



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

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

Corporate Identity No. U40109PB2010SGC033814

OFFICE OF THE CHIEF FINANCIAL OFFICER

A&R (Compilation) Section, SHAKTI SADAN, PATIALA

PAN No. AAFCP4714J

CIN No. U40109PB2010SGC033814

To

All Addl. S.E./Senior Executive Engineer/Accounts Officer,
(In-charge of Accounting Units)
P.S.T.C.L.

Memo No: 431-510

Dated : 10.04.2015

Subject: Instructions regarding submission of March Annual Adjustment Account 2015.

As you are aware that books of accounts of FY 2014-15 are to be closed on 31st March 2015. After unbundling of PSEB into PSPCL and PSTCL the Annual Accounts of PSTCL are to be prepared under the provisions of new Companies Act, 2013 (earlier 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 office of CAG India. The preparation/ finalization/submission of accounts involve a long process as detailed below:

1. Compilation of Accounts at Divisional/Accounting Unit Level & submission thereof to this office.
2. Post Audit of accounts & 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 31.03.2015, Profit & Loss Statement for the period ending 31st March, 2015 and notes to the Accounts.
5. Approval of the Annual Statement of Accounts by the Audit Committee.
6. Approval 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.
10. Attending of Audit observations, collection of replies from field officers/DDOs & settlement of paras.
11. Recasting of Accounts, consequent upon 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.

As per instructions already issued vide memo no. 334/404/CAO/A&R/35 dated 11.04.2013 the Account of March pertaining to each financial year has been bifurcated into two parts as under:

- 1 Normal Monthly Account.
- 2 Annual Adjustment Account.

Therefore, it must be ensured that all adjustments are carried out in March Annual Adjustment Account 2015 and no adjustment is left which has effect on the Profit & Loss and Financial position of the Company for the year ending 31st March 2015, so that Profit & Loss and Financial position of the Company can be depicted in true & fair manner through the Annual Accounts.

Time Schedule

- | | | | |
|---|----------------------------------|---|--|
| 1 | Normal Monthly Account | - | on or before 17th April 2015 |
| 2 | Annual Adjustment Account | - | on or before 8th May 2015 |

To meet the statutory obligation of finalization of Accounts by the due date, it must be ensured that each accounting unit will upload the March Annual Adjustment Account 2015 online and submit the same after clicking the online certificates mentioned in the instructions for auditing/verification by the WAD section as per time schedule positively. Thereafter each accounting unit shall also send the hard copy of Trial Balance of Annual Adjustment Account of March 2015 and other connected records /certificates/information to AO/WAD in physical form for detailed checking for final confirmation by the AO/WAD to AO/A&R (Compilation).

You are requested to send the Annual Adjustment account of March 2015 before the above mentioned dates. The in-charge of accounting unit will be held personally responsible for non or delay in submission of Annual Adjustment account 2015.

This issues with the approval of competent authority.

DA/Instructions



(Kuldeep Singh Raina)
Accounts Officer/A&R (Compilation),
PSTCL, Patiala.

CC :

- 1 Er-in Chief/P&M, PSTCL, Ludhiana.
- 2 Er-in Chief/SLDC, PSTCL, Patiala.
- 3 Er-in Chief/TS, PSTCL, Patiala.
- 4 Chief Accounts Officer, PSPCL, Patiala.
- 5 Financial Advisor, PSTCL, Patiala.
- 6 All Dy. CAOs/Dy. CAs/Dy. FAs under PSTCL.
- 7 Company Secretary, PSTCL, Patiala.
- 8 Accounts Officer/Corporate Audit, PSTCL, Patiala.
- 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 & Broad Sheet, PSTCL, Patiala.
- 15 Accounts Officer/TS, PSTCL, Patiala.
- 16 All Accounts Officers under P&M Circles, PSTCL.
- 17 RAO, PSTCL, Patiala.
- 18 SE/IT, /PSTCL, Patiala for placing the circular on websites of PSTCL.
- 19 Sr. PS to CMD, PSTCL, Patiala.
- 20 Sr. PS to Director/Finance & Commercial, PSTCL, Patiala.
- 21 Sr. PS to Director/Finance, PSPCL, Patiala.
- 22 Dy. Secy. to Director/Technical, PSTCL, Patiala.
- 23 Sr. PS to Director/Administration, PSTCL, Patiala.

for kind information of
the 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 while finalizing the Adjustment Account of March 2015.

1. Creation of Fixed Assets:

- (i) **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/Group Head 15.102 & 15.103 - Contract in progress (400 KV Rajpura & Talwandi Sabo Projects) by debit to GH-10 per contra credit to GH-14/ GH 15.102 and 15.103.**
- (ii) List of works completed /commissioned and transferred to GH-10 along with Asset cards should invariably be supplied with the Journal vouchers.
- (iii) 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 to WAD Section with account for checking of scheme and depreciation along with one copy to AAO/FAR under AO/Taxation & FAR. 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.
- (iv) 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 Account code – 16.511/16.411/16.412 under Group Head-16. The accumulated depreciation is to be adjusted by debit to GH-12 (appropriate Account code) and crediting the Account code 16.521/16.421/16.422.
- (v) **It must be ensured that all the Capital Expenditure is booked to right scheme i.e. schemes of transmission works running under PSTCL after 16.04.2010 (not under the old scheme/codes).**
- (vi) **It may be ensured that Capital expenditure is not booked to GH-10 directly except in case of Furniture & Fixtures, Office Equipment and Computers/IT Equipment. Capital Expenditure is booked to GH-15 or GH-14 as the case may be and on commissioning transferred to GH-10.**
- (vii) **It may be ensured by the accounting unit/units that capital expenditure has been booked against budget grant allocated by the competent authority and in case of emergency if capital expenditure is incurred in the absence of budget grant, the same must be got regularized and budget grant for capital expenditure incurred must be obtained from competent authority.**
- (viii) Completion certificates duly signed by the Divisional Officer in respect of all the assets transferred from GH-14/15.1 works-in-progress to GH-10 Fixed Assets be furnished along with account for 3/2015.

2. Depreciation policy:

Central Govt. has amended the Companies Act 1956 with the new Companies Act 2013. As per the provisions of the new Companies Act 2013, the policy for charging depreciation on fixed assets from the FY 2014-15 onwards, is still under consideration of the management. The detailed instructions for charging depreciation along with policy will be issued separately.

3. Maintenance and updation of Assets registers/cards:

Maintenance and updation of Assets registers/cards in respect of all the assets 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 Adjustment Accounts (Refer Accounts Circular No. 12/2002 dt. 16.12.2002 and 13/2003 dated 21.08.2003). **Year wise abstract of assets and depreciation must be prepared and provided to WAD Section.**

The following certificate duly signed by DDO/Sr. Xen of the concerned division should be sent along with March 2015 Adjustment Account along with physical verification sheet/report for statutory audit to AO/WAD, Section Patiala. These certificates will be handed over to AO/A&R Section by the WAD Section.

“Certified that physical verification of fixed assets of _____ division as on 31.03.2015 has been carried out and there are no discrepancies between items physically verified and items appearing in Fixed Assets Register/record maintained under this division as per list attached of fixed assets physically verified.”

