



# PUNJAB STATE TRANSMISSION CORPORATION LIMITED

(Regd. Office: PSEB Head Office, The Mall, Patiala)

## OFFICE OF THE CHIEF ACCOUNTS OFFICER

(A&R SECTION, SHAKTI SADAN, PATIALA)

To

Er./Sh.....

Addl S.E. / Senior Executive Engineer / Accounts Officer,

P.S.T.C.L. ....

Memo No. 675/785

Dated : 11.04.2011

**Subject: Submission of Accounts for the month of March, 2011 Instructions thereon.**

As you are aware that the financial year 2010-11 would be closed on 31st March 2011. After unbundling of PSEB into PSPCL and PSTCL the Annual Accounts of PSTCL will be prepared under the provisions of Companies Act, 1956 The Annual Accounts will be considered by the Audit Committee before the same are placed before the Board of Directors for approval. The Annual Accounts will also be submitted to statutory Auditors for conducting Audit. Thereafter the Supplementary Audit will be conducted by the representatives of CAG India (RAO). The submission of accounts involves a long process as detailed below:

1. Compilation of Accounts at Divisional/Accounting Unit Level & submission thereof to this office.
2. Post Audit/Internal Audit of Accounts by Internal Auditors & carrying out corrections, if any.
3. Consolidation of Accounts for the PSTCL as a whole.
4. Finalization of Annual Statement of Accounts comprising Balance Sheet as on 31.03.2011, Profit & Loss for the period ending 31<sup>st</sup> March, 2011 and notes to the Accounts.
5. Approval of the Annual statement of Accounts by the Audit Committee.
6. Adoption of Annual Statement of Accounts by Board of Directors of PSTCL.
7. Submission of Annual Statement of Accounts to statutory Auditors appointed by CAG for Audit.
8. Submission of Annual Statement of Accounts along with Audit report of Statutory Auditor to CAG for supplementary Audit.
9. Supplementary Audit by CAG (RAO).
10. Attending of Audit observations, collection of replies from field officers/DDOs & settlement of paras.
11. Recasting of Accounts, consequent on compliance of Audit observations.
12. Approval of Audited Annual statement of Accounts-by Audit Committee.
13. Approval of Audited Annual Statement of Accounts along with Director's report by PSTCL Board.



- 14 Adoption of Audited Annual Statement of Accounts, Director's report by Shareholder in the Annual General Meeting (AGM).
- 15 Filing of Annual Statement of Accounts and Annual returns with ROC.
- 16 Submission of Audited Accounts, Reports & statistics to Central Electricity Authority and the State Govt. for laying the final Accounts/Audit Report on the table of the Punjab Vidhan Sabha.

The Basic Accounting Principles & Policies contained in Commercial Accounting System Vol. I part II require a number of adjustments to be carried out in the March Account. These adjustments have been detailed in the enclosed annexures and it should be ensured that all relevant adjustments applicable to your accounting unit are incorporated in the March Account.

It must also be ensured that all adjustments are carried out and no adjustment is left which has material effects on the profitability and financial results of the company for the year ending 31 March 2011 and so that profitability and financial results of the company can be depicted in true & fair manner through the Annual Accounts.

### Time Schedule

It must be ensured that the Trial Balance of March 2011 is submitted by 4 May 2011 after compliance of all outstanding paras/observations along with requisite schedule, statements and certificates. Supplementary Accounts, if any must reach in this office by 18 May 2011.

Trial Balance be prepared on computer with font size 15. So that it could be seen clearly & there must not be any problem in its posting in computer.

It may kindly be noted that the PSTCL has decided to meet its statutory obligation of finalization of Accounts by the due date & to achieve this end; you are requested to ensure that the above schedule is not violated.

**IT MAY PLEASE BE CLEARLY UNDERSTOOD THAT NO ACCOUNT/ ADJUSTMENT RECEIVED AFTER THE ABOVE DATES SHALL BE ENTERTAINED AND THE RESPONSIBILITY FOR NON-INCORPORATION OF YOUR ACCOUNT OR ANY ADJUSTMENT THE CONSEQUENCES ARISING THEREFROM SHALL BE ENTIRELY YOURS.**

This issues with the approval of Chief Accounts Officer, PSTCL.

D.A./Instructions

*Ravinder Kumar*  
(Ravinder Kumar)  
Accounts Officer / A&R,  
Pb. State Transmission Corp. Ltd.  
Patiala.

CC :

- 1 Er. in Chief/Sub Station, PSTCL, Patiala.
- 2 Chief Engineer/TL, PSTCL, Patiala.
- 3 Chief Engineer/P&M, PSTCL, Ludhiana.
- 4 Chief Accounts Officer, PSPCL, Patiala.

- 5 Chief Auditor / Financial Advisor / Cost Controller under PSPCL/PSTCL.
- 6 All Dy. CAOs / Dy. CAs / Dy. FAs under PSPCL / PSTCL.
- 7 Dy. CAO/Corporate Audit, PSTCL, Patiala.
- 8 Company Secretary, PSTCL/PSPCL.
- 9 Accounts Officer/Banking, PSTCL/PSPCL, Patiala.
- 10 Accounts Officer/A&R and AO/WM&G, PSPCL, Patiala.
- 11 Accounts Officer/GPF and Accounts Officer/Pension, PSPCL, Patiala.
- 12 Accounts Officer/Broad Sheet, PSPCL, Patiala.
- 13 Accounts Officer/WAD-1 & 2 PSPCL, Patiala.
- 14 Accounts Officer/WAD, PSTCL, Patiala.
- 15 RAO, PSTCL, Patiala.
- 16 SE/IT, PSPCL / PSTCL, Patiala for placing the circular on websites of PSPCL/ PSTCL.
- 17 Sr. PS to CMD, PSTCL/PSPCL, Patiala.
- 18 Sr. PS to Director/Finance & Commercial, PSTCL, Patiala.
- 19 Sr. PS to Director/Finance, PSPCL, Patiala.
- 20 Dy. Secy. to Director/Technical, PSTCL, Patiala.
- 21 Sr. PS to Director/Administration, PSTCL, Patiala.

} for information  
of CMD/  
Directors  
respectively



## INSTRUCTIONS

Besides the instructions in vogue on preparation of Accounts, your special attention is also drawn on the following points which must be kept in view whole finally the Accounts of March 2011.

1. **Expenditure on all assets completed/commissioned during the year shall be transferred to appropriate fixed assets accounts (GH 10-Fixed Assets) from the Group Head 14 Works-in-Progress by debit to GH-10 per contra credit to GH-14.** List of works completed /commissioned and transferred to GH-10 should invariably be supplied with the Journal voucher. Assets not in use should be identified and adjusted by credit to GH-10, for the original value (estimated value if not known) and debiting the appropriate Account code under Group Head-16 with written down value and Depreciation to GH-12 (Appropriate Account Code). It must be insured that all the Capital Expenditure is booked to right scheme.
2. Depreciation on fixed assets including vehicles/Machinery purchased/acquired up to 31.3.86. in respect of all accounting units (both O & M and construction Divisions/Accounting Units) will be provided centrally by the Head Office. However in construction divisions, transfer entry for the depreciation on vehicle/machinery as provided in the relevant estimates should be prepared by debit to Account Head 15.311 (Working of machinery for capital work-vehicles operation) per contra credit 77.9 (Depreciation and related costs chargeable to capital works) and account of vehicles/machinery should be closed as per instructions contained in chapter 18 "R&M of Board's Vehicles of 'Expense Accounting Manual'. At the end of the year, the net difference between the expenditure and its recovery (15.311 and 15.361) shall be debited/ credited to account Head 15.2 with the orders of the competent authority and thereafter be distributed to works on the basis of expenditure incurred.
3. Depreciation on fixed assets including Vehicles/Machinery purchased on or after 1.4.86 and transferred to fixed assets upto 16-4-2010 both in respect of O &M Divisions and construction divisions shall be provided by debit to Account Code 77.171/77.150 per contra credit to Account Code 12.7/12.5 respectively. However in Construction Divisions/Accounting Units, the estimate of vehicle/machinery should be closed as per chapter 18 R&M of Board's Vehicles of 'Expense Accounting Manual' in the manner laid down in Instruction No.2.
4. Depreciation will be charged on Assets as per Rates prescribed in Company Act-1956. w.e.f. 17-4-2010. The Relevant schedule XIV of company Act 1956 is attached at Annexure-B.
5. Assets transferred by construction Divisions should be classified under appropriate scheme/ detailed head while issuing U-cheque by responding Accounting Units. In such cases Photostat copies of Asset cards should invariably be sent with account for checking of scheme and depreciation. It should be ensured that Assets are correctly classified to the relevant scheme by responding accounting units as mentioned on the Asset Card of originating accounting unit.
6. Maintenance and updation Assets registers/cards in respect of all the asset be ensured as per detailed instructions in manual on Capital Expenditure & fixed assets (Refer Chapter -



29). A certificate to the effect that Assets cards in respect of all the assets belonging to the accounting unit have been prepared and this record has been maintained in the fixed asset Registers be supplied with the March Accounts (Refer Accounts Circular No. 12/2002 dt. 16.12.2002 and 13/2003 dated 21.08.2003). Year wise abstract of assets must be prepared.

