accounted

Rs. Ps.

Dated Signature (Designation)

Dated Signature of the Inspecting Officer

Rejected materials as per Column '8' have been kept separately and details posted in "Rejected goods Register:

Advance adjusted }
Other Recoveries }
(To be specified)
Net payable
Paid by Cheque No. dt.
Signature

Dated Signature Designation

Dy. Chief Engineer
Executive Engineer.

FORM

GRN CONTROL REGISTER

MAT-14

PREPARED BY: Store

ISSUED TO: None

PURPOSE: To record GRNs issued and the movement of the same.

ACTION IN ACCOUNTS SECTION. None

FORM

GRN ANALYSIS SHEET

MAT-15

PREPARED BY: Store Accounting Section-in three Copies.

ISSUED: One copy to Accounting Section – One copy along with monthly accounts to Head Officer.
Third copy will be book copy.

PURPOSE: For analysing receipt of materials from suppliers in to various material groups.

ACTION IN ACCOUNTS SECTION: Based on GRN Analysis Sheet, Journal entry is passed debiting Capital/O&M Material Purchase Account (Group wise) and Crediting Liability for supply of Materials Account.

MAT-14**KERALA STATE ELECTRICITY BOARD**

LOCATION

G.R.N. CONTROL REGISTER

No.

Sl. No.	GRN No. and Date	LR/RR Register Entry serial No.	Supplier's Name and Place	Supplier's Bill No. and Date	Qty.	Brief Description of Materials	P.O. No. & Date	Date of sending materials with GRN for Inspection	Date of Inspection	Date of posting in the Stores Ledger	Date of entering materials rejected on Rejected Goods Register	Date of sending GRN to PSL Section	Acknowledgement of PSL Section (Dated Signature)
1	2	3	4	5	6	7	8	9	10	11	12	13	14

MAT-15**KERALA STATE ELECTRICITY BOARD**

LOCATION

GRN ANALYSIS SHEET FOR THE MONTH OFOF.....DIVISION/CIRCLE.....

Sl.No.	GRN No. & Date	Name of Supplier and Place	Accepted Value	Material Group wise Value Analysis													
				I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIX	
1	2	3	4 Rs. Ps.	5 Rs. Ps.	6 Rs.Ps.	7 Rs. Ps.	8 Rs.Ps.	9 Rs. Ps.	10 Rs.Ps	11 Rs.Ps.	12 Rs.Ps.	13 Rs.Ps.	14 Rs.Ps.	15 Rs.Ps.	16 Rs.Ps	17 Rs.Ps.	
Total																	

Senior Assistant

Superintendent

Divisional Accountant/
Senior Superintendent.

PREPARED BY: Stores which require materials (Transferee Stores) – in four copies.

ISSUED: Three copies to Store which supply the materials (Transferor Stores) – Fourth Copy book copy.

PURPOSE: For drawing materials by one store from another store. The transferor store will authorise the issue in all the three copies of the RIST (DY-CE/TA/EE as the case may be).

ACTION:

TRANSFEROR STORE: will get acknowledgement of materials received in all 3 copies of RIST. 2 copies of the RIST along with 5 copies of ISTN (See MAT-17) are sent to Store Accounting section for valuation. One copy of the RIST is retained in the Store.

STORE ACCOUNTING SECTION – RIST and valued ISTNs are sent back to store.

STORE: One copy of RIST along with 3 copies of ISTN (one original) are sent with materials to Transferee Store. The original copy of RIST and 2 copies of ISTN will be sent to Store Accounting Section, for posting in the PSL.

KERALA STATE ELECTRICITY BOARD
REQUISITION FOR INTER STORES TRANSFER (RIST)

MAT – 16

RIST No.

Transferor Unit's Location

Transferee Unit's Location and ARU

DATE

Sl. No.	Material Description	Unit	Qty. Requisitioned		Qty. Issued		ISTN/MTN FG TN Ref.	Remarks
			In figures	In words	In figures	In words		
1	2	3	4	5	6	7	8	9

No. of items Requisitioned

Issue to Messenger who has signed below in my presence.

Issue as per columns 6&7 above sanctioned

Received items as per columns 6 & 7 in good condition.

Signature of the Drawer

Countersigned

Signature of the Messenger.

Dated signature of the Sanctioning Authority.

Dated Signature of Messenger/Drawer.

Signature of the competent Authority.

Signature of the Drawer.

Issued items as per columns 6 & 7 above and responded
By ISTN/MTN/FG TN
No. dt.
Dated Signature
Designation.

PREPARED BY: Stores which supply the materials – in 6 copies (Transferor Stores)

ISSUED: 1. Three copies to the Store which requires the materials (Transferee Stores)

2. Two copies (One Original) to Store Accounting Section of Transferor Stores. Store Accounting Section will return one copy to Transferee ARU after acceptance.
3. One copy is retained in the Store

PURPOSE: For intimating the Transferee Stores the value of materials issued to them and the debit raised in the Transferor Stores. The ISTN serves the purpose of Debit Advice.

ACTION IN ACCOUNTS SECTION. See MAT-16

KERALA STATE ELECTRICITY BOARD

INTER STORE TRANSFER NOTE (ISTN) (DEBT NOTE)

MAT-17

ISTN No.

RIST No. AND DATE

TRANSFEROR LOCATION

TRANSFeree LOCATION

DATE

Sl. No.	Materials			UNIT	Qty. Issued	Rate		Value		Store Ledger Ref.			Remarks.
	Description	Group	Code			Rs.	Ps.	Rs.	Ps.	Folio	Line No.	Line Balance	
1	2	3	4	5	6	7		8		9	10	11	12

(To be filled in the Transferor Store) Materials as per Column '6' above issued and Posted in Store Ledger on:

(To be filled in the Transferee Store) Received the materials as per Column '6' above and responded by ISMRN No.

(To be filled in the Transferee ARU) Value of the materials as per column '8' above accepted vide

Date:

Jl. No.

Dated Signature

Dated Signature

Signature

Designation

Designation

Designation

FORM INTER STORE TRANSFER NOTE (ISSUED) CONTROL REGISTER MAT-18

MAINTAINED BY: Transferor Store.

ISSUED TO: None

PURPOSE: For recording the details of Inter Store Transfer Notes sent to various other stores.

ACTION IN ACCOUNTS SECTION: None.

FORM INTER STORE MATERIAL RECEIVED NOTE (ISMRN) MAT-19

PREPARED BY: Store –in 6 copies.

ISSUED: Four copies along with the materials received from other store to inspecting officer. This will be done against acknowledgement in the book copy – One copy will be given as an advance copy to Store Accounting Section – The sixth copy is the book copy.

INSPECTING OFFICER: will record the Inspection remarks and will forward 3 copies with materials to Store against acknowledgement – One copy is retained.

AT STORE : Two copies (one original) after posting Numerical Ledger will be sent to store accounting section – one copy retained.

PURPOSE: For recording the receipt of materials from other stores.

ACTION IN ACCOUNTS SECTION: The Store Accounting Section will receive two copies of the ISMRN – The original for Bill Passing Branch and the second copy for PSL Branch.

NOTE: Advices for Inter-Store transfers received should normally be accepted in full. If any quantity is rejected by the Transferee Store, a debit should be raised on the Transferor Stores in the form of an ISTN and such materials returned.

MAT-18
LOCATION:

KERALA STATE ELECTRICITY BOARD
ISTN (ISSUED) CONTROL REGISTER

No.

Sl.No.	ISTN No.& Date	Transferee Store's Name & Location Code	Accurate Description of materials	Unit	Quantity	Date of posting in the S/L.	Date of sending to PSL Branch	Acknowledgement of PSL Branch (Dated Signature)
1	2	3	4	5	6	7	8	9

KERALA STATE ELECTRICITY BOARD
INTER STORE MATERIALS RECEIVED NOTE (ISMRN)
(RESPONDING DOCUMENT FOR ISTN)

MAT-19
RIST NO.
DATE

ISTN No.
DATE

TRANSFEEE LOCATION

ISMRN No.
Date
TRANSFEROR LOCATION

Sl. No.	Materials				ISTN			Quantity			Store ledger Ref.			Remarks
	Description	Group	Code	Unit	Quantity	Rate	Value	Rejected	Accepted	Value for accepted materials	Folio	Line No.	Line balance	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Total

Prepared by.....Date sent
Checked by.....for inspection

Inspection
Findings

Date of receipt of
goods after inspection

ISTN accepted
vide JI. No.

Materials as per column '6'
Received and Accounted

Materials as per column
'6' posted in the S/L on

D.A/S.S.

Dated Signature

Dated Signature

Dated Signature

Designation

Designation

Designation

FORM INTER STORE MATERIAL RECEIVED NOTE CONTROL REGISTER MAT-20

PREPARED BY: Store

ISSUED TO: None

PURPOSE: For recording the details of ISMRNs and the movement of the same

ACTION IN ACCOUNTS SECTION: None

FORM ISMRN ANALYSIS SHEET MAT-21

PREPARED BY: Store Accounting Section-in 3 copies

ISSUED: One copy to Accounting Section-One copy to Head Office along with monthly Accounts-Third copy is office copy.

PURPOSE: For analyzing receipt of materials from other stores into various material groups.

ACTION IN ACCOUNTS SECTION: Based on ISMRN Analysis Sheet, journal entry is passed debiting Material Transfer Inward Account by material group and crediting Inter-Unit Account (Material)

MAT-20

KERALA STATE ELECTRICITY BOARD

No.

LOCATION:

ISMARN CONTROL REGISTER

ISMARN No. & Date	Transferor Stores name and location code	Accurate Description of material	RIST No. Date	ISTN No. Date	Unit	Qty.	Date of receipt of material	Date of inspection	Remarks as to the materials acceptable or otherwise	Date of posting in the S/L	Date of sending to PSL Branch	Acknowledgement of PSL Branch (Dated Signature)
1	2	3	4	5	6	7	8	9	10	11	12	13

MAT-21/53

KERALA STATE ELECTRICITY BOARD

No.

ISMARN/ISTN ANALYSIS SHEET FOR THE MONTH OF/.....OF DIVISION/CIRCLE.....

Material Group wise ISTN/ISMARN Value Analysis																	
Sl.No.	ISMARN No. ISTN No. Date	Transferor Location/Tra nsferee Location	ISMARN/ ISTN Value		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIX
			Rs.	Ps.	Rs.	Ps.	Rs.Ps	Rs.Ps.	Rs.Ps.	Rs.Ps.	Rs.Ps.	Rs.Ps.	Rs.Ps.	Rs.Ps.	Rs.Ps.	Rs. Ps.	Rs. Ps.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	

SENIOR ASSISTANT

SUPERINTENDENT

DIVISIONAL ACCOUNTANT

SENIOR SUPERINTENDENT

PREPARED BY: Contractor after obtaining approval of the Officer-in charge (prepared in six copies)

ISSUED : 1. One copy to Stores
2. One acknowledged copy to Contractor (Book copy)
3. One acknowledged copy to the Officer-in-charge
4. Three acknowledged copies to Circle Office/Account Rendering Unit (one original)

NOTE: When CMRN with superscription 'Inter Unit' is received, two copies of the CMRN are sent to Distribution Division by the Store Accounting Section.

WHEN CONTRACT WORK IS DONE BY DISTRIBUTION DIVISIONS/OTHER ARUs WHICH HAVE NO STORES UNDER THEIR CONTROL:-

AT STORE: When CMRNs with the superscription "Inter Unit" are received at the Store, it shall be responded by IUMRN. 3 Copies of IUMRN are forwarded to the Store Accounting Section.

AT THE STORE ACCOUNTING SECTION: IUMRN is valued. 2 copies of IUMRN sent to the Division concerned for acceptance, along with copies of CMRN. The Division will accept the IUMRN and will return one copy to the Circle; IUMRN serves as a Credit Note.

WHEN CONTRACT WORK IS DONE UNDER THE CONTROL OF DISTRIBUTION CIRCLES, CENTRALISED CIRCLES, REGIONAL STORES, ETC., WHICH HAVE STORES UNDER THEIR CONTROL:-

AT STORE: When copies of CMRN are received, it shall be responded by CMN (CONTRACTORS' MATERIAL NOTE)

AT THE STORE ACCOUNTING SECTION: CMN is valued and further process carried out.

KERALA STATE ELECTRICITY BOARD

CONTRACTOR'S MATERIAL RETURN NOTE (CMRN)

MAT-22

Name of Division

Contractor's Name

On Loan/Against WO

CMRN No.

Name of Section

Name of work

WO No.

Date

Credit to

SL. No.	MATERIALS					CMN/IUMRN Ref.	Remarks
	Description	Group	Code	Unit	Qty.		
1	2	3	4	5	6	7	8

Issued through
Received correct
Signature of the

Recipient

Received correct &
Responded by
CMN/IUMRN

Signature of the Store Keeper

Signature of the Contractor

PREPARED BY: Stores-in 6 copies

ISSUED: Four copies along with materials to Inspecting Officer, against acknowledgement-One Advance copy to PSL Branch. Sixth copy is book copy.

PURPOSE: For recording the receipt of materials returned by contractors. After recording there Inspection remarks. Inspecting Officer will send 3 copies along with the materials to Store Keeper for posting the Numerical Ledger (against acknowledgement). One copy will be retained by the Inspecting Officer.

ACTION IN ACCOUNTS SECTION: After posting in the Numerical Ledger, the Store keeper will forward two copies (one original) to PSL Branch. The PSL Branch will forward one copy to Bill Passing Branch (Original).

NOTE: Contractors should not be allowed to replace rejected items of materials.

KERALA STATE ELECTRICITY BOARD
CONTRACTORS' MATERIALS NOTE (CMN)
 (Responding document for CMRN)

MAT-23

CMN No.
Date

CMRN No. &
DATE

Location Code/Name of
Receiving Store

Contractor's Name
WO. No.

Field Officer from
whom received.

Sl. No.	Materials			Unit	Quantity	Rate	Value	Quantity		Value for accepted material	Store ledger Ref.			Remarks
	Description	Group	Code					Rejected	Accepted		Folio	Line No.	Line Balance	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Total

Prepared by
Checked by

Date sent for
Inspection

Inspection Findings

Date of receipt of
materials after
Inspection

Value of accepted
material (column
'10' above) credited
to contractor's
Control A/c Vide
Jl. No.

Materials received and
accounted

Accepted quantity as
per column '10' above
posted in the Store
Ledger on

Signature

Signature

Signature

DA/SS

Designation

Designation

Designation

FORM	CONTRACTORS' MATERIAL NOTE CONTROL REGISTER	MAT-24
------	---	--------

MAINTAINED IN: Store

ISSUED TO : None

PURPOSE: For recording the details of Contractors' Material Notes and the movement of the same

ACTION IN ACCOUNTS SECTION: None

FORM	CONTRACTORS' MATERIAL NOTE (CMN) ANALYSIS SHEET	MAT-25
------	---	--------

PREPARED BY: Store Accounting Section-in triplicate

ISSUED TO: 1. Accounting Section – One copy
2. Head Office along with monthly Accounts – one copy.
3. Third copy – Book copy.

PURPOSE: For analyzing the materials returned by contractors, into various material groups

ACTION IN ACCOUNTS SECTION: Based on CMN Analysis Sheet Journal entry is passed debiting “Materials Returned by Contractors’ Account” by Material group, and crediting “Contractors’ Material Control Account”.

MAT-24

KERALA STATE ELECTRICITY BOARD

No.

LOCATION:

CMN CONTROL REGISTER

CMN No. & Date	Name of contractor and location from where materials returned	Accurate Description of material	CMRN No. & Date	Unit	Qty.	Date of receipt of material	Date of Inspection	Remarks as to the materials acceptable or otherwise	Date of posting in the S/L	Date of sending to PSL Section	Acknowledgement of PSL Section (dated Signature)
1	2	3	4	5	6	7	8	9	10	11	12

KERALA STATE ELECTRICITY BOARD

MAT-25/29/52

No

LOCATION:

SN/CMN/IUMRN ANALYSIS SHEET OFDIVISION/CIRCLE.....FOR THE MONTH OF...../19

Sl. No.	SN No/CMN No/IUMRN No. & Date	FRN No. CMRN No. & Date	From whom received (Name of Division and name of Field Officer in the case of Return from MASA should be furnished.	WO No/MASA	SN/ IUMRN CMN Value	Material group-wise IUMRN/SN/CMN value Analysis													
						I Rs.	II Rs.	III Rs.	IV Rs.	V Rs.	VI Rs.	VII Rs.	VIII Rs.	IX Rs.	X Rs.	XI Rs.	XII Rs.	XIX Rs.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	

Total

Senior Assistant

Superintendent

Divisional Accountant/
Senior Superintendent

PREPARED BY: Field Officers who return the materials to store-in 6 copies

ISSUED: One acknowledged copy retained in the Store-One acknowledged copy to field-One copy, book copy-Three acknowledged copies to Store Accounting Branch (One original)

ACTION IN ACCOUNTS SECTION: IN THE CASE OF DISTRIBUTION DIVISION OR OTHER ARU TO WHICH NO STORE IS ATTACHED.

The FRN shall be responded by IUMRN in the SRS. The Store will forward three copies of the IUMRN along with the copies of FRN to the Store Accounting Branch which will value the IUMRN and forward two copies of IUMRN and copies of FRN to the Division concerned for acceptance. The Division after acceptance shall return one copy of IUMRN. IUMRN serves as a credit note.

OTHER UNITS TO WHICH STORE IN ATTACHED: The FRN shall be responded by Store Note in the Stores. Copies of Store Notes are sent to Store Accounting Branch for valuation and making necessary entries.

KERALA STATE ELECTRICITY BOARD

MAT-26

FIELD RETURN NOTE (FRN)

FRN No.

Name of Division:

Name of Field Officer

W.O. No./MASA

Date

Name of Section/

Sub Division

Name of work

Credit to

Sl. No.	Materials			Unit	Quantity	Original M.R.C.I. No. Ref.	IUMRN/SN Ref.	Remarks
	Description	Group	Code					
1	2	3	4	5	6	7	8	9

Assistant Engineer
Issued through

Received correct and
Responded by SN/IUMRN

Signature of the Store Keeper

PREPARED BY: Store which receive the materials returned by field – in 6 copies.

ISSUED: 4 copies along with materials to inspecting officer against acknowledgement – One advance copy to PSL Branch – Sixth one is the book copy.

PURPOSE: For recording the receipt of materials returned by field officers. After recording the Inspection remarks, 3 copies along with materials will be sent to the Store against acknowledgement. One copy will be retained by the Inspecting Officer. The store will forward two copies (One original) to PSL Branch after posting the Numerical Ledger. One copy retained by the store keeper.

ACTION IN ACCOUNTS SECTION: Out of the two copies received in the PSL branch one (original) will be forwarded to Bill Passing Branch after posting the PSL.

MAT-27

KERALA STATE ELECTRICITY BOARD
STORE NOTE (S N)
(Responding document for FRN)

No.
Date

FRN No. AND
DATE

LOCATION CODE/NAME OF
RECEIVING STORE

NAME OF FIELD OFFICER FROM
WHOM RECEIVED
WO. NO. MASA

Sl.No.	Materials			Unit	Quantity	Rate	Value	Quantity		Value for accepted materials	Store Ledger Ref.			Remarks
	Description	Group	Code					Rejected	Accepted		Folio	Line No.	Line Balance	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Prepared by
Checked by

Date sent
for inspection

Inspection findings

Date of receipt of materials
after inspection
Accepted quantity as per
Column '10' above posted
in the S/L on.....

Value of accepted material
as per column 10 above
credited to MASA
W.O No. Concerned
Vide Jl. No.

Materials received and accounted

Signature

Signature

Signature

Designation

Designation

Designation

D.A/S.S.

FORM

STORE NOTE CONTROL REGISTER

MAT-28

MAINTAINED IN: Store

ISSUED TO: None

PURPOSE: For recording the details of Store Notes and the movement of the same

ACTION IN ACCOUNTS SECTION: None

FORM

STORE NOTE ANALYSIS SHEET

MAT-29

PREPARED BY: Store Accounting Section-in 3 copies

ISSUED: One copy to Accounting Section-One copy to Head Office along with monthly Accounts
Third copy is office copy

PURPOSE: For analyzing return of materials from field (Group wise)

ACTION IN ACCOUNTS SECTION: Based on SN analysis sheet journal entry is passed debiting
material issue account by material group and crediting MASA/work

NOTE: No separate form in designed as MAT-25 is suitable

MAINTAINED IN: Bill Passing Branch

ISSUED TO: None

PURPOSE: For recording the details of Supplier's bills, amounts passed for payment and adjustments made, and also to record the variance between the GRN value and the Bill amount passed. Material cost variances are ascertained through this register.