Apart from the above AO/WAD will ensure before accepting the March Adjustment account of 2015 that copy of requisite Asset Card/Asset detail have been supplied to FAR Section by the concerned accounting units positively.

4. Inventories - Stores and Spares :

- (i) 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'.
- (ii) 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 adjustment account of March, 2015.

STOCK

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

- Total of the Stock of all type of inventory (details as indicated above) should tally with the difference of Debit and Credit under code 22.6 of the Trial Balance for the period 2014-15.
- (iii) The cost of unused material as on 31.3.2015 for Capital & O&M works shall be physically verified by the SDO at the close of the year and should be adjusted through J.V. by 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 along with detail of material. This entry should be reversed in 1st April 2015 account.
- (iv) The Cost of unused material/jobs in progress in workshops as on 31.3.2015 may be debited to the account code 22.712 (jobs in progress) per contra credit to the Account Code 14.450/460 (workshop). This entry shall be reversed in April 2015.
- (v) The cost of material which has been received up to 31.3.2015 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.
- (vi) **The item-wise detail of all the stock items quantity as well as value as per Stores Value Ledger be supplied along with the detail of fast-moving, slow/non-moving, un-serviceable, obsolete and material at site, material found excess/shortage on physical verification, placed in pending investigation account (22.8) to AO/WAD along with submission of March 2015 Adjustment Account. It must be ensured that the value as on 31.03.2015 as per Books of Accounts (as per Trial Balance) must be tallied with the value as per stores value ledger. Discrepancy/Difference if any between both be intimated along with reasons.**
- (vii) **The following certificate along with physical verification report/sheet duly signed by DDO/Sr. Xen of the concerned division should also be sent with March 2015 Adjustment Account as per the requirements of Companies Audit Report Order 2003 (CARO) for statutory audit:-**
“Certified that physical verification of stores of _____ division as on 31.03.2015 has been carried out and there are no discrepancies between the physically verified figures and figures appearing in stores registers maintained under this division as per list attached of different items of stock physically verified.”
- (viii) **The above-said Stock Adjustment Account be prepared by keeping in view the Inventory Policy of the company already adopted which is as under:**
- Inventories are valued at lower of cost determined on weighted average basis or net realizable value.
 - The cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
 - The costs of purchase consist of the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the acquisition.
 - The diminution in the value of obsolete, un-serviceable and surplus stores and spares is ascertained on review and provided for.

The adjustment if any required as per above said policy may also be made in March 2015 adjustment Account.

5. Clearance of IUT Bills:

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 1st April 2014 onwards by your division/Accounting Unit and be adjusted in the adjustment account of March, 2015 without fail. Non-Clearance of IUT Bills may attract disciplinary action against the delinquent, officers/officials concerned.

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 positively. The detail of Account Code 46.941 – Credit awaiting IUT Bills as on 31.03.2015 (if not cleared) should also be supplied to AO/WAD at the time of submission of March 2015 adjustment Account.

6. **Transfer of Funds from Head Office:**

A U-Cheque shall be issued by the concerned accounting units for funds transferred by AO/Banking PSTCL Patiala during the year 2014-15 pertaining to New Bank Account by crediting minus 24.405 with contra credit to 37.000 (U-cheque account) as already mentioned in Accounts Circular No.02/2011 of PSTCL. The month wise break up of amount (from April 2014 to March 2015) shall also be supplied with U-Cheque as per Trial balance and details of adjustment of stale cheques.

The detail of amount standing in stale cheques account 46.910 as on 31.03.2015 (party-wise with amount and period) be supplied to AO/WAD along with March Adjustment Account 2015 as per format already supplied.

7. **Remittance into Bank:**

Total amount of Remittance into bank during the year under the A/C head (24.501) 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 PSTCL, Patiala. The IUT Bills shall indicate amount remitted from April 2014 to March 2015 as per Trial balance.

The U-Cheque and the IUT Bills should be delivered to A.O. (Banking Section) and U-Cheque obtained from his office for the IUT Bill in respect of Remittance into Bank. The U-Cheque obtained should be adjusted in the March Adjustment Account, 2015 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 Adjustment Account, 2015 Account by debit to A/c Code 37.000 per contra credit to 24.405. 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 Adjustment Account, 2015.

8. **Consolidated Bank Reconciliation Statement:**

The D.D.Os having Disbursement and collection Account with the Bank must supply the Bank Statements (both separately) showing Bank Balance as on 31-3-2015 to AO/Banking PSTCL Patiala. AO/Banking will submit the consolidated reconciliation statement of all the bank accounts opened for different accounting units as per instruction already issued vide Accounts circular 02/2011 of PSTCL or otherwise at the time of submission of their March 2015 account along with certificates of bank for the purpose of finalization of Balance sheet of PSTCL for the year 2014-15.

AO/SLDC will provide separate Bank Reconciliation Statement to the Compilation Section at the time of submission of March 2015 Adjustment Account.

9. **Regarding Credit taken and payments made in respect of GPF by the different Accounting Units of PSTCL:**

Accounting units of PSTCL will prepare Schedules regarding debits made and credits taken during the financial year 2014-15 and submit the same to AO/GPF, PSPCL, Patiala as per previous pattern. After submission of schedules AO/GPF, PSPCL, Patiala will issue certificate to the concerned accounting units of PSTCL. Thereafter AO/Cash (Centralised Pay Cell), PSTCL, Patiala will receive the certificate from the concerned accounting units of PSTCL for Credits taken and Debits made during the financial year 2014-15. The accounting units of PSTCL also make adjustment regarding credits of GPF as per detailed instructions issued vide Accounts Circular No. 3/2014, 4/2014 amended by 2/2015 and send the U-Cheque along with certificate received from AO/GPF, PSPCL for the total credits made for GPF during the year 2014-15 to AO/Cash (Centralised Pay Cell) as per above certificate.

AO/Cash shall incorporate the Adjustment entries in their account as per instructions issued vide Accounts Circular No. 3/2014, 4/2014 amended by 2/2015.

Thereafter, AO/Cash, (Centralised Pay Cell), PSTCL shall prepare the consolidated division wise statements of GPF credits and debits separately on the basis of certificates received from the concerned accounting units and send the same to AO/NPS for the reconciliation of the same with GPF Trust PSPCL along with monthly amount paid to the GPF Trust as per debits and credits appearing in their account under GH-57.126.

AO/NPS on the basis of details/statements so received shall tally with the GPF Trust PSPCL, discrepancy if any, be got set right under intimation to AO/WAD and AO/A&R.

10. Regarding Credit taken and payments made in respect of NPS by the different Accounting Units of PSTCL:

Accounting units of PSTCL will prepare details regarding credits taken during the financial year 2014-15 and submit the same to AO/NPS, PSTCL, Patiala. The accounting units of PSTCL also make adjustment regarding credits of NPS as per detailed instructions issued vide Accounts Circular No. 3/2014, 4/2014 amended by 2/2015 and send the U-Cheque along with the details of each sub-head (as mentioned in Accounts circular no. 2/2015) to AO/NPS, PSTCL after duly cross checked of GH-75.825 & 75.835 with GH-44.465 & 44.475 respectively.