7 (a) The net difference of store incidental expenses (storage charges) and their recovery (15.331 and 15.371) will be transferred to account Head 79.110 Material cost variance account-capital as provided in chapter 50 of 'Material Accounting Manual'.

7 (b) All capital stock accounts & O & M stock Accounts shall be merged into material stock and a statement of stock in the proforma given below may be supplied along with the monthly account of March, 2011.

### STOCK

| Debit                             |                   |        | Credit                               |                   |        |
|-----------------------------------|-------------------|--------|--------------------------------------|-------------------|--------|
| Particulars                       | A/C Head          | Amount | Particulars                          | A/C Head          | Amount |
| Capital Material Purchase         | 22.201/<br>22.219 |        | Issue of Material (Consumption)      | 22.301/<br>22.319 |        |
| O&M Material Purchased            | 22.221/<br>22.239 |        | Capital Works                        | 22.321/<br>22.339 |        |
| Material returned by contractors  | 22.361/<br>22.379 |        | O & M Works                          | 22.341/<br>22.359 |        |
| Transfer inward                   | 22.401/<br>22.419 |        | Issue to Contractors                 | 22.421/<br>22.439 |        |
| Capital Material Stock adjustment | 22.501/<br>22.519 |        | Transfer Outward                     | 22.450            |        |
| O&M -do-                          | 22.521/<br>22.539 |        | Transfer of material within Divn/COS | 22.501/<br>22.519 |        |
|                                   |                   |        | Capital material Stock Adjustment    | 22.521/<br>22.539 |        |
| Total                             |                   |        | Total                                |                   |        |

Total of the Stock (details as indicated above) should tally with the difference of Debit and Credit under code 22.6 of the Trial Balance for the period from 17.4.2010 to 31.3.2011.

8. All outstanding incoming IUT Bills should be adjusted positively. The verification of IUT Bills should be got done at personal level and U-cheque issued. Similarly, the U-cheque may be obtained in respect of all the IUT Bills raised from April, 1986 onwards by your division/ Accounting Unit and adjusted in the monthly account of March, 2011 without fail. Likewise balance outstanding, under A/C Code 46.941 credit awaiting IUT may also be cleared by Collecting IUT Bills & issuing U-Cheques to the quarters concerned. The Balance of IUT Bills as per Trial balance of March, 2011 should be reconciled with IUT ledger (IUT-5). Instruction issued by CAO/A&R vide his memo No. 22/248 dated 13.1.09 must be complied. Non-Clearance of IUT Bills may attract disciplinary action against the delinquent, officer/official concerned.



It may also be ensured that IUT-Bills issued prior to 17.04.2010 must be adjusted in PSEB recasting account for the month of April, 2010 (01.04.2010 to 16.04.2010) compiling by PSPCL. No U-Cheque will be adjusted in the current financial year account of PSTCL (17.04.2010 to 31.03.2011) relating to period before 17.04.2010.

9. A U-Cheque shall be issued in favour of Accounts Officer (Banking Section) PSTCL Patiala for the net amount (gross figure of Cheque Issued and Drawn during the year less the figures of stale cheques adjusted by minus credit to cheques issued account 24.403 & contra credit to 46.910 (stale cheque account) and credit to U-cheques Account (37.000) (Refer Cash and Bank Manual- Accounting Entry No. 9 Page -55). The break up of amount shall be supplied with U-Cheque i.e. figures upto Feb., 2011 as per Trial balance and for March, 2011 as per cheques drawn statement and details of adjustment of stale cheques indicating Memo No. and date of A.O./Banking.
10. Total amount of Remittance into bank during the year under the A/C head (24.501 & 24.521) is to be minus debited per contra debit to Inter Unit Account 33-Remittance to Head Office and IUT Bills raised on A.O. Banking PSEB, Patiala. The IUT Bills shall indicate amount remitted from April, 2010 to Feb. 2011 as per Trial balance and for March, 2011 it shall be supported by Remittance Statement.
11. The U-Cheque and the IUT Bills should be sent through special messengers alongwith Cheque Drawn Statement for March 2011 and Remittance into Bank Statement for March, 2011 by 17th April, 2011. These should be delivered to A.O. (Banking Section) and U-Cheque obtained from him for the IUT Bill in respect of Remittance into Bank. The U-Cheque obtained should be adjusted in the Account for March, 2011 through U-Cheque cash book by debit to Inter Unit Account Head 37.000 (Blank code) per contra credit to Inter Unit Account 33.

On receipt of U-Cheque the Banking section shall account for the amount in March, 2011 A/C by debit to A/c Code 37.000 per contra credit to 24.403. Similarly on receipt of IUT Bill the Banking Section shall issue U-Cheque by debit to Remittance into Bank (24.501) per Contra Credit to 37.000 in March 2011 Account.

12. **Regarding Credit taken and payments made in respect of GPF under Account Head 57.120 by the different Accounting Units of PSTCL:**

AO/Banking PSTCL will issue and receive U-Cheques on the previous pattern of AO/GPF, PSPCL pertaining to whole financial year 2010-11 (i.e. 17.04.2010 to 31.03.2011) to/from different Accounting Units of PSTCL to transfer their balance at Head Office level, after taking clearance certificate issued by AO/GPF, PSPCL for submission of schedule/ statements of whole year on previous pattern to their offices as per instructions already issued and procedure explained in **Annexure A of Accounts Circular 01/2011 of PSTCL.**

The break-up of the amount and clearance certificate regarding submission of schedules issued by AO/GPF, PSPCL, Patiala shall also be supplied by the concerned Accounting Units of PSTCL with the U-Cheque/IUT-Bill to AO/Banking, PSTCL, Patiala i.e. figures from 17.04.2010 onwards as per credit/debit statement/schedule submitted to AO/GPF, PSPCL, Patiala.

Thereafter, AO/Banking, PSTCL will issue and receive ONE consolidated cheque to/from AO/Banking PSPCL (as AO/GPF, PSPCL has no DDO powers) for amount adjusted in March, 2011 Account as a whole regarding these adjustments as per instructions already issued and procedure explained in **Annexure A of Accounts Circular 01/2011 of PSTCL.**

- 13 **Regarding payments made to retirees who retired before 16.04.2010 and after**



16-04-2010 on account of Pension, Gratuity, Leave Encashment, reimbursement of Medical Expenditure, LTC to Pensioners, Fixed Medical Allowance to Pensioners under Account Head 44.110/44.120/75.617/ 75.863/75.861/57.150/28.861/75.871/75.873/75.874/75.875 etc. by different Accounting Units of PSTCL on behalf of PSPCL :

AO/Banking PSTCL will issue and receive U-Cheques on the previous pattern of AO/Pension, PSPCL pertaining to whole financial year 2010-11 (i.e. 17.04.2010 to 31.03.2011) to/from different Accounting Units of PSTCL to transfer their balance at Head Office level, after taking clearance certificate issued by AO/Pension, PSPCL for submission of schedule/ statements of whole year on previous pattern to their offices and information supplied to AO/A&R, PSTCL, Patiala regarding settlement of claims of expenditure incurred by PSTCL on behalf of PSPCL relating to retirees under subject cited heads who retired before 16.04.2010 and after 16.04.2010 separately as per instructions already issued and procedure explained in **Annexure B of Accounts Circular 01/2011 of PSTCL.**

Thereafter, AO/Banking, PSTCL will receive ONE consolidated cheque from AO/Banking PSPCL (as AO/Pension, PSPCL has no DDO powers) for debits/payments made by different Accounting Units for amount adjusted in March, 2011 Account as a whole regarding these adjustments only relating to the retirees who retired before 16.04.2010 as per instructions already issued and procedure explained in **Annexure B of Accounts Circular 01/2011 of PSTCL.** The payments made to the retirees who retired after 16.04.2010 relating to above mentioned heads will be decided later on and adjusted accordingly.

