

Telangana State Civil Supplies Corporation Ltd.
(A State Government Undertaking)
Regd. Office: 6-3-655/1/A, Civil Supplies Bhavan, Somajiguda, HYDERABAD -500 082

Dr. Rajat Kumar, IAS
CCS & Managing Director

CIRCULAR NO: Accts. 25

No: TSCSCL/Accts/873/2016

Date: 31.03.2016

Sub: TSCSCL- Finance & IA section – Starting the activities in the name of
TSCSCL-Instructions issued-Reg

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In accordance with the AP State Re-Organization Act 2014, the Districts situated in the Telangana Region were formed into Telangana State w.e.f. 02.06.2014. An expert committee was formed under the chairmanship of Ms. Sheela Bhide, I.A.S., (retired) for finalizing and approving the process of demerger of various Corporations under schedule-IX of the above Act and distribution of their assets and liabilities as on 01.06.2014 between the two demerged Corporations, after completion of statutory as well as AG audit of accounts upto that date.

Meanwhile, for uninterrupted functioning of PDS and other welfare schemes in Telangana State the transactions were undertaken by Andhra Pradesh State Civil Supplies Corporation Limited (APSCSCL) by forming a separate Telangana unit within that Corporation as an intermediary arrangement and is continued, since the Telangana State Civil Supplies Corporation Limited (TSCSCL) was not legally formed by that date.

The TSCSCL was incorporated on 18.03.2015 and got eligibility for commencement of Business. However, it was advised that before finalization and distribution of assets and liabilities by the expert committee, transfer of assets, liabilities, stocks etc., from the Telangana Unit to TSCSCL was not possible. As such, TSCSCL could take up only fresh transactions from a convenient cut off date.

In expectation of completion of audit of accounts upto 01.06.2014 and early approval of demerged balances for Telangana as on that date, commencement of business was not immediately taken up by the TSCSCL. However, since the audit is getting delayed it is now proposed that TSCSCL may take up fresh business w.e.f. 01.04.2016, i.e., purchases and sales of different commodities by the District Offices in Telangana State receipts and payments relating to such purchases and sales and other incomes and expenses from that date will be undertaken by TSCSCL. The disposal of stocks existing as on that date and the receipts and payments relating to transactions upto that date will be accounted for by Telangana Unit of APSCSCL.

It means that transactions in Telangana District Offices are to be simultaneously undertaken by TSCSCL as well as Telangana Unit of APSSCL, which requires separate recording of transactions in the accounts of both Corporations to avoid overlapping and future legal complications. For this purpose a separate accounting package is required for TSCSCL, apart from the existing accounts package for Telangana Unit of APSSCL. The Centre for Good Governance have been entrusted with the work of developing a fresh accounting package for the purpose.

Further, fresh bank accounts in the name of TSCSCL are to be opened in Districts of Telangana State, for which the Board has already accorded permission as its first meeting held on 25.03.2015.

As the NIC officials are reluctant to replicate the existing software for usage from 01.04.2016, it is requested to enter the data in the excel sheet with effect from 01.04.2016, so as to enable dumping of data from excel sheet to new accounts package, which is under development by CGG. The data should be entered in the fields available in NIC package for all the OE entries, so as to maintain uniformity. The entry screens for making OE entries are expected to be available from third week of April, 2016.

Due entries should be effected from 01.04.2016 onwards.

For ensuring clarity in recording transactions of both units the following detailed instructions/guidelines are issued

Purchases:

1. Fresh purchases from 01.04.2016 are to be accounted by TSCSCL while purchases upto 31.03.2016 are to be accounted by T-Unit.
2. In respect of Advances for purchases made by T-unit upto that date and stocks received later, such purchases are to be accounted for by T-Unit.
3. Payments after 01.04.2016 for stocks received upto 31.03.2016 are to be made UNDER T Unit.
4. Paddy purchases after 01.04.2016 (Rabi 2015-16) are to be paid for by TSCSCL
5. FCI rice lifted upto 31.03.2016 is to be accounted by T Unit. Rice lifted after 01.04.2016 on FCI ROs issued upto 31.03.2016 is to be accounted for by T-Unit. Rice lifted on FCI ROs issued after 01.04.2016 against Payments made upto 31.03.2016 is to be accounted for by T-Unit