AO/NPS, PSTCL shall prepare the consolidated division wise statements of each sub-head of NPS credits separately on the basis of details received from the divisions and tally the same with the U-cheques received (sub-head wise) from divisions and pass on the same to AO/Cash, PSTCL along with details for incorporation the Adjustment entries in their account as per instructions issued vide Accounts Circular No. 3/2014, 4/2014 amended by 2/2015.

AO/NPS, PSTCL will also prepare reconciliation statement for the total amount credited under NPS heads (57.160, 57.165, 57.170 and 57.175) upto 31.03.2015 and deposited in the NPS account on monthly basis through AO/Cash upto 31.03.2015 and balance amount payable to the NSDL as on 31.03.2015. The reasons for balance amount payable as on 31.03.2015 (except the amount relating to for the month of March 2015) should also be recorded on this statement.

11. Regarding Net Salary paid centrally at Head Office level by Centralised Pay Cell under AO/Cash during the FY 2014-15 relating to different accounting units:

Accounting units of PSTCL will prepare month wise details regarding net salary payable during the financial year 2014-15 and submit the same to AO/Cash (Centralised Pay Cell), PSTCL, Patiala. The accounting units of PSTCL also make adjustment regarding net salary payable as per detailed instructions issued vide Accounts Circular No. 3/2014, 4/2014 amended by 2/2015 and send the separate U-Cheque along with the month wise details (as mentioned in Accounts circular no. 2/2015) to AO/Cash (Centralised Pay Cell), PSTCL.

AO/Cash (Centralised Pay Cell), PSTCL shall prepare the consolidated division wise statements regarding net salary payable on the basis of details received from the divisions and tally the same with the U-cheques received from divisions and incorporate the Adjustment entries in their account as per instructions issued vide Accounts Circular No. 3/2014, 4/2014 amended by 2/2015.

Note: U-cheques in respect of Sr. No. 8,9,10 above should be issued separately for each item.

12. Terminal Benefits paid:

- (i) **Regarding payments made to retirees on account of Pension, Commuted Pension and Gratuity to Pensioners under Account Code 44.110 / 44.111 / 44.120 / 44.121/ 44.122 /28.861 /57.150 (provisions for pension / gratuity and its arrears) by different Accounting Units of PSTCL.**
- (ii) **Regarding payments made to retirees on account of Leave encashment under Account Code 75.617/75.618 by different Accounting Units of PSTCL.**

As per transfer scheme notified by Govt. of Punjab, all employees on the date of transfer will be of PSPCL and they will be on deputation or secondment to PSTCL for carrying out the services of the PSTCL. According to Para 6 of this notification, the pensionary liabilities of the employees is to borne by PSPCL. So the payments made to the retirees during the financial year 2014-15 by different Accounting Units of PSTCL on account of Pensionary benefits will required to be transferred for adjustment in March 2015 Account.

Therefore for implementation of these provisions, Accounting Units of PSTCL will prepare statements/schedules regarding debits/payments made during the financial year 2014-15 to the retirees /pensioners under the Account Code 44.110 / 44.111 / 44.120 / 44.121 / 44.122 / 28.861 / 57.150 and 75.617/75.618 (i.e. provisions for pension, gratuity, Leave encashment and its arrear) and submit the same to AO/Pension PSPCL Patiala as per previous pattern. After submission of schedules/details AO/Pension PSPCL Patiala will issue certificate to the concerned Accounting Units of PSTCL after incorporating the adjusting entries in March 2015 Adjustment Account. On the basis of certificate/confirmation of AO/Pension PSPCL Patiala, AO/Cash PSTCL Patiala will issue U-Cheques to the concerned Accounting Units of PSTCL for debits made during the financial year 2014-15 after incorporating the entries in March 2015 Account as explained in **Annexure B of Accounts Circular 02/2012 of PSTCL issued for March 2012 account i.e. the same procedure be adopted for March 2015 Adjustment account (as enclosed).**

Apart from the above each accounting unit of PSTCL shall also provide the separate details regarding amount paid centrally through AO/Cash (Centralised Pay Cell) and amount paid by the division itself during the year 2014-15 under GH-75.616, 75.617 and 75.618 to AO/Cash before submission to AO/Pension for the reconciliation and adjustment of the same.

Now Government of Punjab has notified the transfer scheme (amendment) on 24.12.2012 vide which PSTCL will bear share of terminal liabilities in the ratio of 11.36% of total pension liabilities (paid by both PSPCL and PSTCL). The adjustment entry of the same will be incorporated at Corporate level by both the Companies before finalization of accounts March 2015.

- (iii) **Regarding payments made to retirees on account of Fixed Medical allowance, LTC to Pensioners and Reimbursement of Medical Expenditure under Account Code 75.861 / 75.863 / 75.873 / 75.874 / 75.875 by different Accounting Units of PSTCL:**

The Accounting Units of PSTCL will prepare details regarding payments made to the retirees during the financial year 2014-15 on account of Fixed Medical allowance, LTC to Pensioners and Reimbursement of Medical Expenditure under Account Code 75.861 / 75.863 / 75.873 / 75.874 / 75.875 in two parts i.e. 1st relating to retirees who retired before 16.04.2010 in **formats- A,B,C** & 2nd relating to retirees who retired after 16.04.2010 and submit the same to **AO/WAD & Broadsheet (Broadsheet Section)**, PSTCL Patiala in **format A-1, B-1, C-1** already supplied last year & will pass/ incorporate the adjusting entries under GH-28.890 as explained in **Annexure C of Accounts Circular 02/2012 of PSTCL issued for March 2012 account i.e. the same procedure be adopted for March 2015 Adjustment account.**

13. 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 affected 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 along with 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.

14. Deposits:

Deposits including earnest money received in the form of Bank Guarantee, investment Certificates, etc. received during the year 2014-15 may be accounted for as below :-

	Debit	Credit
Security/Earnest Money/From Contractors/Supplier in form of FDs (other than cash)	28.930	46.102
Security from Consumers (in form of FDs)	28.932	48.200
Security from Employee (other than cash)	28.933	46.921

15. Deductions from Employees:

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, 46.938 & 46.953 and remitted to the concerned department simultaneously. **Under no circumstance the balances outstanding under these Account codes be transferred to Account code 46.926 and there should be no net debit balance under GH – 44.4, 46.923, 46.937, 46.938 & 46.953.**

16. Capitalization of R&M, Employee cost and A&G Expenses of Construction Divisions to Capital Works:

All employee cost, R&M expenses and A&G Expenses in respect of Construction Divisions shall be fully charged to capital works on the following basis/criteria (as per previous pattern of capitalization of such expenses to different capital works explained in Accounts Circular 06/2011 of PSTCL):-

- (i) Employee Cost (Work Charged/Daily labour) which has exclusively/directly been employed on capital works be booked/charged to concerned works executed by respective division for capitalization.