A list of cases, the payment of which has been made on the basis of judgements of authority under the payment of gratuity Act, 1972 may also be supplied to A.O. Pension on the below noted proforma :

| Sr. No. | Name of the retiree | A.O. Pension. file No | Date of retirement | Authority of Dir./IR No.-&Date | Amount of addl. gratuity | Interest | Total |
|---------|---------------------|-----------------------|--------------------|--------------------------------|--------------------------|----------|-------|
| 1.      | 2.                  | 3.                    | 4.                 | 5.                             | 6.                       | 7.       | 8.    |

A list of pensioners who have filed court cases in the court of authority under the payment of Gratuity Act, 1972 may also be supplied on the below noted proforma :-

| Sr. No. | Name of the retiree | A.O./ Pension file No. | Date of Retirement | Date of Filing suit | Amount of Grauity | Addl. Claimed |
|---------|---------------------|------------------------|--------------------|---------------------|-------------------|---------------|
| 1.      | 2.                  | 3.                     | 4.                 | 5.                  | 6.                | 7.            |

Besides above, the following information may also be supplied :-

| Total No. Pensioners as on 31-3-2011 | Pensioners above the age of 80 yrs. |        | Pensioners above the age of 65 to 80 yrs |        |
|--------------------------------------|-------------------------------------|--------|--|--------|
| CE    SE    No. of Others    Total   | No. of family Pensioners            | Others | No. of family Pensioners.                | Others |
| Pensioners age of 58 to 65 yrs.      |                                     |        |  |        |
| No of family Pensioners              |                                     | Others |  |        |

The P.P.O.s of such retirees/legal heirs of the deceased who were getting pension/ family pension earlier and since been died may please be returned with separate covering letters for each P.P.O. alongwith the I.U.T Bill alongwith detailed list i.e. showing the name of pensioner, P.P.O



No., date of death and date upto which payment has been released.

14. Vodafone Mobile Connections to PSTCL Officers.

The payment of the bills of all the Mobile Connections will be made centrally by the office of Dy. Secretary (General Section). The expenditure upto the prescribed limits will be debited to account code 76.115. (The expenditure beyond limit for individual user if any will be debited to 28.411- Recoverable from employees use of Mobile Phone beyond prescribed limits, at the time of making payment of the bill. The recoveries effected by the respective accounting units will be credited to accounts code 46.943. The U-cheque of the recoveries made and kept under account code 46.943 shall be issued in favour of A.O./ Cash PSTCL; Patiala) by debiting the amount to this account code alongwith schedule of recoveries be sent to Dy. Secretary General, who after verification will send the same to A.O./ Cash, PSTCL; Patiala for incorporating the same in the accounts and crediting the amount to Account Code 28.411.

15. Deposits including earnest money received in the form of Bank Guarantee, investment Certificates, etc. received during the year 2010-2011 may be accounted for as below :-

i) Dr. Account Head 28.930 Security, Earnest Money and FDRs from Contractors Suppliers other than cash.

Credit Account Head 46.102 Liability on account of Security, Earnest Money and FDRs from Contractors/Suppliers other than cash.

ii) Dr. Account Head 28.932 Security from consumers other than cash.

Cr. Account Head 48.200 ——— do ———

iii) Dr. Account Head 28.933 Security from employees other than cash.

Cr. Account Head 46.921 ——— do ———

At the time of releasing securities (other than cash) above entries shall be reversed.

iv) All the deductions from employees on account of Income Tax, LIC Benevolent Fund etc. falling under the account head 44.4 shall be paid in the current financial year. Similarly deduction on account of Sales Tax, Income Tax deducted at source and building and other construction cess shall be kept under the Head 46.923, 46.953, 46.937 and remitted to the concerned department simultaneously. **Under no circumstance the balances outstanding under these Account codes be transferred to Account code 46.926.**

16. (i) All employees' costs in respect of Construction Divisions shall be fully charged to capital works. While wages of work charged staff/daily labour will be charged to Capital work on which they are actually employed.

The salaries of regular staff will be allocated to the assets at the year end in the prescribed manner (i.e. salaries of regular establishment, should first be transferred to Account Head 15.2, if not already done, then to be distributed amongst works in the ratio of expenditure incurred during the year and shown as a separate item in works register/account). A column should be added in the works register for this purpose (if the supply of register with revised form is not



received). No part of the staff cost chargeable to capital works shall be allocated over the capital expenditure on furniture, office equipment Misc. equipment and vehicles. Monthly contribution of P.F. and FPS will also be capitalised and directly charged to works on which labour is employed.

- ii). The pay & Allowances of the Gazetted Establishment i.e. Xens, AEEs and AEs in respect of construction Divisions/Units for the year 2010-2011 shall be intimated by A.O. (Pay and Accounts) to the concerned DIVISIONAL Office by 12th April, 2011 (no debits shall be raised by Pay & Accounts in this regard.) The Divisional Office will account for the above expenditure by Debit to 15.202 or concerned Capital Work (s) per contra credit to 75.910. As regards allocation of expenditure pertaining to (i) Circle Office/CE Office, Design Directorates in regard to Capital locations (whether incurred in the division or Head Office) and (ii) Head Office, instructions are being issued separately. As regards C.E./Sub Station & CE/TL instructions already in vogue may be followed which were issued vide their office memo no. 161/181 dated 22.03.2011 and memo no 118 dated 03.03.2011 respectively.
- iii). The expenditure allocated to the account head 15.2 shall have to be distributed on prorata basis on the works expenditure (except on furniture, fixtures office equipment, Misc equipment and vehicles) incurred during the year and booked under Group Head-14.
- iv) Implementation of instruction/accounting procedure elaborated vide Account circular No. 6/2009 regarding booking of employees cost to capital works may be ensured.
- v) It may be ensured by the accounting unit/units that capital expenditure has been booked against budget grant allocated by the competent authority and funds stands allocated.
- vi) Provision of Bonus should be made (if it is payable) along with detail of employees with their basic pay.
- vii) Instructions regarding booking of employee cost to Capital works for the 2010-11 issued by CAO/WM&G Section, PSPCL, Patiala vide **Accounts Circular No. 03/2011 of PSPCL dated 16.02.2011** shall also be followed on same pattern by Accounting Units of PSTCL positively.
17. (i) Liability for un-paid wages of work charged staff/daily labour shall be provided by debiting to the Account Head 75 employees cost per contra credit to Account code 44.211 unpaid wages of work charged/daily wages establishment. **Provision of Board's share for EPF may be made on wages for 3/2011.**
- (ii) Entries of salary for 3/2011 of regular staff shall be recorded in the Cash Book under adjustment column crediting the net amount payable to account head 44.310. At the time of making payment in 4/2011 this head shall be cleared.
- (iii) The interest on loans and advances to staff may be calculated and debited to the Account Code 28.360 (Interest accrued but not due on loans and advances to staff) per contra credit to Account Code 62.210 for the year 2010-2011. The employee wise sub ledger may be maintained. The detail showing principal amount, rate of interest etc. should be supplied with Journal Voucher invariably. It may be certified that Balances of loan Amounts



of those employees who have been transferred to other accounting units, also stands transferred to such concerned accounting units.

- (iv) Interest on cash securities deposited by the Board Employees be provided by debit to Account Code 78.853 per contra credit to Account Code 46.926 and is not to be reversed. The interest shall be paid by debiting Account Code 46.926.

18 Adjustment of unutilized Service Postage Stamps, Stationary & provision of liability for expenses/prepaid expenses should be made as per already existing instructions.

19 (i) All expenditure (GH 74, 75 & 76) relating to financial year March 2011 must be accounted for in the month of March 2011 monthly account by creating provision for the same.

(ii) Provisions with regard to guarantee fee on loans raised by Board against Govt. guarantees & interest on Govt. loans may also be made at the end of the year by Banking Loan & Deposit section.