Sales:

- Sale of fresh stocks purchased after 01.04.2016 is to be accounted for by TSCSCL.
2. Sale of stocks existing as on 31.03.2016 is to be accounted for by T-Unit until they are completely exhausted
 3. Stocks received after 01.04.2016 against advance for purchases upto 31.03.2016 and CMR (Boiled Rice/ Raw Rice) received after 01.04.2016 against Paddy purchased upto 31.03.2016 (Khariff 2015-16 and earlier seasons) are to be accounted for by T-Unit. Sale of such stocks also is to be accounted for by T-Unit
 4. **Monthly VAT PDLs and other PDLs relating to Purchase and sale are to be submitted separately for T-Unit and TSCSCL.**

Receipts:

1. Since sale of stocks purchased after 01.04.2016 is to be accounted for by TSCSCL receipt of Sale proceeds of such stock is also to be accounted for by TSCSCL.
2. For this purpose fresh bank (Depository) Accounts in the name of DM TSCSCL are to be opened and DDs are to be obtained in that name and deposited in those accounts.
3. Transfer of funds to Head Office from such Accounts is to be made to HO, SBI current Account Number **34930865840**
4. Sale proceeds received against sale of stocks existing as on 31.03.2016, stocks received after 01.04.2016 against advance for purchases upto 31.03.2016 and CMR (Boiled Rice/ Raw Rice) received after 01.04.2016 against Paddy purchased upto 31.03.2016 are to be accounted for by T-Unit. such sale proceeds are to be collected in the name of DM, APSCSCL and deposited in the existing depository accounts and transferred to HO, SBI current Account Number **33858584371**
5. Other Incomes and receipts from sundry Debtors: items of incomes belonging to 2015-16 and received after 01.04.2016 are to be accounted for by T-Unit. Similarly amounts received after 01.04.2016 against Sundry Debtors existing as on 31.03.2016 are to be accounted for by T-Unit.
6. **IOR Transfer out statements are to be sent separately for TSCSCL and T-Unit**

Payments:

1. Since purchases after 01.04.2016 are to be accounted for by TSCSCL payments towards such purchases and other expenses and also to be made by TSCSCL
2. For this purpose fresh Bank Accounts are to be opened in the name of DM TSCSCL and Cheques are to be issued from these Accounts.
3. No purchases are to be made by T-Unit after 01.04.2016 only payments towards liability for purchases upto 31.03.2016 and expenses for the period upto that date are to be made. Such payments shall be made from existing current accounts.
4. Indents for funds for TSCSCL and T-Unit are to be sent separately by clearly mentioning the Account Number of fresh /existing current accounts.
5. IOR transfers in statements are to be sent separately for TSCSCL and T-Unit
6. Under no circumstances payments on behalf of TSCSCL shall be made from existing current Accounts and vice versa.
7. Funds required for opening new depository and current accounts may be met from existing current accounts and reimbursed immediately after receipt of funds from Head office in the new current accounts.
8. Payments by T-Unit towards liability for purchases are to be completed within two months i.e. 31.05.2016 and existing current accounts are to be closed by that date by transferring the balances in them to HO. For any payments left after that date bills and other claims are to be passed by the DM and sent to HO for payment.
9. Transportation and Handling: Stage I & Stage II transport bills and hamali bills are to be separately obtained in respect of stock belonging to TSCSCL and T-Unit and payment to be made respectively.
10. Paddy milling charges: Milling charges up to khariff 2015-16 are to be paid by T-Unit and from rabi 2015-16 onwards by TSCSCL
11. Office Rents and other expenses: They are to be paid by TSCSCL from 01.04.2016 onwards and by T-Unit upto 31.03.2016. OSL/ESL created for 2015-16 and paid after 1.04.2016 are to be accounted by T-Unit.
12. Salaries etc.: Salaries and other expenses relating to employees from 01.04.2016 are to be paid by TSCSCL. Arrears etc. relating to the period upto 31.03.2016 but sanctioned after 01.04.2016 are to be paid by TSCSCL.