- (ii) Regular employee cost, R&M expenses and A&G Expenses of divisions and sub divisions are apportioned on proportionate basis to all works executed by respective division for capitalization.
- (iii) Pay & allowances of Gazetted establishment i.e. Sr. Xens, AEEs and AEs also be apportioned on proportionate basis to all works executed by respective division as intimated by AO/Pay & Accounts, PSTCL, Patiala for capitalization.
- (iv) As regards the expenditure (employee cost and A&G expenses) of Circle and Chief Offices - percentage intimated by AO/TS / Sr. Xens works concerned be charged for capitalization. Apart from this, as regards expenditure of Chief Office and Design Directorate office of TS Organization only be chargeable for 400 KV capital works relating to Evacuation system of Talwandi Sabo (turnkey basis) and 400KV Capital works Rajpura being supervision made by these offices. So special/separate percentage intimated for this purpose by AO/TS / Sr. Xen works concerned be charged for capitalization on this 400 KV works.
- (v) As regards Head Office employee cost @ 0.70% of capital works be charged for capitalization.

This is similar on the lines instructions already contained in Basic Accounting Principle and Policies regarding booking of employee cost. So the portion of amount to be capitalized on the above basis relating to 400/220/132 KV works be booked to GH – 14 (Capital work in progress)/GH – 15 Contract in progress (in case of Talwandi Sabo/Rajpura Project of 400 KV) per contra credit to GH – 74.9, 75.9 & 76.9 (R&M, Employee cost, A&G capitalized) sub head wise as per previous pattern.

AO/WAD will ensure before accepting the March Adjustment Account of Construction Divisions (Grid/Civil/TLSC) that correct amount has been capitalized by each division after vetting the same from A&R section.

17. **Capitalization of Borrowing Costs:**

Policy:

- Guarantee Fees paid to Punjab Govt. for standing as guarantor to the Loans obtained from Banks/FIs for execution of Capital Projects has been included in the project cost.
- To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset has been determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.
- To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization has been determined by applying a capitalization rate to the expenditure on that asset. The borrowing cost is capitalized on the basis of weighted average formula as under:
 - a) Average of total opening & closing balance of CWIP.
 - b) Average of opening & closing outstanding loans for capital works.
 - c) Interest paid and provided for the year on loans for capital works.
 - d) Capitalization of borrowing cost = $c \times a/b$

For implementation of the policy regarding capitalization of interest, construction divisions (Grid/Civil/TLSC) should send the work wise detail of opening capital work in progress and closing work in progress on the formats ‘Annexure A and B’ already supplied last year to A&R Section, PSTCL at the time of submission of March 2014 Adjustment Account.

AO/WAD will ensure before accepting the March Adjustment Account 2014 of Construction Divisions (Grid/Civil/TLSC) that the requisite lists has been supplied to the A&R Section by the concerned accounting units positively.

Thereafter A&R Section will calculate the interest amount to be capitalized on different works in respect of each construction division (after collecting the detail of loans taken for capital work in progress under different schemes) and intimate the amount to each division for incorporating the JV of interest capitalization in the books of respective division through AO/WAD, PSTCL.

18. Provision for liability on account of capital works:

Provision for liability on account of capital works completed by contractors in respect of bills are not received or received but not passed.

As per provisions of Basic Accounting Principles & Policies of Commercial Accounting Systems Vol. 1 Part II Para 2.49 page 13 regarding "*Capitalization regardless of Non-finalization of Contractor's Bills etc.*" that "*Mere non-submission of interim or final bills by suppliers or contractors shall not be permitted to withhold capitalization of assets. In cases where bills are not received or are received but not passed, a provision should be made for an amount as per the contract. The cost of assets concerned shall be determined accordingly and capitalized when assets are first put to use.*"

19. Provision for liability on account of capital work in progress relating to 400 KV:

Provision for liability on works executed by the outside agency but not yet completed and under in progress relating to 400 KV should also be made in respect of bills passed for work executed in March 2015 Adjustment Account by the construction divisions. The detail of which also be provided to AO/WAD along with the March 2015 Adjustment Account. This entry will be reversed in the month of April 2015.

20. Liabilities for Expenses:

Provision of liability for expenses (GH 46.410/ 46.430) due/incurred but not paid upto March 2015 should be made and full details and copies of bills must be attached with the J.V. The concerned office will be held responsible in case of any excess provision made than the required.

21. Other Adjustments:

- (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 3/2015.**
- (ii) **The information regarding TDS/TCS (tax deducted and deposited/tax collected), interest payable on tax , detail of demand raised or refund issued, Employees share of EPF/ESI deducted and deposited along with proof of payments made (i.e. copy of challan) relating to these items including Service tax, VAT, CST, Labour cess etc. for the FY 2014-15 be supplied to AO/Taxation, PSTCL, Patiala at the time of submission of March 2015 Adjustment Account on the formats – A to G attached. AO/WAD will ensure before accepting the March Adjustment 2015 Account that the above said requisite details have been provided to AO/Taxation by all the accounting units.**
- (iii) Entries of salary for 3/2015 of regular staff shall be made as per instructions issued vide Accounts Circular No. 3/2014, 4/2014 amended by 2/2015.

- (iv) 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 2014-15. The employee wise sub ledger may be maintained. The detail showing principal amount, rate of interest etc. should be supplied with Journal Voucher invariably.
- (v) 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.
- (vi) Adjustment of unutilized Service Postage Stamps, Stationary & provision of liability for expenses/prepaid expenses should be made as per already existing instructions.
- (vii) All expenditure (GH 74, 75 & 76) relating to financial year ending March 2015 must be accounted for in the month of March 2015 adjustment account by creating provision for the same.
- (viii) 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.
- (ix) Proper adjustment of damaged Power Transformers should be made as per instructions already issued by erstwhile PSEB vide Accounts Circular No. 2/97 and 15/2009 and instructions issued by PSTCL vide memo no. 1127-1131/CAO/A&R-20 dated 02.06.14 (copy enclosed).

22. Closing Entry:

After the compilation of March Adjustment Account 2015, the annual closing entry will be passed centrally by the o/o AO/A&R (Compilation Section). Hence no closing entry should be passed by any accounting unit.

23. Check-list for DDOs/Accounting Units before submission of March 2015 Adjustment Account:

- (i) The DDO/In-charge of accounting unit should further ensure that:-
 - a. There is no minus closing balance against any of the Works in form CE-21 Works Register (Form 27), unless there are specific reasons for it which should be recorded in form CE-21 (Form 27) against that item. Scheme wise expenditure under each scheme should be reconciled. This should be completed in all respects.
 - b. All documents/Vouchers/JVs/Stamped receipts are sent with the adjustment account of March 2015.
 - c. The Capital expenditure booked upto March, 2015 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 head wise 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 2014-15 showing original cost of Assets, date of installation, name of scheme, head of account and cost realized is supplied with the adjustment account.

- g. Divl. Supdt. (Accounts) should prepare tally sheet as per **Annexure 'A'** along with adjustment account for March 2015.
- 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 31.03.2015 are to be adjusted and made NIL.
- (ii) Year wise break up of items outstanding as on 31.3.2015 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) and Misc. Deposits under GH-46.926 in the following Performa (for each sub-head separately) be supplied along with adjustment account of March 2015.

Financial Year Particulars/Name of person Amount outstanding

- (iii) Work wise/Year wise break-up of Account Code 47.305/47.309 Receipt for Deposit/Contributory Work (for each head separately) in the following proforma be supplied along with adjustment account of March 2015 as discussed in the meeting in the chamber of Director/F&C on dated 07.04.2015.