ACTION IN ACCOUNTS SECTION: Based on the entries in the Bill Passing Register journal entry is passed debiting Liability for Supply of Material Account, Freight Inward Account, Material Cost Variance Account etc., and crediting Sundry Creditors Control Account, Material Cost Variance Account etc.

Debits and Credits in the Material Cost Variance Account are to be intimated separately through Trial Balance to Head Officer. (The Debits and Credits are not to be netted out).

KERALA STATE ELECTRICITY BOARD
SN CONTROL REGISTER

MAT-28

LOCATION:

SN, NO & Date	Name and designation of officer from whom received and location	Accurate description of material	FRN No. and Date	Unit	Qty	Date of receipt of material	Date of Inspection	Remarks as to the materials acceptable or otherwise	Date of posting in the S/L	Date of sending to PSL	Acknowledgement of PSL Branch
1	2	3	4	5	6	7	8	9	10	11	12

KERALA STATE ELECTRICITY BOARD
SUPPLIER'S BILL PASSING REGISTER OFDIVISION/CIRCLE.....MONTH.....

MAT-30

LOCATION:

Sl. No.	P.O. No. and date	Suppliers Name and place	Bill No. Date	GRN Value (Debit)	Variance		(Basic price +ED+ST) Actual Purchase Price	Freight (Debit)	Other charges (Debit)	Bill Amt. (Credit)	Advance	Other recoveries	Penalty	Net Amt.	Payment particular	Initial of officer	Remarks
					Debit	Credit											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

Total

FORM

SUPPLIER'S BILL RECEIVED REGISTER

MAT-31

MAINTAINED IN: Bill Passing Section

ISSUED TO: None

PURPOSE: For recording the receipt of Supplier's bills and action taken thereon.

ACTION IN ACCOUNTS SECTION: None

FORM

STORE LEDGER (NUMERICAL)

MAT-32

MAINTAINED IN: Store

ISSUED TO: None

PURPOSE: For keeping a numerical account of receipt, issued and balance of every item of materials in the Store.

ACTION IN ACCOUNTS SECTION: None.

KERALA STATE ELECTRICITY BOARD

MAT-31

SUPPLIER'S BILL RECEIVED REGISTER

LOCATION CODE:

Sl. No.	Date of Receipt of bill	Suppliers Name	Suppliers Bill No.	Bill Date	Bill Amt.	P. O		Bill Passing Location	GRN Ref.	Pay No.	Initial of the Officer	Remarks.
						No.	Date					
1	2	3	4	5	6	7	8	9	10	11	12	13

MAT-32

KERALA STATE ELECTRICITY BOARD

Maximum:

Name of Material:

STORE LEDGER (NUMERICAL)

Minimum:

Date of Receipt of issue	GRN/ISMRN/IUMRN/ SN etc. MRCL, RIST etc. (Specify the name of documents)	From whom received or to whom issued	Unit	Receipt	Issue	Balance
1	2	3	4	5	6	7

FORM

PRICED STORES LEDGER

MAT-33

MAINTAINED IN: P.S.L. Branch

ISSUED TO: None

PURPOSE: For recording the details of Receipt, Issue and balance of each item of materials in quantity as well as in value. Maximum and Minimum limit of Stores are also recorded in this Ledger.

ACTION IN ACCOUNTS SECTION: None

FORM

PSL ABSTRACT

MAT-34

MAINTAINED IN: PSL Branch

ISSUED TO: None

PURPOSE: Monthly Receipt, Issue and Balance of each item of Stores are posted into this Register by Material Group wise from Priced Stores Ledger. The monthly totals of receipt and issue of each material group must agree with the total of respective material group of various analysis sheets prepared in the Store Accounting Section.

KERALA STATE ELECTRICITY BOARD
PRICED STORES LEDGER

MAT-33
LOCATION:

Name of Article:

Maximum

Actual purchase price

Standard Rate

Basic price + ED + ST

Minimum

on.....Rs.....

on.....Rs.....

.....Rs.....

on.....Rs.....

Date of Receipt or issue	Receipt/Issue		From whom received/to whom issued	Unit	Rate	Receipt		Issue		Balance	
	Name of document	Number of document				Qty.	Value	Qty.	Value	Qty.	Value
1	2	3	4	5	6	7	8	9	10	11	12

KERALA STATE ELECTRICITY BOARD
PRICED STORES LEDGER ABSTRACT

LOCATION:

Group of Material.....

MAT-34

Sl. No.	Ledger Folio	Name of material	Opening balance	APRIL			MAY			Similarly for other months
				Receipt	Issue	Balance	Receipt	Issue	Balance	
1	2	3	4	5	6	7	8	9	10	etc

Note: This Ledger will be provided with fly leaves.

PREPARED BY: Physical Stock Verifier-in 4 copies.

ISSUED: 1. Original to Dy. CE/EE
2. One copy to CE(Electricity)
3. One copy to Store Keeper
4. One copy retained by Physical Stock Verifier

PURPOSE: For adjustment/recovery of excess or shortage of Store materials.

ACTION IN ACCOUNTS SECTION: Shortage/Excess observed on physical verification are accounted for as follows:-

(a) Materials Shortage Account	Dr	
Materials Stock Adjustment Account (group-wise)		Cr

OR

(b) Materials Stock Adjustment Account (Group wise)	Dr	
Materials Excesses Account		Cr

KERALA STATE ELECTRICITY BOARD

MAT-36

STOCK RECONCILIATION REPORT

LOCATION CODE:

Order No..... Dated.....

Date of verification.....

From.....to.....

Sl. No.	Materials Code	Material Description	Unit	Balance as per stock Ledger (Numerical)	Site Balance	Differences		Unit Rate	Difference of Value		Remarks
						Short	Excess		Short	Excess	
1	2	3	4	5	6	7	8	9	10	11	12

Dated Signature of the
Custodian of stores

Dated Signature of the verifying
officer

Witness 1).....

(Name and address).....(Signature)

2).....

(Name and address).....(Signature)

PREPARED BY: The Field Engineer-in 6 copies.

ISSUED TO: DIVISIONS: When any article required for use in a work is to be obtained from the Stores, the Engineer-in-charge should prepare and submit 6 copies of MRCI to the Executive Engineer who is the indenting officer, or Assistant Executive Engineer for submission to Executive Engineer. A requisition should not contain articles required for more than one work. It is necessary that only articles required for use in the work are requisitioned. The Executive Engineer/Assistant Executive Engineer, after verification of the above details, sign in all copies of the requisition and forward 5 copies of the same to stores.

STORES: On receiving the MRCI the officer-in-charge of Store will verify whether the MRCI is in the form issued to the particular officer by reference to its number and whether the serial Number and date of MRCI bear proper sequence and signature and whether the article indented are available. After such verification the officer-in-charge of the Store will pass the MRCI and send 5 copies to store keeper.

STORE KEEPER: Store Keeper on receiving the MRCI, issues the articles requisitioned, against acknowledgement in 5 copies. One copy of the MRCI will be returned to the Field Engineer and three copies will be sent to store accounting Section/P.S.L. Branch after posting the Stores ledger and retaining one copy as office copy.

STORE ACCOUNTING SECTION/P.S.L. BRANCH: On receiving 3 copies of MRCI the PSL Store Accounting Section will value the same and post in the Priced Stores Ledger. In the case of Electrical Distribution Circle after posting the PSL and MRCI Analysis Sheet, 2 copies of the MRCI will be forwarded to the Division concerned for their acceptance, and return one copy duly accepted. One copy (original) will be retained in the PSL Section.

In the centralized circles after posting the PSL and MRCI Analysis Sheet, one copy will be forwarded to the Executive Engineer concerned and two copies (one original) retained in the PSL Section.

PURPOSE:

1. This document is the authority for issue of materials from store.
2. Serves as debit advice document for inter unit transfer of material between distribution circle and the divisions under its control.
3. Serves as a document for posting the Numerical and Priced Stores Ledger.

KERALA STATE ELECTRICITY BOARD
MATERIAL REQUISITION-CUM-INVOICE (MRCI)

MAT-37

NAME OF SECTION.....DIVISION.....STORES' MRCI
CONTROL REGISTER

MRCI No.
&
Date

Name of Issuing stores Name and designation of drawer Account Head to be charged at the drawer's ARU & Name of work and WO No. Sl. No. & Date

MASA/Contractor.....

Signature of the drawer.....

Sl. No.	Materials			Unit	Qty. requisitioned in words & figures	Qty issued in words & figures	Rate	Value	Store Ledger Ref.			Remarks.
	Description	Group	Code						Folio	Line No.	Line balance	
1	2	3	4	5	6	7	8	9	10	11	12	13

Number of items requisitioned Issue to Messenger who had signed below in my presence Issue as per column '7' above sanctioned Received items as per column '7' above in good condition Value as per column '9' above accepted vide Jl. No.

Dated signature of the Drawer Signature of the messenger Signature of the competent authority Signature

Counter signature of the competent Authority Signature of the Drawer Issued items as per column 7 above and posted in the S/L on Dated signature of Messenger/Drawer. Designation

Signature
Designation.

PREPARED BY: Stores

ISSUED TO: None

PURPOSE: For recording the details of receipt of requisition received from field and the movement of the same.

ACTION IN ACCOUNTS SECTION: None

PREPARED BY: The Store Accounting Section-in triplicate.

ISSUED TO: 1. Accounting Section – One copy
2. Head Office along with monthly accounts – one copy
3. Third one – book copy.

PURPOSE: For analysing issue of materials to Divisions, contractors, workshops, etc., in to various material groups.

ACTION IN ACCOUNTS SECTION: Posting shall be made daily. Based on MRCI Analysis Sheet journal entry is passed.

LOCATION:

MRCI CONTROL REGISTER

Sl. No.	Date	MRCI No. Date	To whom issued	Accurate Description of Material	Unit	Qty.	Date of posting in the S/L	Date of sending to PSL	Acknowledgement of PSL branch (dated signature)	Remarks.
1	2	3	4	5	6	7	8	9	10	11

KERALA STATE ELECTRICITY BOARD

MRCI ANALYSIS SHEET OF..... DIVISION/CIRCLE.....FOR THE MONTH OF

MAT-39

LOCATION:

Sl. No.	MRCI No. & Date	To whom issued and location (in the Distribution Circle Name of Division, should be furnished. In the Distribution Division and other Circles name of Field Officer should be furnished)	<u>WO No.</u> <u>_MASA</u>	MRCI Value	Material Group Analysis of MRCI Value												
					I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIX
					Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

Total

Senior Assistant

Superintendent

Divisional Accountant/
Senior Superintendent.

PREPARED BY: Field Officers (Assistant Engineers or Assistant Executive Engineers)

ISSUED TO: Executive Engineers at Divisions for according approval for drawal of materials

ACTION IN ACCOUNTS SECTION: The consumption of materials shall be checked with respective Register/documents relating to work and further action taken in the case of discrepancies:

PREPARED BY: Field Engineers-in 3 copies

ISSUED: Two copies to Division/Circle. Third copy is Book copy-Out of the two copies received in Division/Circle, one copy shall be returned to the concerned Field Engineer after certification of its correctness by the Divisional Accountant.

PURPOSE: For recording the receipt and utilization of materials drawn by Field Engineers in cases where the End Use is not known, and for watching the issue of materials to works. A similar Register shall be kept in the Division noting the value of the items.

ACTION IN ACCOUNTS SECTION: As soon as the MASA is received in the Division/Circle, it shall be verified with reference to Requisition, FRNs, consumption statements etc. and any discrepancy observed should be got rectified. The Accounts Section will pass journal entry debiting the work concerned and crediting MASA.

NOTE: Field Officers can use this form for keeping a numerical account of materials drawn against work orders also.

K.S.E. BOARD
 MCES No.
 DETAILS OF WORK

MONTHLY CONSOLIDATED END USE STATEMENT (MCES)
 CAPITAL /O&M

MAT-41
 Location Code:

Sl.No.	MATERIALS REQUIRED					MATERIALS DRAWN									TOTAL		Materials transferred between capital and O&M - STN			Materials returned to Stores-FRN			Materials consumed	
	Code	Description	Unit	Qty.	Value Rs. Ps.	MRCI			MRCI			MRCI			Qty.	Value Rs. Ps.	No.	Qty.	Value Rs. Ps.	No.	Qty.	Value Rs. Ps.	Qty.	Value Rs. Ps.
						No.	Qty.	Value Rs. Ps.	No.	Qty.	Value Rs. Ps.	No.	Qty.	Value Rs. Ps.										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25

Prepared by:

Approved by:

MCES closed on

MCES closure approved by:

Designation:

Designation:

Signature

Signature

Date:

Date:

Designation

Designation & Date

NOTE:- In case of Capital Works specify separately for each, type of work-Line, REC Schemes, Sadu Scheme, World Bank Scheme, Other type of works etc.

NOTE:- 1. Perforated Bound Book

2. Preparation in 6 copies.

Division.....
 Sub Division.....
 Section.....

KERALA STATE ELECTRICITY BOARD
 MATERIALS-AT-SITE ACCOUNT
 (Columns as per requirement)

MAT-42
Month.....19.....

		Name of Materials		Remarks
		Units		
		Opening balance		
RECEIPTS	1	Receipt document No.....Date.....		
	2			
	3			
	4			
		Total		
ISSUES	1	Consumption Statement No.....Date.....		
	2			
	3			
	4			
	5			
	6			
	7			
		Total		
		Closing balance		

Forwarded to the Executive Engineer

Countersigned

Checked with the accounts maintained
 in the Division and certified correct.
 Returned to the Assistant Engineer.

Assistant Engineer

Assistant Executive Engineer

Divisional Accountant.

PREPARED BY: Field Engineers in charge of works (in 3 copies)

ISSUED TO: Division/Circle (Two copies) along with MASA (MAT-42) Third copy is book copy

PURPOSE: Consumption Statement is the main medium of booking value of materials against works in the Division/Circle accounts. The details of materials issued to various works by the Field Engineers from the MASA are recorded in this Statement.

ACTION IN ACCOUNTS SECTION: The value columns in the Materials Consumption Statement will be filled up in the Division/Circle Office and total struck by the Store Accounts Branch of the Division/Circle. The details thereof shall be posted in the work ledgers and incorporated in accounts by giving debit to concerned work and credit to MASA.

PREPARED BY: Field Engineers (in 4 copies)

ISSUED TO: 1. Executive Engineer/Dy Chief Engineer – two copies (one original)
2. One copy to the officer who receives materials on his MASA/Work etc.,
3. One copy – book copy.

PURPOSE: Medium for transferring materials from one work to another. STN shall also be used for transferring materials from one MASA to another MASA under the same ARU. Whichever be the nature of transfer, it should be journalised and brought to books.

KERALA STATE ELECTRICITY BOARD
MATERIAL CONSUMPTION STATEMENT/SLIP

MAT-43

No.....
Division.....
Sub Division.....
Section.....

Date.....
Name of works
Work No.....

Period of work with reference to Labour Register.....

Sl. No.	A/c. No.	Materials	Units	Quantity (in figures & words)	Rate	Amount	Details of work done	Remarks
1	2	3	4	5	6	7	8	9
					Total			

Certified that the above materials have actually been used for the work. The work is/is not completed.

Prepared by.....

Countersigned/Check measured

Measured by me on.....

Sub Engineer or other subordinate.

Assistant Executive Engineer/Executive Engineer.

Assistant Engineer

(PTO)

(matter on overleaf)

Passed for Rs.....

Admitted in the Circle/Division Accounts
for the month of

Allocation: A/c. No.....Rs.....

A/c. No.....Rs.....

A/c. No.....Rs.....

etc. etc.

TOTAL Rs

DY.CE/EE

Sr. Supdt/DA

KERALA STATE ELECTRICITY BOARD

MAT-44

Location:

STORES TRANSFER NOTE

Name and Designation of the officer from whose MASA the materials have been transferred.	Name and designation of the officer on whose MASA the materials are received	Debit work to which the materials are transferred: Name of work: Estimate No: Work Order No:	Credit work from which materials are transferred Name of work: Estimate No: Work order No:			
Sl. No.	Accurate Description of materials	Unit	Quantity	Rate Rs. Ps.	Amount Rs. Ps	Remarks.
1	2	3	4	5	6	7

Received materials as above

Transferred the materials as above

(To be filled in the ARU)

Value of materials as per
Column-6 above accounted
vide Journal No.....

Designation and signature
of the officer

Designation and signature
of the Officer

.....
Designation and signature of the officer.

NOTE:- Strike out columns which are not applicable.

FORM

FINISHED GOODS RECEIVED NOTE (FGRN) MAT-45

PREPARED BY: Fabrication, Pole casting/treatment location – in 3 copies

ISSUED: Two copies (one original) to the ARU – One copy retained in the location.

PURPOSE: Basic document for bringing into books the finished product.

ACTION IN ACCOUNTS SECTION: The FGRN will be valued at standard rate or weighted average rate which ever is applicable. This is the documents for posting the PSL, numerical ledger and the supporting documents for passing the contractor's bill.

FORM

WORK AUTHORISATION

MAT-47

PREPARED BY: Competitive officer who is empowered to issue work authorization –
Prepared in 6 copies

ISSUED TO: CE, FA&CAO, DY. CE, EE, Sections in the office-one office copy

PURPOSE: Work Authorisation will form the basis for issue of work orders.

KERALA STATE ELECTRICITY BOARD

FGRN No.

MAT-45

Date:

Location from
Where returned

FINISHED GOODS RECEIVED NOTE

Location Code:
Work order No.

Date	Material			Unit	Qty.	Value	Quantity		Value for accepted materials	S.L Folio No.	Ledger Line No.	Ledger Line balance
	Description	Group	Code				Rejected	Accepted				
1	2	3	4	5	6	7	8	9	10	11	12	13

Prepared by:

Date sent for inspection

Memo of verification

Checked by:

(Here enter details of measurement
such as M. Book No., dt. Etc.)

Qty. received in good condition and accounted:

Signature

Work authorization No.

KERALA STATE ELECTRICITY BOARD

MAT-47

Name of work

WORK AUTHORISATION

Location

Communicated to.....(Competent Authority)

Cost of Equipment	Material Cost		Expenditure					Facility Cost					Expenses Reclassification		
	Direct Purchase	Through Stores	Labour	Contract	Errection days	Manufacturing Expenses	Others	Tools	Vehicles	Infrastructure	Consumables	Others	Interest	Depreciation	O.H.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

FORM

WORK ORDER

MAT-48

PREPARED BY: Account Rendering Units –in 4 copies

ISSUED TO: One copy retained in the ARU – 3 copies to Field – One copy retained in the Field office – 2 copies returned to ARU after completion of work. After checking, ARU returns one copy to Field.

PURPOSE: This is an order for execution of work and also serves as an intimation for the completion of work from the field.

FORM

LOCAL PURCHASE ORDER

MAT-49

PREPARED BY: Field Officers (in 4 copies)

ISSUED TO: Supplier (second copy) – Bill passing section (original) – Field Officers retain 2 copies. One out of the two copies will be acknowledged and sent along with the MASA as support for having taken the materials into MASA.

ACTION IN ACCOUNTS SECTION: MASA will be verified with the LPO.

KERALA STATE ELECTRICITY BOARD

MAT-48
Location:

WORK ORDER
(For works to be executed departmentally)

W.O. No.
Name of work
Communicated

Amount of W.O. Rs.....
W.A. No. Amount

Divisional Accountant/
Senior Superintendent.

A/c.	Particulars	WORK ORDER					Actuals								Remarks.
		Materials			Labour	Others	Materials			Labour		Others			
		Unit	Quantity	Value			MRCI No.	Unit	Quantity	Value	Vr. Number	Amount	Vr. Number	Amount	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Work completed and work order closed. Certified that all materials drawn have been used on work/surplus materials returned to Stores.

Asst. Exe. Engineer/Exe. Engineer

Field Engineer in charge of work

Checked with the ledger and closed

SENIOR ASSISTANT SUPDT.

DA/SS

PREPARED BY: The transferor unit (in 4 copies)

ISSUED: One copy sent along with assets – Two copies forwarded to Transferee Unit for acceptance – Transferee unit will return one copy after acceptance – Fourth copy will be book copy.

