

India Post : The Reach

Country	No. of Post Offices	Population per PO	Area per Post Office	Mail Volume	Personnel
	<i>nos.</i>	<i>nos.</i>	<i>sq. km</i>	<i>(crores)</i>	<i>nos.</i>
India	1,54,856	7,815	21.23	637.18	4,66,301

- India is the largest Postal Network in the world with 1,54,856 Post Offices of which 1,39,164 (89.87%) are in the rural areas.
- On an average, a Post Office serves an area of 21.23 Sq. Km. and a population of 7,815 people.
- Processing, transmission and delivery of mail are the core activities of the Department. Mail is collected from 5,35,759 letter boxes (4,42,789 in Rural and 92,970 in Urban areas) in the country. This is processed by a network of 387 Mail Offices, and conveyed by road, rail and airlines all over the country.

3

India Post: The Reach contd.

- **The Post Office Savings Bank (POSB)** is the oldest and largest banking institution in the country. As on 31-03-2014, it operates more than 32.49 Crore Savings Accounts through a network of 1,54,856 post offices.
- As on 31.03.2014, **Postal Life Insurance** has 58.39 lac policies and **Rural Postal Life Insurance** has 158.86 lac policies with a total sum assured for Rs. 118,405.47 crore and Rs. 86,178.84 crore respectively.
- **MGNREGS** - Social Security Payments- As on 31.3.2014, 6.42 Crore accounts for MGNREGS beneficiaries have been opened in Post offices and over Rs. 11,403 Crore have been disbursed between 01.04.2013 to 31.3.2014. So far Rs. 52,224 Crore have been disbursed to MGNREGA beneficiaries through 98,491 Post Offices.

India Post : The Service Profile

- To meet Postal needs of each citizen
- Premium services
- Savings Bank / Savings Certificate
- Life Insurance
- Money transfer (*both domestic & international*)
- Retail functions (Third party products)

Why Accrual Accounting in DoP?

- Commercial Department
- True and Fair Picture
- Fixing of Tariff and Costing
- Liabilities are met from Revenue of the Department.
- Comparison with other Competition
- IT Modernisation of DoP.
- Better Financial Management.
- Segmental and Product wise Accounting.
- Preparation of Final Account.

Accrual Accounting

Consequent upon acceptance of the recommendation of 12th Finance Commission the Government has decided to move towards Accrual Accounting. The Government Accounting Standard Advisory Board (GASAB), constituted in the O/o the C&AG of India has recommended an operational framework and detailed roadmap for implementation of accrual accounting.

The Department of Posts has decided to switch over to Accrual Based Accounting System (ABAS) from Cash Based Accounting System and contacted ICAI ARF for taking action in the initial development of the roadmap with the approval of Secretary (Posts).

Implimentation

- To implement accrual accounting in the Department of Post, it was decided to carry out the process in various phases. During the first phase, ICAI-ARF was given the mandate for implementation of accrual accounting in two Pilot HPOs. ICAI-ARF and Department of Posts, Government of India signed MOU on 25th June, 2009 for implementing accrual accounting in two Identified HPOs namely:
 - 1. NDHO (Gol Dak Khana) –(Urban)
 - 2. NIE-HO, Naraina- (Rural)

SCOPE OF PILOT STUDY

The scope of the pilot study was as follows:

- i. Identification, verification and valuation of fixed assets
- ii. Identification, verification and valuation of current assets.
- iii. Identification of long-term liabilities.
- iv. Identification, verification and valuation of current liabilities.
- v. Basis of recognition of revenue.
- vi. Basis of recognition of expenditure.
- vii. Preparation of Comprehensive Annual Financial Statements on accrual basis in accordance with accepted and consistent accounting policies.
- viii. Restructuring of the accounting heads, as may be needed.
- ix. Preparation of Accounting Manual and Training Manual
- x. Training of employees of Department of Post in the new system



9

METHODOLOGY ADOPTED

- The consulting team of the ICAI-ARF carried out a diagnostic review of the 'As-Is Situation' in the two HPOs of Department of Post, primarily with the purpose of better understanding of the existing system and to plan the strategies and measures for implementation of accounting reforms.
- The consulting team of the ICAI-ARF also studied in details Accounting Manual, Post Office Saving Bank Manuals and various other Manuals, Brochure and text available in Dak Bhawan, DAP Office, Circle Office and two Pilot HPOs.
- The consulting team of the ICAI-ARF studied in detail Standards issued by Institute for International Public Sector Accounting Standards (IPSAS), Accounting Standards and Guidance notes issued by Institute of Chartered Accountants of India (ICAI) and Indian Government Financial Reporting Standards (IGFRS) issued by GASAB etc.

10

METHODOLOGY ADOPTED Contd...

- Team also studied in detail information available on website of Department of Post i.e. www.indiapost.gov.in
- The consulting team of the ICAI-ARF has studied in details the Accounting Principles adopted by Department of Post/Companies undertaking Postal services of various countries like American Post, Australian Post, Bhutan Post, Thailand Post, Royal Mail Holding PLC etc.
- ICAI-ARF team also conducted a review of the existing software that are being used throughout the DoP for their accounting and reporting needs.
- Also team interacted personally with several officials of Dak Bhawan, DAP Office, Circle Office and two Pilot HPOs.

11

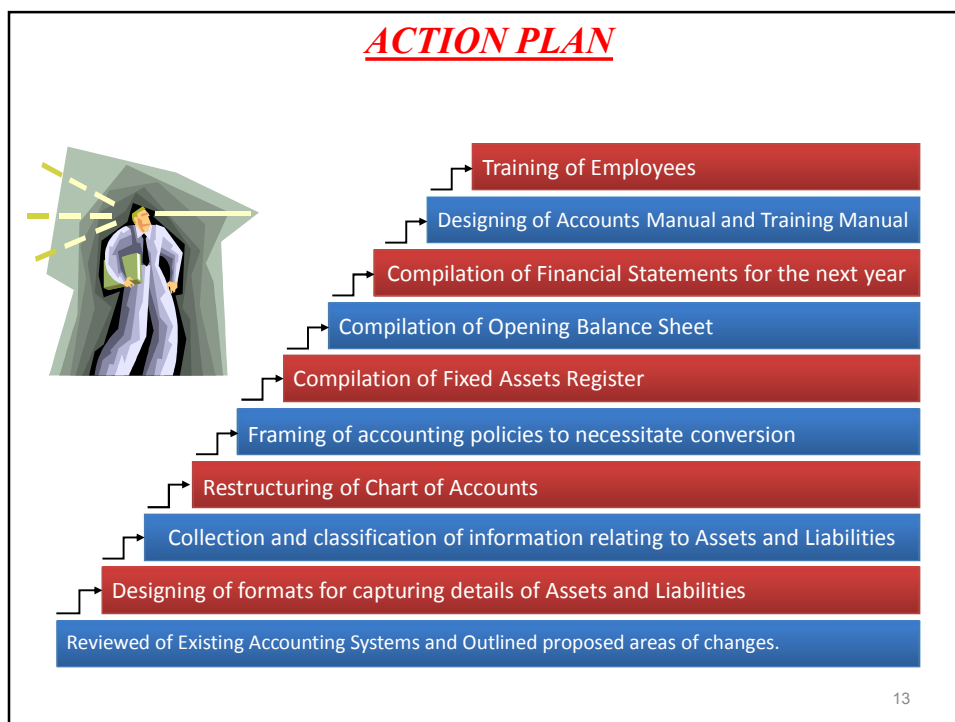
PROJECT OVERVIEW

The Department of Post decided to switch over to accrual based double entry accounting system from present cash based single entry accounting system. The mandate for this assignment was given to Accounting Research Foundation of Institute of Chartered Accountants of India (ICAI ARF).

To implement accrual based double entry accounting system in Department of Post, it was decided to carry out the process in phases. During first phase ICAI-ARF was given mandate for carrying out Pilot Study for implementation of accrual based double entry accounting system in two Head Post Offices (HPO). ICAI-ARF and Department Of Posts, Government of India signed MOU on 25th June, 2009 for implementing accrual accounting in two identified Head Post Offices (HPO).

