

KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. KPTCL/B19/345/85-86



Corporate Office,
Kaveri Bhavan,
Bangalore - 560 009
Dated:

29 FEB 2016

CIRCULAR

Sub: Furnishing of Technical (Asset Commissioned) Certificate and Status of on-going Works to Auditors.

Accounting Units are aware that majority of the Capital works in KPTCL are being executed through Turnkey Contracts. Even for Deposit Contribution Works also, KPTCL is collecting the estimated Work/Project cost from the concerned consumers/ firms and in turn assigns the Work/Project to a Turnkey Contractor for execution.

As per the circular No. FA (A&R)/A/CS/AAO-II/ Cys 78 dated 4th June 2007, as and when the materials are issued to a Turnkey contractor for carrying out the Work, the value of such materials are initially accounted under Head of Account 26.605- Turnkey Contractors Control Account. After the materials are erected at the spot and on submission of erection bills by the Contractors and on passing of erection bills in the Accounts Section, the value of materials erected will be transferred to Capital Work in Progress (CWIP) Account. On commissioning of the Work and on receipt of Technical Certificate from the Technical authorities, the value of materials along with erection and civil portion amount will be transferred to Asset Account by the Accounting Units.

Due to various reasons contractors are not submitting the bills immediately after supply or erection of materials resulting in non-transfer of material and other related amounts to CWIP from Turnkey Contractors Control Account. According to Accounting principles whether the contractor submits the bills or not, based on the status of Work necessary provisions towards CWIP and Asset Accounts needs to be made in the Annual Accounts every year. In some cases though works are commissioned long back, the value of the same are not transferred to Asset Account due to non-issue of Technical(Asset Commission) Certificate by the concerned technical authorities resulting in non-provision of depreciation on Assets. Due to the above said anomalies, KPTCL Accounts may not depict correct balances in appropriate Heads of CWIP/Assets/Depreciation provision/ Depreciation/Current asset Account.

In the course of audit of KPTCL's Annual Accounts for 2014-15, Statutory Auditors and A.G. Auditors, have pointed out that many Works taken up for execution long back are neither completed nor commissioned due to various reasons such as ROW problems, short closure of works, contractors failed to complete the Work etc., and on repeated request a few technical authorities of

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AB/9/3/2016

certain Accounting Units are not intimating the current status of Work. The status of Work in respect of amount shown under Heads of Account CWIP (14 series), Turnkey Contractors Control Account (26.605) and Deposit Contribution Works (47 series) as at the end of 31st March every year and Asset commissioned (Technical Certificate) Certificate for having categorised the assets during the respective Financial years needs to be furnished to Statutory Auditors as well as A.G. auditors at the time of Audit of March Final Accounts of the Units every year.

In the above background, It is requested to furnish the Technical (Assets commissioned) Certificate for the Assets categorised during the financial year 2015-16 and the above said details in coordination with concerned Accounts Section in the Format enclosed (Annexure - 49) and the same shall be handed over to the Accounts Section of your Accounting Unit so as to enable the Accounts section to submit the same along with other March Final Annexure to Head office.

The above instructions shall be scrupulously followed without fail.


Deputy General Manager (Technical)
KPTCL

To:

All the Chief Engineers/Financial Advisers, KPTCL
All the Superintending Engineers/Controllers, KPTCL,
The D.G.M (Personnel), Corporate Office, KPTCL, Kaveri Bhavan,
The Superintending Engineer (El), IT&MIS, Computer Section for hosting
on e-prasarana.
All the Executive Engineers/DCAs, KPTCL
The Executive Engineer/Deputy Controller, HRD Centre, KPTCL,
Bengaluru.
All the Accounts Officers, KPTCL
The Manager (IM), KPTCL, Kaveri Bhavan, Bengaluru.
The Manager (Establishment-II), KPTCL, Kaveri Bhavan,
The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan,
All the Accounts Officers (Internal Audit)/AAOs (Internal Audit) KPTCL,
The Senior Audit Officer, KPTCL, Bengaluru,
PS to Managing Director, KPTCL, Bengaluru
PS to Director (Finance)/Director(Transmission)/Director(A&HR), KPTCL
R&R to AAO-I/Sr.Assts/Assts of Accounts Section/ M.F

KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

MARCH FINAL 2016 ACCOUNTS

ANNEXURE - 49

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Name of the Accounting Unit :

Part-1

Statement Showing the Status of on-going Works as at the end of 31/03/2016

CWIP Account code(14 Series) :

Sl No	Name of the Work	Work Order No & date	Closing balance as at 31/03/2016	Status of Work	Reasons for continuance of balance or non completion of work
1	2	3	4	5	6
		Total			

- NOTE : 1. Separate statement to be prepared for each CWIP Account Code
 2. Column 1 to 4 shall be got filled from Accounts Section.
 3. Total Amount under column 4 shall tally to balance under respective Account code in the MF TB.

Turn key contractors Control Account(A/c Code 26.605) :

Part-2

Sl No	Name of the Work	Work Order No & date	Closing balance as at 31/03/2016	Status of Work	Reasons for continuance of balance or non completion of work
1	2	3	4	5	6
		Total			

- NOTE : 1. Column 1 to 4 shall be got filled from Accounts Section.
 2. Total Amount under column 4 shall tally to balance under respective Account code in the MF TB.

Deposit Contribution Works (A/c code 47.305)

Part-3

Sl No	Name of the Work	Work Order No & date	Closing balance as at 31/03/2016	Status of Work	Reasons for continuance of balance or non completion of work
1	2	3	4	5	6
		Total			

- NOTE : 1. Column 1 to 4 shall be got filled from Accounts Section.
 2. Total Amount under column 4 shall tally to balance under respective Account code in the MF TB.

AO

Executive Engineer(EI)