PURPOSE: This is the document for transferring the value of assets transferred from one ARU to another ARU.

PREPARED BY: Store (in 6 copies)

ISSUED: 5 copies along with materials to Inspecting officer against acknowledgement in the book copy-1 book copy

PURPOSE: Responding document for FRN/CMRN in cases where the materials are returned from ARUs which have no stores. After recording inspection findings, 4 copies forwarded to store against acknowledgment. Store Keeper, after posting the Numerical Ledger, will forward 3 copies to PSL Branch, along with copies of FRN/CMRN.

ACTION IN ACCOUNT SECTION: IUMRN will be valued in the PSL Branch. 6 copies of the IUMRN and copies of FRN/CMRN sent to Division concerned for acceptance. Division returns one copy after acceptance.

Date:

KERALA STATE ELECTRICITY BOARD

MAT-49

Supplier's Name and address:

LOCAL PURCHASE ORDER

Location:

Sl. No.	Description and group number of material	Name of work for which the material is required and availability of the materials in Sub-Regional Stores	No.& Date of Indent of the field officer & quantity required (for purchase) by Executive Engineer	Unit	Quantity	Rate Rs. Ps.	Amount Rs. Ps.	Delivery period	Quantity and Quality certificate	Acknowledgement of the receipt of the materials (field Officers who take the materials into MASA)	Remarks
1	2	3	4	5	6	7	8	9	10	11	12

Accounted in the MASA of the field officers
For the month of.....

Asst Executive Engineer/Executive Engineer

Payment particulars

Date of Supply:

Invoice No. & Date:

Amount.

(To be prepared in 4 copies)

KERALA STATE ELECTRICITY BOARD

ASSET TRANSFER NOTE

MAT-50

ATN No.

TRANSFeree UNIT NAME

Date

TRANSFeree UNIT CODE

Transferor Unit Name

Transferor Unit Code

DESPATCH DETAILS

Sl.No.	Name of ARU to which transferred	Particulars of Asset	Value	Cumulative Depreciation	Account Code Details	Remarks.
1	2	3	4	5	6	7

DESPATCHED IN GOOD CONDITION
TRANSFERRED VIDE JE No.....Dt.....

RECEIVED IN GOOD CONDITION AND
ACCEPTED VIDE JE. No.

(Transferor's Signature & Date)

(Transferee's Signature with date)

KERALA STATE ELECTRICITY BOARD

INTER UNIT MATERIAL RECEIVED NOTE (IUMRN)

MAT-51

(CREDIT NOTE)

IUMRN No.

(INTER UNIT) FRN No./

CMRN No.

DATE.

Name of Transferee
Stores and ARU

Name of Transferor
and Location

DATE

Name/Location Code of
Transferor ARU.

Sl. No.	Materials			Unit	Qty.	Rate	Value	Quantity		Value for accepted materials	Store Ledger Ref.			Remarks.
	Description	Group	Code					Rejected	Accepted		Folio	Line No.	Line Balance	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

(To be filled in the transferee stores)

Inspection findings

(To be filled in the transferee stores)

(To be filled in the transferor ARU)

Prepared by:

Date of receipt of materials after Inspection

Value of materials as per column 11 above accepted vide JI. No.

Checked by:

Materials as per column '6' above received and accounted

Materials accepted as per column '10' above posted in Store Ledger on:

Signature

Dated signature

Dated signature and Designation of Inspecting Officer

Signature

Designation

Designation

Designation

Acc: FRN/CMRN

FORM INTER UNIT MATERIAL RECEIVED NOTE ANALYSIS SHEET MAT-52

PREPARED BY: Store Accounting Section-in triplicate

1. Accounting Section - one copy
2. Head Office along with monthly accounts - one copy
3. Third copy - Book copy

PURPOSE: For analyzing the materials returned by contractors and filed officers from location

ACTION IN ACCOUNTS SECTION: Based on IUMRN Analysis Sheet, appropriate journal entries are passed at the receiving ARU and issuing ARU.

NOTE: No separate form is designed as Form No. 25 is suitable.

FORM INTER STORE TRANSFER NOTE ANALYSIS SHEET MAT-53

PREPARED BY: Store Accounting Section –in triplicate

- ISSUED TO:
1. Accounting Section – one copy
 2. Head Office along with monthly accounts – one copy
 3. Third copy – Book copy

PURPOSE: Based on ISTN analysis sheet Journal entry is passed debiting Inter Unit A/c (material) and crediting Material Transfer Outward A/c. by material group.

NOTE: No separate form is designed as Form No.21 is suitable.

FORM	FINISHED GOODS TRANSFER NOTE (FGTN)	MAT-54
------	-------------------------------------	--------

PREPARED BY: Location where the goods are manufactured-in 6 copies

ISSUED: One copy along with the materials to the transferee location-One copy, Book copy- 4 copies to Account Rendering Unit (one original) – The ARU will forward 3 copies to the transferee ARU after valuing the materials. The ARU receiving the Materials will accept the transfer note and return one copy to the Transferor ARU.

PURPOSE: For intimating the transfer of finished goods from location to various Account Rendering Units. The FGTN serves the purpose of IUTN also.

ACTION IN ACCOUNTS SECTION: The Account Rendering Units will pass necessary journal entries for Inter Unit Transfer of Materials.

FORM	MANUFACTURING ACCOUNT	MAT-55
------	-----------------------	--------

PREPARED BY: Location where the materials are manufactured-in 6 copies.

ISSUED: One copy retained in the manufacturing location as office copy-5 copies to Division for verification and valuation-One copy after verification and valuation returned to manufacturing location-One copy to Deputy Chief Engineer in the case of Distribution Division-One copy (original) retained in the Division and the other copy to be forwarded along with the monthly accounts.

PURPOSE: For reconciling the manufacturing account maintained in the manufacturing location and ARU.

KERALA STATE ELECTRICITY BOARD
FINISHED GOODS TRANSFER NOTE (FGTN)

MAT-54

Location:

Month:

No. Date:

Sl. No.	Material Code	Material Description	Unit	Qty Issued	Rate	Rs.	Ps.	Value	Rs.	Ps.	Allocation No. FGRN No. with date	Remarks
1	2	3	4	5	6			7			8	9

Place:

Date:

Countersigned

Signature of the
Issuing Authority

To whom issued
Received materials

Executive Engineer/Superintending Engineer

Signature

Accepted vide JE No..... and countersigned
Chargeable to A/c Code.....

Place:

Date:

Signature
Exe. Engineer/Suptdg. Engineer

Location
ARU

KERALA STATE ELECTRICITY BOARD
MANUFACTURING ACCOUNT

MAT-55
Date:

Description	Unit	Quantity	Value Rs.	Description	Unit	Quantity	Value Rs.
OPENING BALANCE				FINISHED GOODS			
Material Group I to Material Group XII and Material Group XIX				(Details of FGRN)			
RECEIPT				CLOSING BALANCE			
Material Group I to Material Group XII and Material Group XIX				Material Group I to Material Group XII and Material Group XIX			
LABOUR				SCRAP/WASTAGE			
OTHER EXPENSES							
EMPLOYEES COST							
TOTAL				TOTAL			

Verified

Div. Accountant/Sr. Supdt.

Signature
(Officer in charge of manufacture)

PREPARED BY: Location where the goods are manufactured –in 3 copies

ISSUED: One copy to the Dy. Chief Engineer – One copy to Executive Engineer in the case of Distribution Division – Third copy will be book copy

PURPOSE: For intimating the stock position of Finished Goods.

MAT-56 FINISHED GOODS REPORT FOR THE MONTH OF.....

Location:

	Unit	Qty.
Opening Balance		
Receipt during the month		
Total		
Issues (.....		
Allocation number)		
Balance in hand		

Signature
(Officer-in-charge of the location of Manufacture)

FORM INTER UNIT MATERIAL RECEIVED NOTE CONTROL REGISTER MAT-57

PREPARED BY: Store

ISSUED TO: None

PURPOSE: For recording details of IUMRNs raised in the Stores.

ACTION IN ACCOUNTS SECTION: None

FORM MTN CONTROL REGISTER FOR FIELD OFFICERS MAT-58

PREPARED BY: Field officers who part with materials from their MASA or from work under their control, for transfer to the work/MASA of another ARU under the same Circle.

ISSUED TO: None

PURPOSE: For recording the details of MTNs (outward) and also serves as a documentary evidence of submission of the copies of MTNs to ARU

ACTION IN ACCOUNTS SECTION: None

MAT-57

KERALA STATE ELECTRICITY BOARD

No.

LOCATION:

IUMRN CONTROL REGISTER

IUMRN No. & Date	Location from where materials returned	Accurate description of materials	Inter Unit FRN/CMRN No. Date	Unit	Qty.	Date of receipt of material	Date of Inspection	Remarks as to the materials acceptable or otherwise	Date of posting in the S/L	Date of sending for valuation	Acknowledgement of PSL (Dated Signature)
1	2	3	4	5	6	7	8	9	10	11	12

KERALA STATE ELECTRICITY BOARD

No.

MAT-58

LOCATION:

MTN CONTROL REGISTER FOR FIELD OFFICERS

Sl. No.	Date	MTN No. Date	To Whom Issued	Accurate Description of material and RIST No. & Date (of transferee location)	Unit	Qty	Date of posting in the Registers and other documents	Date of dispatch to ARU of transferor location for valuation and onward transmission to transferee ARU.	Initials of the transferor Field Officer	Remarks.
1	2	3	4	5	6	7	8	9	10	11

PREPARED BY: Store Accounting Branch

ISSUED TO: None

PURPOSE: For recording details of MTNs issued for acceptance

ACTION: When the MTNs are received back after acceptance, Column-11 of the Register is filled up.

PREPARED BY: Field Officers who part with the materials –in 4 copies.

ISSUED TO: Three copies to the transferor ARU – One copy will be book copy

PURPOSE: MTN serves as a debit advice

ACTION IN ACCOUNTS SECTION: MTNs are valued and two copies of the same, along with copies of RIST, forwarded to the transferee ARU for acceptance. The transferee ARU will return one copy of MTN after acceptance.

KERALA STATE ELECTRICITY BOARD

MAT-59

LOCATION:

MTN CONTROL REGISTER FOR TRANSFEROR ARU

No.

Sl. No.	Date	MTN No. & Date	Issue		Accurate Description of material	No. & Date of RIST of Transferee	Unit	Qty	Date of despatch from transferor location	Date of despatch to transferee ARU	Date of receipt of accepted copy	Initials of DA/SS	Remarks
			From	To									
1	2	3	4	5	6	7	8	9	10	11	12	13	14

MAT-60

KERALA STATE ELECTRICITY BOARD

No.

RIST NO.

MATERIAL TRANSFER NOTE (MTN)

Date

Name of Section.....Division.....

Date

Name of transferee section OR

Name of transferee ARU or

Location Code

Location Code

Sl. No.	Materials			Unit	Qty Issued	Rate	Value	(To be filled by the transferor) WO. No. Name of work or MASA of the Field Officer to which the value to be credited	Remarks
	Description	Group	Code						
1	2	3	4	5	6	7	8	9	10

To be filled by transferor field officer

(To be filled by Transferee Field officer)

(To be filled in the transferee ARU)

Materials issued as per Column '6' above and posted in the relevant Registers and documents.

Received the material as per column '6' above in good condition and accounted in the relevant Registers & documents on.....

Value as per column '6' above accepted vide Jl. No.....

Signature.....

Designation.....

Signature.....

Designation.....

Executive Engineer

PREPARED BY: Store Accounting Branch of the Transferor and Transferee ARU in triplicate.

ISSUED: One copy to Accounts Section-One copy to H.O along with the monthly Accounts-Third copy, book copy.

PURPOSE: For analyzing the materials issued/received to/from another Division within the same Circle.

ACTION IN ACCOUNTS SECTION: Based on the Analysis sheet appropriate Journal entry is passed in the receiving and issuing ARU.

NOTE:- For identification of MTN Analysis Sheet, it is to be marked Inward/Outward.

PREPARED BY: PSL Branch

ISSUED TO: None

PURPOSE: To effect adjustment of the following.

- (a) Positive/negative value with no Quantity.
- (b) Nil/negative value with positive quantity.
- (c) Disproportionate closing balance values in the PSL, etc.

METHOD OF PREPARATION:

Step 1: Post closing balance rate, quantities, values from all ledger folios in respective columns in the Closing Balance in 'A' Portion

Step 2: Enter the last receipt rate as per ledger in column -6. Extend the quantities as per col.4

Step 3: Calculate adjusted closing balance in column 8

Step 4: Post the differences in the column for "differences" (B=C-A)

Step 5: Post journal entries as given in the procedures for this.

KERALA STATE ELECTRICITY BOARD

MAT-61

Location:

MATERIAL TRANSFER NOTE (INWARD/OUTWARD) ANALYSIS SHEET OF.....FOR...../19..

				MATERIAL GROUP WISE ANALYSIS														CREDIT TO WORK/MASA FROM WHICH MATERIALS HAVE BEEN TRANSFERRED (In the case of Transferor ARU) DEBIT TO WORK/MASA TO WHICH MATERIALS HAVE BEEN TRANSFERRED (in the case of Transferee ARU)										REMARKS
Sl. No.	MTN No. & Date	Name of Transferee/Transferor ARU	MTN Value	I Rs.	II Rs.	III Rs.	IV Rs.	V Rs.	VI Rs.	VI Rs.	VII Rs.	VIII Rs.	IX Rs.	X Rs.	XI Rs.	XII Rs.	IXX Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
TOTAL																												

Senior Assistant

Superintendent

Divisional Accountant

KERALA STATE ELECTRICITY BOARD

MAT-62

PRICED STORE LEDGER EXTRACT FOR STOCK ADJUSTMENT

Location:

PSL Folio Reference	Material Description (GroupWise)	A Pre-adjustment Closing Balance			C Post adjustment Closing Balance			B Difference	
		Rate	Qty	Value	Rate	Qty	Value	9	10
1	2	3	4	5	6	7	8	9	10
102	X	2000	10	20,000	2,500	10	25,000	5,000	
102	Y	1000	15	15,000	900	15	13,500		1,500
128	Z	1000	25	25,000	2,000	25	50,000	25,000	
142	A	1000	20	20,000	400	20	8,000		12,000

VOLUME II MATERIAL ACCOUNTING

PART IV PURCHASE RULES AND REGULATION

CHAPTER I TENDER REGULATIONS

ABSTRACT

Statutory Regulations – K.S.E. Board (Tenders) Regulations – orders issued.

R. Dis. 21492/66

Dated, Trivandrum, 23-7-1968

ORDER

The Board in exercise of the powers conferred by Section 79 (g) of the Electricity (Supply) Act 1948 is pleased to approve and issue the “ K.S.E. Board (Tenders) Regulations 1968” to regulate the procedure to be followed by the Board for inviting, considering and accepting tenders.

(By order of the Board),

Sd/-
(E. VIJAYARAGHAVAN),
SECRETARY TO THE BOARD

K.S.E. BOARD TENDERS REGULATIONS

SHORT TITLE, EXTENT & COMMENCEMENT

1. (i) These Regulations may be called the K.S.E. Board (Tenders) Regulations 1968.
- (ii) The procedure contained in these Regulations shall be followed in all cases except when specifically provided otherwise for inviting tenders whether in respect of works or in respect of purchases.
- (iii) These Regulations shall come into force at once.

INTERPRETATIONS

2. (a) “Board” means the K.S.E. Board.
 - (b) “Competent authority” means the Board or the Officer as the case may be, exercising the corresponding power as per Board’s Delegation of powers in force from time to time.
 - (c) ‘Contractor’ means a person, syndicate, company or firm that has entered into a contract with the Board and shall include his heirs, legal representatives or assignees.
 - (d) “Contract purchase”, means purchase of any material required for the Board including building materials, electrical or other machinery or spare parts there of, made after entering into contract with the seller, an outside agency.
 - (e) ‘Contract Work’ means work let on contract to outside agency, such work being inclusive of the supply of materials for the work or not.
 - (ee) “Major Works” means work costing not less than 50 lakhs.
 - (f) All other terms used in these Regulations will have the respective meanings assigned to them under the Electricity (Supply) Act and the Indian Contract Act.
3. Unless otherwise specifically provided for in any of the Regulations or Rules there-under framed by the Board, the competent officer shall invite tenders for execution of all works or supply of materials except for the cases mentioned below:

1. Supply not exceeding Rs.100/-
2. Purchase of books and periodicals not exceeding the financial limit prescribed by the Board from time to time.
3. Purchase from Government Stores
4. Purchase of controlled Stores from controlled stock
5. Purchase of articles covered by Rate or Running contracts settled by the Director General of Supplies and Disposals, New Delhi or the Stores Purchase Department of State Government unless the market rates themselves of those articles are more competitive.
6. In the case of patents and specialties to which tender system cannot be applied with advantage.
7. Works, the P.A.C. of which is less than Rs.2,500/-
8. Materials, tools and plant, etc., which are covered by grants or loans from foreign Governments and the purchase or procurement of which are covered by specific agreements with Government of India.
9. Purchase of Stores (these will be mostly measuring and indicating instruments) from stockist who stock them under stock and sale license from the State Trading Corporation of India.

4. THE MANNER IN WHICH TENDERS MAY BE INVITED

Tenders shall be invited as far as possible in the most open and public manner possible by advertisement in news papers having wide circulation in the State and when the tenders relate to specialised work or supply, by advertisement in News papers having wide circulation also outside the State especially in places where from tenders could be anticipated so as to get the most competitive terms and consequent economy to the Board.

Provided that in the case of major works, the procedure prescribed in the schedule appended to these regulations shall be followed.

EXPLANATORY NOTE

The Board has been actively considering for some time as to how to weed out inexperienced contractors who are coming forward to take up major and complicated engineering works under the Board and who later find it very difficult to manage the works and labour, which ultimately result in costly contract failure and consequent loss and time over-runs.

After carefully examining the issue in detail the Board has decided to introduce prequalification for contractors for major construction works costing over Rs.50/- (fifty) lakhs as is the practices in major Public Undertaking of the Government of India like N.H.P.C., N.T.P.C., E.P.S. etc., and that the procedure prescribed in the schedule appended herewith shall be adopted for the invitation of tenders and award of contracts for such works with immediate effect.

(The above explanatory note is not part of the regulation but explains only the back ground for the amendment).

SCHEDULE

Prequalification bid:

Prequalification bid is the furnishing of the information by the intending tenderers in the proforma supplied to them by the Tendering Authority. The format should contain among other things, information regarding previous experience, solvency, technical competency, expertise, detail of machinery & equipment owned by the firm etc.

1. Tenders will be invited in three parts and each should be submitted in separate sealed covers, but simultaneously.
 - i. Prequalification bid
 - ii. Deviations and conditions from the tender conditions given by the tendering authorities.
 - iii. The price bid
2. The deviations and condition will be opened first in the presence of all the tenderers and common discussions will be held with all of them to evaluate the financial commitment of each condition. The tenderers will be asked to state the price equivalent to each condition mentioned by them if they are to totally withdraw the special conditions. The cumulative effect of all conditions will be added to each tender and evaluated at the time of consideration of tender bids.
3. The prequalification bids will then be opened and suitable number of qualified tenderers as decided by the tendering authority will be selected by a careful study of prequalification, experience, capacity to do work, etc. No tenderer will be allowed to participate or witness this process. The prequalification will be scrutinized by a committee consisting of the Full Time Members of the Board, the Chief Engineer concerned, Financial Adviser and Chief Accounts Officer, Deputy Chief Engineer, Designs or Technical concerned in the office of the Chief Engineer and concerned field Deputy Chief Engineer.

- (a) The Law Officer / Legal Adviser shall be a regular invitee for the meetings for scrutiny of prequalification bids.
 - (b) The fact that a tenderer is prima facie found qualified by the pre-qualification committee shall not, in any manner, take away the right of the Tendering Authority / Board for further detailed consideration and verification of the qualifications of the tenderer such as his experience, financial stability, tools and plants, all other relevant matters, etc., even after the price bid is opened and considered, but before a final decision is taken regarding the award of contract, and the tenderer shall not have any right to question the act of the Tendering Authority / Board in considering again qualification etc., of the tenderer.
4. The price bids obtained from those tenderers who are selected from the prequalification bids screening, alone will be opened or considered for the particular contract works. The EMD of the non-selected tenderers will be refunded forthwith. Time and date of opening of the price bids of the selected tenderers will be intimated to them and they will be allowed to witness the opening of price bids if they so desire. The price bids of other tenderers will not be opened and they will be destroyed by the tendering authority after award of the contract for the work, as per the Manual of Office Procedure.
5. An illustrative sample of pre-qualification bid invitation is given below:
- Part 1 - Two sections viz. Section (i) giving information of the project of which the work proposed form Part; and Section (ii) consisting of a typical questionnaire to elicit pre-qualification information as appended to be filled up by the applicant.
- Part II Contains statements and monetary implications in case of total withdrawal etc. of conditions.
- Part III Will form the normal price tender forms which will generally be the same as hitherto followed in the K.S.E. Board for all tender for works contract.