1. New Delhi GPO (Gole Dak Khana).
2. Naraina Industrial Estate Head Office(NIEHO), Naraina.

12



MILESTONES

1.1 Comprehensive Scope Evaluation Report(CSER)

The CSER was intended to put together all the components of the existing system, identify the gaps and conceptualize the impact of these gaps on the outputs and outcomes expected under the accounting reforms project. In particular, the CSER envisaged to cover the following main aspects: -

- a) The CSER was designed to address the task of bringing together in a detailed manner all the components of the existing system.
- b) CSER presented detailed description of the accounting system.
- c) CSER presented detailed internal organization chart of the Revenue , Budget, and Accounting Department.
- d) CSER presented details of sources of data on assets and liabilities and the validity thereof.

14

1.2 Areas Covered under Comprehensive Scope Evaluation

Report(CSER)

- Approach to Study
- Background of Department of Posts
- Organizational Structure of Department of Post
- Accrual Accounting System
- Primary Accounting Procedure
- Accounting for Deposit Schemes
- Accounting for Money Order
- Accounting and Management of Fixed Assets
- Procedure for Procurement of Goods and Services

15

1.2 Areas Covered under Comprehensive Scope Evaluation

Report(CSER) Contd...

- Report on Software Used by Department of Post for Operations
- Way Forward Plan of Pilot Study

16

2. RE-STRUCTURING OF CHART OF ACCOUNTS

2.1 Rationale behind restructuring of Chart of Accounts

1. The existing chart of accounts used for classifying the accounting transactions of Department of Post were restructured to:
 - Incorporate the new accrual heads required under accrual concept;
 - Facilitate preparation of accounts under accrual basis of accounting;
 - Linkage of existing cash based budgets with accrual and cash based accounts.
2. A new 7th tier was added to the existing chart of accounts containing six tiers.

17

2.1 Rationale behind restructuring of Chart of Accounts Contd...

3. The existing chart of accounts of the DoP remained untouched up to six tiers, since accounts of Ministry of Finance (MoF) are still on cash basis of accounting. One additional tier added to the existing chart of accounts for capturing the accrual accounting classification with the minimum digit structure.

18

2.2 Chart of Accounts-Structure (With proposed changer under accrual system)

VIIth Tier
for
Accrual

Tier-I	Tier-II	Tier-III	Tier-IV	Tier-V	Tier-VI	Tier-VII
Major Head (4 Digits)	Sub Major Head (2 Digits)	Minor Head (3 Digits)	Sub Head-I (2 Digits)	Sub Head-II (2Digits)	Object Head (2 Digits)	Proposed Code for Accrual (4 Digits)

Present Six Tier System of CoA

For e.g. For Interest Payable on Post Office Saving Bank Deposits new Code of Account under new system will be 8008_02_101_01_00_45_3001

19

3. CAPTURING OF ACCRUALS FROM THE DATA RELATING TO SAVING BANK DEPOSIT SCHEMES AND CASH CERTIFICATES

Data relating to deposit schemes and cash certificates is maintained in 'Sanchay Post' and 'CC Patram' software respectively. Since the accounting for deposit schemes and cash certificates on cash based accounting system the record does not provide any information about:

- Interest payable;
- Interest accrued but not due;
- Bonus payable;
- Post maturity interest payable in case of matured accounts where payment has not been taken by the depositors; and
- Total amount outstanding as on reporting date.

20

In order to convert the data maintained on cash based accounting to that required as per accrual based accounting , query was run in DBMS of the respective software used for maintaining records of deposit schemes and cash certificates.

The data for each scheme extracted on the basis of running query was further modified for requirement of accrual based accounting system. For that purpose 'MICROSOFT EXCEL' was used. MICROSOFT EXCEL FORMULAS were used in order to calculate

- Interest payable;
- Interest accrued but not due;
- Bonus payable;
- Post maturity interest payable in case of matured accounts where payment has not been taken by the depositors; and
- Total amount outstanding as on reporting date.

21

4. COMPILATION OF FIXED ASSETS REGISTER (FAR)

Fixed Asset Register was one of the important deliverables of the pilot study. The Fixed Assets Register was prepared based upon the accounting policies finalised by ICAI-ARF team in consultation with DoP keeping in view IPSAS-17 Issues by IPSAS board and IGFRS-2 issued by GASAB.

4.1 Data Source:

For collection of information following record/documents were referred:

- Stock Register; and
- Permanent Register.

4.2 Basis of Valuation of Assets:

All the assets (movable and immovable) except Building of New Delhi HPO (Gol Dak Khana) are valued at Historical cost. In case of Building of New Delhi HPO, since the actual cost was not available, therefore building of New Delhi HPO was valued at Rs. 1/-

22

Ist Phase-Preparation of Fixed Asset Register

- As per the pilot study conducted by ICAI_ARF on “Introduction to Fixed Asset Register” and the valuation norms for Fixed Asset, the detail guidelines were issued to All circles 14.06.2011 for preparation of FAR in r/o assets procured up to 31.03.2011.
- A web based software was also got developed from NIC to prepare the FAR in electronic form.

4.3 Depreciation:

The depreciation was calculated for all items of Fixed Assets following Straight Line Method. The items of Fixed Assets, whose useful life has already expired, valued at Rs 1. The rates of depreciation are based upon those provided in Schedule XIV of Companies Act, 1956.

4.4 Threshold Limit:

Threshold levels for capitalization of items as fixed assets has been fixed as Rs. 5000/-.

4.5 Composition of Fixed Assets Register

4.5.1 Immovable Assets: Land & Building

Land and Building comprise only those buildings and other constructions made for the use by Department of Post from the records available with them in respect of Different HPOs, Sub Offices and Branch Offices

The Fixed Asset Register provides following details in respect of Land and Building:

- | | |
|------------------------------------|------------------------------|
| i. Account Code | ii. Name of Village/Locality |
| iii. Cost of Land | iv. Covered Area |
| v. Built-up area | vi. Cost of Development |
| vii. Cost of construction | viii. Year of construction |
| ix. Rate of Depreciation | x. Accumulated Depreciation |
| xi. Net Block as on reporting date | xii. Remarks |

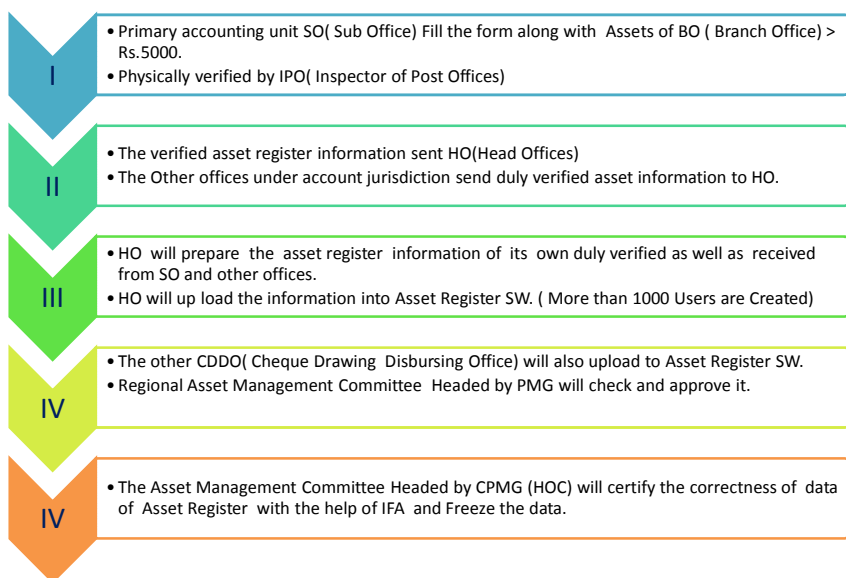
4.5.2 Movable Assets:

In respect of movable assets the Fixed Asset Register provides following details:-

- | | |
|------------------------------|-------------------------------------|
| i. Account Code | ii. Name of Asset |
| iii. Type of Asset | iv. Date of Purchase |
| v. Rate per Unit | vi. Total no. Of units |
| vii. Total Cost | viii. Place of installation |
| ix. Year of purchase | x. Rate of Depreciation |
| xi. Accumulated Depreciation | xii. Net Block as on reporting date |
| xiii. Remarks | |

25

Flow Diagram of Asset Register



26

COMPILATION OF OPENING BALANCE SHEET

CAPTURING OF DATA

- Identification of Assets and Liabilities;
- Designing of formats for capturing data relating to accrual;
- Collection of data to prepare complete list of all assets and liabilities.



VERIFICATION

- Physical verification of immovable and movable assets;
- Physical verification of stores, inventories, cash, and investments as a particular date;
- Valuation of Assets and Liabilities, in cases where values are not available from the books and records;
- Cross-checking with original/source document, to the possible;
- Obtain third party certificates (like from banks) to confirm balances.