20. After the accounts for March, 2011 have been compiled, annual closing entry should be passed by each Divn./Accounting Unit debiting all income heads (Group Head 61 to 65) and crediting all expenses heads (Group Head 70 to 83) as appearing in the Trial balance and crediting or debiting the net surplus/deficit to the Account Head 38 Inter Unit A/Cs/HO. Reserve Account. In other words in Trial Balance for 3/2011 net against Revenue receipts & Expenditure head will be Nil. Closing Entry in the Trial Balance shall be indicated in Red Ink.

The Column "balance at the end of previous year" i.e. ending 16.4.2010 should be incorporated in the Trial balance to be submitted for the month of March, 2011 in the form of credit or debit as the case may be.

21. The cost of unused material as on 31.3.2011 for Capital & O&M works shall be physically verified by the SDO at the close of the year and adjusted through J.V. to be prepared with detail of material debiting account head 22.640/22.650-Material at site Account (MAS A/C for Capital and O&M works respectively by (-) debit to work concerned and entry reversed in 1st April 2011 account.

The Cost of unused material/jobs in progress in workshops as on 31.3.2011 may be debited to the account code 22.712 (jobs in progress) per contra credit to the workshop (14.450/460). Entry shall be reversed in April, 2011.

The cost of material which has been received upto 31.3.2011 should be adjusted by debit to stock/work and there should be no such amount outstanding in the schedule of advance payment to supplier of the divisions where the material has been received.

22. i) The Divisional Supdt. (Accounts) should further ensure that:-  
a) There is no minus closing balance against any of the Works in form CE-21 Works Register,



unless there are specific reasons for it which should be recorded in form CE-21 against that item. Schemewise expenditure under each scheme should be reconciled.

- b) All documents/Vrs/JVs/Stamped receipts are sent with the monthly account.
- c) The Capital expenditure booked upto March, 2011 against an old work shall be brought forward and posted in proper column in Form CE-21 Works Register. Works expenditure/ employees cost/and interest should be shown separately. Detailed headwise posting of expenditure against each work should be made.
- d) The first five column in form CE-21 Works Register be completed in respect of all the sanctioned estimates under the attestation of Divnl. Suptd. (Accounts).
- e) There is no minus item outstanding in the schedules/sub ledgers against any suspense Head.
- f) Complete details of Assets sold during the year 2010-2011 showing original cost of Assets, date of installation , name of scheme, head of account and cost realised is supplied with the monthly account.
- g) Divl. Supdt. (Accounts) should prepare tally sheet as per Annexure 'A' alongwith monthly account for March 2011.
- h) Cash Balance Report should be prepared duly signed by Div. Supdt. (Accounts) as per previous practice and balance in the chest should be kept as per instructions already in vogue.
- i) All the permanent and temporary imprests as on 31-3-2011 is to be adjusted and made NIL.
- ii) Year wise break up of items outstanding as on 31.3.2011 in the Sub Ledger, Schedule of Misc. Advances (28.401, 28.810, 28.868, 28.870, 28.874, 25.5, 26.5, I.U.T. Code 30 to 39 and 23.8) in the following performa be supplied alongwith monthly account of March 2011.

| <u>Financial Year</u> | <u>No. of items</u> | <u>Amount</u> |
|-----------------------|---------------------|---------------|
|-----------------------|---------------------|---------------|

- iii) Yearwise break-up of Account Code 46.926 Misc. Deposits and 47.305 Receipt for Deposit Work in the following proforma be supplied alongwith monthly account of March 2011.

| <u>Financial Year</u> | <u>No. of items</u> | <u>Amount</u> |
|-----------------------|---------------------|---------------|
|-----------------------|---------------------|---------------|

- iv) Scheme-wise details i.e. transmission under Account Code 10 & 14 & 71 to 77 be supplied in performa annexure to trial balance.
- v) That Form-16A against deduction of Tax at source for any payment must be got collected and sent to CAO/A&R Income Tax Cell in time preferably by 30th June, 2011 so that the refund of the same may be claimed in the return for that year. Any delay or lapse will be the responsibility of concerned accounting unit.
- vi) There must not be any entry in deleted account code.
- vii) Trial balance be prepared on computer with font size 15 so that it could be seen clearly so that there must not be any problem in its posting in computer.

No amount should be debited to I.U.T. Code 39. In case of withdrawal of ATC (prior to 1.4.86) minus credit instead of debit should be given to I.U.T. Code -39. The amount of debit outstanding under I.U.T. Code-39, if any, may therefore be set right in the monthly account 3/2011.



23. Percentage of employees cost to be added to Capital Works as intimated by Dy. CAO of concerned organisation/CAO may be properly classified under A/C Code 75.930-Capitalization of General Establishment and 75.935 capitalization of head office establishment charges.

24. (i) The agewise analysis in respect of Advances to Suppliers/contractors against stock/works and inventory in the following proforma may also be supplied with the account for 3/2011.

|   | <u>No. of Item</u>                          | <u>Amount</u>       |
|---|---|---------------------|
| <u>Position as on 31st March, 2011.</u> |   | <u>(Fig.in Rs.)</u> |
| 1.                                      | Upto one year old.                          |                     |
| 2.                                      | More than one year & less than 2 years old. |                     |
| 3.                                      | More than 2 years & less that 3 years old.  |                     |
| 4.                                      | More than 3 years old.                      |                     |

(ii) Age-wise analysis of A/C codes 46.926, 47.305, 44.210 and 44.211 be submitted alongwith March Account on the proforma mentioned in para 29(i) above. In addition, the reasons for non treatment of balances, outstanding for more than 3 years as revenue, should be stated to enable this office to satisfy the audit.

25. Completion certificates duly signed by the Divl. Officer in respect of all the assets transferred from GH: 14 works-in-progress to GH: 10 Fixed Assets be furnished along with account for 3/2011.

26. A certificate for reconciliation of sundry debtors for amount recoverable from PSPCL by PSTCL on account of Transmission Charges with the subsidiary records maintained, duly signed by Divl. Officer/ AO/Banking, PSTCL, be furnished along with account for 3/2011. It also may be ensured by AO/Banking, PSTCL that transmission charges recoverable from PSPCL have been properly accounted for in the books for the whole year (17.04.2010 to 31.03.2011) as per instructions already issued vide **Accounts Circular No. 01/2010 of PSTCL.**

27. The balance outstanding under various account codes, of Accounting Units, which are to be transferred to concerned divisions as a result of reconstitution be transferred by issue of IUT Bills, U-cheques and accounted for in monthly Account of 3/2011 without fail.

28. Receipt of funds for Rural Electrification from the Distt. Planning Board may be credited to Account Head 55.140. (Receipt from Distt ; Planning Boards for Rural Electrification)

29. Yearwise Asset Register in prescribed form for calculating depreciation shall be maintained by each accounting unit in duplicate from 1.4.86 to date. One copy of the same be supplied to this office with the monthly account so that the same is checked failing which montly account of your Divn./ Accounting Unit for the month of 3/2011 shall not be entertained.

30. Amount of grants/loan received on account of Accelerated Power Development Programme/ Accelerated Power Development Reform programme and expenditure on this scheme may be classified and depicted in the fashion as detailed out in instructions issued by WM&G A/Cs circular No. 1/2001, 16/2001, 19/2001 and 16/2003 dated 27.8.2003 by the concerned accounting units.

31. Tax deducted at source from employer, contractor or otherwise should be got deposited with



the Central Govt. before 7th of the next month as, failure to deposit the same with the tax authorities attracts penalty. Therefore it must be ensured to make the strict compliance of provisions of Income Tax Act.

### **32. Deviations from the prescribed accounting policies :**

The Board has approved certain deviations from the prescribed accounting policies circulated vide CAO/CAC memo no. 13798/14986/CAC-41 dated 03-05-89 and Board meeting 01/2008. (1028/1327/CAO/WM&G/CAC-37/Vol.IX dt. 3/3/08)

#### **1. Capitalisation of expenditure of Construction - cum- O & M Divisions.**

It has been decided to charge the Employees cost and Administration & General expenses @ 11% and 0.7% (Current years rate) of Capital expenditure upto Chief Engineer level and Head Office, respectively. However, CAO/WM&G Section separately intimates these charges every year.

#### **2. Material related & vehicle running expenses :**

A departure has therefore, been made from this policy as under :

a) **Capital Stores :** Such costs incurred in Divns. Where only Capital constructions activities are carried out or at capital stores will be charged to capital works on percentage basis on value of stores issued to capital works as per existing procedure.

b) **Capital cum O & M Stores and exclusive O & M Stores :** Such costs relating to capital works will be debited to these works on centage basis on value of stores issued as per existing practice. The cost relating to O & M works will be charged to the revenue account.