Sr. No.	Name of Work	Amount Received (credit under 47.305/47.309)				Expenditure incurred (debit under 47.305/47.309)				Date of completion	Amount transferred to GH-14 in case of Contributor y works along with JV no. & month
		Upto 16.04.10	2010-11	2011-12 & so on	Total	Upto 16.04.10	2010-11	2011-12 & so on	Total		

- (iv) Scheme-wise details i.e. transmission under Account Code 10 & 14 & 71 to 77 be supplied in performa annexure to trial balance.
- (v) There must not be any entry in deleted account code.
- (vi) TDS (GH-27.4):-Form-16A against deduction of Tax at source for any payment must be got collected and supplied to AO/Taxation along with the following certificate at the time of submission of March Adjustment Account 2015 so that the refund of the same may be claimed in the return for that year. In case of any delay or lapse DDO will be held personally responsible.

Certificate

"Certified that all amounts/deduction of TDS, which have been deducted by other agencies, out of the amount paid/credited to PSTCL under PAN No. AAFCP4714J have been accounted for in account Head 27.4 and nothing is left to be incorporated under this Account Code".

(vii) Debit may not be posted in Credit Based Account Heads and similarly Credit may not be posted in Debit based Account Heads.

24. Detail of Advances to Suppliers/Contractors and other deposits:

- (i) The age-wise and party-wise balance in respect of Advances to Suppliers/contractors against stock/works and inventory (GH 25 & 26) and
- (ii) Age-wise analysis of A/c codes 44.210, 44.211 and 46.941 be supplied in the following performa with the Adjustment Account for 3/2015.

<u>Position as on 31st March, 2015</u>	<u>No. of Item</u>	<u>Amount</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 than 3 years old.		
4. More than 3 years old.		

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. Certificate for reconciliation of Sundry Debtors/Trade Receivables & age-wise analysis:

A certificate for reconciliation of sundry debtors/Trade Receivables 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 and AO/SLDC PSTCL be furnished along with account for 3/2015. It also may be ensured by AO/Banking, PSTCL and AO/SLDC PSTCL that transmission charges recoverable from PSPCL have been properly accounted for in the books for the whole year 2014-15 as per instructions already issued vide **Accounts Circular No. 01/2010 of PSTCL and 07/2011 of PSTCL.**

The following information in respect of age wise analysis of sundry debtors also be supplied to A&R Section along with March 2015 Adjustment Account:

Sundry debtors as 31 st March, 2015:	Rs _____
Less than 6 months:	Rs _____
(a) Secured considered Good	Rs. _____
(b) Unsecured considered Good	Rs. _____
(c) Doubtful	Rs. _____
(d) Bad Debts	Rs. _____
More than 6 months:	Rs _____
(a) Secured considered Good	Rs. _____
(b) Unsecured considered Good	Rs. _____
(c) Doubtful	Rs. _____
(d) Bad Debts	Rs. _____

26. Tax Deducted/Collected at source from employees, contractor or otherwise should be got deposited with the Central Govt. as per instructions already issued by AO/Taxation from time to time for the strict compliance of Income Tax Act.

27. Deviations from the prescribed accounting policies:

The erstwhile PSEB has approved certain deviations from the prescribed accounting policies circulated vide CAO/CAC memo no. 13798/14986/CAC-41 dated 03-05-89 and in its Board's meeting 01/2008. (1028/1327/CAO/WM&G/CAC-37/Vol.IX dt. 3/3/08) which are still continued after unbundling till the new rules are framed by PSTCL.

- (i) Material related & vehicle running expenses:

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

Capital Stores: Such costs incurred in divisions 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.

(ii) Freight Charges on Stores:

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

(iii) Other expenses including employee cost etc.:

All expenses are accounted for on accrual basis except leave travel concessions, medical reimbursements. TA/DA claims, arrears of salary and overtime payments are accounted for on payment basis in the year these are paid.

28. 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 information 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 production	Enterprise engaged in providing or rendering services
Micro	Up to 25 lacs	Upto Rs.10 lacs
Small	More than Rs.25 lacs but does not exceed Rs. 5 crore	More than Rs.10 lacs but does not exceed Rs.2 crore
Medium	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 along with monthly accounts for March, 2015. The WAD Section will supply the consolidated information to A&R Section on or before 15th May, 2015. 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 along with the tender whether this firm/company is registered or not under Micro, Small and Medium Enterprises Development Act, 2006.

(i) Unpaid Principal and Interest due

Sr. No.	Enterprise	Number of items	Amount		
			Principal	Interest	Total
1	Micro				
2	Small				
3	Medium				

(ii) Principal and Interest paid (Beyond the appointed day)

Sr. No.	Enterprise	Number of items	Amount		
			Principal	Interest	Total
1	Micro				
2	Small				
3	Medium				

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

Sr. No.	Enterprise	Number of items	Amount		
			Interest Due	Interest Payable	Total
1	Micro				
2	Small				
3	Medium				

(iv) Interest Accrued and Unpaid at the end of the year

Sr. No.	Enterprise	Number of items	Amount		
1	Micro				
2	Small				
3	Medium				

(v) Further Interest of Previous Years remaining due and Payable

Sr. No.	Enterprise	Number of items	Amount		
1	Micro				
2	Small				
3	Medium				

29. ICT Transactions:

As per Accounts Circular No. 8/2010, 03/2011 of PSTCL and 06/2011 of PSTCL 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
28.886	Inter Corporation Transaction – GPF
28.887	Inter Corporation Transaction – Payment made on account of Pension, Commuted Pension and Gratuity to retirees.
28.888	Inter Corporation Transaction – Payment made on account of Leave encashment.

- 28.889 Inter Corporation Transaction – Amount Receivable on account of leave salary and pensionary contribution.
- 28.890 Inter Corporation Transaction – Payment made on account of Fixed Medical allowance, LTC to Pensioners and Reimbursement of Medical Expenditure.
- 28.891 Inter Corporation Transaction- Amount recoverable from PSPCL on account of Capital Expenditure incurred on 66 KV Capital works (Lines & Sub-Stations) on behalf of PSPCL
- 28.892 Inter Corporation Transaction- Amount recoverable from PSPCL on account of R&M Expenses, Establishment Cost and A&G expenses incurred on 66 KV Capital works (Lines & Sub-Stations) on behalf of PSPCL
- 46.946 Inter Corporation Transaction Credit
- 46.947 Inter Corporation Transaction Receipt of Cash (to be operated by A.O./Banking Drawing)
- 46.948 Inter Corporation Transaction - GPF
- 46.949 Inter Corporation Transaction –Amount Payable on account of Pension, Commuted Pension and Gratuity to retirees.
- 46.950 Inter Corporation Transaction – Amount Payable on account of Leave encashment.
- 46.957 Inter Corporation Transaction – Amount payable to PSPCL – Open Access – Wheeling Charges
- 46.958 Inter Corporation Transaction – Amount payable to AO/Banking PSTCL – Open Access Transmission Charges.

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 Adjustment Account of March 2015.

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 along with Trial Balance that the necessary adjustments of all recoverable/payable with PSPCL have been got done as per instructions already issued vide this office memo no. 906/965 dated 25.05.2011.