COMPILATION

Compilation of figures from various records, registers, and formats so filled in;
Preparation of Opening Balance Sheet with the required disclosures;

OBJECTIVE OF FINANCIAL STATEMENTS

The financial statements prepared on accrual based accounting , will provide the following information:

- A. Assets
- B. Liabilities
- C. Revenue
- D. Expenses
- E. Other Changes in assets
- F. Cash flow

FIXED ASSETS

Fixed Asset is an asset held with the intention of being used for the purpose of producing goods or providing services and is not held for sale in the ordinary course of business.

The fixed assets are tangible as well as intangible assets that are held by an organization for use in production of goods or rendering of services or to be let out for rent to outsiders.

a. Tangible Fixed Assets

Tangible assets are those that have a physical substance and can be touched, such as Land and Buildings, Plant and Machinery, Vehicles, Office Equipments, Computer and Hardware, Furniture and Fixtures etc.

b. Intangible Fixed Assets

Intangible assets are defined as identifiable non-monetary assets that cannot be seen, touched or physically measured. Which are created through time and/or effort and that are identifiable as a separate asset. Intangible assets lack physical substance and usually are very hard to evaluate. They include patents, copyrights, franchises, goodwill, trademarks, trade names, etc.

Issues relating to Accounting for Fixed Assets

a) Identification of Fixed Assets:

- This is the first task that each office is supposed to undertake. Under this all the office shall identify all the assets both over and under the ground.
- This task is to be performed by departments based on their records, physical verification, books of accounts.
- The exercises of identification of fixed assets involve listing and defining the condition and location of the assets.
- This process shall also include the updating of records and registers of all the offices.

b) Physical Verification of Fixed Assets:

- Having completed the identification of assets by the relevant department, the assets should be physically verified based on the concept of materiality of assets.
- The officer conducting the physical verification shall keep a record of all the assets physically verified.

Contd....

c) Recognition of Fixed Assets

An asset should be recognized in books of accounts when it is put to use and before switching over to accrual accounting system shall have to be brought to the Fixed Asset Register.

d) Valuation of Fixed Assets

- i.** An item of fixed asset which qualifies for recognition as an asset should initially be measured at its cost (Historical Value).
- ii.** Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.
- iii.** Where determination of cost or fair value of such an asset is difficult due to first time recognition under

Item to be included in cost of fixed asset comprises:

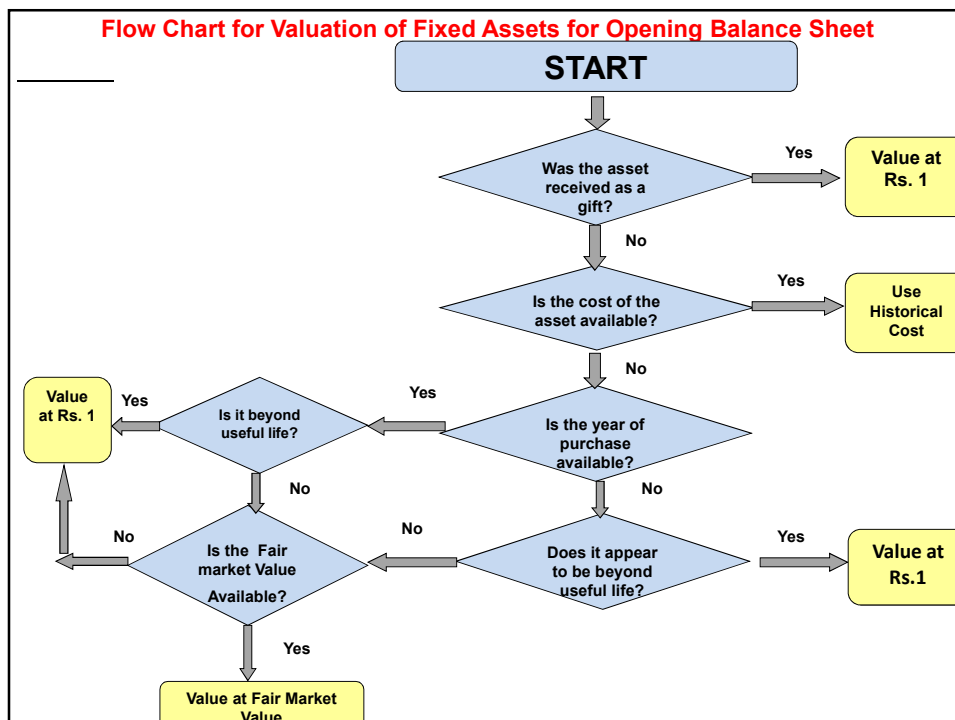
- i.** Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii.** Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii.** The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Directly Attributable Costs:

- i.** Costs of employee benefits arising directly from the construction or acquisition of the item of property, plant and equipment;
- ii.** Costs of site preparation;
- iii.** Initial delivery and handling costs;
- iv.** Installation and assembly costs;
- v.** Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment); and
- vi.** Professional fees.

Costs that are not included in costs of an item of fixed asset:

- Costs of opening a new facility;
- Costs of introducing a new product or service (including costs of advertising and promotional activities);
- Costs of conducting business in a new location or with a new class of customers.
- Administration and other general overhead costs.



THRESHOLD LIMIT OF ASSET

Threshold levels for capitalization of items as fixed assets has been fixed as `5000/-. The said Threshold levels adopted for recognition of all items as Fixed Asset in the Fixed Asset Register is based upon the decision taken by DoP.

DETAILS OF MOVABLE ASSETS										
Name of Circle _____			Name of HO _____				Name of SO _____			
S No.	Account Code	Short Code	Name of the Asset	Type of the Asset	Date of Purchase/Installation	Rate per Unit	Total No. of Units	Page No. & Serial No. of Stock Register	Name of BO	Remarks
1										
2										
3										
4										
5										
6										
7										
8										

Note: Assets having Rs.5000 more than is to be entered in this form.

Signature of SPM/PM Physical Verified by IPO Data Entered in
Software by

Signature of Head PM

DETAILS OF IMMOVABLE ASSETS											
Name of Circle _____			Name of HO _____				Name of SO _____				
S No.	Account Code	Short Code	Name of Village / Locality	Total Area and Built up Area	Type of the Asset (Land or Building)	Date of Acquisition	Date of Construction	Cost of Land	Cost of Construction / Improvement	Other Cost	Remarks
1											
2											
3											

Note: Assets Owned by the Department should be entered. If the building is jointly owned then enter in the remarks column.

Signature of SPM/PM _____ Physical Verified by IPO _____ Data Entered in Software by _____

Signature of Head PM _____

Classification of Assets in Fixed Assets Register

•Immovable Assets

- Land & Buildings

Movable Assets

1. Data processing machines including computers
2. Electrical Equipments
3. Furniture & Fixtures
4. Mail Motor Vehicles
5. Motors-cars, Motor cycles & Scooters
6. Office Equipment
7. Plant & Machinery

Depreciation

- The rate of depreciation on Fixed Assets will be adopted in Straight Line Method as per schedule XIV of Companies Act which are as under:

1. Data processing machines including computers=16.21 %
- 2. Electrical Equipments = 7.07 %
- 3. Furniture & Fixtures =6.33 %
- 4. Mail Motor Vehicles =11.31 %
- 5. Motors-cars, Motor cycles & Scooters =9.5 %
- 6. Office Equipment =4.75 %
- 7. Plant & Machinery =4.75 %

8.Land & Building

- (i) Land =0 %
- (ii) Building =1.63 %

WEB BASED SOFTWARE FOR ASSET MANAGEMENT REGISTER

www.indiapostmail.gov.in/Asset_mgmt

User ID and Password have been provided to the following:

1. Postal Directorate
2. Each Circle (23-Users)
3. Each Region (55-Users)
4. Each HO/ DDO Level(950 Users)

BASIC UNIT FOR PREPARATION OF ASSET REGISTER

- The primary unit for supply of asset information to HO will be sub post office by incorporating the assets of its BO also.
- The data of assets duly physical verified will be entered in Asset Management Software at HO level. The PAOs, Civil & Electrical division will also work as HO for their assets.