#### **3. Freight Charges on Stores :**

Freight on material is to be treated as part of cost of material.

#### **4. Application of Standard rates for the fast moving items :**

Board has decided to continue with the weighted average rate.

#### **5. Employees Cost :**

The employees cost and General Administration expenses will be accounted for on accrual basis except T.A., Medical, arrear of Salary claims, which are not of regular nature susceptible of any realisation estimation and are in significant in relation to overall Est. and general administration costs. It is considered unnecessary to make provision for them on accrual basis. Efforts will, however, be made to clear all such claim during March each year as far as possible. Now, the Board vide its accounts circular 3/2008 WM & G Section has also approved that no liability of arrear of DA/ADA will be created, as this will be accounted for on cash basis.

#### **6. Retirement benefits and annual payments :**

The Board has declared that all pensionary charges terminal benefits for which provision is made annually in CAO's office for regular staff, will be treated as a revenue charge, irrespective of whether these are incurred in a construction division or an O & M cum construction division.

### **33. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:**

The Govt. of India has passed the Micro, Small and Medium enterprises Development Act, 2006. Under this Act, the 'buyer' is made liable (Sec. 15) to release the payment for 'goods' supplied or 'services' received on or before the agreed date. In case no agreed date then



before the 'appointed day'. Under Section - 22 of this Act, certain informations in respect such 'enterprises' required to be disclosed in the Annual Accounts. Under Section -7 this Act, the enterprises are defined as under :

| Enterprise    | Investment in Plant and Machinery                      |   |
|---------------|--|---|
|               | Enterprise engaged in Manufacturing of Production      | Enterprise engaged in Providing or rendering Services |
| <b>Micro</b>  | Upto Rs. 25 lakh                                       | Upto Rs. 10 lakh                                      |
| <b>Small</b>  | More than Rs. 25 lakh but does not exceed Rs. 5 crore  | More than Rs. 10 lakh but does not exceed Rs. 2 crore |
| <b>Medium</b> | More than Rs. 5 crore but does not exceed Rs. 10 crore | More than Rs. 2 crore but does not exceed Rs. 5 crore |

It is also mentioned that in calculating the investment in Plant and Machinery, Cost of pollution control, the research and development, industrial safety devices and such other items as may specified, by notification, shall be excluded.

So, the information in the following formats must be supplied alongwith monthly accounts for March, 2011. The WAD Section will supply the consolidated information to A & R Section on or before 31st May, 2011. The detailed instructions in this regard are being issued in near future (For details the Act may be referred). In this regard, a certificate must be obtained from the supplier alongwith the tender whether this firm/company is registered or not under Micro, Small and Medium Enterprises Development Act, 2006.

**1. Unpaid Principal and Interest due**

| Enterprise | No. of Items | Amount    |          |       |
|------------|--------------|-----------|----------|-------|
|            |              | Principal | Interest | Total |
| Micro      |              |           |          |       |
| Small      |              |           |          |       |
| Medium     |              |           |          |       |

**2. Principal and Interest paid (Beyond the appointed day)**

| Enterprise | No. of Items | Amount    |          |       |
|------------|--------------|-----------|----------|-------|
|            |              | Principal | Interest | Total |
| Micro      |              |           |          |       |
| Small      |              |           |          |       |
| Medium     |              |           |          |       |

**3. Amount of Interest due and payable for delay in making payments without adding interest as specified under this Act.**

| Enterprise | No of items | Interest due | Interest Payable | Total |
|------------|-------------|--------------|------------------|-------|
| Micro      |             |              |                  |       |
| Small      |             |              |                  |       |
| Medium     |             |              |                  |       |



4. Interest Accrued and Unpaid at the end of the year

| Enterprise | No. of Items | Amount |
|------------|--------------|--------|
| Micro      |              |        |
| Small      |              |        |
| Medium     |              |        |

5. Further Interest of Previous Years remaining due and Payable

| Enterprise | No. of Items | Amount |
|------------|--------------|--------|
| Micro      |              |        |
| Small      |              |        |
| Medium     |              |        |

34. Disclosure regarding Contingent liabilities:

As per Electricity (Supply) (Annual Accounts) Rules, 1985 Board has to disclose its Contingent liabilities that are in excess of Rs. 1 (one) crore each in value if they become actual liabilities as on the date of Balance sheet. As such this information, if any, shall be supplied to AO/WAD section. The WAD Section will supply the consolidated information to A & R Section on or before 31st May, 2011.

35. As per Accounts Circular No. 8/2010, the disposal of transactions taken place between PSTCL offices and PSTCL offices now cannot be made through IUT Bills and U-cheques there against. For this purpose separate Account heads have been opened as under:

| Account Code | Account Head   |
|--------------|--|
| 28.881       | Inter Corporation Transaction-Capital Expenditure & Fixed Assets                       |
| 28.882       | Inter Corporation Transaction-Material   |
| 28.883       | Inter Corporation Transaction-Personnel  |
| 28.884       | Inter Corporation Transaction-Cash (to be operated by A.O./Banking Drawing)            |
| 28.885       | Inter Corporation Transaction Others   |
| 46.946       | Inter Corporation Transaction Credit   |
| 46.947       | Inter Corporation Transaction Receipt of Cash (to be operated by A.O./Banking Drawing) |

It may be ensured that above instructions are strictly complied with and reconciliation /clearance of such inter-corporation transaction are done and cleared accordingly in the Account of 31.3.2011

It is to be ensured by all the accounting units that all the Inter Company Transactions with PSPCL as pointed out from time to time have duly been got reconciled and matched up with the concerned Accounting Unit of PSPCL and nothing remains pending on this Account. A certificate to this effect has also to be given alongwith Trial Balance that the necessary adjustments of all recoverable/payable with PSPCL have been got done. In addition, Accounts circular no. 5/2011 may also be complied with strictly.

Apart from the above, it may also be ensured by different Accounting Units of PSTCL that details regarding material issued to different Accounting Units of PSPCL during the year



(17.04.2010 to 31.03.2011) under GH-28.882 be supplied for the whole year to Financial Advisor, PSTCL, Patiala as per already instructions issued by CAO/A&R, PSTCL, Patiala vide memo no. 16/32 dated 05.01.2011.

**36. The Accounting Units shall supply the certificate alongwith the trial balance as mentioned in the foregoing points. In addition the certificates as under may be furnished:**

- (i) Certified that all material issued upto 31st March 2011 has been accounted for in the account of 2010-11.
- (ii) Certified that the interest on all staff loans and advances (interest bearing) for the year 2010-11 has been provided.
- (iii) Certified that physical stocks of materials and capital items have been verified and excess/shortage if any have been adjusted.
- (iv) Certified that pensionary and leave benefits for employees on deputation with Company have been provided for.
- (v) Certified that liability on account of pension and leave etc. for Company's employee on deputation with other departments have duly been accounted for upto 31st March 2011.
- (vi) Certified that the stock of scrap generated upto 31st March 2011 have been accounted for.
- (vii) Certified that prepaid expenses have been excluded from the expenses by transferring to prepaid expenses head.
- (viii) Certified that deposit works completed upto 31st March 2011 (under GH-47) have been adjusted.
- (ix) Certified that irrecoverable sundry debtors during the year have been written off as bad debts and provisions has been made in case of doubtful debts.
- (x) Certified that liabilities provided in the previous years and no longer required have been written back.
- (xi) Certified that all the books of accounts as per the commercial Accounting System have been maintained and kept upto date.
- (xii) Certified that no account code has been operated in contravention of the Chart of Accounts of Company.
- (xiii) Certified that reconciliation of the Cash/Cheques remitted into Bank & Credits afforded to the concerned consumers after verifying the realization of cheques from the local bank at his station & all dishonored cheques have been adjusted in the relevant record as well as in the RIB Statement and found which is correct.
- (xiv) Certified that all the money deposited into Bank has been transfer to main Branch at Patiala.

**37.** All the balances like GPF, Pension etc. for the period 17.04.2010 to 31.03.2011 be transferred as per instructions issued vide Accounts Circular No. 01/2011 of PSTCL and requisite certificate should be obtained from AO/GPF, PSPCL and AO/Pension, PSPCL and the same will be submitted to AO/Banking PSTCL along with U-Cheque/IUT-Bills.