Apart from the above month wise/item wise detail of Inter corporation transactions for issue of material under GH-28.882 (on format-1) and for other items like Fixed Assets, personnel, cash etc. GH-28.881, 28.883 & 28.885 (on format-3) and expenditure incurred on 66 KV on behalf of PSPCL under GH 28.891 & 28.892 (on Format-2) relating to the period 2014-15 should also be supplied on the formats already sent at the time of submission of adjustment account of March 2015 account in hard/soft copy positively to Broadsheet Section. Similarly the detail of transactions booked under GH-46.946 payables to PSPCL also be supplied on format-3 prescribed for 28.883 & 28.885.

30. As the Annual Accounts of PSTCL are required to be prepared in compliance of the provisions of the new Companies Act, 2013, and different Accounting Standards issued by ICAI the following information along with details, required for disclosure/incorporate in the balance sheet, be supplied with March (Adjustments) Account, 2015:

- (i) **As per provisions of Companies Act, the detail of contingent liabilities should also be sent along with March 2015 adjustment account on the format given at end. 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, 2015.**
- (ii) **The no. of items and amount of non-moving stores as on 31st March 2015 be intimated (refer Sr. no. 25 of the instruction)**

- (iii) The information under Micro, Small and Medium Enterprises Act, 2006 be Supplied (refer sr. no. 31 of the instruction).
- (iv) As per Accounting Standard (AS)-28, the disclosure regarding impairment of assets are required. As such, the information in respect of assets impaired during the year be intimated along with details.
- (v) The capital as well as other commitment is to be disclosure in the balance sheet. As such information in respect of contracts/commitment made as on 31st March,2015 but not executed as on date be supplied, separately for capital and others, as under:

Sr. No.	Particulars	Amount	Adv. Payments	Remarks

The advance payment made, if any, against the above items be also mentioned.

- (vi) The information regarding fixed assets got insured during the year be supplied by mentioning the type of assets got insured.
- (vii) The information regarding frauds/embezzlements etc. Occurred during the year:

Sr. No.	Particulars	Amount	Status of the case

- (viii) The Govt. of India, Ministry of company affairs has notified Schedule III under the new Companies Act 2013 (in place of revised Schedule VI of the earlier Companies Act 1956). These instructions of which have been made applicable w.e.f. 1-4-14 under which the balance sheet as on 31-3-15 is required to be prepared. To prepare the balance sheet, the information of current Assets and current liabilities will be required as 'Current' and 'Non-Current' forms.

“An asset shall be classified as current when it satisfied any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date ; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 month after the reporting date.

All other assets shall be classified as non-current.

A liability shall be classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement the liability for at least 12 months after the reporting date. Term of a liability that equity instruments do not affect its classification.

All other liabilities shall be classified as on non- current.

(ix) **Borrowings**

Long term borrowings to be shown under non-current liabilities and short term borrowings to be shown under current liabilities with separate disclosure of secured/unsecured loans. Period and amount of continuing default as on the balance sheet date in re payment of loans and interest to be separately specified.

(x) **Finance lease obligations:**

Finance lease obligations are to be grouped under the head non-current liabilities.

- (xi) Lease deposits to be disclosed as long term loan as & advances under the head non-current assets.
- (xii) Current and non-current investments are to be disclosed separately under current assets & non-current assets respectively.
- (xiii) Loans and advances to be broken up in long term and short term and to be disclosed under non-current & current assets respectively.
- (xiv) Bank balances in relation to earmarked balances, held as margin money against borrowings, deposits with more than 12 months maturity, each of these to be shown separately.
- (xv) **Current liabilities;** Current liabilities be segregated in to current & non-current, short term & long-term be supplied to be disclosed under current liabilities.
- (xvi) Finance cost shall be classified as interest expense, other borrowing costs & Gain /loss on foreign currency transaction & translation.
- (xvii) The information in respect of all current & non-currents assets be also supplied as under:
 - a) Secured, considered good
 - b) Unsecured, considered good
 - c) Doubtful

(xviii) **Disclosure regarding Contingent liabilities:**

As per new **Companies Act, 2013** PSTCL has to disclose its Contingent liabilities i.e. claim made by any third party against PSTCL which pending under litigation on the date of Balance sheet. As such this information, if any, shall be supplied to AO/Taxation section through Dy. Secy. Legal as per previous practice on the performa attached at the end of these instructions. The Taxation Section will supply the consolidated information to A & R Section after compiling the all the figures.

31. **Certificates required from the Accounting units:**

The Accounting Units shall supply the certificate alongwith the trial balance of Adjustment Account of March 2015 as mentioned in the foregoing points. In addition the following certificates as under may also be furnished:

- (i) Certified that all material issued upto 31st March 2015 has been accounted for in the account of 2014-15.
- (ii) Certified that the interest on all staff loans and advances (interest bearing) for the year 2014-15 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 2015.
- (vi) Certified that the stock of scrap generated upto 31st March 2015 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 2015 (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.

32. **Certificates to be submitted Online by the incharge of Accounting unit:**

The each accounting unit will upload the adjustment account online and submit the same after clicking the online certificates detailed below for auditing/verification by the WAD section. Thereafter the each accounting unit shall send the hard copy of Trial Balance of March Annual Adjustment Account 2015 and other connected records/certificates/information to AO/WAD for detailed checking/verification/audit.

Certified that:

1. The cash balance as per Trial Balance tallies with cash balance report and cash in hand.
2. That bank balance as per Trial balance tallies with balance in designated Bank/as per Bank reconciliation Statement.
3. The depreciation has been provided as per guidelines issued for the FY 2014-15.
4. No depreciation has been provided on the assets which are not in use.
5. The TDS under Section 194 of Income Tax Act 1961 has been properly accounted for under Account code 27.4 –Advance Income Tax deducted at Source and no amount has been left unaccounted.
6. The necessary subsidiary record such as ledger/schedule, sub ledgers etc. as required under of Companies Act, have been prepared and figures with the trial balance.
7. All the works commissioned during the year have been transferred to fixed assets account.
8. Only non-refundable credits have been booked under Account code 55-Contributions, Grants, Subsidies towards cost of capital assets, as per policy decided by the Company.
9. The details of contingent liabilities will be supplied with the account.
10. The figures of GPF and pension/terminal benefits have been reconciled with the AO/GPF, PSPCL and AO/Pension, PSPCL. The requisite certificate of submission of detail/schedules have been obtained and handed over to AO/Cash, PSTCL, Patiala. The detail of NPS has also been provided to AO/NPS, PSTCL, Patiala.
11. No penalty/interest has been levied by any agency i.e. Income tax authorities, Provident Fund etc. for late payment/non payment of statutory levy.
12. The figures for funds received and remittances made during the year have been reconciled with A.O./Banking, PSTCL, Patiala.
13. The requisite detail/certificate regarding EPF, ESI, TDS have been supplied to AO/Taxation as per the formats A to G attached with March instructions.
14. The requisite detail of Capital Work in progress for interest capitalization and detail of capitalization of employee cost, R&M and A&G expenses etc. have been provided and got checked from A&R Section (applicable only for construction Divisions i.e. TLSC, Civil Works, Grid Construction).
15. The detail of assets created along with Photostat copy of asset card will be provided to concerned sections at the time of audit of accounts in the WAD Section.
16. All instructions issued for compilation of accounts of March have been compiled with.