STEP BY STEP ACTION IS TO BE DONE FOR PREPARATION OF ASSET REGISTER

- The primary unit SO will prepare assets information/register of its own as well as incorporating the assets available under its BOs also.
- The asset entered in the asset register information prepared by SO will be physically verified by the IPO specially assigned for this work.
- Then the asset register information duly verified by the IPO will be sent to HO.
- The other offices come under the accounts jurisdiction of HO like Speed Post Centre, Mail office, Bill Post centre, Mail Bill centre, Computerized Registration Centre, Mail Processing centre, Transit Mail office, Divisional Office, CSD, PSD, RMS Division and Regional/Circle office etc. will also send the asset information duly physical verified to their HO.
- HO will prepare the asset register containing the asset information of its own duly verified as well as received from its SOs and other offices mentioned above.
- Now HO above will upload the data of asset register into software developed for this purpose. The serial no. /code no. allotted to the Asset in the stock register will also be uploaded in the asset register while uploading the data. The hard copy will be kept preserve for record.
- The above process will be adopted like HO by other CDDO offices also such as Regional Office, Circle Office, PAO, Electrical and Civil Divisions, Etc. which are independent accounting unit in the circle.
- The Regional level Committee will check this register and approve it.
- Then the Software will consolidate the data and will generate asset register of the Circle.

MODULES OF ASSET MANAGEMENT SOFTWARE

- The Asset Register Software is divided into four modules :-
- 1st is **Movable asset**,
- 2nd is **Immovable asset** ,
- 3rd is **MIS** and
- 4th is **ADMIN**.

BASIC UNIT FOR PREPARATION OF ASSET REGISTER

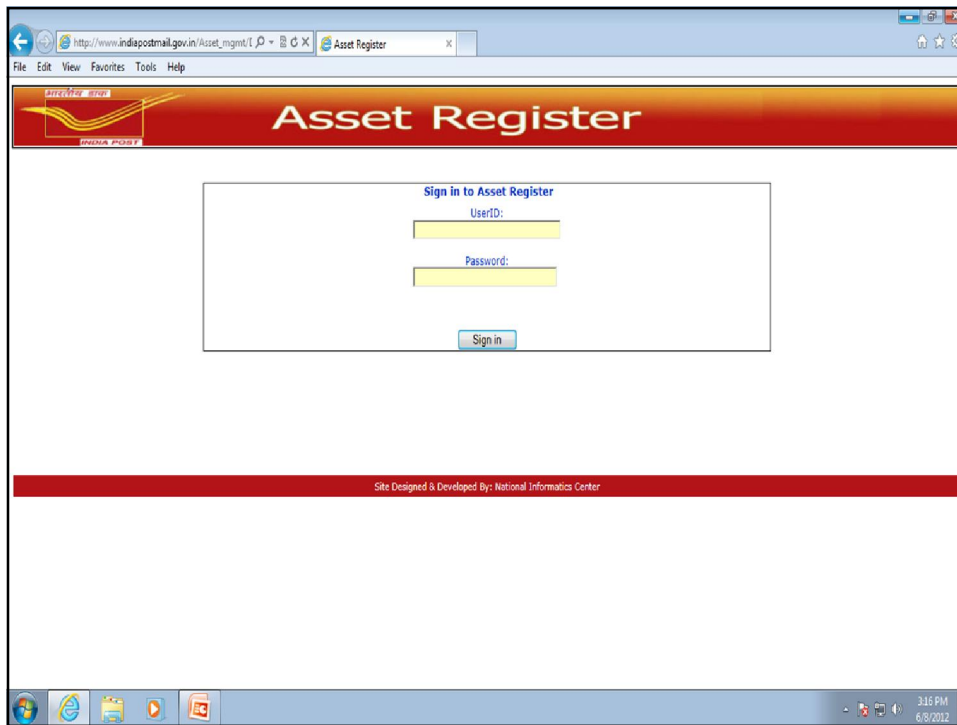
- The primary unit for supply of asset information to HO will be sub post office by incorporating the assets of its BO also.
- The data of assets duly physical verified will be entered in Asset Management Software at HO level. The PAOs, Civil & Electrical division will also work as HO for their assets.

STEP BY STEP ACTION IS TO BE DONE FOR PREPARATION OF ASSET REGISTER

- The primary unit SO will prepare assets information/register of its own as well as incorporating the assets available under its BOs also.
- The asset entered in the asset register information prepared by SO will be physically verified by the IPO specially assigned for this work.
- Then the asset register information duly verified by the IPO will be sent to HO.
- The other offices come under the accounts jurisdiction of HO like Speed Post Centre, Mail office, Bill Post centre, Mail Bill centre, Computerized Registration Centre, Mail Processing centre, Transit Mail office, Divisional Office, CSD, PSD, RMS Division and Regional/Circle office etc. will also send the asset information duly physical verified to their HO.
- HO will prepare the asset register containing the asset information of its own duly verified as well as received from its SOs and other offices mentioned above.
- Now HO above will upload the data of asset register into software developed for this purpose. The serial no. /code no. allotted to the Asset in the stock register will also be uploaded in the asset register while uploading the data. The hard copy will be kept preserve for record.
- The above process will be adopted like HO by other CDDO offices also such as Regional Office, Circle Office, PAO, Electrical and Civil Divisions, Etc. which are independent accounting unit in the circle.
- The Regional level Committee will check this register and approve it.
- Then the Software will consolidate the data and will generate asset register of the Circle.

ASSET MANAGEMENT SOFTWARE

- The Asset Management Software is hosted on the India Post site.
- (http://www.indiapostmail.gov.in/asset_mgmt)
- This site is maintained by NIC. The basic purpose of preparing this site is to prepare the Asset Register as per the FRBM and Accrual Accounting for the Department of Posts. The data will be entered at the CDDO (Check Drawing DDOs) i.e. Head Post Office level, DA (P) Office level, Electricals and Civil Divisions and other offices.



Sr. No.	Type of Asset	Name of Asset Purchased	Name of Asset Item	Purchase Date	Rate per Unit(Rs.)	Total No of Units	Place of Installation or User Dept.	Page No.
1	Data processing machines including computers	Mod-Pos	Servers	27-Mar-2007	64537	1	At Branch	
2	Data processing machines including computers	Mod-Pos	Computers & Hardwares	09-Nov-2004	26050	1	At Branch	
3	Data processing machines including computers	Mod-Pos	Printers	09-Nov-2004	7104.9	1	At Branch	
4	Data processing machines including computers	Mod-Pos	Printers	09-Nov-2004	7104.9	2	At Branch	
5	Data processing machines including computers	Mod-Pos	Printers	09-Nov-2004	11951.96	1	At Branch	
6	Data processing machines including computers	Mod-Pos	Printers	09-Nov-2004	9683.33	1	At Branch	
7	Data processing machines including computers	Mod-Pos	Computers & Hardwares	09-Nov-2004	26050	2	At Branch	

Asset Register

HOME Movable Assets Immovable Assets MIS Admin Logout

You are now logged in as DOP-ADMIN

MOVABLE ASSETS

Please Select DAP/HO/PO

DAP: DELHI HO: ASHOK VIHAR

Postoffice: ASHOK VIHAR HO Year: 2010-2011

Lookup

Combined Asset Register for DAP DELHI HO ASHOK VIHAR PostOffice ASHOK VIHAR HO

Sr. No.	Ung_No	Type of Asset	Account Code	Name of Asset Purchased	Purchase Date	Rate per Unit(Rs.)	Total No of Units	Total Cost	User Dept	Page no. /SL no. Of Stock Register	Name of Bo	Target Date	Rate of Depreciation	Remarks
1	MAR001	Electrical Equipments	520100104088260	Water Coolers	01-May-1999	1.00	2	2.00	Others	108	0	31st March 2011	7.07%	
2	MAR002	Furniture & Fixtures	520100104088160	Rack Sliding Door Units	05-May-1999	1.00	12	12.00	At Branch	1		31st March 2011	6.33%	
3	MAR005	Electrical Equipments	520100104088260	Generators	05-May-1999	1.00	1	1.00	Others	25		31st March 2011	7.07%	
4	MAR006	Data processing machines including Computers &	520100104088050	Computers &	05-May-	1.00	42	42.00	At	28		31st March	16.21%	

Asset Register

HOME Movable Assets Immovable Assets MIS Admin Logout

You are now logged in as DOP-ADMIN

Circle/Region/HO/PO Wise Asset Entry Status
Circle/Region/HO/PO Wise Asset Entry Details

Detailed Asset Register(DAP)
Data Entry Status
Combined Asset Register
New MIS Report