**38.** The D.D.Os having Drawing Account with the Bank must supply the Bank Statement showing Bank Balance as on 31-3-2011

**39.** The classification of expenditure / receipt must be in accordance with the Chart of Accounts / Accounts Circulars issued by the C.A.O. /WM&G Section from time to time. However, for the ready reference the detail of circulars issued during current years is given as under :



| Sr. No. | Circular No.  | Newly Opened Account Code | Remarks  |
|---------|---------------|---------------------------|--|
| 1.      | 1             | 76.193                    | Expenses on account of Purchase of Mobile Set.   |
|         |               | 75.492                    | Other allowances-Mobile Phone Allowance- regulars employees.   |
|         |               | 75.493                    | Other allowances-Mobile Phone Allowance Work Charged employees.  |
| 2.      |               | 41.101                    | Sundry Creditors for purchase of Power   |
|         |               | 41.102                    | Sundry Creditors for purchase of Power under Banking arrangement.  |
|         |               | 70.101                    | Power Purchase Account   |
|         |               | 70.102                    | Purchase of Power under Banking arrangement.   |
|         |               | 70.103                    | Power Premium under Banking Arrangement.   |
|         |               | 92.405                    | Units purchased account-through Banking from other states.   |
|         |               | 92.555                    | Sale outside the State-through Banking to other states.  |
| 3       | 01/2011 PSTCL | 28.886                    | Inter Corporation Transaction – GPF (to be operated by AO/Banking, PSTCL and PSPCL)  |
|         |               | 28.887                    | Inter Corporation Transaction – Payment made on account of Pension, Gratuity, LTC, Leave Encashment etc. to retirees who retired before 16.04.2010.<br><br>(to be operated by AO/Banking, PSTCL and PSPCL)   |
|         |               | 46.948                    | Inter Corporation Transaction - GPF (to be operated by AO/Banking, PSTCL and PSPCL)  |
|         |               | 46.949                    | Inter Corporation Transaction - - Payment made on account of Pension, Gratuity, LTC, Leave Encashment etc. to retirees who retired before 16.04.2010.<br><br>(to be operated by AO/Banking, PSTCL and PSPCL) |
|         |               |                           |  |
| 4.      | 4             | 28.876                    | Cenvat credit/available to/paid on input services under cenvat credit rule, 2004.  |
| 5.      | 5             | 70.104                    | Power Purchased account unscheduled Inter Change charges.  |
|         |               | 70.105                    | Power Purchased account-Reactive Energy charges.   |



| Sr. No. | Circular No. | Newly Opened Account Code | Remarks  |
|---------|--------------|---------------------------|--|
|         |              | 61.830                    | Transmission/Wheeling charges-Recoveries.  |
|         |              | 62.965                    | Miscellaneous receipts. The amount received as surcharge under open access will be credited to this newly opened account code.             |
|         |              | 62.966                    | Miscellaneous receipts. The amount received as additional surcharge under open access will be credited to this newly opened account code.  |
|         |              | 62.967                    | <b>OPERATING CHARGES</b><br>The amount received as Operating charges under open access will be credited to this newly opened account code. |
|         |              | 23.700                    | Sundry debtors misc. receipts from consumers other than sale of power.   |
|         |              | 23.705                    | Sundry debtors amount recoverable from consumers other than sale of power under open access.   |
|         |              | 41.103                    | Sundry creditors for purchase of power under open access.  |
| 6.      | 7            | 47.319                    | Deposits for service connection -AP Tubewell consumers under OYT scheme.   |
| 7.      | 9            | 28.877                    | adjustable against State Govt. Loans towards settlement on account of Electricity bills due from Pb. Govt. Departments.                    |
| 8.      | 11           | 46.953                    | Deduction made from the Contractors on addount of building & other construction cess..   |
| 9.      | 12           | 76.194                    | Sewak Machine hire charges.  |
| 10.     | 13           | 24.541                    | Remittance through E-payment system in respect of Accounting Unit.   |
| 11.     | 2/10 PSEB    | 28.878                    | Expenditure incurred on training to be reimbursed by Ministry of Power/REC.  |
| 12.     | 3/10 PSEB    | 46.955                    | Income tax deducted by Bank directly from the interest earned on the Grant received under RGGM scheme                                      |



| Sr. No. | Circular No. | Newly Opened Account Code   | Remarks  |
|---------|--------------|---|--|
| 13.     | 2/10 PSPCL   | 23.731, 23.732, 23.733<br>23.734, 23.735, 23.736<br>23.739, 61.731, 61.732<br>61.733, 61.734, 61.735<br>61.736, 61.739, 23.741<br>to 61.746 & 61.749,<br>79.421, 23.801 | ਗੈਰ ਖਪਤਕਾਰਾਂ ਵਲੋਂ ਬਿਜਲੀ ਚੋਰੀ/ਅਣਅਧਿਕਾਰਿਤ ਬਿਜਲੀ ਦੀ ਵਰਤੋ ਦੇ ਕੇਸਾਂ ਵਿਚ ਅਕਾਊਂਟਿੰਗ ਸਿਸਟਮ ਸਬੰਧੀ   |
| 14.     | 3/10 PSPCL   | 53.731, 53.732, 51.131,<br>51.132, 51.231, 51.232<br>46.736, 46.737, 78.592<br>78.593, 55.331, 55.332   | Restructured Accelerated Power development and reform programme<br>Accounting Procedure  |
| 15.     | 4/10 PSPCL   | 53.520  | Loan from Vijay Bank   |
| 16.     | 6/10 PSPCL   | 46.956, 55.402  | Deposit from sale of ash contribution towards cost of Capital assets<br>Receipt from sale of fly ash                                 |
| 17.     | 7/10 PSPCL   | 17.401, 17.402  | Registration fee<br>Other expenses   |
| 18.     | 8/10 PSPCL   | 28.881, 28.882, 28.883<br>28.884, 28.885, 46.946<br>46.947  | ਮਿਤੀ 17-4-2010 ਤੋਂ ਬਾਅਦ ਟਰਾਂਸਕੋ ਅਤੇ ਪਾਵਰਕਾਮ ਦੇ ਆਪਸੀ ਲੈਣਦੇਣ ਦੇ ਨਿਪਟਾਰੇ ਲਈ ਨਵੇਂ ਲੇਖੇ।  |
| 19.     | 10/10 PSPCL  | 61.202, 61.209, 61.212,<br>61.219, 61.222, 61.229,<br>61.279  | Opening of new account codes for power factor surcharge/incentive to DS NRs, SP & BS consumers                                       |
| 20.     | 12/10PSPCL   | 50.403  | Working capital medium term loans from Banks   |
| 21.     | 13/10 PSPCL  | 76.195  | Contribution payable to Northern Regional Power Committee (NRPC) and payment of Registraiton fee to Power grid Corporation of India  |
| 22.     | 1/11 PSPCL   | 83.701 and 83.710   | Interest payable under Micro, Small and medium Ent. Development Act-2006.  |
| 23.     | 2/11 PSPCL   | 44.111, 44.121, 44.122<br>44.311, 44.340  | For creation of provision of arrear of pension gratuity, commutation. Leave Encashment & Pay pertaining to period of east while PSEB |



| Sr. No. | Circular No.  | Newly Opened Account Code | Remarks   |
|---------|---------------|---------------------------|---|
| 24.     | 3/11 PSPCL    | -                         | Booking of employee cost to capital works per year 2010-11  |
| 25.     | 4/2011 PSPCL  | 76.196                    | Accounting of expenditure of ombudsman Electricity Punjab-Chd.  |
| 26.     | 5/2011 PSPCL  | -                         | Restricting on incurring expenditure on behalf of P.S.T.C.L.  |
| 27.     | 01/2010 PSTCL | 23.831                    | Sundry Debtors - Amount Recoverable from PSPCL by PSTCL on account of Transmission Charges.   |
| 28.     | 01/2011 PSTCL | 61.831                    | Revenue on account of Transmission Charges recoverable from PSPCL.<br>Procedure/Mechanism for settlement of transactions made by the different Accounting Units of PSTCL relating to GPF, Pension, Gratuity, Leave encashment, LTC and Medical reimbursement for transfer of balances to PSPCL at Head Office level and streamlining the Accounting thereof as explained in Annexure A & B. |