33. **Certificates to be submitted Online by the AO/WAD after audit/verification of March Adjustment Account 2015:**

The AO/WAD will check the account, ensure compliance of instructions regarding submission of March Adjustment Account and collect all the certificates and other details required

as per instructions. The AO/WAD after satisfying himself and rectifying errors, if any through concerned division, will record pass order on the trial balance as usual and will submit online certificates mentioned below as confirmation for final submission of the Trial Balance of Adjustment Account to compilation section.

Certified that:-

1. The provision for depreciation has been checked and found correct.
2. All the adjustments required to be incorporated have been made and details regarding age wise analysis of contingent liabilities, liability under Medium and Small Enterprises Development Act etc. have been received from the accounting units.
3. The requisite details/certificates have been provided to concerned sections i.e. A&R, Taxation & FAR, Cash and Broadsheet as mentioned in the instructions of March 2014 Adjustment Account.
4. All the instructions regarding compilation of accounts of March have been complied with by the Divisions/Accounting Units.

34. **Accounts Circulars/Instruction issued during 2014-15 relating to opening of new Heads :**

The classification of expenditure/receipt must be in accordance with the Chart of Accounts and Accounts Circulars issued during 2014-15 relating to opening of new heads from time to time. However, for the ready reference the detail of these circulars issued during 2014-15 by PSTCL is given as under:

Sr. No.	Circular No.	Newly Opened Account Code	Description
1	3/2014	44.360	Amount paid on behalf of Divisional officer/officer-in-charge by Centralized Pay Cell.
		44.429	Group Insurance
		44.430	Club Membership Fee
		IUT-36.1	Amount receivable by centralized pay cell from concerned Divisional officer/officer-in-charge being amount of salary paid/adjusted on behalf of their office.
2	4/2014	36.101	Amount receivable by Centralized Pay Cell from concerned Divisional Officer/Officer-in-Charge being amount of salary paid /adjusted on behalf of their office.
3	8/2014	46.431	Provision for liability of Property Tax
4	9/2014	22.901	Provision for difference in value of stock & spares
		22.902	Provision for value of obsolete stores
		22.903	Provision for value of unserviceable stores
		26.900	Provision for doubtful advances to suppliers (O&M)
		27.9	Provision for doubtful debts - other loans and advances (already created)
		28.950	Provision for bad & doubtful debts - sundry receivables
		28.951	Provision for losses under investigation
		39.9	Provision for bad & doubtful debts - IUT transactions (prior to 16.04.10)
		79.470	Difference in value of stock & spares provided for (prior to 01 .04. 1986)
		79.471	Value of obsolete stores provided for
		79.472	Value of unserviceable stores provided for
		79.480	Bad and doubtful advances to suppliers (O&M) - provided for
		79.481	Bad and doubtful debts other loan & advances provided for
		79.482	Bad and doubtful debts provided for - sundry receivables
79.483	Losses under investigation provided for		
79.490	Bad and doubtful debts provided for - IUT transactions (prior to 16.04.2010)		

5	10/2014	75.616	Encashment of earned leave at the Time of availing of Leave Travel Concession
6	1/2015	24.130	Cash at Bank (to be operated by AO/SLDC and AO/Banking only)
7	2/2015	44.326	Amount of GPF contribution and recoveries of refundable advances to be paid through Centralised Pay Cell under AO/Cash
		44.460	Amount of CPF contribution – Employee’s contribution of employees on deputation from PSPCL to be paid through Centralised Pay Cell under AO/Cash
		44.465	Amount of CPF contribution – Employer’s contribution of employees on deputation from PSPCL to be paid through Centralised Pay Cell under AO/Cash
		44.470	Amount of CPF contribution – Employee’s contribution of employees recruited by PSTCL to be paid through Centralised Pay Cell under AO/Cash
		44.475	Amount of CPF contribution – Employer’s contribution of employees recruited by PSTCL to be paid through Centralised Pay Cell under AO/Cash
		44.480	Amount of Net Salary to be paid through Centralised Pay Cell under AO/Cash

**STATEMENT OF FIXED ASSETS TRANSFERRED TO OTHER
DIVISIONS DURING 2014-15**

BY DIVISION LOCATION CODE

Sr. No.	Name of Division	Location Code to Which transferred	Name of Scheme from which the expenditure transferred	Account Code	IUT Bill No./Dt.	Amount No./Dt.	U-Cheque Received From Responding Unit
1	2	3	4	5	6	7	8

Procedure for transfer of balances for the period 2014-15 by different Accounting Units of PSTCL to AO/Pension PSPCL Patiala

Sr. No.	Transactions	PSTCL				PSPCL				
		Entries by different Accounting Units		Entries by AO/Cash, PSTCL		Entries by AO/Pension, PSPCL at Head Office				
		When entry is passed	Debit	Credit	When entry is passed	Debit	Credit	When entry is passed	Debit	Credit
1	Regarding payments made (debits) raised in respect of Provision for Pension, Committed Pension and Gratuity.	Every month when Payment is made	GH-44.110/44.111/ 44.120/44.121/ 44.122/28.861/ 57.150	GH-24.401 (Cheque Issued Account)	-	-	-	-	-	-
2	Regarding payments made (debits) raised in respect of Leave encashment.	Every month when Payment is made	GH-75.617	GH-24.401 (Cheque Issued Account)	-	-	-	-	-	-
3	For transfer of debits raised during the year in respect of Pension, Committed Pension and Gratuity at the time of submission of Statements/Schedules to AO/Pension PSPCL Patiala and U-Cheque received from AO/Cash PSTCL Patiala in March, 2015 Account through IV/TEO and U-Cheque.	In March, 2015 Account	(-)GH-44.110/44.111/ 44.120/44.121/ 44.122/28.861/ 57.150 (+) IUT-36	IUT-36	In March, 2015 Account	GH-28.887 (CT-Pension & Gratuity)	GH 37000 (U-Cheque Issued Account)	In March, 2015 Account	GH-44.110/44.111/ 44.120/44.121/ 44.122/28.861/ 57.150	GH-46.949 (CT-Pension & Gratuity)
4	For transfer of debits raised/payments made during the year in respect of Leave encashment paid to retirees at the time of submission of details to AO/Pension PSPCL Patiala and U-Cheque received from AO/Cash PSTCL Patiala in March, 2015 Account through IV/TEO and U-Cheque.	In March, 2015 Account	(-)GH-75.617 (+) IUT-36	IUT-36	In March, 2015 Account	GH-28.888 (CT-Leave encashment)	GH 37000 (U-Cheque Issued Account)	In March, 2015 Account	GH-75.617	GH-46.957 (CT-Leave encashment)

Detail of contingent liabilities as on 31.03.2015 in respect of _____ Division

	Particulars	Brief Particulars of the case	Claim amount	Likely Amount of settlement	Remarks, if any
A	Contingent Liability on account of pending Court cases on account of:-				
1	Court cases pending on account of Land acquisition setting up Transmission Lines & Sub Station				
a)					
b)					
2	Pending Court cases-Others				
a)					
b)					
3	Arbitration cases				
a)					
b)					
4	Service Matter cases				
a)					
b)					
5	Entry Tax & Sales Tax				
a)					
b)					
6	Sales Tax & CST				
a)					
b)					
7	Service Tax Disputed				
a)					
b)					
	Sub Total (A)				
B	Other Contingent Liabilities				
a)					
b)					
	Sub Total (B)				
	Grand Total(A+B)				