- [Frequently asked Questions](#)
- [Operating Instructions](#)
- [Milestone for preparation of Asset Register-regarding](#)
- [Guidelines For Asset Register](#)
- [How to make Immovable Assets Entry](#)
- [Concept and Study Material on Accrual Accounting](#)

Mr K.P. Singh
Accounts Officer
Dak Bhawan
eMail: kpsingh58@gmail.com
Ph: 2303-

Site Designed & Developed By: National Informatics Center

mgmt/POSTA | Inbox (10) - kpsinghb58@gmail... | Asset Register

Asset Register

[Immovable Assets](#) [MIS](#) [Admin](#)

Please Select DAP/HO/PO

DAP: ANDHRA PRADESH Region: -- Select Region

HO: -- Select HO -- Year: 2012-2013

Status of Asset Register Entry by Postoffice

Post Office	Region Name	HO	Total NOS. of SO	Data Entry Status				
				No. Of So's Entered	Movable Asset	Nos. of SOs not entered (For Movable Asset)	Immovable Asset	Nos. of SOs not entered (For Immovable Asset)
ESH	HYDERABAD	ADILABAD	30	0	0 view	30 view	0 view	30 view
ESH	KURNOOL	ADONI	27	6	6 view	21 view	0 view	27 view
ESH	VISAKHAPATNAM	AMADALAVALASA	22	7	7 view	15 view	0 view	22 view
ESH	VISAKHAPATNAM	AMALAPURAM	23	0	0 view	23 view	0 view	23 view
ESH	VISAKHAPATNAM	ANAKAPALLE	31	3	3 view	28 view	0 view	31 view
ESH	KURNOOL	ANANTAPUR	45	0	0 view	45 view	0 view	45 view
ESH	HYDERABAD	ARMOOR	17	0	0 view	17 view	0 view	17 view
ESH	VIJAYAWADA	AVANIGADDA	20	0	0 view	20 view	0 view	20 view
ESH	VIJAYAWADA	BAPATLA	26	12	12 view	14 view	0 view	26 view
ESH	VIJAYAWADA	BHADRACHALAM	24	5	5 view	19 view	0 view	24 view
ESH	VIJAYAWADA	BHIMAVARAM	25	0	0 view	25 view	0 view	25 view

http://www.indiapostmail.gov.in/Asset_mgmt/ | Asset Management

Asset Register

[HOME](#) [Movable Assets](#) [Immovable Assets](#) [MIS](#) [Admin](#) [Logout](#)

You are now logged in as DOP-ADMIN

- [Frequently asked Questions](#)
- [Operating Instructions](#)
- [Milestone for preparation of Asset Register-regarding](#)
- [Guidelines For Asset Register](#)
- [How to make Immovable Assets Entry](#)
- [Concept and Study Material on Accrual Accounting](#)

MIS

- [Detailed Asset Register\(DAP\)](#)
- [Data Entry Status](#)
- [Combined Asset Register](#)
- [New MIS Report](#)

Admin

- [Movable Circle Report](#)
- [Asset Type Report](#)
- [Financial Report](#)
- [HO SO List](#)
- [Amount Wise Report](#)

Mr K.P. Singh
Accounts Officer
Dak Bhawan
eMail: kpsinghb58@gmail.com
Ph: 2303-

Site Designed & Developed By: National Informatics Center

2:51 PM
6/8/2012

http://www.indiapostmail.gov.in/Asset_mgmt/POSTA... Inbox (10) - kpsinghb58@gma... Asset Register

File Edit View Favorites Tools Help

Asset Register

HOME Movable Assets Immovable Assets MIS

You are now logged in as DOP-ADMIN

MIS Asset Report Asset Type Wise

Date Of Purchase

From: 01-Jan-1950 To: 31-Mar-2013

Lookup

SlNo.	Circle/Asset Type	Data processing machines including computers		Electrical Equipments		Furniture & Fixtures		Mail Motor Vehicles	
		No. Of Units	Total Amount	No. Of Units	Total Amount	No. Of Units	Total Amount	No. Of Units	Total Amount
1	ANDHRA PRADESH	412996	81,19,79,245.55	845665	25,32,66,070.54	71076	8,08,52,097.12	124	7,16,59,655.95
2	ASSAM	6295	13,11,83,522.85	2287	8,58,69,710.31	18774	3,28,75,050.06	21	1,18,83,988.00
3	BIHAR	9395	22,50,08,967.90	5110	17,81,87,152.94	16406	5,11,60,805.26	21	53,43,749.00
4	CHATTISGARH	13405	12,59,10,686.52	6030	9,06,00,062.37	1320	79,13,878.58	2	2.00
5	DELHI	73179	16,85,57,794.04	68251	4,13,59,208.48	3670	2,15,69,695.93	141	7,39,20,010.41
6	GUJARAT	16056	36,54,84,780.74	4150	19,15,55,556.45	36157	11,24,95,062.14	34	1,39,39,022.73
7	HARYANA	143456	14,05,47,502.20	45729	8,19,07,576.50	6246	2,52,41,299.82	4	3,48,610.43
8	HIMACHAL PRADESH	4466	10,16,86,149.68	1452	5,66,89,326.06	5644	1,51,06,104.00	7	35,14,679.00
9	JAMMUKASHMIR	2066	2,99,28,074.74	983	2,68,94,651.89	2993	1,03,29,421.80	11	25,90,933.00

http://www.indiapostmail.gov.in/Asset_mgmt/POSTA... Inbox (10) - kpsinghb58@gma... Asset Register

File Edit View Favorites Tools Help

Asset Register

HOME Movable Assets Immovable Assets MIS

You are now logged in as DOP-ADMIN

MOVABLE REPORT

Select Financial Year: 2011-2012

Lookup

SlNo.	Asset Type/Rates	Total No. Of Units	Total Cost	Accum
1	Data processing machines including computers	209430	1,80,27,65,829.48	
2	Electrical Equipments	381939	2,64,39,32,734.08	
3	Furniture & Fixtures	18947	7,50,05,743.63	
4	Mail Motor Vehicles	117	5,52,63,932.56	
5	Motors-cars, Motor cycles & Scooters	50	74,68,432.32	
6	Office Equipment	78833	3,79,80,438.31	
7	Plant & Machinery	760	1,79,03,690.13	
Grand Total		690076	4,64,03,20,800.51	

Head of Accounts with short Code for the purpose of data entry in Software				
Short Code of Head of A/C	Asset Category	Head of Accounts	Main Description	Sub Description
Land-Qtrs	Land & Building	520100203010053	Staff Quarters	Land
Land-Admn	Land & Building	520100202010053	Administrative offices	Land
Land-POs	Land & Building	520100101010053	Postal Net Work	Land
Land-Trg	Land & Building	520100003010053	Training	Land
Bldg-Admn	Land & Building	520100202020053	Administrative offices	Buildings
Bldg- Qtrs	Land & Building	520100203020053	Staff Quarters	Buildings
Bldg- Trg	Land & Building	520100003020053	Training	Buildings
Bldg-Pos	Land & Building	520100101020053	Postal Net Work	Buildings