No.

Dated:

From

To

Sub:- Prequalification for works –
(here enter name of work).

Sir,

I am enclosing herewith two sets of prequalification documents consisting of Section I and Section II. The questionnaire i.e., Section. II of prequalification documents may be sent in duplicate duly completed in all respects as asked for therein. This may be sent at an early date but not later than.....

Yours faithfully,

Chief Engineer.

Encl: as above

PART – I

Section I (Illustrative Example)

Note:- Under Section I, brief description of Project / Works and scope of contract etc., shall be given. A typical example is given below for guidance.)

BRIEF DESCRIPTION OF PROJECT / WORKS AND SCOPE OF CONTRACT ETC.

1.1 INTRODUCTION

The Keel Karo Project is the fifth Hydro Electric Project taken up by the National Hydro-Electric Power Corporation and incidentally the largest. The project site is located in Ranchi and Singhbhum Districts of Bihar State (India). The city nearest to the project site is Ranchi, situated about 80 kms due North East. The project envisages harnessing of the bulk of Hydro Electric Power potential of the River South Koel and its tributary North Karo River in Bihar, for power generation benefits with installed capacity of 710 MW in the Ist Stage.

The address of Liaison Officer at Ranchi is given below:-

LIAISON OFFICER,
391/B ASHOK NAGAR,
ROAD No. 5, RANCHI – 834002.

1.2 COMMUNICATION FACILITIES

The Project area is connected by Air, Rail and roadways. The nearest Airport is Ranchi, which is approximately 80 kms away from the project. The railhead is Pakara Railway Station on Ranchi-Rourkela Railway line of Broadgauge. The rail head is 30 kms away from Basia Dam site and 45 kms away from Kohajimi Dam site respectively, which is being connected to the state highway of Ranchi, Kunti Rourkela.

1.3 MATERIOLOGICAL CHARACTERISTICS AND CLIMATE

- (i) Climate:- The plateau area by virtue of its elevation at about 610 meter/2000 feet above mean sea level enjoys a

salubrious climate. Even during hottest months the nights are cool and pleasant.

- (ii) Precipitation:- The average annual rainfall in the catchment of South Koel is 1450 mm and that in the North Karo is 1425 mm. The bulk annual precipitation is from South West Monsoon during the months of June to October.
- (iii) The main Hydro-Electrical data observed at Project site is as under:-

a) AT BASIA DAM SITE

- i) Maximum annual run of south Keel river at Basia Dam Site 4520 million Cum
- ii) Minimum annual run off of south keel river at Baisa Dam site 1110 million Cum
- iii) Average annual run off of south Keel river at Basia Dam site. 2520 million Cum

b) AT LOHAJIMI DAM SITE:

- i) Maximum annual run off of North Karo river at Lohajimi Dam site 2240 million Cum
- ii) Minimum annual run off of South Keel river at

	Johajimi Dam site	470	million	Cum
iii)	Average annual run off of South Keel river at Lohajimi Dam site	1088	million	Cum

1.4 GENERAL PHYSIOGRAPHY

The Project area lies in the heart of economically backward Chotanagpur tribal belt. Rounded hillocks separated by board low-lying plains constitute the Chief topographical features in the North western plateau area of the project while the south Eastern part is hilly and surrounded by forest and is cut by numerous streams and rivers. The area is mainly uncultivable.

1.5 GENERAL GEOLOGY:

The project area and the neighbourhood lie entirely within the Archaean complex of the Peninsular India. The Chief rock types are Gneisses. Schists, Quartzites and Phyllities introduced by granites, pegmatites and basic intrusives of later age. The weathering of these rocks is very erratic and so also the thickness of the soil cover.

2.1 THE PROJECT FEATURES:

The Koel Karo Project envisages regulation of the waters of the South Koel River at Basia and their diversion to the adjacent valley of its tributary, the north Karo, where they are proposed to be utilised along with the waters of the North Karo for Power generation.

The project is intended to be developed in two stages. The project involves the construction of the following major works in Ist stage:

- i) BASIA DAM. This is an earth dam 44 metres high across the South Koel River at Basia to form a reservoir with an effective capacity of 1.390 m.cum. to regulate inflows from a catchment of 3-890 sq.km.

- ii) LOHAJIMI DAM. This is an earthen dam, 55 metres high across the North Karo river, at Johajimi, to form a reservoir with an effective capacity of 541 m. cum. to regulate the inflows from the catchment of 1,523 sq. kms.
- iii) TRANS BASIN CHANNEL. A 34.7 Km. long transbasin channel with a discharging capacity of 70 cumecs will be constructed to convey regulated waters from the Basis Reservoir to the Lohajimi Reservoir.
- iv) RAITOLI POWER HOUSE
This power house with one unit of 20 MW is located at the end of the transbasin channel. The tail discharge from this powerhouse will be conveyed through a tail race channel to the North Karo Reservoir at Lohajimi.
- v) HEAD RACE TUNNEL
This is a 1,400 meter long and 11.2 meter dia headrace tunnel, to carry a discharge of 510 cumecs.
- vi) SURGE SHAFT:
A 33 m diameter and 52 m high surge shaft will be constructed at the end of 11.2m. diameter Head Race Tunnel.
- vii) PRESSURE SHAFT AND PENSTOCKS
It consists of two concrete / Steel lined pressure shafts of 8.0m. diameter and 250m. length.
- viii) LUMPUNGKHEL UNDERGROUND POWER HOUSE:
Lumpungkhel Underground Power House will have an installation capacity of 620 MW with 4 units of 172.5 MW each.
- ix) TAIL RACE TUNNEL:

This 11m. diameter and 710 m. long tunnel will be constructed to carry the tail race water from the underground Power House turbine and discharge them through an open channel into the Karo river downstream.

x) ACCESS TUNNEL:

An 8.2mX7m. access tunnel of 650m. length will be constructed to approach the underground Power House.

xi) TRANSMISSION LINES:

In addition to the above works the power generated at Ratioli Power House to the main 400 KV Sub Station located at Lumpungkhel, through 15km. Long 132 KV single circuit transmission line. For evacuating the power generated at Koel Kare Project, it is proposed to construct.

- i) 99 Km. 400 KV single circuit transmission line from Lumpungkhel to Patratu, and
- ii) A 120 m. long 400 KV single circuit transmission line from Lumpungkhel to Chandil with terminal equipments at Patratu and Chandil.

In second stage, it is proposed to construct a Power station at toe of Basia Dam with one unit of 15 MW and other Power station with Installation of one unit 7 MW in the middle reach of transbasin channel near Leyanga at approximately 18 km from Basia Dam.

2.2 SCOPE OF WORK:

The scope of work for construction of 11.2m. dia and 1.4 km. Long Head Race Tunnel and other appurtenant works such as intake structure, surgashaft, Audit etc. covered under Group 'A' works of Koel Kare Project and their estimated cost is an under:

ITEM OF WORKS**ESTIMATED COST**

Rs. In lakhs

1. Intake Structure:
The work involves open excavation for approach channel foundation of intake structure, Portal Face for 11.2 m diameter tunnel, supporting of excavated slopes and construction of Portal, R.C.C. trash rack-structure in front of Portal, and gate shaft including stagewise concreting for all the embedded parts in respect of Hydromechanical installation. This however, does not include the supply and erection of Hydro-mechanical installation. 67.00
2. Head Race Tunnel
The works involve excavation, supporting and concrete lining of 11.2 meter diameter and 1.4 km. Long; horse shoe shaped Head Race Tunnel. 506.00
3. Surge Shaft:
The work involves excavation, supporting and concrete lining of 33 m. diameter and approximately 52m. high surge shaft, 5mX5m and 200 m long D-shaped expansion gallery and 3m X 5m. and 250m. long adit to surge shaft and Head Race Tunnel. The work also includes the stagewise

concreting for all the block outs and embedded patts in respect of Hydro Mechanical Installation for Penstocks in surge shaft. This however, does not include the supply and erection of Hydro-Mechanical Installation	142.00
Total estimated cost	715.00

2.3 COMPLETION TIME:

The likely date of commencement of work is Jan. 1982 and work is programmed to be completed, in all respects before March 1985.

3.1 POWER SUPPLY:

The construction power would be made available by the project authorities to the contracting agencies on payment at one or more points of distribution system as per the requirements of the work adjusted by the project Authorities.

3.2 WATER SUPPLY

The arrangements for Water supply for construction purpose required for the works shall be provided by the contracting agencies.

3.3 CAMP FACILITIES

The Corporation would provide requisite land to the contracting agencies for construction of residential and non-residential accommodation and working camps in the project area.

3.4 CONSTRUCTION MATERIAL:

Construction materials such as coarse aggregate and fine aggregate are abundantly available in the vicinity of the proposed works of the Project. However, the supply of Cement, Steel and explosives would be arranged by the Project Authorities.

PART – I

Section – II

(To be filled in by the Applicant)

To

The Chief Engineer ()
K.S.E. Board.

Sub:- Application for prequalification of
Contractors for the work
.....

Sir,

Reference is invited to your office letter No.....
..... dtd..... We are interested in getting ourselves
prequalified for the aforesaid work.

_____ (Project)

2. Enclosed herewith please find the questionnaires duly filled in along with the documents listed below for perusal and consideration. We agree to abide by the terms and conditions as stipulated in prequalification documents and to be prescribed by the K.S.E. Board from time to time in this respect.

List of documents enclosed:

- 1.
 - 2.
 - 3.
 - 4.
 - 5.
3. We have already remitted a sum of
Rs.....

(Rs.....only)

as application fee through Demand Draft No.....
datedalong with our application No.....
dated

Yours faithfully,

(Name)

Designation

(For and on behalf of Contractor)

Note:- Item 3 is necessary only in case when the prequalification bid is invited first. The amount may be fixed by the Tendering Authority suitably.

KERALA STATE ELECTRICITY BOARD

Sub: Questionnaire for prequalification of Contractors/Firms.

NAME OF WORK:.....

Introduction:

The prequalification bid from Contractor is aimed at selection of contractors having sufficient financial resources, relevant experience of work to be executed backed by competent Technical Personnel, equipments and other expertise necessary for ensuring that the work if awarded to him/them would be executed in time, with requisite standard and quality and in a smooth manner.

Information & Instruction:

1. K.S.E. Board will prequalify those firms which are considered most suitable for the works under question. The selection will take into account the firm's/Contractor's relevant experience of the works, financial soundness and capability, availability of sufficient technical personnel, machinery equipments and the overall performance on the earlier jobs executed.
2. The decision of K.S.E. Board in this regard will be final and without appeal. K.S.E. Board will not be bound to give any reasons for the acceptance or rejection of any firm on any account, whatsoever.
3. Contractors with the intention to get prequalified shall submit the documents and questionnaire duly filled in giving all desired information therein, not later than
..... to the following address –

The Chief Engineer(CE) (C) CE (Ele) etc.),
K.S.E. Board, Trivandrum.

4. The application received late or incomplete applications are liable to be rejected. Delays in the mailing or application by cable or telex will not be entertained.
5. a. Only those applicants who are prequalified will be informed. The tender documents will be mailed directly to the prequalified contractors. The prequalified contractor's will be invited to submit tenders in accordance with the contract documents issued to them.

b. Alternatively

When the tenderers are required to submit the prequalification bid, deviations and price bid together (in separate sealed covers) prequalification screening will be done before opening of price bids and only the price bids received from the successful tenderers in the prequalification screening will be considered for evaluation of tenders.

6. K.S.E. Board will not be responsible for any kind of postal delay or non-delivery of prequalification documents and/or tender documents sent to the contractors.

7. i. The firms are required to give complete information as asked for in the format attached to the questionnaire.

ii. It is desired that the firms should indicate at least the characteristics of the work done, location of works, name of project and the clients, the date of construction, type of contract and amount of work under the relevant columns of the format.

iii. Also under the columns “brief technical description” wherever appearing in the aforesaid formats the firms should mention the size of work done, working methods and site conditions encountered.

8. Form is to be completed typewritten.

9. In the event spaces provided on the forms are not sufficient for entries, or if contractor wishes to furnish additional information it may be inserted on separate sheets with appropriate references.

10. Some certificates of completed projects/works from the clients which can vouch the stability/technical know-how in respect of the specialized fields (duly attested) of contractors should be attached.

11. The information or the replies to the questions should be complete in all respects. In case the information or the reply is “NIL” or “NOT APPLICABLE” etc., it should be invariably mentioned.

12. A certificate duly attested that your firm is not having any connection directly or indirectly with the Board employees, should be produced.

13. Sufficient data and bank references to permit an evaluation of the size and financial stability of the Company should be furnished.

14. The questionnaire duly completed should be submitted in duplicate

CERTIFICATE TO BE FURNISHED

“I/We hereby certify that the information furnished by me/us is a true statement of facts”

Date: (Name, Designation and title of person signing)

PREQUALIFICATION BID QUESTIONNAIRE

Sl. No.	Questions	Reply by the firm
1	2	3

1. Name of firm
2. Nationality of Firm
3. Head Office Address
 - Cable Address
 - Telephone
 - Telex
 - Cable
4. Former Name of Company (if any)
5. Branch Offices and Address
6. Type of Organisation
 - Individual
 - Partnership
 - Incorporated Company
7. Year established and where
8. The firm is a
 - (a) Member of group of companies (if yes, give name, address, connections and descriptions of the other companies)
 - (b) Subsidiary of a large organization.
9. Has your firm worked
 - i. As a joint venture
 - ii. Prime Contractor
 - iii. Sub-contractor (if yes, please give name, address of prime contractor and details of contractual arrangements with the prime contractor).
10. a Have you executed works in the following areas? if so, please furnish details of particulars of such works in the relevant formats attached. Furnish exhibits of the important projects executed by you.
 - i. Underground Power House caverns.
 - ii. Tunnels/Pressure Tunnels
 - iii. Penstocks
 - iv. Other Appurtenant structures such as intake structure, Surge shaft, adits etc, pertaining to Hydroelectric Projects.

Sl. No.	Questions	Reply by the firm
1	2	3

11. What best describes your firm

- a. Engineers & Contractors
- b. Consulting Engineers & Contractors.
- c. Contractors : of other, please specify

NOTE: - To be suitably modified depending on the nature of work for which the tender is invited

12. Are you registered with any other Govt, Deptt. /Public Sector Undertaking (if yes give details)
13. Are you working on turnkey basis?
14. In what circumstances you are called sub contractors.
15. What type of work usually your company sublets.
16. For what countries/States/Cities have you performed work and to whom do you refer?
17. For what Bureaus or Deptts. have you performed work and to whom do you refer?
18. Have you ever failed to complete any work awarded to you (if so, when, where & why)
19. In how many projects you asked for arbitration after ratification (if so, when, where & why), How many cases were settled in your favour?
20. In how many projects you were imposed penalties for delay.
21. In what other line of business are you financially interested?
22. Do you have material testing laboratory and mobile laboratories? (Give details).
23. a. Have you ever been denied tendering facility by any Govt. Dept./ Public Sector Undertaking of India or of any other country (give details)
- b. Have you been debarred from tendering in any Govt. Depts/Undertaking.
24. How many years has your organisation been in business under your present business name? What were your fields when you established your company? When did you add new fields (And in what circumstances)?
25. Has any officer or partner of your organization ever been an officer or partner of some other organization that failed to complete the construction contract? (If so, state name of individual & other organization).
26. Has any officer or partner of your organization ever failed to complete the construction contract handled in his own name?

Sl. No.	Questions	Reply by the firm
1	2	3
	27. In what fields do you claim as specialized, and interested to work?	
	28. Name and address of affiliate, subsidiary, partnership, joint ventures and parent companies (indicate nature of the firm and present engagement).	
	29. Name of any international organization for which your firm has already been registered/pre-qualified.	
	30. What are your sources of finance (Please give details, bank reference also).	
	31. Have your company ever been declared bankrupt (if yes, please give details)	
	32. A. What is the maximum value of projects/work that you can handle. B. What is the maximum value of projects/works that you have handle so far	
	33. Give the last three years' account with auditor's reports, balance sheets, profit and loss account.	
	34. a. How much is your paid up capital?	
	b. How much is your working capital?	
	c. How much is your foreign investment?	
	d. How much was your turnover during the last 5 years	19...
		19...
		19...
		19...
	e. Your net income during the last 5 years	19...
		19...
		19...
		19...
		19...
	35. Do you intend to associate any other organization for the works for which you are bidding? If so, please give full particulars of that organization separately under each head of questionnaire and forms.	
	36. Formats (Enclosed) which may be filled	
	A. Details of Engineers & Managerial personnel.	
	B. Details of Machinery & Equipments owned by the company.	
	C. Present Activities in which your firm is engaged as a main contractor.	

- D. Present Activities in which your firm is working in joint venture.
- E. Present activities in which your firm is working as sub-contractor
- F. Completed works in which your firm was the main contractor (during last 10 years).
- G. Completed works in which your firm was in joint venture (During last 10 years)
- H. Completed works in which your firm was sub contractor (During last 10 years).
- I. Simultaneous contract engagement of contractor.
- J. Material testing facilities available with the firm.

Note:- This questionnaire and accompanying formats shall be used with suitable modifications as found necessary to suit the scope of work for which the tender is invited. In both cases where the tenderers are required (1) to submit all the 3 parts viz., Prequalifications bid, Deviation to the conditions of contract, and the price bid together or (2) to submit the prequalification bid first as the case may be.

(A)

EXPERIENCE & QUALIFICATION

DETAILS OF ENGINEERS & MANAGERIAL KEY PERSONNEL PRESENTLY EMPLOYED IN YOUR FIRM

Name	Present Position	Nationality	Type of degree & specialisation	When joined your firm	Total years Of experience	Professional experience Magnitude & type of work executed
1	2	3	4	5	6	7

(B)

LIST OF MACHINERY & EQUIPMENT THE COMPANY OWNS INCLUDING MOBILE CRANE, VEHICLE ETC.

(LIST ONLY THOSE RELEVANT TO THE WORK IN QUESTION)

Quantity	Machinery	Description, size Capacity, Model etc.	Condition	Year of Service	Present location	Present book value	Presently Deployable for work or not
1	2	3	4	5	6	7	8

(C)

PRESENT ACTIVITIES IN WHICH YOUR FIRM IS ENGAGED AS A MAIN CONTRACTOR

Name & Type of Project/works which you are presently executing & its location	Brief technical description	Name & Address of Client	Period of contract (As provided in the agreement)	Construction cost of project (in Rs.)	Type & amount of portion sublet by you.	Year of starting	Percentage completed (work)	Name & Address of Consultant if any
1	2	3	4	5	6	7	8	9

(D)

PRESENT ACTIVITIES IN WHICH YOUR FIRM IS WORKING IN JOINT VENTURE

Name of the Project/works and its location (phase of work for which you are responsible)	Brief technical description	Name & address of client	Period of contract (as provided in agreement)	Construction cost of project in Rs.	Year of starting	Percentage of Completed works	Name with whom you are in joint venture	Name of consultant if any
				Entire Yours				
1	2	3	4	5	6	7	8	9

(E)

**PRESENT ACTIVITIES IN WHICH YOUR FIRM IS WORKING AS SUB- CONTRACTORS
(INDICATE PHASE OF WORK FOR WHICH YOUR FIRM IS RESPONSIBLE).**

Name of Project/Works and its location and phase of work	Name and address of client	Construction cost in Rs.		Name of main contractors	Period of contract (as provided in agreement)	Year of starting	Percentage of work completed	Name of consultant if any
		Entire Cost of your portion						
1	2	3	4	5	6	7	8	

(F)

**COMPLETED WORKS IN WHICH YOUR FIRM WAS THE MAIN CONTRACTOR
(DURING LAST 10 YEARS)**

Name & Type of Project/Works and its location	Brief technical description	Name & Address of Client	Period of contract (As provided in agreement)	Construction cost of Project (in Rs.)	Type & cost of Project which you sublet)	Year of starting	Year of completion		Reasons for delay if any	Name and Address of consultants if any
							Schedule	Actual		
1	2	3	4	5	6	7	8	9	10	11

(G)

**COMPLETED WORKS IN WHICH YOUR FIRM WAS IN JOINT VENTURE
(DURING LAST 10 YEARS)**

Name & Type of Project/works & location	Brief technical description	Name & address of client	Construction Cost		Period of contract (As provided in agreement)	Year of starting	Year of completion		Reasons for delay if any	Name of consultant if any
			Entire in Rs.	Yours in Rs.			Schedule	Actual		
1	2	3	4	5	6	7	8	9	10	11

PART – II
DECLARATION FOR DEVIATIONS

FROM

Ref:

To

Date:

Sub:-

Dear Sirs,

This has reference to your above referred tender. We are pleased to submit our tender for the above work in a separate cover. We have also submitted the prequalification bid in a separate cover.