## Annexure "A"

(Instruction No. 27 (I) g)

| Sr. No. | Particulars  | Amount<br>Dr. Head   | Amount<br>Cr. Head                         | JV No. | Attached<br>with SD No. |
|---------|--|--|--|--------|-------------------------|
| 1.      | Transfer of Asset to GH-10   | 10   | 14   |        |                         |
| 2.      | i) Depreciation O&M Divn.<br>ii) Depreciation on Cars/Jeeps  | 77.1<br>77.171/172   | GH-12<br>GH-12                             |        |                         |
| 3.      | Capitalisation of Depreciation in Const Divn.  | 15.311   | 77.9                                       |        |                         |
| 4. (i)  | Cheque drawn   |  | (-) 24.403<br>(+) 37.000                   |        |                         |
| (ii)    | Remittance in to Bank  | (-) 24.501<br>(+) GH.33  | —  |        |                         |
| 5       | GPF Transfer   | (-) 57.120<br>(+) GH-36  | —  |        |                         |
| 6       | Pension transfer   | (-)GH-44.110/<br>44.120/75.617/<br>75.863/<br>75.861/57.150/<br>28.861/75.871<br>75.873/75.874/<br>75.875<br>(payments to retirees on a/c of pension etc.) |  |        |                         |
| 7       | Balance remaining unclaimed for more than 3 years  | 46.926<br>44.210<br>44.211   | 62.912                                     |        |                         |
| 8.      | Stale Cheque   |  | (-) 24.403<br>+ 46.910                     |        |                         |
| 9.      | Capitatisation of Employees Cost i.e. Salaries in Const.Divn.  | 15.2   | 75.9                                       |        |                         |
| 10.     | (i) Bonus excess paid than Prov.<br>(ii) Bonus less paid than prov.<br><br>(iii) Bonus to be paid during 2009-2010 | 83.5<br><br>75.510<br>75.520   | 44.320<br>(-) 44.320<br>(+) 65.8<br>44.320 |        |                         |
| 11.     | Pay & All of Gaz. Staff in Const. Division   | 15.202   | 75.910                                     |        |                         |



| Sr. No. | Particulars  | Amount<br>Dr. Head                      | Amount<br>Cr. Head                     | JV No. | Attached<br>with SD No. |
|---------|--|---|--|--------|-------------------------|
| 12.     | Liability of unpaid wages<br>W/C staff.                                | 75                                      | 44.211<br>44.403                       |        |                         |
|         | (i) Provision of Boards<br>Share of EPF of 3/2010                      | 75.810                                  | 44.405                                 |        |                         |
|         | (ii) Regular pay of Staff  | 75                                      | 44.310                                 |        |                         |
| 13.     | Service postage stamps<br>remaining unused                             | (+)24.120<br>(-) 76.112                 | Entry to be reversed in 4/2011         |        |                         |
| 14.     | Liability for expdr.<br>under GH 74 to 76                              | 74 to 76                                | 46.410/46.430                          |        |                         |
| 15.     | Pre paid expenses  | (+) 28.820<br>(-) Concerned<br>(GH)     | — (Entry to be reversed in April 2011) |        |                         |
| 16.     | Intt. on loans Advances  | 28.360                                  | 62.210                                 |        |                         |
| 17.     | Intt. on cash<br>Securities of Boards<br>employees                     | 78.853                                  | 46.926                                 |        |                         |
| 18.     | Closing Entry  | 61 to 65<br>Net<br>difference to GH-38  | 70 to 89                               |        |                         |
| 19.     | Unused Material  | 22.640/<br>22.650<br>(-) work concerned | — (Entry to be reversed in April 2011) |        |                         |
| 20.     | Percentage of employees<br>Cost Charged to works<br>in const. Division | Work Concerned                          | 75.930<br>75.935                       |        |                         |

**Note :**

1. No. Advance or Imprest should be Transferd to GH-28
2. No. balance of GH 44 should be transferred to GH-46
3. Complete sub head wise posting in Form 27 for GH. 23.8

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The Companies Act, 1956

SCHEDULE XIV (See sections 205 & 350)

Rates of depreciation

| Nature of assets   | Single Shift |        | Double Shift |        | Triple Shift |        |
|--|--------------|--------|--------------|--------|--------------|--------|
|  | W.D.V.       | S.L.M. | W.D.V.       | S.L.M. | W.D.V.       | S.L.M. |
| I. (a) Buildings (other than factory buildings) (NESD)   | 5%           | 1.63%  | ..           | ..     | ..           | ..     |
| (b) Factory buildings  | 10%          | 3.34%  | ..           | ..     | ..           | ..     |
| (c) Purely temporary erections such as wooden structures   | 100%         | 100%   | ..           | ..     | ..           | ..     |
| II. Plant & Machinery  |              |        |              |        |              |        |
| (i) General rate applicable to,  |              |        |              |        |              |        |
| (a) plant & machinery (not being a ship) other than continuous process plant for which no special rate has been prescribed under (ii) below:   | 13.91%       | 4.75%  | 20.87%       | 7.42%  | 27.82%       | 10.34% |
| (b) continuous process plant, for which no special rate has been prescribed under (ii) below. (NESD)   | 15.33%       | 5.28%  | ..           | ..     | ..           | ..     |
| (ii) Special rates   |              |        |              |        |              |        |
| A. 1. Cinematograph films-Machinery used in the production & exhibition of cinematograph films (NESD)  | 20%          | 7.07%  | ..           | ..     | ..           | ..     |
| (a) Recording equipment, reproducing equipment, developing machines, printing machines, editing machines, synchronisers & studio lights except bulbs                                   | 20%          | 7.07%  | ..           | ..     | ..           | ..     |
| (b) Projecting equipment of film exhibiting concerns   | -do-         | -do-   | ..           | ..     | ..           | ..     |
| 2. Cycles (NESD)   | 20%          | 7.07%  | ..           | ..     | ..           | ..     |
| 3. Electrical Machinery, X-ray & electro- therapeutic apparatus & accessories thereto, medical, diagnostic equipments, namely, Cat-scan, Ultrasound Machines, ECG Monitors etc. (NESD) | 20%          | 7.07%  | ..           | ..     | ..           | ..     |
| 4. Juice boiling pairs (karhais) (NESD)  | 20%          | 7.07%  | ..           | ..     | ..           | ..     |
| 5. Motor-cars, motor cycles, scooters & other mopeds (NESD)  | 25.89%       | 9.5%   | ..           | ..     | ..           | ..     |
| 6. Electrically operated vehicles including battery powered or fuel cell powered vehicles (NESD)   | 20%          | 7.07%  | ..           | ..     | ..           | ..     |
| 7. Sugarcane crushers (indigenous kolus & belans) (N.E.S.D.)   | 20%          | 7.07%  | ..           | ..     | ..           | ..     |
| 8. Glass manufacturing concerns except direct fire glass melting furnaces - Recuperative & regenerative glass melting furnaces   | 20%          | 7.07%  | 30%          | 11.31% | 40%          | 16.21% |
| 9. Machinery used in the manufacture of electronic goods & components.   | 15.62%       | 5.38%  | 23.42%       | 8.46%  | 31.23%       | 11.87% |