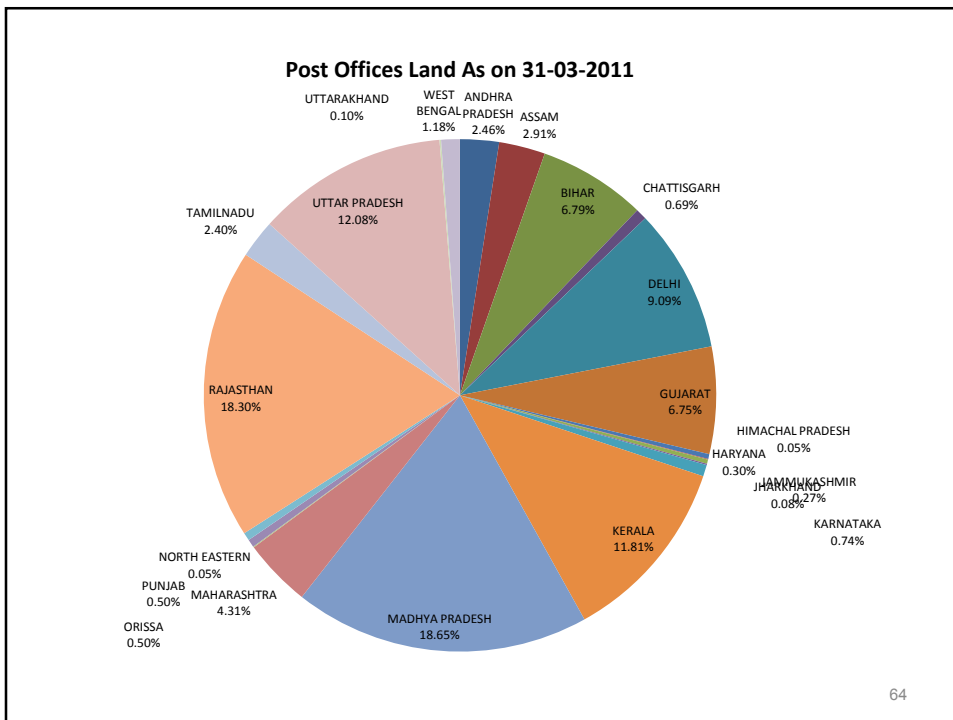
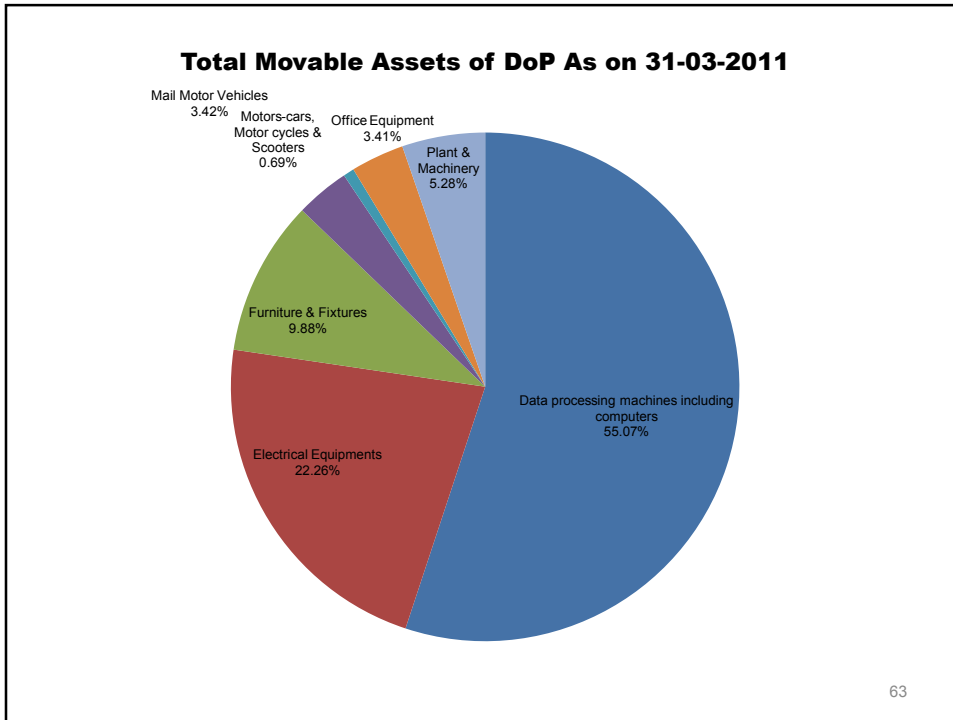
Short Code of Head of A/C	Head of Accounts	Main Description	Sub Description
Mod-RegionalDataCentre	520100104059952	Mechanisation and Modernisation of postal services	Regional Data Centres
Mod-Pos	520100104089952	Mechanisation and Modernisation of postal services	Computerisation/Modernisation of Post Offices
Mod-HRO	520100104109952	Mechanisation and Modernisation of postal services	Computerisation/Modernisation of Head Records offices(RMS)
Mod-ParcelPostHubs	520100104289952	Mechanisation and Modernisation of postal services	Infrastructure for Parcel Post Hubs
Mod-IP&LogCentre	520100104309952	Mechanisation and Modernisation of postal services	International Parcels & Logistics Centres
Mod-PAO	520100104339952	Mechanisation and Modernisation of postal services	Computerisation/Modernisation of Financial Management (Postal Accounts Establishment)
Mod-AdmnOffices	520100104379952	Mechanisation and Modernisation of postal services	Comperisation/Modernisation of Administrative offices

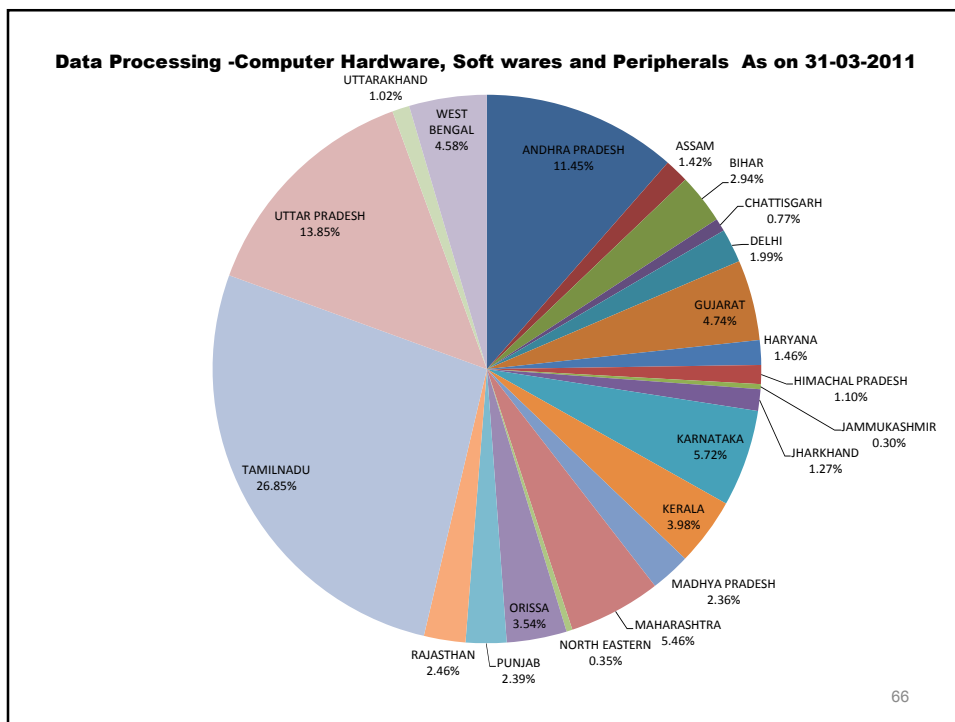
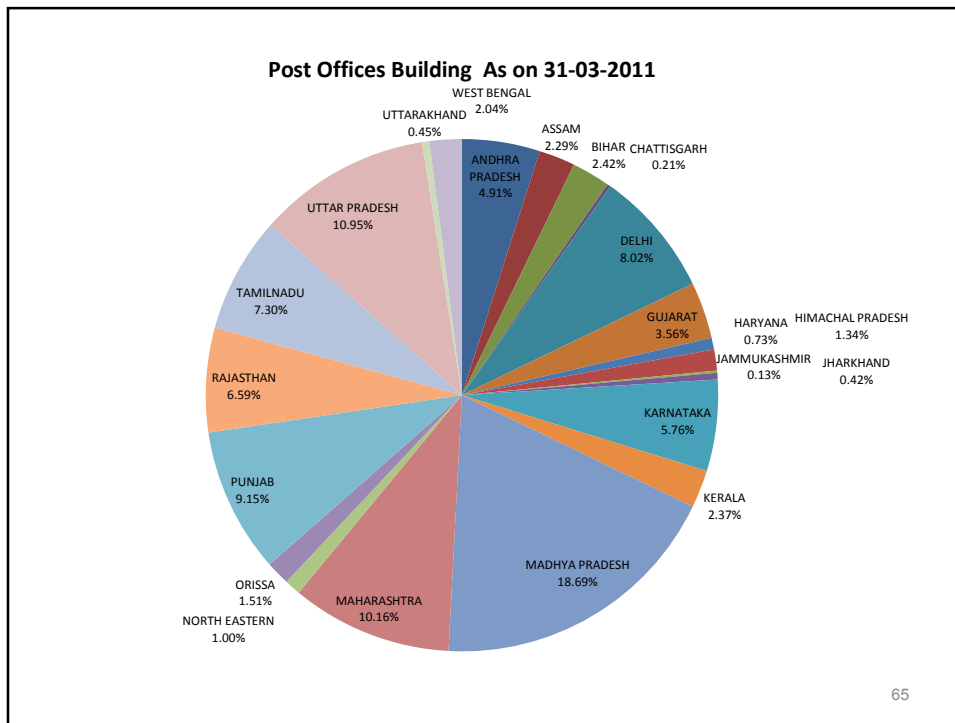
CHECK POINTS FOR REGIONAL/CIRCLE LEVEL MANAGEMENT COMMITTEE

1. The proforma of movable & Immovable assets duly filled up and signed by all authorities have been kept in record for future reference and auditing purpose.
2. The cost of all items has been taken into account in accordance with norms of valuation.
3. All offices have uploaded their all items into software.
4. No office should be left from this purpose.
5. It may be ensured about correctness of data uploaded after being satisfied yourself on doing test check etc.
6. After doing all above activities, you (Circle level Committee) may opt the option of "Verify" to freeze the uploaded data.
7. In last, the Certification of HOC with concurrence of Circle IFA will be issued.