We declare that we are qualified to participate in the above referred tender in line with your qualification requirement stipulated in the “Notice inviting Tender”. We further declare that we have brought out all our deviations to the conditions of contract stipulated in your tender documents indicating therein the cost of with-drawing the conditions in case you require us to do so. We also declare that the maximum liability to you for such withdrawal will be limited to the amounts mentioned against each deviation separately.

It is understood that the deviations to the conditions of the tender documents as have been brought out are exhaustive.

We agree and declare that irrespective of whatever has been stated elsewhere in the tender documents, only those deviations that have been specifically brought out in Annexure ‘B’ will hold good.

Thanking you,

Yours faithfully,

Signature.....

Name (In Capital).....

Designation

Date:

(To be duly stamped and signed and submitted with the tender in four copies)

NAME OF WORK:

KERALA STATE ELECTRICITY BOARD

ANNEXURE 'B'

TENDER No.

"STATEMENT OF DEVIATIONS"

Tenderer's Name & Address

To

The Chief Engineer (CE (C) / CE (E)

K.S.E. Board, Trivandrum.

Dear Sir,

Sub:- Deviations for the work of

Irrespective of whatever has been stated to the contrary anywhere else in our offer, only following are the deviations and variations from and exception to the specifications and documents for

These deviations and variations are exhaustive. Except these deviations the entire work shall be performed as per your specifications and documents. Further, we agree that additional conditions if any found in the offer than those stated below, save that pertaining to any rebates offered shall not be given effect to.

Sl. No.	Description of Deviation	Ref. of page, clause & Vol. No. of tender documents, item Nos.	Monetary implication of the condition in case of total withdrawal*	
			Rs. (in figures)	Rs. (in words)
1	2	3	4	5

Here, the tender should indicate the amount of money, if any, which he would, charge extra i.e. in addition to the rates quoted by him for withdrawal of his condition/ deviation and accepting the condition as stipulated in Tender documents.

(Signature).....
(Name).....
(Designation).....
(Seal).....

Date:..... Place:.....

Use additional sheets of the same format if necessary.

This will however not preclude the competent authority from:

- 1) Resorting to limited tender system by direct invitation from a limited number of firms or contractors (not less than four) whenever the estimated value of the work / supply is less than prescribed limit laid down in the delegation of powers for the purpose.
- 2) When there are sufficient reasons, which shall be recorded by the competent officer, for holding that it is not in public interest to call for tenders by advertisement.
- 3) When the competent officer is satisfied as recorded by him assigning specific reasons due to urgency or other sufficient grounds that it will be disadvantageous or uneconomical to the Board to resort to open tender by advertisement.
- 4) The tender notice shall include among other things:
 - i) The time and place when and where the contract documents can be seen, the authority from whom blank forms can be obtained and the amount to be paid for a set of plans specifications or other tender documents.
 - ii) To whom the tenders are to be submitted, the last date and time at which tenders are to be returned and by whom, when and where the tender shall be opened.
 - iii) The probable amount of contract, where such amount can be foreseen and where it is considered necessary to give the information the earnest money to accompany the tender and the amount and nature of security deposit required in the case of successful tenders.
- 5) **TENDER SPECIFICATION**

Tender specifications should be correctly and carefully drawn up so that there is no room for ambiguity about the correct type, size, packing etc. of the materials required in the case of contract purchase or the correct details of the work concerned in the case of contract works.
- 6) **THE LIMIT FOR THE RETURN OF TENDER**

In all cases of tenders, sufficient time shall be allowed for tenderers to come in. In fixing the date for receipt of the tenders the competent officer issuing the tender notification should take into account the time required for publicity, for the receipt of tender forms by the tenderers and for the preparation and despatch of tenders. Save in exceptional cases where supply or works are restricted to local contracts only, the minimum time allowed normally shall be 7 days in respect of urgent works or supply of value of Rs.25,000/- or less and otherwise it shall be 15 days. Atleast 21 days notice shall be given in respect of works or supply costing more than Rs.1 lakh upto 25 lakhs and subject to the minimum standard the competent officer may giving due consideration to the relevant factors prescribe the time. For works or purchases costing over Rs.25/- lakhs the minimum period should be 45 days but this may be relaxed by Board in emergent cases.

In all cases of invitation to tender, care should be taken to see that sufficient time is allowed to the tenderers. In fixing the date for the receipt of tenders, the purchasing officer should take into account the time required for publicity, for the receipt of the tender forms by the tenderers and the preparation and despatch of the tenders. Subject to the minimum time specified he may exercise his discretion in fixing the due date keeping in mind the nature and supply position of the articles required to be purchased.

7. POSTPONEMENT

Where the time limit for the return of tender is extended, due publicity shall be given to the extension of time in the same manner as in the case of tender invitation.

8. FIRMNESS OF TENDER

The invitation to tender should also specify a period during which the tenderers are to keep their rates firm. The time fixed for firmness of offer should be enough to cover the normal delay expected in processing the tenders and placing the final orders after going through all formalities. Long periods of firmness should however be avoided as it is likely to restrict the competition.

9. COST OF TENDER FORMS

Tender forms shall be supplied to intending tenderers at the rates prescribed by the Board provided however that the Board shall be competent to revise the rates as and when deemed necessary.

10. The tender documents mentioned above shall wherever necessary include.

- i) A complete set of drawing showing the general dimensions of the proposed work or materials. Details of various parts of articles to be supplied or works to be done should be clearly defined by specifications and drawings.
- ii) A complete specification of the work to be done and of the material to be used or supplies to be made unless reference can be made to some standard specifications.
- iii) A schedule of the quantities of various items of works to be done or supplies to be made.
- iv) A set of conditions of contracts to be complied with by the persons whose tender is accepted.

The Board shall for the purpose prescribe and maintain a set of general conditions of contract besides special conditions that may be prescribed to particular contracts giving due consideration to its salient features and these conditions shall in all respects be binding on the parties to the contract and shall also form a part of the agreement. The competent authority may however relax any of the conditions deemed unnecessary for sufficient reasons for a particular contract.

11. EARNEST MONEY

The Earnest Money shall be as per the scales and payment in the form prescribed by the Board. In the following cases the competent authority may exempt them from the payment of earnest money and consider the tender.

- a) Firms/Contractors of repute and standing
 - b) Firms whose names are on the Register of approved suppliers kept by the Materials Management and who are registered with the Director General of Suppliers and Disposals, New Delhi (except for Rate/Running Contracts)
 - c) Small Scale Industries, Cottage Industries and Industrial Co-operatives within the State which are certified as such by the Director of Industries and Commerce or by the Regional Joint Directors of Industries and Commerce.
 - d) Firms registered with the National Small Industries Corporation Limited, New Delhi in respect of which the Corporation issues competency certificate (except for Rate/Running Contracts)
 - e) Firms which have permanent earnest money deposited with the Board.
 - f) Govt firms / State Public Sector Industries.
12. i) The tenderer shall have free access to all contract documents and specifications.
- ii) No tender shall normally be issued without the appropriate contract documents and specifications having been prepared and approved by the competent authority and made available for ready examination by the tenderers.
- iii) All contract documents and specification shall be complete in all respects. The assistance, tools and plant or materials, if any, provided by the Board should be clearly stated and in the case of works when materials are supplied by the Board the terms and conditions of supply and such relevant details shall be furnished with no room for any ambiguity.

13. REJECTION OF TENDERS

- i) No tender shall be accepted from any person directly or indirectly connected with Government service, under the Board or a local authority.
- ii) No tender which is not in the prescribed form (where forms are prescribed) will be accepted.
- iii) No tender involving an uncertain or indefinite liability should be accepted without the previous consent in writing of the competent authority.
- iv) No tender which is not accompanied by the requisite earnest money (when earnest money is prescribed) will be accepted unless exempted by specific orders of the competent authority.
- v) No tender which is not properly signed will be accepted.
- vi) No tender from a black-listed firm or contractor will be accepted.
- vii) No tender received late will be accepted. Due allowance may however be given for delay in delivery by postal authority or other genuine reasons beyond the control of the tenderer.
- viii) Telegraphic tenders if received in time may be considered provided they are confirmed by detailed tender with the requisite formalities received within two days from the opening of the tender and also provided there is proof of its being posted before the opening date.

- ix) No tender subject to conditions not provided for in the tender specification shall generally be accepted.
- x) In case where the P.A.C is beyond the powers of the officers to award the contract, no negotiation after opening of tenders be made except with the prior approval of the Board.
- xi) Earnest money should be in the form specified by the Board as acceptable from time to time.

14. MODE OF RECEIPT OF TENDERS

Sealed tenders should only be invited with instructions to the tenderers to give such indication on the cover to make it distinguishable as to which enquiry the tender relates. Tenders may be received by registered post or in person. Dated initial with the time of receipt shall be noted in the cover by the Officer authorized to receive the same and they shall be kept in sealed boxes or lockers provided for the purpose after registering them in the Register of tenders immediately on receipt. The tenders thus kept under safe custody will be taken out only by the competent officer at the time of opening of tender.

15. OPENING OF TENDERS

The tenders shall be opened by the competent officer in the presence of another officer of the Board also at the declared time and place and the tenderers or their accredited representatives may be allowed to be present at the time of opening the tenders if they so desire. The tenders received should be serially numbered and entered in the register kept for the purpose and should be opened in the same order in which they have been received. The names of representatives present at the opening of tenders should also be entered in the Register. Late tenders should also be entered in the Register and the reasons for their inclusion or exclusion recorded in the remarks column.

The officer opening the tender shall initial each tender and also attest all corrections in each tender which have been made and initialed by the tenderers. If there are corrections in the tender unattested by the tenderer the officer shall make a note of the same in the tender itself. The officer shall also further cross-check the details of tenders received as per the register with those opened and recorded in the comparative statement of tenders.

If there are discrepancies between the rates in words and figures, the rates in words shall hold good. The officer receiving the tender shall record this in the tender duly attested. If there are discrepancies between the original and duplicate, the rates in the original shall hold good. If there are omissions only in the original and not in the duplicate the rates in the duplicate tender shall be accepted.

16. ANALYSIS OF TENDERS

A comparative statement shall be made out from the tenders received from various tenderers reduced to the same base to render it possible for the competent authority to make a final decision. Before the final decision is made the competent authority shall also examine the tenders received along with the comparative statement and satisfy that no further corrections other than those at the time of opening have been made and that the data furnished in the comparative statement is correct.

17. ACCEPTANCE OF TENDER

- i) In selecting the tender to be accepted due regard shall be given to the financial status of the tenderer, capability, security offered, service facilities, experience and record of service and of the relevant factors.
- ii) The various tenders should be compared with reference to price, quality, terms of delivery, terms of payment, etc.
- iii) In selecting a tender due care should be taken to examine whether the tender is in accordance with the specification required and if by accepting the tender further commitment for the Board are involved this may be worked out and considered to decide which is more economical
- iv) As far as possible firm price offers should be preferred to offers for price variation unless a ceiling limit for the variation is accepted. Price variation conditions without ceiling limit need be accepted only in very special cases and in unavoidable circumstances and in such cases where it is indispensable the standard price variation clause may be included.
- v) In the case of electrical and mechanical works and supply of materials the following further criteria shall also apply – Efficiency, Running cost, durability of materials, reliability of guarantee, necessity of repairs and attention, saving in spare parts due to standardization, suitability for the purpose in view, technical qualifications, reputation and standing of the contractor and agent.

18. Other conditions being equal the lowest tender shall be accepted and in case where the lowest tender is not accepted the reasons therefore should be recorded. The selection of tender shall however be made with due regard to the import policies and price preference allowed for indigenous product and products of industries in the State. (SSI units – 15%, Kerala Government Firms – 13%). Longer delivery or completion periods likely to cause direct or indirect loss to the Board may also be taken into consideration in accepting tenders.

19. ACCEPTANCE AND REJECTION OF TENDERS

- i) The submission of a tender in response to an invitation does not in any way make the Board liable to accept it. The Board is not bound to accept any tender or to assign reasons for the rejection of any tender and the decision of the competent authority shall be final.
- ii) When a tender is rejected on confidential grounds such information shall be recorded and kept confidential and no action for libel lie against the Board.
- iii) Where a lowest tender is rejected it shall be reported to the Board or to Chief Engineer and the reasons for such rejection shall be recorded and made available for audit if and when required.

20. AUTHORITY COMPETENT TO ACCEPT TENDERS

- i) The acceptance or rejection of tenders shall be decided by officers of the Board who are empowered to do so in this behalf and in accordance with the standing orders of the Board.

- ii) All tenders for the execution of work or purchase of stores the value of which exceed Rs.10,00,000/- and Rs.1/- lakh respectively will be reserved for consideration and acceptance by Board.
 - iii) In all cases requiring sanction of the Board, the recommendation for the finalisation of tender should be submitted to the Board within one month of the opening of the tender. If there is any unavoidable delay a report should be submitted within the above period giving reasons for the delay in finalising the tender and indicating the time by which the recommendation could be forwarded to the Board.
 - iv) In such cases requiring sanction of the Board the Chief Engineer will forward his recommendation with the tender documents, tabulation statements and relevant files to the Secretary of the Board through the Chief Accounts Officer who will verify and put up notes thereon. The Chief Accounts Officer should ensure transmitting the papers with his remarks without any delay keeping in view the last date upto which the tenders are valid. The Secretary will circulate the notes to the Accounts Member, Engineer Member and Chairman and after obtaining their views put up the proposals to the Board for its consideration and final orders.
21. In special cases or where large purchase are involved the Board may if deemed necessary constitute an adhoc committee consisting entirely of officers of the Board to scrutinize and make a report to the Board. (Purchase Committee/Selection Committee for World Bank Projects, etc)
22. The authority immediately superior to the authority competent to decide a tender may review periodically and the Board at all times such percentage of the contracts awarded call for an explanation of the awards where necessary and issue such directions as deemed necessary for future guidance besides the audit which will keep a watch on the propriety of contracts awarded. If the contract, even when it is within the purview of acceptance of an officer, is to be of very special nature, he should, before inviting tenders publicly submit the contract documents to his immediate superior for approval or remarks together with a copy of the proposed advertisement for tenders and the form in which tenders are to be submitted.
- The tender notices for works costing more than Rs.10 lakhs should be issued only with approval of the Board.
23. Notwithstanding the tenders having been invited, if the Board feels that the tenders are too high or that it is disadvantageous to award the contract confining to the tenders received alone, the Board shall be competent to reject all the tenders and do any one of the following:
- a) invite fresh tenders.
 - b) invite quotations on negotiated basis.
 - c) dispense with contract agency and execute the works departmentally.
24. When a tender has been accepted finally such acceptance shall be communicated to the successful tenderer in the most expeditious manner and in any case before the period of validity expires if such period of validity exists. A formal order should also be placed with the successful tenderer simultaneously. The order should be in clear terms furnishing the description, quantity, cost, term of payment and other relevant details of the work or supply. In the case of supply, the terms of delivery should be clearly specified and clear despatch instructions should also be given.

25. SECURITY AND AGREEMENT

The competent authority should arrange to take a security from the successful tenderer for the due fulfilment of the contract as per the scales approved by the Board and payment in the form prescribed by the Board for the purpose.

Provided however that the Board shall be fully competent to revise the scales for payment of security deposit as and when deemed necessary or to alter the form of payment.

- (a) (i) An agreement should be entered into with the successful tenderer embodying the conditions of the order clear in respect or all relevant details and providing for the penal clauses for any breach of the conditions of the contract by officers legally empowered to execute agreement on behalf of the Board. The competent authority executing the agreement shall ensure that terms of the agreement are clear and comprehensive so as to give no room for ambiguity or disputes on the interpretation of the clauses. The agreement shall be finalised in consultation with the Legal Adviser whenever necessary. Agreements wherever possible may be executed on one or other of the standard forms, but they may modified to suit the requirements of any particular case, or for works of great magnitude, after consulting the Legal Adviser of the Board. In cases where it is considered, that none of the standard forms can be used even with the suitable modification, the contract should be got prepared specifically by the Legal Adviser of the Board. When tools and plant or other materials for the work are provided departmentally the terms therefore including the place at which the materials will be delivered should be made clear in the agreement.
- ii) “In all cases of contracts awarded by the Board, supplementary Agreements if any found necessary or any variation or modification to the original or supplementary agreement shall be executed or made only after getting prior approval of the Board in writing”.
- (b) After placing the order the execution of the agreement should be got done as expeditiously as possible and as a rule no payment in respect of the contract shall be made unless warranted in special circumstances and with the concurrence of a higher authority, before execution of the agreement.
- (c) The security deposit shall be liable to forfeiture in case of breach or failure to perform the contract as per the terms of the agreement. But in other cases the security deposit shall be released or returned to the contractor within a maximum period of three months from the expiry of the period of contract or completion of work or the guarantee period as the case may be as per the terms of the contract.

In exceptional cases however the Board or the competent authority authorized by the Board may exempt a firm of established standing from the obligation of furnishing the security deposit or reduce the same or from the obligation to enter into an agreement but in no case shall exemption be granted to an individual contractor.

26. SAFE CUSTODY

Tenders and agreement in original shall be kept in the custody of the competent authority who decides the tender and copies thereof shall only be furnished to the persons and departments concerned.

27. These Regulations shall supercede all existing orders and rules in the matter of inviting, considering and accepting tenders.

Provided however that:

1. In matters not specifically covered hereunder the rules and standing orders of the Board relevant in that context shall apply; and
2. That all transactions entered in to in pursuance of the Rules and Standing Orders of the Board so far in the matter of inviting, considering and accepting tenders and awarding contracts shall be valid and binding on the parties concerned in all respects. Provided also that in the case of supply contracts costing above Rs.75 lakhs the system of pre-qualification bids prescribed in the schedule appended to these regulations shall mutatis mutandis be followed (B.O. No. Plg. 680/81/dt: 30-4-84.)

VOLUME II MATERIAL ACCOUNTING

PART IV PURCHASE RULES & REGULATION

CHAPTER II PUBLICITY REGULATIONS

- i) For works costing Rs.5000 and below tender notices will be published within the Division by sending them to all Sub Division offices, registered contractors of the Division and/or contractors of the locality.
- ii) For works costing above Rs.5000 and upto Rs.50,000/- the tender notices will be published in one Malayalam Daily with circulation of not less than 10,000 or in a daily having wider circulation in the district concerned.
- iii) For works costing above Rs.50,000/- and upto Rs.4 lakhs tender notices will be published in one Malayalam Daily of circulation above one lakh and in another paper having wide circulation in the district concerned. Copies or notices will be sent to all other Divisions in the Circle.
- iv) For works costing above Rs.4 lakhs upto Rs.10 lakhs tender notices will be published in two Malayalam Dailies of circulation of not less than one lakh and in two dailies having wide circulation in the district concerned. Copies of notices will be sent to all other divisions in the Circle and all Circles in the state where due publicity will be given especially among prospective tenderers in the locality.
- v) For works costing above Rs.10 lakhs tender notices will be published in two prominent English dailies in addition to publication in two Malayalam dailies of circulation over one lakh and in two dailies having wide circulation in the district concerned. Copies of the notices will be sent to all other Divisions in the Circle and all Circles in the State.
- vi) For supply of materials tender notices will be published as for Civil Construction Works except that for such proposals costing Rs.1 lakh and above tender notices will be published in one English daily also in addition to publication in Malayalam Dailies as in item (iii) above.
- vii) As far as possible tender notices for works falling under each category except category No. (i) costing less than Rs.5000/- will be clubbed together and published in a single notification so that separate advertisements for different works could be avoided. In such cases the basis for determining the nature of publicity will be the cost of each work and not the aggregate amount of several works. Whenever possible classified advertisement columns should be utilised in order to avoid utilization of extra space and reduce the charges for advertisement.
- viii) For works/supply of specialized nature notices should be published in News Papers having wide circulation also outside the State especially in places where from tenderers could be anticipated, so as to get the most competitive terms and consequent economy to the advantage of the Board.