Stocks:

1. The principles applicable for purchase and sale as stated above are also applicable for recording receipt and issue of stocks. However, certain specific instructions are issued as follows:

I. Receipt of stocks:

1. State pool rice: Receipts upto 31.03.2016 as per ACK dates are to be accounted for by T-Unit whereas receipts after 01.04.2016 as per ACK are to be accounted by TSCSCL.
2. QMR: respites belonging to Khariff 2015-16 and earlier season, even received after 01.04.2016 are to be accounted for by T-Unit. Receipts belonging to Rabi 2015-16 are to be accounted for by TSCSCL.
3. FCI rice: Rice lifted up to 31-03-2016, lifted after 01-04-2016 on FCI ROs issued up to 31-03-2016 and lifted on FCI ROs issued after 01-04-2016 against payment up to 31-03-2016 are to be accounted by T-unit. Rice lifted against payments to FCI after 01-04-2016 is to be accounted for TSCSCL.
4. Sugar, RG Dall etc. received up to 31-03-2016 are to be accounted by T-unit whereas received after 01-04-2016 (even against supply order issued against 31-03-2016) are to be accounted for by TSCSCL.
5. LPG etc. Received up to 31-03-2016 and received after 01-04-2016 against payment up to 31-03-2016 are to be accounted by T-unit and received against payment after 01-04-2016 are to be accounted by TSCSCL.
6. Gunnies same as above.

II. Issue of stocks:

1. Issues of all commodities from stocks as on 31-03-2016 and received after 01-04-2016 as explained above are to be accounted for by T-unit. Issues from stocks received after 01-04-2016 are to be accounted for by TSCSCL.
2. Issue of levy rice stocks existing as on 31-03-2016 are to be accounted for by T-unit.
3. Storage of stocks and maintenance of stock Record: Stocks belonging to TSCSCL and T-unit are to be separately stored in all buffer godowns, MLS points LPG centres etc. and separate stock records to be maintained.
4. Even in cases where separate physical storage is not possible, separate stock records shall be maintained invariably.
5. Stock reports and PDL reports shall be separately submitted in respect of TSCSCL and T-unit stocks by the concerned In-charges.

6. Stocks belonging to TSCSC are to be separately deposited in CWC /SWC godowns and separate storage charges bills are to be obtained
7. ROs for release of stocks from buffer godowns to MLS points, for movement to other districts, for release under PDS at buffer godowns or at MLS points etc. shall be separately issued in respect of T-unit stocks and TSCSCL stocks keeping in view the stock position
8. Under no circumstances stocks belonging to T-unit shall be issued against ROs issued on TSCSCL stocks or vice versa.

Godown rents: In respect of each godown, until the stock belonging to T-unit are more in quantity than TSCSCL stocks, rent for that godown up to that month are to paid and accounted for by T-unit. After that month, the rent is to be paid by TSCSCL.

Insurance of stocks : After 01-04-2016, separate Insurance policies are to be taken for stocks of T- unit and TSCSCL

Fixed Assets:

Until the process of demerger is completed and all assets and liabilities are officially distributed between APSCSCL and TSCSCL, the title in fixed assets continues with T-unit. Hence all taxes on assets like property tax vehicle taxes are to be borne by T-unit till then.

However since they are used by TSCSCL from 01-04-2016, running expenses like repairs and maintenance, POL charges insurance etc. are to be borne by TSCSCL.

Agreements:

Agreements with transport contractors etc. are to be entered by in the name of TSCSCL from 01-04-2016 Agreements with godown owners are to entered from the month from which rent for a godown is payable by TSCSCL, as explained above.

Sd/-

CCS & MANAGING DIRECTOR

To

All District Managers, TSCSCL

All Zonal Managers, TSCSCL

Copy to General Manager(Mktg & PDS) & Executive Engineer, TSCSCL

Copy submitted to the Commissioner, Civil Supplies, Govt of Telangana, Hyderabad, for kind information.

Copy to Stock-file.

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


General Manager(Finance & Admn)