Total Immovable and Movable Asset of DoP As on 31-03-2011 (Rs. In Crores)

SINo.	Asset Type/Rates	Total Cost	Accumulated Depreciation	Net Block
1	Land And Building	4123.51		4123.51
2	Data processing machines including computers	718.04	309.62	408.42
3	Electrical Equipments	290.30	68.14	222.16
4	Furniture & Fixtures	128.84	56.68	72.16
5	Mail Motor Vehicles	44.56	26.46	18.09
6	Motors-cars, Motor cycles & Scooters	9.00	6.12	2.88
7	Office Equipment	44.42	12.87	31.55
8	Plant & Machinery	68.79	41.62	27.17
	Grand Total	5427.45	521.51	4905.94





Outcome of pilot study

Sl.No	Deliverables	Submitted By ICAI	Approved By DOP
1.	Concept Paper on Timings of Revenue recognition	03-12-2009	11-07-2011
2.	Concept Paper on Fixed Assets & Threshold Limit	15-12-2009	29-09-2010
3	Restructuring of Chart of Accounts	18-12-2009	06-09-2010
4	Comprehensive Scope Evaluation Report (CSER)	23-03-2010	06-09-2010
5	Concept Paper on CGD & Sustainability Documents	02-07-2010 & 28-10-2010	25-09-2011
6	Compilation of Fixed Assets Register	24-09-2010	25-07-2011
7.	Concept Paper on Annual Financial statements with notes & Accounting Policies	08-12-2011	27-03-2012

Payment Details for pilot study

Sl.No	Details	Amount	Date of payment
1	Mobilization Advance 10%	5,72,347/-	09-11-2009
2	On submission of acceptable of Chart of Accounts 15%	8,58,520/-	15-09-2010
3	On submission of acceptable of CSER 25%	14,30,867/-	15-09-2010
4	On submission of acceptable Fixed Asset Register 15%	8,58,520/-	07-01-2011
5	On submission of acceptable of CGD & sustainability Documents 10%	5,72,347/-	25-07-2011
6	On Submission of Annual Financial Statements of two Pilot Hos with notes	14,30,867/-	28-3-2012

CHALLENGES

- Mapping of more than 8000 head of Accounts.
- Preparation of Two sets of Account-
 - Cash Basis of Accounting -For CGA
 - Accrual –For Internal Use.
- Huge manpower is required.
- Manual Accounting / unconnected Rural Post Offices through Network.
- Untrained Manpower at POS.
- Absent of AS (Accounting Standard) for Accrual Accounting for Government Sector (IPSAS).

69

Migration to Accrual Accounting in New modernized IT Environment

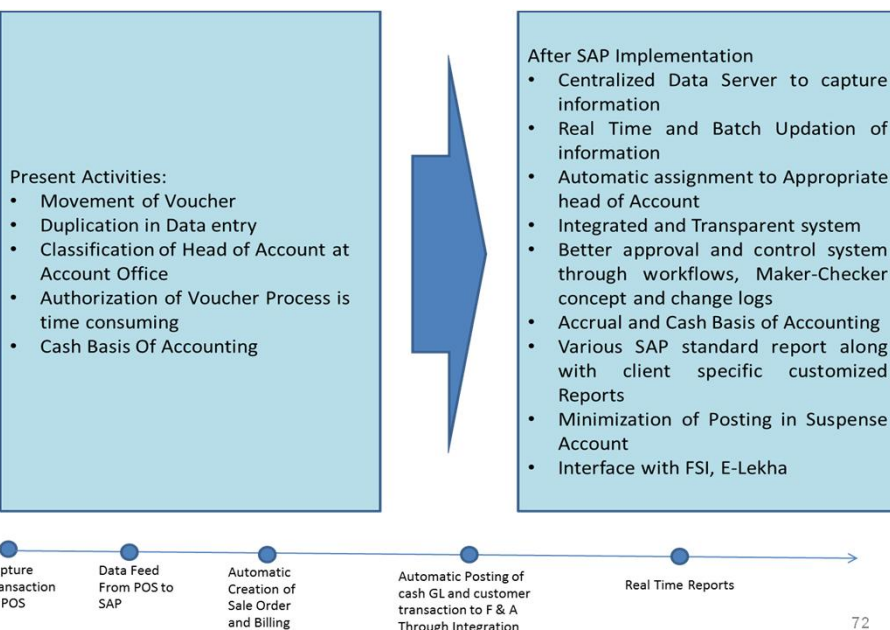
1. For ERP solution DOP is being modernized technology by implementing CSI software namely SAP through TCS.
2. SAP is basically developed software on Accrual Accounting.
3. SAP is being customized as per requirement of DOP.
4. ALL data is being migrated to this customized SAP software.
5. Through this CSI, two type report will be generated. One is on Cash based Accounting for submission to CGA and second is on Accrual Based Accounting for internal purpose.

CHART OF ACCOUNT IN CSI

1. As per the limitation of SAP software, 15 digit head of account have been converted into 10 digit.
2. One to one mapping all 15 digit head of account to 10 digit head of account have been made.
3. SAP software will generate the reports on 15 digit COA to meet the requirement of CGA.
4. Additional information required for Accrual based Accounting will also generated by SAP.

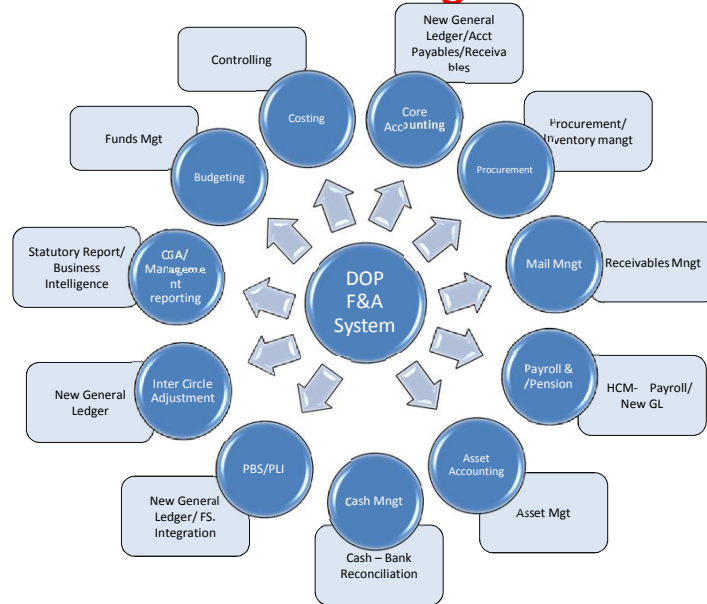
71

DOP Finance – New Transformation Journey – SAP ECC 6.0 Ehp7




72

DOP Finance – An Integrated Process




73


DOP F&A Business Processes- Key highlights

- 


Reporting financials to CGA- Cash Basis

 - Concept of Leading and Non Leading Ledger functionality
 - Reporting from Financial Accounting and BI (Business Intelligence)
- 

Revenue reporting from Head Office Level/Circle Level/Directorate Level

 - All offices as Profit Centers as well as Cost Centers
 - Hierarchy with all Post offices and Administrative offices group
 - Changing of Office Levels as and when required
- 

Cash Flow- with Liquidity forecast

 - Cash requirement forecast at any post office level including PSB & PLI applications
 - BI Report – Cash Flow Statement
 - Ratio Analysis
- 

Inventory – CSD , PSD and Post Offices

 - CSD, PSD and Post Offices as plants to track inventory stock and its valuation on real time basis
 - Recording for Physical inventory count and accounting for stock differences