VOLUME II	MATERIAL ACCOUNTING
PART IV	PURCHASE RULES & REGULATION
CHAPTER III	GENERAL CONDITIONS OF CONTRACT AND SCHEDULE FOR THE SUPPLY OF MATERIALS.

KERALA STATE ELECTRICITY BOARD

TENDER NOTICE

GENERAL CONDITIONS

Sealed tenders are invited for the supply of the materials as specified in the schedule below

1. The Tenders should be forwarded, IN DUPLICATE and addressed to the Chief Engineer (concerned), Kerala State Electricity Board, Vidyuthi Bhavanam, Trivandrum, in a sealed cover tender No. and name of the material duly superscribed thereon.
2. The tenders should be in the form prescribed for each tender which can be obtained from the Office of the Chief Engineer concerned Kerala State Electricity board, Vidyuthi Bhavanam, Trivandrum. **TENDERS WHICH ARE NOT IN THE PRESCRIBED FORM ARE LIABLE TO BE REJECTED.** Tenderers may use their own Form of tender, but this printed form **MUST** also be signed and returned In-TACT along with the tender. Tenders without this form completed and duly signed, will not be considered. The cost of tender forms as detailed below is payable in advance by money order or cash. The forms will not be sent by V.P.P. nor will cheques, drafts, postal orders or postage stamps be accepted towards the cost of the forms. The cost of the tender forms once paid is not refundable on any account, nor will the amount be adjusted towards cost of any other tender form. The tender forms are not transferable. Requisition for forms should be made in writing stating clearly the number and superscription details of the tender for which forms are required. If the amount towards cost of forms is sent by M.O. the following details should be clearly furnished in the M.O. coupon in the absence of which tender forms may not be issued:-

1. The number and superscription details of tender
2. Details of tender forms required, whether the original set and or the number of additional copies required, and
3. The full address of the dealer in whose name the forms are to be issued. The tender forms will be sent by registered Book Post to the dealers or will be handed over to the firms' representative in person in case they so desire. No complaint regarding non-receipt of forms will be entertained on any account, should the forms be lost in transit. Sale of the tender forms will be closed seven days before the due date of the tender. Requisition for tender forms should therefore reach this office not later than one week before the due date of the tender.

3. The rates quotations should be for the unit specified in the schedule attached and should be only in Indian currency. Quotations in any other currency will be liable to rejection. The column "Total" should also be correctly filled in.
4. Intending tenderers should send their tender so as to reach the Chief Engineer (Electricity) Kerala State Electricity Board, Trivandrum on or before the due date and time noted below. No tender received after the time specified below will be accepted on any account.
5. EVERY TENDER SHOULD BE ACCOMPANIED BY AN EARNEST MONEY OF 2 ½ PERCENT OF THE TOTAL COST OF THE ARTICLES TENDERED FOR. The earnest money required for all tenders of which the total cost of the materials quoted for is less than Rs.3000 will be Rs.30. The earnest money may be furnished in any of the following forms.
 1. Cash, Money Order or Bank Drafts.
 2. National Saving Certificates.
 3. Government Securities.
 4. Fixed Deposit Receipts issued by the State Bank of India or its subsidiaries.
 5. Fixed Deposit receipts of Scheduled Banks who deposit Government Securities as cover with the Board to the extent of 95% of the market value of the Securities lodged.
6. Any other Security accepted by the Board as EMD. Bank Guarantees for Rs.25,000/- in the form prescribed by this Board (Specimen form given in App. I here to) in lieu of permanent earnest money to cover all ordinary tenders to this Board and in conformity with the Bank Guarantee Scheme approved by the Reserve Bank of India in this behalf. Such a Bank Guarantee will normally hold good for any number of tenders given by the firm during its period of currency. Bank Guarantee towards earnest money for individual tenders will on no account be accepted. CHEQUES OR POSTAL ORDERS WILL NOT BE ACCEPTED. The Bank draft or the official receipt etc in support of the remittance or the M.O. receipts, as the case may be, must be enclosed with the tender so that it may reach the Chief Engineer concerned, Kerala State Electricity Board before the due date and time prescribed for the tender. TENDERS NOT ACCOMPANIED BY SUFFICIENT EARNEST MONEY WILL BE REJECTED. The earnest money of the unsuccessful tenderers will be returned as soon as possible after the tenders are settled, but that of the successful tenderers, will be adjusted towards, the security that will have to be deposited for the satisfactory fulfilment of the contract. No interest will be paid for the earnest money deposited. Bank Guarantees or other security deposited with the Secretary, Stores Purchase Department, (Kerala State) will not be accepted in respect of tenders submitted to this Board. Tenders which do not comply with the above will be rejected.
7. The tenders will be opened at 11 A.M on the next day in the presence of such of those tenderers or their representatives who may be present at the time. Details of price etc. will be read out to those present at that time and such details will not be furnished to the representatives if they call at a later date.
- 7 (a) The rates will be considered firm for acceptance till the date mentioned below. If any tenderer withdraws from his tender before the expiry of the period fixed for keeping the rates firm for acceptance, the earnest money deposited by him will stand forfeited to the Board.

- 7(b) Tender not stipulating period of firmness and tenders with price variation clause and/or “subject to prior sale” conditions are liable to be rejected.
- 7 (c) Tenders subject to conditions will not be considered. They are liable to be rejected on that sole ground.
8. Tenderers shall invariably specify in their tenders the delivery conditions including the time required for the supply of articles tendered for.
9. The final acceptance of the tenders rests entirely with the Chief Engineer, Kerala State Electricity Board, who does not bind himself to accept the lowest or any tender. But the tenderers on their part should be prepared to carry out order in respect of such portion of the supplies included in their tenders as may be allotted to them. In any case the decisions of the Chief Engineer, Kerala State Electricity Board, shall be final and no correspondence shall be entered into as to why a quotation was not accepted or why a portion of the item only was ordered for, etc.
10. In the case of materials of a technical nature the successful tenderer should be prepared to guarantee satisfactory performance for a definite period under a definite penalty.
11. The successful tenderer shall also execute an agreement in the form prescribed by the Board (specimen given in Appendix II) for the due fulfilment of the contract within period to be specified in the letter to the contractor and shall have to pay all stamp duty, lawyer’s charge, and other expenses incidental to the execution of the agreement. Failure to execute the agreement within the period specified will entail the penalties set out in para 12 below:
12. The successful tenderer shall before signing the agreement and within a fortnight after the acceptance of his tender has been intimated to him deposit a sum equivalent to 10 percent of the value of the contract (rounded to the nearest rupee) subject to a minimum of Rs. 30 in case the 10% value of contract falls below Rs.30 as security for the satisfactory fulfilment of the contract less the amount of the earnest money deposited by him along with his tender. The amount of security may be deposited in the manner prescribed in clause 5 supra. If the security is in the form of Bank Guarantee it should be in the prescribed form as per specimen given in Appendix III hereto. If the successful tenderer fails to deposit the security and execute the agreement as stated above the earnest money deposited by him will be forfeited to the Board and the contract advertised again at the defaulter’s risk; any loss incurred by the Board on account of the resale will be recovered from the defaulter who will however not be entitled to any gain accruing thereby.
13. The security deposit shall, subject to the conditions specified herein, be returned to the contractor within three months after successful termination of contract to the satisfaction of the Board. But in the event of any dispute arising between the Board and the contractor, the Board shall be entitled to deduct out of the deposits or the balance there of until such dispute is determined, the amount of such damage costs, charges and expense as may be claimed. The same may also be deducted from any other sum which may be due at any time from the Board to the contractor.

In the case of contract, with performance guarantee the Security Deposit shall, normally be released only after expiry of the period of guarantee. The security may however be released earlier after satisfactory completion of the supply, provided:-

- i) The supplying firms are long established in the line (In this matter, the opinion of the Board shall be deemed as final).
- ii) They give letter of undertaking that they guarantee remedying to the satisfaction of the Board all defects, etc., free of charge for the period of the guarantee:
- iii) They agree to the Boards recovering any dues on this account from any of their other claims that may be pending with the Board.

14. All payments to the contractor will be made by the Purchasing Officer in due course:-

- (a) Either by Board's cheques payable at the Kerala Government Treasuries.
- (b) Or by cheque on the State Bank of India, or its subsidiaries.

15. Ordinarily payment will only be made after the supplies are actually verified and taken to stock. If the tenderers require part payment against Railway Receipt or documentary proof of dispatch of material the same can be accepted only if the tenderer furnished a Bank Guarantee in a form approved by the Board (Specimen given to appendix IV hereto) from a Scheduled Bank for the advance amount involved. In this case Bank charges, if any, will be to the tenderer's account. The Bank Guarantee, must be as stated under para 5 in conformity with the Bank Guarantee Scheme approved by the Reserve Bank of India. The tenderers shall quote also the percentage of rebate (discount) offered by them in case percentage payments are made against documents and the balance within fifteen or thirty days.

16. The Contractor shall not assign or make over the contract or the benefits or burdens thereof or any part thereof to any other person or persons or body corporate. The contractor shall not underlet or sublet to any person or body corporate the execution of the contract or any part thereof without the consent in writing of the Chief Engineer (Electricity) Kerala State Electricity Board. The Chief Engineer (Electricity) shall have absolute power to refuse such consent or to rescind such consent any time, if he is not satisfied with the manner in which the contract is being executed and no allowance or compensation shall be made to the contractor or the Sub-contractor upon such rescission. Provided always that if such consent be given at any time the contractor shall not be relieved from any obligation, duly or responsibility under this contract.

17. In case the contractor becomes insolvent or goes into liquidation, or makes or proposes to make any assignment for the benefit of his creditors for the settlement of his debts or carries on behalf of this creditors or in case any receiving order or orders for the administration of his estate are made against him or in case the contractor shall commit any act of insolvency or in case in which under any clause or clauses of his contract, the contractor shall have rendered himself liable to damages amounting to the whole of his security deposits the contract, shall thereupon, after notice given by the Chief Engineer (Electricity) Kerala State Electricity Board to the contractor be determined and the Board may complete the contract in such time and manner and by such persons as the Chief Engineer (Electricity), Kerala State Electricity Board shall think fit. But such determination of the contract shall be without any prejudice to any right of remedy of the Board against the contractor of his sureties in respect of any breach of contract therefore committed by the contractor. All expenses and damages caused to the Board to any breach of contract by the contractor shall be paid by the contractor to the Board and may be recovered from him under the provisions of the Revenue Recovery Act in force in the State.

- 17 (a) The Contractors (persons) submitting tenders should produce a solvency certificate, clearly indicating to what extent they are solvent from the Tahsildar of the Taluk where they reside, along with their tenders.
18. In case the contractor fails to supply or deliver any of the said articles or things within the time provided for delivery as per stipulations and agreements here in contained, and on his part to be observed and performed then and in any such case, it shall be lawful for the Chief Engineer (Electricity), Kerala State Electricity Board (if he shall think fit to do so) to arrange for the purchase of the said articles and things else where or on behalf of the Board by an order in writing under the hand of the Chief Engineer (Electricity), Kerala State Electricity Board to put an end to this contract and in case the Board shall have incurred, sustained or been put to any costs, damages or expenses by reason of such purchases or by reason of this contract having been so put an end to or in case any difference in price, compensation, loss, costs, damages expenses or other money shall then or at any time during the continuance of this contract be payable by the contractor to the Board under and by virtue of this contract it shall be lawful for the Board from and out of any moneys for the time being payable or owing to the contractor from the Board under or by virtue of this contract or otherwise to pay and reimburse to the Board all such cost damages and expenses they may have sustained, incurred or been put to by reason of the purchase made else where or by reason of this contract having been so put an end to as aforesaid, and also all such difference in price, compensation, loss, cost, damages, expenses, and other moneys as shall for the time being, be payable by the contractor as aforesaid.
- 18 (a) In case any difference or dispute arises in connection with the contract, all legal proceedings relating to the matter shall be instituted in the Court within whose jurisdiction the Purchasing Officer voluntarily resides.
- 18 (b) In case, where a successful tenderer after having made partial supplies fails to fulfil the contracts in full, all or any of the materials not supplied may at the discretion of the purchasing officer, be purchase by means of another tender/quotation or by negotiation or from the next higher tenderer who had offered to supply already and the loss, if any, caused to the Board shall thereby together with such sums as may be fixed by the Board towards damages be recovered from the defaulting tenderer.
19. Every notice hereby required or authorized to be given may be either given to the contractor personally or left at his residence or last known place of abode or business or may be handed over to his agent personally or may be addressed to the contractor by post at his usual or last known place of abode or business and if so addressed and posted, shall be deemed to have been sufficiently served on the date on which in the ordinary course of mail a letter so addressed and posted would reach his place of abode or business.
20. The tenderer shall undertake to supply materials according to the standard samples and specifications.
21. No representation for enhancement of rate once accepted will be considered
- 21 (a) In the case of imported goods, when the price accepted is the ex-site price, quoted by the tenderer the benefit of any reduction in the C.I.F. Price should accrue to the Board.

22. Any attempt on the part of the tenderers or their agents to influence the Board in their favour by personal canvassing will disqualify the tenderers.
23. Tenderers should be prepared to accept orders, that in the event of their default to supply as ordered or failure to supply within the period stipulated in the order the security deposited under para 12 supra will be forfeited in respect of such belated supplies. The Board and or the Chief Engineer has also the option to refuse to accept the supply and also the further option that when belated supplies are accepted the price to be paid will be as settled by the Board or/and Chief Engineer whose decision will be final and the contractor will be further liable to pay 1% of value of materials supplied as liquidated damages for every week/month or part there of subject to a maximum of 10% of value of belated supplies. But where the actual damages is provided as exceeding this amount, the contractor is liable to pay such damages instead of the said 1% or 10% above stipulated.
- 23 (a) “Where due to any default of contractor in the execution of contract, the Board makes purchases on open market or after negotiation or after inviting fresh tender and settling with any of such tenderers, as per the discretion of the Board or its officers invested with powers to enter into such contracts the contractor will be liable to pay the Board the extra costs incurred by the Board and also other expenses defrayed”.
24. Samples sent by post, railway or plane freight prepaid should have been despatched before the due date of the tender and SHOULD BE RECEIVED IN THIS OFFICE NOT LATER THAN THREE DAYS FROM THE DUE DATE OF THE TENDER SAMPLES AND FROM LOCAL TENDERERS SHOULD BE DELIVERED BEFORE THE DUE DATE AND TIME OF THE TENDER. Tenders from firms whose samples are received late except in accordance with the above provisions will not be considered on any account. Samples if sent “freight to pay” will not be accepted. The R/R or other advise in respect of samples sent by Railway etc. should be sent separately and along with the tender as the tenders will be opened only on the due date and delay in clearing the parcels may entail demurrage charges. The samples of the unsuccessful tenderers should be collected by the tenderers. If they desire the sample to be sent back by post or railway the probable packing and other charges thereof should be remitted to the Board in advance along with a requisition in writing to return the samples in the manner required.
25. TELEGRAPHIC QUOTATION WILL NOT BE CONSIDERED UNLESS IMMEDIATELY FOLLOWED BY CONFIRMATION WITH FULL RELEVANT DETAILS AND SUFFICIENT EARNEST MONEY POSTED BEFORE THE OPENING DATE OF THE TENDER AND ARE RECEIVED WITHIN TWO DAYS OF THE OPENING.
26. The price quoted should be inclusive of all taxes, duties, etc. which are or may become payable by the contractor under existing or future laws or rules of the country of origin supply. During the course of execution of the contract in the absence of specific stipulations to the contrary in the tenders, it will be assumed that the prices quoted are inclusive of all such taxes, duties etc. and extra claims therefore will not be accepted.
- 26 (a) In case payment of customs/excise duty is to be made by the Purchasing Officer, the Purchasing Officer will pay the duty on the “unloaded invoice price” only in the first instance, any difference being paid when the tenderer produces the final assessment orders later.

27. If any tenderer has Rate Running Contract with the Director General of Supplies & Disposals New Delhi, for the supply of any of the items of stores mentioned in the schedule hereto, a copy of the same should be enclosed with the tender.
28. Special conditions, if any mentioned in the quotation of the tenderer or in any other communication from him will not be applicable to the contract unless they are expressly accepted in writing by the purchaser.
29. Small Scale Industries and Cottage Industries within the State, which are certified as such by the Director of Industries and Commerce will be exempted from furnishing earnest money against tenders and Security Deposit against contracts for Supply of Store manufactured by them. In respect of security deposits the soundness and reliability of the concerns to undertake the contract should also be certified by the Director of Industries and Commerce.
30. Tenderers shall clearly specify whether the goods are offered from indigenous sources, from imported stocks in India or from foreign sources to be imported under a license. The Board reserves the right to reject offers for import of goods if the Import Trade Control Policy in force at the time of award of the contract prohibits or restricts such imports.
31. Even in case where no alternate purchases are arranged for the materials not supplied the proportionate portion of the Security Deposit based on the cost of the materials not supplied at the rates shown in the tender of the defaulter shall be forfeited and balance alone shall be refunded.
32. All incidental expenses incurred by the Board for making payments outside the District in which the claim arises shall be borne by the contractor.
33. The tenderers shall quote also the percentage of rebate or discounts offered by them in case the payment is made promptly within fifteen days/within one month of taking delivery of stores.
34. Any sum of money due and payable to the Contractor (including Security Deposit returnable to him) under this contract may be appropriated by the Purchasing Officer or the Board or any other person authorized by the Board and set off against any claim of the Purchasing Officer or the Board for the payment of a sum of money arising out of or under any other contract made by the contractor with the Purchasing Officer or the Board or any other person authorized by the Board.
35. "The tenderer should sent along with his tender an agreement executed and signed in Kerala Stamp Paper worth Rs.15/-. A specimen form of agreement is given below as Appendix V of this tender. Tenders without the agreement in stamped paper will be rejected outright. But in deserving cases where agreement has not been received the Purchasing Officer may exercise his discretion and call upon such tenderer to execute the agreement within a period of ten days from the date of issue of such intimation, if the Purchasing Officer is satisfied that the omission to forward the agreement along with the tender was due to causes beyond the control of the tenderer and was not due to any negligence on his part. Agreement received from a tenderer after the above time limit will not be considered".

36. Tenderer will invariably furnish the following certificates with their bills for payment.

“Certified that the Goods on which Sales Tax has been charged have not been exempted under the Central Sales Tax Act or the State Sales Tax Act or the rules made there under and the charges on account of Sales Tax on these goods are correct under provisions of the relevant Act or the rules made there under. Certified further that we (or our Branch or Agent) are registered as dealers in the sale of

Under registration No.....
For purpose of Sales Tax”

37. The courts situated at the place where the headquarters of the Board is situated, viz, Trivandrum alone will have jurisdiction to entertain civil suits pertaining to this contract.

(SIGNED)

Chief Engineer

Office of the Chief Engineer
Kerala State Electricity Board
Vydyuthi Bhavanam
Pattom, Trivanandrum-4.

APPENDIX 1

FORM OF BANK GUARANTEE

In lieu of Permanent Earnest Money

Guarantee No

Place & Date

To

(Here enter designation of Head of Department)
KERALA STATE ELECTRICITY BOARD, TRIVANDRUM

In consideration of the (Here enter designation of the Officer) Kerala State Electricity Board (hereinafter referred to as “the Board”) in having allowed Messrs..... (here enter name of the firm) (hereinafter referred to as “the contractor”) to submit tenders to him during a period of one year from this date without earnest money for each tender according to the condition of each tender notification, We.....

(Here enter name of Bank) a Company incorporated under Act and having registered office at(hereinafter referred to as “the Bank”) agree with the Board as follows:

Ist, The Bank guarantee to pay without question to the Board on demand at Trivandrum the sum or sums of money payable as earnest money in respect of any tender or tenders made by the Contractor during the period of one year from(here enter date) in case in which the contractor withdraws the tender before the date of firmness stipulated or when the tender is accepted by or on behalf of the Board, the contractor makes default in furnishing security deposit or in entering into an agreement as required by the Board. As to whether the occasion or ground has arisen for such demand the decision of the Board shall be final.