|   |       |        |     |        |     |
|---|-------|--------|-----|--------|-----|
| B. 1. Aeroplanes, Aero Engines, Simulators, Visual System & Quick Engine Change Equipment (NESD)                            | 16.2% | 5.6%   | ..  | ..     | ..  |
| 2. Concrete pipes manufacture Moulds (NESD)   | 30%   | 11.31% | ..  | ..     | ..  |
| 3. Drum container manufacture dies (NESD)   | -do-  | -do-   | ..  | ..     | ..  |
| 4. Earth-moving machinery employed in heavy construction works, such as dams, tunnels, canals, etc. (NESD)                  | -do-  | -do-   | ..  | ..     | ..  |
| 5. Glass manufacturing concerns expect direct fire glass melting furnaces Moulds (NESD)                                     | -do-  | -do-   | ..  | ..     | ..  |
| 6. Moulds in iron foundaries (NESD)   | -do-  | -do-   | ..  | ..     | ..  |
| 7. Mineral oil concerns Field operations (above ground) Portable boilers drilling tools, well-head tanks, rigs, etc. (NESD) | -do-  | -do-   | ..  | ..     | ..  |
| 8. Mines & quarries-Portable underground machinery & earth moving machinery used in open cast mining (NESD)                 | -do-  | -do-   | ..  | ..     | ..  |
| 9. Motor buses & motor lorries other than those used in a business of running them on hire (NESD)                           | 30%   | 11.31% | ..  | ..     | ..  |
| 9A. Motor tractors, harvesting combines (NESD)  | -do-  | -do-   | ..  | ..     | ..  |
| 10. Patterns, dies & templates (NESD)   | -do-  | -do-   | ..  | ..     | ..  |
| 11. Ropeway structures-Ropeways, ropes & trestle sheaves & connected parts (NESD)   | -do-  | -do-   | ..  | ..     | ..  |
| 12. Shoe & other leather goods factories-Wooden lasts used in the manufacture of shoes.                                     | 30%   | 11.31% | 45% | 18.96% | 60% |
| 29.05%  |       |        |     |        |     |
| C. [Omitted]  |       |        |     |        |     |
| 2. Motor buses, motor lorries & motor taxies used in a business of running them on hire (NESD)                              | 40%   | 16.21% | ..  | ..     | ..  |
| 3. Rubber & plastic goods factories Moulds (NESD)   | -do-  | -do-   | ..  | ..     | ..  |
| 4. Data processing machines including computers (NESD)  | -do-  | -do-   | ..  | ..     | ..  |
| 5. Gas cylinders including valves & regulators (NESD)   | -do-  | -do-   | ..  | ..     | ..  |
| D. 1. Artificial silk manufacturing machinery wooden parts  | 100   | 100    | ..  | ..     | ..  |
| 2. Cinematograph films Bulbs of studio lights   | -do-  | -do-   | ..  | ..     | ..  |
| 3. Flour mills Rollers  | -do-  | -do-   | ..  | ..     | ..  |
| 4. Glass manufacturing concerns Direct fire glass melting furnaces  | 100   | 100%   | ..  | ..     | ..  |
| 4A. Float Glass Melting Furnaces (NESD)   | 27%   | 10%    | ..  | ..     | ..  |



|  |             |             |    |    |
|--|-------------|-------------|----|----|
| 5. Iron & Steel industries Rolling mill rolls  | 100%        | 100%        | .. | .. |
| 6. Match factories Wooden match frames   | -do-        | -do-        | .. | .. |
| 7. Mineral oil concerns (a) Plant used in field operations (below ground) - Distribution - returnable packages (b) Plant used in field operations (below ground) but not including assets used in field operations (distribution) - Kerbside pumps including underground tanks & fittings                                      | 100%        | 100%        | .. | .. |
| 8. Mines & quarries - (a) Tubs, winding ropes, haulage ropes & s& stowing pipes (b) Safety lamps   | -do-        | -do-        | .. | .. |
| 9. Salt works - Salt pans, reservoirs & condensers, etc., made of earthy, s&y or clay material or any other similar material   | -do-        | -do-        | .. | .. |
| 10. Sugar works Rollers  | -do-        | -do-        | .. | .. |
| <b>III. Furniture &amp; fittings</b>   |             |             |    |    |
| <b>1. General Rates (NESD)</b>   | <b>18.1</b> | <b>6.33</b> | .. | .. |
| 2. Rate for furniture & fittings used in hotels, restaurants & boarding houses; schools, colleges & other educational institutions, libraries; welfare centres; meeting halls, cinema houses; theatres & circuses; & for furniture & fittings let out on hire for use on the occasion of marriages & similar functions. (NESD) | 25.88%      | 9.5%        | .. | .. |
| <b>IV. Ships</b>   |             |             |    |    |
| <b>1. Ocean-going ships -</b>  |             |             |    |    |
| (i) Fishing vessels with wooden hull (NESD)  | 27.05%      | 10%         | .. | .. |
| (ii) Dredgers, tugs, barges, survey launches & other similar ships used mainly for dredging purposes (NESD)  | 19.8%       | 7%          | .. | .. |
| (iii) Other ships (NESD)   | 14.6%       | 5%          | .. | .. |
| <b>2. Vessels ordinarily operating on inl&amp; waters -</b>  |             |             |    |    |
| (i) Speed boats (NESD)   | 20%         | 7.07%       | .. | .. |
| (ii) Other vessels (NESD)  | 10%         | 3.34%       | .. | .. |

**Notes -**

1. "buildings" include roads, bridges, culverts, wells & tube-wells.
2. "factory buildings" does not include offices, godowns, officers & employees' quarters, roads, bridges, culverts, wells & tube-wells.
3. "speed boat" means a motor boat driven by a high speed internal combustion engine capable of propelling the boat at a speed exceeding 24 Kilometers per hour in still water & so designed that when running at a speed it will plane, i.e., its bow will rise from the water.
4. Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, the depreciation on such assets shall be calculated on a pro rata basis from the date of such addition or, as the case may be, up to the



date on which such asset has been sold, discarded, demolished or destroyed.

5. The following information should also be disclosed in the accounts:

- (i) depreciation methods used; &
  - (ii) depreciation rates or the useful lives of the assets, if they are different from the principal rates specified in the Schedule.
6. The calculations of the extra depreciation for double shift working & for triple shift working shall be made separately in the proportion which the number of days for which the concern worked double shift or triple shift, as the case may be, bears to the normal number of working days during the year. For this purpose, the normal number of working days during the year shall be deemed to be -
- (a) in the case of a seasonal factory or concern, the number of days on which the factory or concern actually worked during the year or 180 days, whichever is greater;
  - (b) in any other case, the number of days on which the factory or concern actually worked during the year or 240 days, whichever is greater.
- The extra shift depreciation shall not be charged in respect of any item of machinery or plant which has been specifically, excepted by inscription of the letters "N.E.S.D." (meaning "No Extra Shift Depreciation") against it in sub-items above & also in respect of the following items of machinery & plant to which the general rate of depreciation of 13.91 per cent applies-

- (1) Accounting machines.
- (2) Air-conditioning machinery including room air-conditioners.
- (3) Building contractor's machinery.
- (4) Calculating machines.
- (5) Electrical machinery - switchgear & instruments, transformers & other stationary plant & wiring & fitting of electric light & fan installations.
- (6) Hydraulic works, pipelines & sluices
- (7) Locomotives, rolling stocks, tramways & railways used by concerns, excluding railway concerns.
- (8) Mineral oil concerns - field operations:
  - (a) [Omitted]
  - (b) Prime movers.
  - (c) [Omitted]
  - (d) Storage tanks (above ground).
  - (e) Pipelines (above ground).
  - (f) Jetties & dry docks.
- (9) Mineral oil concerns - field operations (distribution) - kerbside pumps, including underground tanks & fittings.
- (10) Mineral oil concerns - refineries:
  - (a) [Omitted]
  - (b) Prime movers.
  - (c) [Omitted]



- (d) LPG Plant
- (11) Mines & quarries:
- (a) Surface & underground machinery (other than electrical machinery & portable underground machinery).
- (b) Head-gears.
- (c) Rails.
- (d) [Omitted]
- (e) Shafts & inclines.
- (f) Tramways on the surface.
- (12) Neo-post franking machines.
- (13) Office machinery
- (14) Overhead cables & wires.
- (15) Railway sidings.
- (16) Refrigeration plant containers, etc. (other than racks).
- (17) Ropeway structures:
- (a) Trestle & station steel work
- (b) Driving & tension gearing.
- (18) Salt works - Reservoirs, condensers, salt pans, delivery channels & piers if constructed of masonry, concrete, cement, asphalt or similar materials; barges & floating plant; piers, quays & jetties; & pipelines for conveying brine if constructed of masonry, concrete, cement, asphalt or similar materials.
- (19) Surgical instruments.
- (20) Tramways electric & tramways run by internal combustion engines - permanent way: cars - car trucks, car bodies, electrical equipment & motors; tram cars including engines & gears.
- (21) Typewriters.
- (22) Weighing machines.
- (23) Wireless apparatus & gear, wireless appliances & accessories.
- (24) [Omitted]
7. "Continuous process plant" means a plant which is required & designed to operate 24 hours a day.
8. Notwithstanding anything mentioned in this Schedule depreciation on assets, whose actual cost does not exceed five thousand rupees, shall be provided depreciation at the rate of hundred per cent:
- Provided that where the aggregate actual cost of individual items of plant & machinery costing Rs. 5,000 or less constitutes more than 10 per cent of the total actual cost of plant & machinery, rates of depreciation applicable to such items shall be the rates as specified in Item II of the Schedule.

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