74

DoP Top 5 Improvement Areas for Finance

Improvement areas identified	Proposed solution
Semi / Unclassified Accounting	Each and every Finance related transaction in SAP will be tagged with appropriate GL code automatically, removing all redundant time consuming process of account classification
Cash Transfer process – Transparent – real time view	Cash requirement of Post Offices will be driven by system driven upper Cash limit enabling DoP management to utilize Cash in best efficient way along with a real time view of liquidity forecasting against cost center Real time basis cash ledger updates allows directorate / PAO to have on line view of Cash balance for any Post office
Budget – Estimation and Re-appropriation with fund transfer	Real time basis integration with budget head against any Procurement leading to reduce additional budget requirement Correct estimation and utilization of budget at each cost center Transfer of funds between cost centers real time basis through multi level work-flow approval
Fraudulent encashment of Cash Certificates/ IPO	Seamless integration between POS / FSI and SAP back end application leads to zero tolerance in this area
Information Report and Analytics – Daily report to CGA – Govt. of India	Data gets updated in real time or pseudo real time basis from sources like POS, FSI to SAP. Information related to revenue, cash flow, liquidity forecasting will be available to decision makers at no time Cash report to CGA can be done daily basis with no lag

General Ledger

- **Process Overview**

- GL Master data maintenance
- Posting period and Special Period
- Integrated System
- Interface with other Application-PBS, PLI, POS, Non Connected Post office
- Manual posting-Rectification, adjustment, settlement entry, normal operational expenses of location etc.
- Document Edit/Reversal
- Block GL account for Posting
- Foreign Exchange Transactions
- Recurring Transactions, accrual deferral posting-Automatic Reversal
- Period End Closing Activity
- Document Clearing
- Write off losses/Adjustment
- Change in office hierarchy
- Cash and Accrual basis of Accounting
- Control Mechanism

Accounts Payable

Process Overview

- Maintenance of Vendor master data
- Payment Terms
- Payment Method applicable for DoP
- Posting Vendor advance payment
 - ✓EMD
 - ✓Security Deposit
- Posting Partial Payment to Vendor
- Liability Creation for Procurement of Goods and Services
- Liability Creation for PLI Agent Payment
- Posting a debit memo with invoice reference
- Blocking invoice for payment
- Workflow approval for Payment Release

77

Accounts Receivable

Process Overview

- Maintenance of Customer master data
- Payment Terms
- Payment Method for Customers
 - ✓Cash
 - ✓Cheque
 - ✓DD
 - ✓Transfer through POSB
 - ✓Debit /Credit Card
 - ✓Book Adjustment
 - ✓Bank Transfer
- Receivable Management
 - ✓Mail Operation
 - ✓BNPL
 - ✓Philately
 - ✓Franking
 - ✓Biller Service
 - ✓Money Order
- Posting of retail invoices for One-Time-Accounts
- Receiving Customer Advance
 - ✓ Advance from Customer
 - ✓ Deposit for PDA
 - ✓ Advance for Logistic Mails Service
 - ✓ Licence for Franking machine
 - ✓ Deposit for Franking Machine
 - ✓ EMD & Security Deposits from Customer
- Clearing Customer Advance
- Dunning
- Interest calculation
- Interface with legacy Applications - e- Payment ,Speed Net

78

Cash and Bank

- **Process Overview**

- Creation of house bank master data – DoP Bank Details creation
- Cash transfer from Cash office to Post Offices and administrative Offices
- Posting outgoing payments
- Posting incoming payments
- Cheque issue to SO/BO/CSD/PSD and NCDDO Offices
- Employee Salary payment
- Pension Payment for DoP Employees and Third Party (DoT, Railway)
- Third party deductions Payment – i.e. payment to LIC, Union sub scription
- GDS Payments
- Maturity and Claim Payment for PBS/PLI
- Upload of bank statement for 1st Level pairing
- Interface with PACS for 2nd Level pairing
- Day wise cash receipt/payment report - office wise
- Statutory report generation – Office wise (Bank schedules)
- Liquidity forecast report generation
- Financial ratios report generation

79

Budgeting

Process Overview

Master Data Maintenance

- Fund - DoP Grant Number (e.g. 013)
- Fund Center - Location and Department
 Example: Bangalore GPO - 2110110000
 1st 2 digits represent – Circle
 Next 1 digit represent – Region
 Next 2 digit represent – Division
 Next 1 digit represent – Head Office
 Next 2 digit represent – SO
 Next 2 digit represent – BO
- Commitment Item - Head of Expenses
 Example: NC3010071300 (Non-Plan Charged)
 NV3010071300 (Non-Plan Voted)
 PC3010071300 (Plan Charged)
 PV3010071300 (Plan Voted)

Commitment Item is assigned to SAP GL account to achieve budgeting control

80

Budgeting...

- There are 3 stages of budget sanctioning and release
 - Budget Estimate stage for next FY
 - Revised Estimate stage for current FY
 - Final Grant
- Planning of Budget
 - Planning data for Non-Plan budget coalition starts from lowest level to top level following DoP organization structure, i.e. Head office to Budget section of Directorate
 - Planning data for Plan budget start at Corporate Planning division
- Budget Approval and Allocation Process
 - Non-Plan budget gets approved from MoF and further allocated from top to lowest level of DoP organization structure, i.e. Budget section of Directorate to Head Office
 - Plan budget gets approved from Planning Commission and send back to Corporate Planning division
- Integration
 - Integration with Procurement
 - Integration with Asset

81

Asset Accounting

Process Overview

- Asset Master Data Maintenance
- Acquisition of Asset through Finance module (Rs. 5001 to 15,000)
- Acquisition of Asset through Purchase order Cycle (above Rs 15,000)
- Retirement of Asset with revenue
- Asset Scrapping
- Asset Transfer
- Asset Under Constructioin settlemen
- Depreciation Posting Run

82

Tax Accounting

- **Process Overview**
 - Withholding tax Process
 - Service tax process now GST.
 - Generation of TDS Return
 - Creation of tax code
 - Printing of TDS certificates
 - Tracking of amount deducted as TDS
 - Withholding tax is calculated automatically (As for example Rent, Agent Commission)
 - Tax information on centralized server,
 - TDS certificate online
 - Centralized reporting

83

Future..

- Implemented in Commercial Department. i.e. Railways, Posts, Telecom etc.,
- Development of Modified ERP as done in DoP.
- Two sets of Accounts.
- Better Financial Management.
- True and Fair View.
- Ratio Analysis.
- More pro-active role in setting up AS for Government Sector.

84

Introduction

- Productive efficiency is a survival condition of a competitive environment and that its importance diminishes as competitive pressure subsides.*
- Traditionally Postal administrations have been under universal service obligation to provide a minimum defined services at uniform rates mostly under monopolistic conditions. Therefore costing was based on historical cost Absorption method.
- Cost of different products was based on figures taken from Demand for grants which is a part of annual budget.
- Enumeration of traffic of unaccountable mail was done in February and August each year.

Contd..

- Expenses from DFG are allocated among
- Clerical handling
- Postal assistance or MTS
- Delivery charges
- Collection charges
- Back office operations like cash handling accounts, administration and audit.

Main stages of Annual costing exercise

- Classification of total expenditure for costing purpose into various products/ services rendered by India Post
- Determination of output traffic of each product handled in the year done by statistics department
- Arriving at cost per unit in service and compare with average revenue to determine surplus or deficit
- For accountable articles expenses are divided in the ratio of product of time and traffic of product to Total time and traffic of products.
- Thus though traffic is falling cost is high and losses are high.
- Hence NEED FOR CHANGE.THUS ABC method was suggested.

Way Forward

- Costing can be done at **each cost centre level** to arrive at actual cost of each product, thereby arriving at product wise profitability, as well as cost centre wise profitability
- Cost allocation can be done periodically as per requirement
- Till all cost centres are covered, circle wise time studies will be needed based on representative samples of rural/urban/hilly/remote locations.

ABC-CHALLENGES AHEAD

- Capture of traffic of unaccountable mail
- Integration issues with FSI :
 - i. CBS: a. post office wise, product wise, activity wise time and traffic details in a given format to be provided by Infosys
 - b. For revenue, number of transactions, number of live and silent account in a given format, to be provided by Infosys
 - c. Access to MIS report of CBS
 - ii. PLI: a. from McAmish, office wise, product wise, activity wise time and traffic to be given by Infosys
 - b. access to MIS report of PLI

89

THANK YOU

90