2nd. The guarantee shall be enforceable against the Bank even if any negotiable Instrument shall be outstanding against the Bank at the time of proceedings.

3rd. To give effect to this guarantee the Board shall be at liberty to act as though the Bank were the Principal debtors.

4th. This guarantee shall not be avoided, released or affected by any variation in the terms of the tender, acceptance or agreement as between the contractor and the Board or any indulgence of grant of time by the Board to the contractor.

5th. This guarantee shall remain in full force and effect notwithstanding any neglect or forbearance or delay in the enforcement of any of the terms of tender between the Board and the contractor.

6th. The liability of the Bank under this Guarantee shall not exceed Rs.....
(Rupees) in respect of an one tender or a number of tenders.

7th. This guarantee will be in force for a period of one year from
(here enter the date shown in clause I and will hold good for all tenders submitted to the Board by the contractor during the said period.

8th. Sri.....(here enter name and designation) has got full authority under(if the authority is under a resolution the name and date of the same should be specified, if the authority is vested as per the provisions contained in any Act, Rules or Bye-laws, the number of the Section, of Rules or Clause as the case may be, should be specified) to executed this guarantee.

Dated thisday of19

Signature

Designation

Seal of the Bank

APPENDIX II FORM OF AGREEMENT

Articles of Agreement made the
day of between
Sri.....Chief Engineer, Kerala State
Electricity Board, Trivandrum acting for/on behalf of K.S.E. Board (hereinafter called the
“Board”) on the one part and Sri.....
.....
.....of.....
.....and.....

Company Limited incorporated under theand
having its registered Office at(hereinafter
called the Contractor) on the other part.

WHEREAS the contractor has tendered for the supply of articles for the use of the Board as per Tender notification No.....
Dated.....

And WHEREAS the Board have been pleased to accept the contract in respect of the articles mentioned in the copy of order attached.

And WHEREAS the contractor has as security for the satisfactory fulfilment of this contract, deposited Rs.....
i.e. a sum equal to percent of the value of the contract as per Bank Draft No.....dated.....
Bank Guarantee No..... dated..... of the
..... Bank duly approved by the Board.

Now these presents witness and it is hereby mutually agreed as follow:-

1. The contractor shall undertake to supply material according to the standard samples and specifications. In other cases he should send samples to conform to the description given in the schedule when required to do so. Approved samples will not be paid for and shall become the property of the Board, but may at the discretion of the Board be returned to the contractor whose tender is accepted, on the completion of his contract. All samples must be clearly labelled to show to what particular items tendered for they relate and should be of sufficient size and quantity to enable the Electricity Board to compare supplies therewith.
2. No representation for enhancement of rates once accepted will be considered.
3. The approximate quantities to be supplied are shown in the copy of order No.....herewith attached, which shall be treated as a part of this agreement, as nearly as can be foreseen, but they are merely estimates of quantities that may be required for general guidance of tenderers, and the Board in no case bind itself to purchase any quantity at all during the period of contract if no necessity arises therefore, but the Contractor shall supply that article up to 15 percent, in excess of the estimated quantity quoted, and in the event of his inability to do so, or to offer a suitable alternative to the satisfaction of the Board, the Board is at liberty to purchase the articles or an article of similar quality from elsewhere and should the price of the articles so purchased be in excess of the tendered rate to deduct the difference of cost from the contractor's bills or his security deposit, as the case may be. The contractor shall not however be entitled to the excess, if any of the tendered rate over such purchase amount.
4. In case the Contractor fails to supply and deliver any of the articles and things tendered for by him within the time provided for delivery of the same or in case the contractor commits any breach of any of the covenants, stipulations and agreements herein contained, and on his part to be observed and performed, then and in any such case, it shall be lawful for the Board (if it shall think fit to do so) by an order in writing to put an end to this contract, and in case the Board shall have incurred, sustained or been put to any costs damages or expenses by reason of this contract having been put an end to or in case any difference in price, compensation, loss, costs, damages, expenses or other money shall then or at any time during the continuance of

this contract be payable by the contractor to the Board under and by virtue of this contract it shall be lawful for the Board from and out of any moneys for the time being payable or owing to the contractor from the Board under or by virtue of this contract or otherwise to pay or been put to by reason of this contract having been so put an end to as aforesaid, and also all such difference in price, compensation, loss, costs, damages, expenses and other moneys as shall for the time being be payable by the contractor aforesaid.

5. Every notice hereby required or authorized to be given may be either given to the Contractor personally or left at this residence or last known place of abode or business or may be handed over to his agent personally or may be addressed to the Contractor by Post at his usual or last known place of abode or business; and if so addressed and posted shall be deemed to have been served to the contractor on the date on which in the ordinary course of Post, a letter is addressed and posted would reach his place of abode or business.
6. All payments to the Contractor will be made in due course:-
 - (i) either by the Board's cheques payable at the Government Treasuries.
 - (ii) or by cheques or drafts on the Reserve or State Bank of India, Trivandrum or at any of its principal branches in India:
 - (iii) or in the case of supplies from the United Kingdom by drafts as may be arranged between the contracting parties.
7. The contractor shall not assign or make over the contract or the benefits or burdens thereof or any part thereof to any other person or persons or body corporate. The Contractor shall not underlet to any person or persons or body corporate the execution of the contract or any part thereof without the consent, in writing, of the Board. The Board shall have absolute power to refuse such consent or rescind such consent (if given) at any time, if they are not satisfied with the manner in which the contract is being executed and no allowance or compensation shall be made to the contractor or the sub-contractor upon such rescission. Provided always that if such consent be given at any time, the contractor shall not be relieved from any obligation duty or responsibility under this contract.
8. In case the contractor becomes insolvent or goes into liquidation or make or proposes to make any assignment for the benefit of his creditors or proposed any composition with his creditors for the settlement of his debts, or carries on his business or the contract under inspection on behalf of his creditors, or in case any receiving order or orders for the administration of his estate are made against him, or in case the Contractor shall commit any act of insolvency, or in case in which, under any clauses of this contract, the Contractor shall have rendered himself liable to damages amounting to the whole of his security deposits, the contract shall thereupon, after notice given by the Chief Engineer, Kerala State Electricity Board, to the Contractor, be determined and the Chief Engineer, may complete the contract in such time and manner and by such person as the Board shall think fit. But such determination of the contract shall be without any prejudice to any right of remedy of the Board against the Contractor or his sureties in respect of any breach of contract committed by the Contractor.
9. All expenses and damages caused to the Board by any breach of all or any of the terms of this contract by the Contractor shall be paid by the Contractor to the Board, and may be recovered from him.

- 9 (a) The Contractor agrees that final payment will be made only on production of tax clearance certificates relating to Agricultural Income tax, Sales tax and Income Tax by him.
10. The Security Deposit shall, subject to the conditions specified herein be returned to the Contractor within three months after the expiration of the contract: but in the event of any dispute arising between the Electricity Board and the Contractor, the Board shall be entitled to deduct out the deposits or the balance thereof, until such dispute is determined the amount of such damages, costs, charges and expenses as may be claimed; the same may also be deducted from any other sum which may be due at any time from the Board to the Contractor.
11. The Contractor hereby declares that the goods/stores/articles sold to the buyer under this contract shall be of the best quality (and workmanship) and shall be strictly in accordance with the specifications and particulars contained/mentioned in the copy of the Order mentioned in clause 3 hereof and the Contractor hereby guarantee that the said goods/stores/articles would continue to conform to the description and quality aforesaid for a period of days/months from the date of delivery of the said goods/stores/article to the Board and that notwithstanding the fact that the Board (Inspector) may have inspected and/or approved the said goods/stores/articles, if during the aforesaid period of days/months the said goods/stores/articles be discovered not to conform to the description and quality aforesaid or have deteriorated and the decision of the Board in that behalf will be final and conclusive the Board will be entitled to reject the said goods/stores/articles or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection of goods/articles/stores will be at the contractor's risk and all the provisions herein contained relating to rejection of goods shall apply. The contractor/seller shall, if so called upon, do replace the goods or such portion thereof as is rejected by the Board. Otherwise the Contractor/Seller shall pay to the Board such damages as may arise by reason of the break of the conditions herein contained. Nothing herein contained shall prejudice any other right of the Board in that behalf under this contract or otherwise.
12. The terms & conditions given in this agreement and/or the Order referred to in Clause 3 above shall supercede all the terms and conditions contained in the tender/quotation submitted by the contractor or in the covering letter forwarding the said tender/quotation. Where the contractor's terms and conditions are at variance with this agreement and/or the order for the supply, the latter shall prevail.
13. In case where a successful tenderer after having made partial supplies fails to fulfil the contracts in full, all or any of the materials not supplied may at the discretion of the purchasing officer be purchased by means of another tender/Quotation or by negotiation from the next higher tenderer who had offered to supply already and the loss if any, caused to the Board shall thereby together with such sums as may be fixed by the Board towards damages be recovered from the defaulting tenderer
14. Even in cases where no alternate purchases are arranged for the materials not supplied, the proportionate portion of the security deposit based on the cost of the materials not supplied at the rate shown in the tender of the defaulter shall be forfeited and balance alone shall be refunded.
15. The Courts situated at the place where the headquarters of the Board is situated, viz, Trivandrum alone will have jurisdiction to entertain civil suits pertaining to this contract.

In witness thereof the parties hereto have hereunto set their hands the day and year first above written.

Signed, sealed and delivered

By.....
.....Chief Engineer, acting for and on behalf of
the Kerala State Electricity Board.

In the presence of:

Witness 1.

2.

Signed, sealed, and delivered

By.....

In the presence of:-

Witness:-1

(Contractor)

APPENDIX III

GUARANTEE BOND

(To be used by approved Scheduled Bank)

In consideration of the Kerala State Electricity Board (hereinafter called 'the Board') having agreed to exempt
..... (hereinafter called "the said Contractor(s)") from the demand under the terms and conditions of an Agreement to be executed datedas per order made between and.....
for.....
(hereinafter called 'the said Agreement') or security deposit for the due fulfilment by the said Contractor (s) of the terms and conditions contained in the said Agreement on production of) Bank guarantee for Rs.....
(Rs.....only).
We..... Bank (herein after referred to as 'the Bank') do hereby undertake to pay to the Board an amount not exceeding Rs.....(Rs.....
.....only) against any loss or damage caused to or suffered by or would be caused to or suffered by the Board by reason of any breach by the said Contractor (s) of any of the terms and conditions contained in the said Agreement.

- 2. We.....Bank do hereby undertake to pay the amounts due and payable under the guarantee without any demur, merely on a demand from the Board by reason of any breach by the said Contractors(s) of any of the terms and conditions contained in the said Agreement or by reason of the Contractor's failure to perform the said Agreement. Any such demand, made on the Bank shall be conclusive, as regards the amount due and payable by the Bank under the guarantee. However, our liability under this guarantee shall be restricted to an amount no exceeding Rs.....

3. We..... Bank further agree, that the guarantee herein contained, shall remain in full force and effect during the period that would be taken for the performance of the Agreement and that it shall continue to be enforceable till all the dues of the Board under or by virtue of the said Agreement have been fully paid and it claims satisfied or discharged or till the Chief Engineer of K.S.E. Board in charge of the work, certified that the terms and conditions of the said agreement have been fully and properly carried out by the said Contractor (s) and accordingly discharges and guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before thewe shall be discharged from all liability under the guarantee thereafter.
4. We Bank further agree with the Board that the Board shall have the fullest liberty, without affecting in any manner or obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said Contractor (s) from time to time or postpone for any time or from time to time any of the powers exercisable by the Board against the said Contractors (s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension or forbearance being granted or allowed to the said Contractor (s) or for any of the forbearance act or omission on the part of the Board or any indulgence by the Board to the said Contractor (s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of so relieving us.
5. To give effect to the guarantee it shall be competent for the Board to so act, as though the Bank were the principal debtor.
6. it is hereby expressly agreed and declare that this guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of or substitution for any former or other guarantee or guarantee-here-to-fore-given by the Bank to the Board and now existing uncanceled and this guarantee is not intended to and shall not revoke or limit such other guarantee or guarantees.
7. We..... Bank lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Board in writing.

Dated the day of
for.....Bank.....

APPENDIX IV
FORM OF BANK GUARANTEE
(for advance payment)

Whereas the Kerala State Electricity Board, Trivandrum (hereinafter called the 'purchaser') has placed an order with Messers.....(hereinafter called the 'Contractor') in the terms of the Chief Engineers order No..... and the Contractor's acceptance No..... for the supply of and whereas one of the conditions of the agreement made to be executed as per order no.....date..... is that the Board should make advance payment of% of the contract cost excluding taxes of the materials despatched against Bank Guarantee Scheduled from a Bank together with the despatch documents for a sum equal to the amount of payment.

In consideration of the Board having agreed to pay to the Contractor such advance payment as aforesaid in accordance with the terms of the agreement, the (Bank) hereby undertake that it will in the event of Contractor, failing to deliver the materials in accordance with the conditions of the agreement, pay to the Board on demand any sum or sums which may from time to time be demanded by the Board after the date there of upto a maximum of Rs.....(Rs.....) being the amount of.....% advance payment, which at the date of the demand by the Board has been paid as aforesaid and which has not under the terms of this or any other undertaking been reimbursed.

This undertaking is not revocable by notice but will continue with full force until (a) payment has been made to the Board by the Bank, of aggregate amount payable hereunder or (b) delivery of all items of the contractor's acceptance of order No..... to the Board in accordance with the conditions of the agreement, whichever shall first occur.

Notwithstanding any of the foregoing provisions contained in this contract, it is understood that the guarantee shall not continue to be in force beyond.....months from the date of execution hereof.

In Witness thereof we have hereunto set our hand and seal thisday of One thousand nine hundred and

Date:

Place:

Witness

- 1.
- 2.

APPENDIX V

AGREEMENT

Articles of agreement executed on this
the day of One thousand nine hundred and
Between the Kerala State Electricity Board acting through (here enter the designation of the officer who have invited this tender)..... (hereinafter referred to as “The Board”) on the one part and Sri.....(here enter name and address of the tenderer hereinafter referred to as “The bounden” on the other part).

WHEREAS in response to the invitation for tenders contained in Notification No..... date.....inviting tenders the bounden has submitted to the Board a tender for the..... specified therein subject to the terms and conditions contained in the said tenders:

WHEREAS the bounden has also deposited with the Board a sum of Rs.....as earnest money of execution of an agreement undertaking the due fulfilment of the contract in case his tender is accepted by the Board.

Now THESE PRESENTS WITNESS and it is hereby mutually agreed as follows:

1. In case the tender submitted by the bounden is accepted by the Board and the contract foris awarded to the bounden, the bounden shall withindays of acceptance of this tender execute an agreement with the Board incorporating all the terms and conditions under which the Board accepts his tender.
2. In case the bounden fails to execute the agreement as aforesaid incorporating the terms and conditions governing the contract the Board shall have power and authority to recover from the bounden any loss or damages caused to the Board by such breach as may be determined by the Board, appropriating the earnest money deposited by the bounden and if the earnest money is found to be inadequate, the deficit amount may be recovered from the bounden and his properties, movable and immovable, also in the manner hereinafter contained.
3. All sums found due to the Board under by virtue of this agreement shall be recoverable from the bounden and his properties, movable and immovable under the provisions of the Revenue Recovery Act for the time being in force as though such sums are areas of land revenue and also in such other manner as the Board may deem fit.

In witness where of Sri.....(here enter name and designation) for and on behalf of the Board and Sri.....the bounden have hereunto set their hands the day and year shown against their respective signatures.

Signed by Sri.....(date)

In the presence of witness.

- 1.
- 2.

Signed by Sri.....(date)

In the presence of witness.

- 1.
- 2.

KERALA STATE ELECTRICITY BOARD

No. P.III-33/89/77/

Board Secretariat,
Dt: 31-12-1977.

CIRCULAR

Sub:- Purchase of Stores – basis of assessment – regarding:

The Accountant General, Kerala has observed that in very many cases, the tender files do not contain particulars/details of the purpose for which the purchase was proposed, the basis of assessment of the quantity, the existing stock position, the period during which the stores would be consumed, etc. This often results not only in protracted correspondence by audit but also in materials being bought long in advance of requirements involving of blocking up of borrowed capitals. Every purchase officer who has to purchase store should hereafter satisfy himself that rules in this regard are scrupulously followed and that proper assessment is made taking into account the above dates which should be on record and made available to audit for scrutiny whenever required.

By Order
SECRETARY

To
All Concerned.

KERALA STATE ELECTRICITY BOARD

Trivandrum

No. PA/CE (MM)/83.

Dated: 26-7-1983.

CIRCULAR

Sub:- Purchase Committee Meeting – Forwarding of proposals –

Ref:- This office circular of even No. dated 11.6.1982 to the Chief Engineers.

Purchase proposals from all the Chief Engineers, both Electrical as well as Civil, are to be forwarded to the Chief Engineer (Materials Management) – the convenor of the Purchase Committee Meeting – in the prescribed proforma A, B, C & D attached herewith. But often it is seen that sufficient copies of accompaniments in the prescribed forms are not received in this office in time causing delay and inconvenience for placing those proposals in the Purchase Committee Meeting.

All Chief Engineers are requested to ensure that the purchase proposals with the relevant files are forwarded to the Financial Adviser and Chief Accounts Officer and his remarks obtained. Five copies of the complete purchase proposals are then to be forwarded to this office with five copies of the Financial Adviser and Chief Accounts Officer's remarks (and replies, if any) for placing before the Purchase Committee. Extension of validity may be arranged as a matter of course until the decision of Purchase Committee is made and communicated.

Sd/-
Chief Engineer (MM).

Acc: As above

To

The Financial Adviser and Chief Accounts Officer, K.S.E. Board, Trivandrum. Kindly ensure that purchase proposals received from Chief Engineers are returned to them with your remarks.

ABSTRACT SHEET

Tender No.	Name of Material	Quantity
------------	------------------	----------

- 1) Date of invitation of tender
- 2) Date of opening
- 3) (a) Date of expiry of validity as per enquiry.
(b) Date of expiry of validity earliest as per tenders received.
- 4) Amount of tender
- 5) No. of Tender forms issued
- 6) No. of Tenders received
- 7) Date of recommendation to the Board.
- 8) Date of Board Order.

CHIEF ENGINEER.

PROFORMA-B

KSEB

COMPARATIVE STATEMENT OF OFFERS RECEIVED AGAINST TENDER NO.....IN THE ORDER OF
CHEAPNESS FOR THE SUPPLY OF

QUANTITY TENDERED

				Details of Elements computed for arriving at the level Down Rate																
Serial Number	Number of Tenderer	Name of Firm	Brand Name	Quoted rate	Excise Duty	Sales Tax	Packing and Forwarding	Freight	Insurance	Total Levelled Down Rate	Rate for the purpose of comparison after allowing for price preference if any	Terms of Delivery	Terms of payment	Groups if any in the opinion of C.E. tender rejection of the order	Nature of sample and test certificate	ISI Marks if any	Nature of past dealings if any	Discount Or Rebate	REMARKS	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	

CHIEF ENGINEER

PROFORMA – C

K S E B

TENDER NO..... FOR THE SUPPLY OF

HISTORY OF LAST PURCHASE MADE AND THE POSITION OF STOCK

Details of specification	Quantity tendered	Name of firm to whom order was placed	Order No. and Date	Quantity ordered	Rate Rs.	Qty. to far supplied	Probable date of expectation of supply	Position of stock	Total Qty. on order
1	2	3	4	5	6	7	8	9	10

CHIEF ENGINEER.

PROFORMA – D

TENDER NO.

DETAILS OF BUDGET PROVISION

- a) Budget provision for the year 19.....19.....
- b) Amount for which the field officers are expected to place order.
- c) Value of materials expected to be received during the year in respect of orders placed prior to the current year.
- d) Total of (b+c)
- e) Amount available for placing order by CE (a-d)
- f) Amount required for payment for the order placed during the current year so far.
- g) Balance available.
- h) Amount required for payment during the current year for finalizing the subject tender.
- i) Balance available for the orders to be placed during the current year.

CHIEF ENGINEER.

No.ECA-I/G/5-G1/142

Office of the Accountant
General – II (Audit),
Trivandrum, Dt: 9-8-1984.

From

The Accountant General – II (Audit), Kerala.

To

The Chairman,
K.S.E. Board,
Trivandrum.

Sub:- Furnishing of files of tenders exceeding Rs. One crore.

Sir,

Please refer to Sec. 69 of the Electricity (Supply) Act 1948. It has now been decided by the Comptroller and Auditor General of India that all the files and tenders connected with the purchases exceeding Rs.1 Crore shall be reviewed in Central Audit by the higher authorities apart from the scrutiny thereof during the course of local audit. It is, therefore, requested that suitable instructions may please be issued so that files relating to purchases exceeding Rs. One crore finalized by the Board (including those finalized by Chief Engineer (Distribution, North) Kozhikode and Chief Engineer (Idamalayar), Kothamangalam) are made available to this office for review as soon as the purchase order is placed.

Arrangements may also please be made to furnish every month list of purchase orders with a value of Rs.25 lakhs and above placed by the various offices of the Board, so that scrutiny of the relevant files in audit by Senior Officers is arranged promptly. It is requested that suitable instructions may be issued to ensure prompt submission of the files to audit for Central scrutiny and the fact may please be communicated early to this office as a report on this is due to the Comptroller and Auditor General of India.

Yours faithfully,

Sd/-

(G.R. SRINIVASAN)

Sr. Deputy Accountant General(IC)

Endt. On C III-12419/84 dated 25-8-1984.

Copy communicated to all the Chief Engineers and Financial Adviser and Chief Accounts Officer for compliance.

Sd/-

For Secretary,
Kerala State Electricity Board.

VOLUME II MATERIAL ACCOUNTING

PART IV PURCHASE RULES AND REGULATIONS

CHAPTER IV REGISTRATION OF APPROVED SUPPLIERS

1. List of approved suppliers:-

The Chief Engineer, Materials Management, will maintain the list of approved suppliers who are registered for supply of materials in the Board in the Electrical Wing from time to time.

2. Eligibility for registration:-

Registration will be given only to manufacturing firms and in case they are not marketing their products directly, their sole selling agents will be eligible for registration. When an Agent is registered, the identity of the Agent should be declared by the Manufacturer of the Material.

3. Limitation for registration:-

Registration will not be given more than one firm owned by the same proprietor for the same item.

4. Date from which registration is effected:-

Registration facility will be kept open throughout the year. Initial registration period will be reckoned from the date of issue of registration.

5. Application for registration:-

Every firm which wants to register its name should apply for registration in the Board's prescribed form. The cost of application form is fixed as Rs.10/-. The application Form can be obtained from the Chief Engineer, Material Management, K.S.E. Board, Trivandrum – 695004 on payment of the above amount by DD.

6. Documents to accompany application:-

Every applicant is required to produce the following documents alongwith his application.

- i. Attested photocopy of income tax and sales tax clearance (or exemption) certificate issued on a date not earlier than one year from the date of application.
- ii. Attested photocopy of registration certificate (if registered under companies Act or Partnership Act)
- iii. Attested true copy of Memorandum and Articles of Association.
- iv. List of supply orders executed by the applicant firm in favour of Central and State Government, Public Sector Undertakings and Electricity Boards for the three years immediately proceeding the date of application.

- v. List of materials for which registration is sought for.
- vi. A Bank Guarantee for amount to suit category of supplier A/B/C as shown below:
(B.G. to be furnished on request See Rule 7).

<i>Category</i>	<i>Amount of Bank Guarantee</i>	<i>Exempted from EMD and Security Deposit for orders upto :</i>
Class "A"	Rs. 2 lakhs	Any value
Class "B"	Rs. 1 lakh	Above Rs.10 lakhs and upto Rs.50 lakhs
Class "C"	Rs.50,000	Upto Rs. 10 lakhs.

(Government undertakings and SSI Units within Kerala State are exempted from the provision)

- vii. Attested Photostat copies of test certificates for the items for which registration is required (issued during the two years immediately preceding the date of application) from any of the National or Recognised Testing Laboratories.

7. Registration fee:-

- (1) Every applicant shall pay an amount of Rs.1000/- (one thousand only) as Application fee for Registration. In the case of Small Scale Industries and Cottage Industries within Kerala and companies owned by the Central Government or any State Government the application fee payable is Rs.500/- (five hundred only). This application fee is not refundable even if registration is not granted.
- (2) A certificate issued by the Director of Industries and Commerce or other appropriate authority will be accepted for the purpose of classification as Small Scale Industry/Cottage Industry. Industrial Co-operatives will be included under Small Scale Industries if they are certified as such by the appropriate authority.

8. Procedure for issuing registration:-

Every application for registration will be considered on merits. Each applicant is required to furnish all the information required in the application form with all the documents required. If the application received is in order and satisfies the criteria for registration, the Chief Engineer, Materials Management, will request the applicant to furnish permanent security deposit in the form of Bank Guarantee required for the appropriate category under rule 6. On furnishing the security deposit the applicant will be registered and Registration Certificate issued. An applicant is eligible for registration for any number of items of material with the same Bank Guarantee. As regards non-registered items, a registered firm will be exempted from payment of E.M.D. but he will have to furnish separate security deposit if an order is placed on him for non-registered item.

9. Period of registration and renewal

The period of validity of initial registration is fixed as two years from the date of issue of registration certificate. This will have to be renewed for further periods of two years each. Request for renewal has to be received 30 days before the expiry of the current registration. The name of the firm will be removed from the list of registered firms on the expiry of two years from the date of registration/renewal if the renewal application is not received before 30 days of expiry. In such cases the firm will have to apply for registration afresh as if it is initial registration. The application form for renewal will be issued along with the registration certificate. The application fee for renewal is fixed at Rs.500/-. In the case of SSI/Cottage Industries within Kerala and companies owned by Central Government or any State Government this will be Rs.250/-. The renewal application fee is not refundable even if renewal of registration is not granted. The renewal application has to be accompanied by:

- (a) income tax and sales tax clearance certificate issued not earlier than one year from the date of application of renewal (Attested Photo copy).
- (b) list of contracts received and executed during the registration period.
- (c) attested photo copies of documents showing changes in ownership, constitution, etc., if any.
- (d) renewal of Bank Guarantee for permanent security deposit.
- (e) attested Photostat copies of test certificates of the product issued during the period of two years immediately preceding the date of renewal application, from any of the National or Recognised Testing Laboratories.

Those already holding valid registration of the Board as on 31-3-1984 need pay only the renewal fee as specified above.

10. Addition of items in the registration certificate:-

During the validity period of registration, any firm can get a new item included in the certificate of registration if it furnishes the necessary test certificate of the product, issued within a period of two years immediately preceding the date of firm's request together with the copies of supply orders for the item executed by it during the three years preceding such request.

11. Suspension of registration:-

During the validity period of registration, if the validity of the Bank Guarantee expires by any chance, the registration will automatically stand suspended until the Bank Guarantee is received in the Office of the Chief Engineer, Materials Management, duly renewed.

12. Cancellation of registration:-

The registration will be cancelled and the name of the registered firm removed from the register, for any one of the following reasons:-

1. Failure to renew registration within the prescribed period;
2. Failure to observe the instructions given in the tender forms including schedules there to;
3. Failure to quote in response to invitation to tenders on four successive occasions;
4. When the firm is blacklisted by the Board;
5. Failure to perform a contract or contracts satisfactorily and in accordance with the obligations of the contract;
6. Any other ground which in the opinion of the Chief Engineer, Materials Management, renders the retention of the firms registration as undesirable in Board's interest.

Firms will be considered for re-registration only after a period of two years, on giving assurance that the failure will not be repeated.

13. List of registered items:-

All centrally procured items (list appended as Annexure) will be considered for registration. A minimum of five registrants will be required for keeping an item in the list of items for which registration is required. The Chief Engineer, Materials Management, is the authority to add or delete any item in the list, if found necessary.

14. Tenders for registered item:-

In the case of registered items, tenders will be accepted only from firms registered under these rules. No tender notice will be published in the news papers, instead, tender notices will be issued by registered post to the firms whose names are on the registered list for the particular item on the date of issue of tender notice.

ANNEXURE

List of centrally procured item (See rule 13)

1. Distribution transformers
2. Current Transformers
3. C.T./P.T. Units
4. Transformer Oil
5. C.T. Meters
6. Two part tariff meters
7. Measuring Instruments
8. Kilo-Watt hour meters
9. U.G. Cables
10. Weather proof wires
11. A.B. Switches
12. D.O. fuses
13. Aluminium conductor (AAC & ACSR)
14. G.I. Wire
15. Stay wire
16. H.T.S. wire
17. Barbed wire
18. 11 KV lighting arrester
19. G.I. Pins for 11 KV insulators
20. G.I. Pins for L.T. insulators
21. Hardware fittings for 11 KV Disc insulator
22. G.I. strap
23. 11 KV pin insulator
24. 11 KV disc insulator
25. L.T. Pin insulator
26. L.T. Shackle insulator
27. Stay insulator
28. Cut outs of different ratings
29. Fuse units different ratings
30. Neutral link
31. Earth Pipe
32. Pole top bracket
33. Trussing tackle
34. Turnbuckle
35. Knee bracing
36. Stay rod
37. Stay plate
38. Stay tightener
39. V cross arms and clamps
40. Angle-iron 4 line cross arms and clamps
41. Angle-iron 2 line cross arms and clamps
42. Packing clamps
43. Street light pipe fittings
44. Fluorescent tubes

45. G.L.S. Lamps
46. H.P. M.V. Bulbs
47. Choke for fluorescent tube
48. Choke for M.V. lamp
49. Starter for fluorescent tube
50. Condenser for M.V. Lamp
51. P.V.C. Conduit
52. M.S. Conduit
53. Textiles
54. Meter Test Bench
55. R.S.S. Meter
56. Horn gap fuses
57. Steel of various sections
58. P.S.C. Poles
59. Tyres

KERALA STATE ELECTRICITY BOARD

No:MC/FA&CAS.2/96-97

Vydyuthi Bhavanam,
Pattom,
Thiruvananthapuram,
Date: 31-01-1997.

C I R C U L A R

Sub: Material Accounting-Maintenance of adequate records in Transmission Wing – instructions issued.

Ref:

It has been noticed that adequate records are not being maintained in respect of materials received and used for works in field offices under the Transmission wing. In order to maintain proper accounts of materials and for better financial control, the following instructions are issued.

In the Transmission wing, materials are issued only for sanctioned works. Such issues shall be limited to immediate requirements considering the progress of execution, approved time schedule of completion and budget provisions.

Issue of materials to works are divided into two classes

1. Issues to contractors.
2. Issue direct to works.

1. Issues to contractors: -

If the values of materials issued are recovered from contractors' work bills, such issues are called Issues to contractor. In such cases the value of materials are debited to contractors material control account (account code 25.701/26.701 Transmission Scheme)

Example: - Issue of cement, Steel etc., value of which are recovered from work bills, normally.

2. Issue Direct to work: -

All issues other than issue to contractors are called Issue direct to works. This will comprise issues for work done departmentally as well as materials issued to the contractors free of cost. In these cases, the value of materials must be debited direct to the work concerned i.e., under account code 14.0IX or 74. XXX as the case may

be. Tower parts, cables, conductors etc., are examples (the value of which are not recovered from contractors work bills).

Valuation of materials issued will be done in the S.B. Section of Circle Office. The valuation is to be done as per standard rate of weighted average rate.

Materials Requisition Cum Invoice (MRCI)

Materials are drawn on the basis of MRCI. MRCI is prepared by the Assistant Engineer. A requisition Should not contain articles required for more than one work.

Name of work, estimate sanction number and amount, name of contractor, agreement number etc., should invariably be furnished in the MRCI.

Since the accounting treatment of materials is different between Issue to contractors and Issue direct to works Assistant Engineers must be very careful in furnishing the required details in the MRCI. If the materials are issued direct to work or on free of cost the word FREE should clearly be written in MRCI at a prominent place. Otherwise it will be very difficult to book the expenditure under the correct account head in the Circle Office.

The MRCI is prepared in six copies by the Assistant Engineer. Out of these, five copies are sent to the Circle store. After posting the store ledgers and noting the MRCI number as per the MRCI control register, the storekeeper should forward two copies of MRCI to the Circle Office. In the Circle Office, one copy each of the MRCI, after valuation in the S.B. Section shall be transmitted to the A.B. Section, monthly in chronological order.

The storekeeper should return two copies to the Assistant Engineer. Out of the two copies received by the Assistant Engineer from the store, the Assistant Engineer must send one copy of MRCI to the Circle Office along with the concerned work bill and original copy of Materials Register, if it relates to capital work. In respect of O&M works a copy each of the MRCI for a month should be sent to the Circle along with original copy of Register of Materials. The other copy shall be retained and kept serially in section office for verification by inspecting officers.

A. General

All Assistant Engineers shall maintain an account of materials in the Register of Materials showing the details of materials received and used on works. This materials account is a numerical account, i.e. quantity account. The account shall be prepared in duplicate by carbon process. Original perforated copy is meant for Circle Office and duplicate copy kept in Section Office. For facility of reference this register shall have an index.

Name of Office, Name of work, Estimate sanction number and amount, Name of contractor, Agreement number etc, shall be shown at the top position of each folio. Date, MRCI number, FRN/CMRN number, Name of material, quantities received

and quantities consumed shall be recorded on the body portion. The body portion can be divided into two parts.

Part A for recording receipts and

Part B for consumption/use

Part A shall contain details of receipts, sub total and progressive total. Likewise part B shall contain details of consumption, sub total and progressive total.

Receipt of materials shall be recorded on the basis of MRCI and petty purchase bill. Petty local purchase costing less than Rs.3000/- (Rupees Three thousand) made by Field Officers with the sanction of competent authority on credit basis/from imprest/from temporary imprest need not be routed through Circle Store accounts. Such materials shall be noted as receipts in the Register of Materials with reference to purchase bills.

Petty purchase bills with necessary certificates and measurement books shall be forwarded to Circle Office for arranging payment of credit bills/adjustment of temporary imprest/recoupment of permanent imprest, as usual. While passing these petty bills the bill amount shall be debited directly to the works.

Consumption/use of materials shall be recorded on the basis of entries made in Log Books/ Field Diary/ Work Diary/ Detailed measurement recorded in the M. book and Material consumption statement.

B. Capital Works:

The objectives of maintaining of Register of Materials for Capital Works are: -

- (1) To know exactly, item wise total quantity of materials received and the total quantity of materials consumed in a work, on any date, at a glance.
- (2) To know exactly the receipts and use of materials in respect of each running account of contract works.
- (3) To facilitate the closing of works accounts/contract account on completion of a work.
- (4) To facilitate handing over of materials by Field Officers

The Register of materials for capital works shall be maintained work wise. A separate folio or folios shall be allotted in this register for each capital work. Receipt shall be accounted in chronological order. Sub total of receipts shall relate to each running account of the contractor. Progressive total shall be the up-to-date total receipts i.e., materials received from the commencement of work till the closing date of the latest running account of the contractor.

In the same manner, consumption/use shall be recorded in the order of occurrence. Sub total consumption shall relate to material consumed in respect of each running account of contractor. Progressive total of consumption shall be the consumption

from the beginning of the work till the date of latest running account of the contractor. The materials accounts shall be forwarded along with each running account bill of contractor and also at the end of each financial year after making entries of all receipts and consumption/use and working out sub totals and progressive totals.

On completion of each work, the materials account should be closed and see whether there is any unused balances of material and such materials if any, should be returned to the store by preparing Field Return Note (FRN) prepared by the Assistant Engineer or Contractor's Material Return Note (CMRN) by the contractor with the approval of officer in charge of the work.

If the materials are to be utilised for another work, the transaction must be routed through circle store in the following manner.

- (1) If the balance materials with the contractor can be utilized for another work, adjustment CMRN shall be prepared by the contractor with the approval of the Officer in charge of the work and an adjustment MRCI prepared by the concerned personnel.
- (2) If the balance materials available in a work which was directly executed, the Assistant Engineer must prepare an adjustment FRN and adjustment MRCI.

Store Transfer Note (STN) should not be prepared in any case.

While check measuring and counter signing the final work bills the Assistant Executive Engineers should verify and ensure that there is no balance material left in the Materials Register of the work concerned. When a capital work is completed and the asset is put to use, completion report cum capitalization sheet (CRCS) is to be prepared by the Assistant Engineer and forwarded to Circle Officer (with final bill for the work) for capitalisation of asset. (Hand book on Fixed Assets – Circular No. FA&CAO.8/93/27.3.93).

C. O&M Works:

The objectives of maintaining Register of Materials for O&M Works are:-

- (1) To know exactly, item wise, total quantity of materials received and the total quantity of materials consumed for O&M works in a section on any date in a financial year.
- (2) To know exactly the total receipts and consumption of materials in each month under a section.
- (3) To facilitate the calculation of the total value of materials lying unused at the end of each financial year.
- (4) To facilitate handing over of materials by officers.

Separate materials accounts should be kept by each Assistant Engineer for O&M Works. When materials are consumed/used for O&M works executed departmentally

material consumption statement (MCS) in duplicate should be prepared for recording consumption of such materials. One copy of MCS shall accompany the Register of Materials and the other copy retained by Assistant Engineer.

Receipts shall be accounted in chronological order. Total receipts in a calendar month shall form the sub total. Upto date total receipts from the commencement of a financial year till the last date of the calendar month to which the accounts relate shall be the progressive total.

Similarly consumption/use shall be recorded in the order of occurrence as per material consumption statement. Each calendar month's consumption shall be the sub total. Consumption from the beginning of the financial year till the last date of the Calendar month to which the accounts related shall be the progressive total.

The materials account (Original copy of Register of Materials) shall be forwarded through the Executive Engineer to the Circle Office monthly. This account is finally closed at the end of each financial year and closing balance arrived at. The closing balance of a financial year shall be taken as opening balance for the next years materials account.

The correctness of this account is verified in the AB Section of Circle Office with reference to copies of MRCI received from SB Section and copies of petty purchase bill forwarded by the Assistant Engineers along with their imprest account/Temporary imprest account/ Credit bill of firms.

At the end of each financial year, the closing balance of materials available with each Assistant Engineer should be valued in the Accounts Branch (Work bill audit section) of the Circle Office and credited to account group '74' by debit to account code '22-650' materials at site O&M. At the beginning of next financial year, this journal entry should be reversed by debiting the account group '74' and crediting the a/c 22-650 materials at site O&M for the same amount. Finance Officer/ Divisional Accountant should ensure that these adjustment entries are made at the close of financial year and also at the beginning of the next year.

D. Issues to Contractors for O&M Works:

When O&M Works are executed through contract and the values of materials are to be recovered from the contractor, the materials account in the Register of Materials shall be separately kept in the same manner as in the case of Capital Works. The year – end value adjustment prescribed in the previous paragraph shall not apply in this case.

E. Accounting of taken back items, shortage/excess and verification:

Used/old items taken back from works of renovation, alteration, replacement etc., whether it is Capital or O&M shall be accounted separately in the Register of Materials of the work concerned.

Treatment of shortage/excess in accounting shall conform to the procedure prescribed in material accounting manual and other relevant rules.

The materials account maintained by the Field Officers should be inspected/checked and the fact of having inspected is to be recorded by Assistant Executive Engineers and Executive Engineers either annually or on completion of work (if the work is completed within a year) and Deputy Chief Engineer should be informed about their findings. The Finance Officer / Divisional Accountant should also inspect/check these accounts annually and record the certificate of having inspected over their dated initials.

These instructions shall take effect from 1-4-1997.

K.G. RAJASEKHARAN NAIR.
Member (Accounts), K.S.E.B.

To

1. The Chief Engineers (Trans) South & North, K.S.E. Board.
2. The Chief Engineer (Ele) General Vidyuthi Bhavanam, Thiruvananthapuram.
3. The Financial Adviser & Chief Accounts Officer.
4. The Deputy Chief Engineer, Transmission Circle, Kottarakkara, Poovanthuruthu, Trissur, Kozhikode.
5. The Deputy Chief Engineer, World Bank Project Circle No. I Trissur, No: II, Madakkathara.
6. The Deputy Chief Engineer, Load Despatch Circle Kalamasserry.
7. The Chief Account Officer, K.S.E. Board.
8. All Executive Engineers, Transmission Divisions.
9. Senior Account Officer, Audit (Office).
10. Account Officers, WAD (Office).
11. Finance Officer, Transmission Circles, Annual Accounts (Office).
12. All Assistant Executive Engineers and Assistant Engineers (Transmission).