Signature of Sr. Xen/ AO

Annexure "A"
Detail of entries for Tally Sheet

Sr. No.	Particulars	Amount		JV No.	Attached with SD No.
		Dr. Head	Cr. Head		
1.	Transfer of Asset to GH-10	10	14		
2.	i) Depreciation	77.1 to 77.6/83.6	GH-12		
3.	Capitalization of Depreciation in Const. Divn.	15.311	77.9		
4.	(i) Transfer of funds		(-) 24.405 (+) 37.000		
	(ii) Remittance in to Bank	(-) 24.501 (+) IUT-33	--		
5	GPF Transfer	44.326	37.000		
6	Pension transfer	(-) GH-44.110/ 44.120/44.121/44.122/ 28.861/57.150/75.617/ 75.618 (payments to retirees on a/c of pension, gratuity and leave encashment etc.) (+) IUT-36			
7	Balance remaining unclaimed for more than 3 years	46.926 44.210 44.211	62.912		
8.	Stale Cheque		(-) 24.401 (+) 46.910		
9.	Capitatisation of Employee Cost by the Const. Divn.	14/15.1	75.9		
10.	Liability of unpaid wages W/C staff.	75	44.211 44.403		
	Provision of Boards Share of EPF of 3/2010	75.810	44.405		
11.	Service postage stamps remaining unused	(+)24.120 (-) 76.112	(Entry to be reversed in 4/2015)		
12.	Liability for expditure. under GH 74 to 76	74 to 76	46.410/46.430		

13. Pre paid expenses	(+) 28.820 (-) Concerned (GH)	(Entry to be reversed in April 2015)
14. Intt. on loans Advances	28.360	62.210
15. Intt. on cash Securities of Boards employees	78.853	46.926
17. Closing Entry (to be incorporated at HO level by Compilation section)	60 to 69 Net difference to GH-38	70 to 89
18. Unused Material	22.640/ 22.650	(Entry to be reversed in April 2015)
20. Percentage of employees Cost Charged to works in const. Division	(-) work concerned Work Concerned	75.930 75.935

Note :

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

Name of Division							Performa A		
Location code									
TDS/TCS detail as per chapter XVII B and XVII BB of Income Tax Act for the F.Y 2014-15									
TAN	Section	Nature of Payment	Total amount of payment or receipt of the nature specified in column (3)	Total amount on which tax was required to be deducted or collected out of (4)	Total amount on which Tax was deducted or collected at specified rate out of (5)	Amount of Tax deducted or collected out of (6)	Total amount on which tax was deducted or collected at less than specified rates out of (7)	Amount of tax deducted or collected on (8)	Amount of tax deducted or collected not deposited to the credit of the Central Government out of (6) and (8)
1	2	3	4	5	6	7	8	9	10
	192	TDS on Salary							
	194A	Interest other than interest on securities							
	194C	TDS on payment to contractors/sub-contractors							
	194I	TDS on Rent							
	194J	TDS on fees for professional or technical							
	206C	TCS-Timber							
	206C	TCS-Scrap							
							Signature of Designated Authority		

Name of Division							Performa B		
Location code									
Details of Furnishing of Statement of Tax deducted/collected for F.Y. 2014-15(clause 34(b) of Form 3CD)									
Tax deduction and collection Account Number	Type of Form		Quarter	Due date for furnishing	Date of furnishing of 24Q/26Q/ 27EQ	Whether the statement of tax deducted or collected contains information about all transactions which are required to be reported			
	24Q	TDS on salaries	First Quarter (01.04.2014- 30.06.2014)	15.07.2014					
			Second Quarter (01.07.2014-30.09.2014)	15.10.2014					
			Third Quarter (01.10.2014-31.12.2014)	15.01.2015					
			Fourth Quarter (01.01.2015-31.03.2015)	15.05.2015					
	26Q	TDS other than Salaries	First Quarter (01.04.2014 - 30.06.2014)	15.07.2014					
			Second Quarter (01.07.2014-30.09.2014)	15.10.2014					
			Third Quarter (01.10.2014-31.12.2014)	15.01.2015					
			Fourth Quarter (01.01.2015-31.03.2015)	15.05.2015					
	27EQ	Tax collection at source	First Quarter (01.04.2014 - 30.06.2014)	15.07.2014					
			Second Quarter (01.07.2014-30.09.2014)	15.10.2014					
			Third Quarter (01.10.2014-31.12.2014)	15.01.2015					
			Fourth Quarter (01.01.2015-31.03.2015)	15.05.2015					
							Signature of Designated Authority		

Name of Division	Performa-C		
Location code			
<u>Details of interest payable under Section 201(1A) or 206C(7) for F.Y. 2014-15 (clause 34(c) of Form 3CD)</u>			
Tax deduction and collection Account Number (TAN)	Amount of interest under section 201(1A)/206C(7) is payable	Amount paid out of column (2) along with date of payment	
		Amount	Date of payment
		Signature of Designated Authority	
* Section 201(1A) Failure to deduct and pay tax at source - if a person, who was required to deduct tax at source, does not deduct the whole or any part of the tax or after deducting, fails to deposit the tax as required, he or it shall be liable to pay simple interest.			
* Section 206C(7) Failure to Collect and pay tax at source - if a person, who was required to Collect tax at source, does not Collect the whole or any part of the tax or after Collecting, fails to deposit the tax as required, he or it shall be liable to pay simple interest.			

Name of Division						Performa-D
Location code						
Details of demand raised or refunds issued during the F.Y. 2014-15 under any Tax Laws other than Income Tax Act 1961 and Wealth Tax Act 1957.						

Sr. No.	Financial Year to which demand/ refund raised	Name of other Tax Laws	Type Demand raised/Refund received	Date of demand raised or refund received	Amount	Remarks
		Central Excise Duty				
		Central Custom Duty				
		Service Tax				
		Sales Tax/Vat				
		State Excise Duty				
		Other Indirect Taxes/Duty				

Signature of Designated Authority

Account code: 44.403						Performa-E
Account Description: Employee contribution to EPF						
Division			LC-			

Detail of EPF deducted and deposited during the year 2014-15

Sr no	Month	YEAR	Employee share(Cr Balance 44.403)	Actual amount deposited	Actual Date of Deposit	Due date of Deposit after grace days as per EPF Act	Remarks
1	April	2014				20.5.2014	
2	May	2014				20.6.2014	
3	June	2014				20.7.2014	
4	July	2014				20.8.2014	
5	August	2014				20.9.2014	
6	September	2014				20.10.2014	
7	October	2014				20.11.2014	
8	November	2014				20.12.2014	
9	December	2014				20.1.2015	
10	January	2015				20.02.2015	
11	February	2015				20.03.2015	
12	March	2015				20.04.2015	
13	March	2015				20.04.2015	
TOTAL April 2014-March2015							

Note: Certified that the above figures are tallied with the monthly trial balance/books of accounts.

Signature of Officer Incharge(DDC

Account code: 44.406							Performa-F
Account Description: Employees contribution to ESI							
Division				LC-			
Detail of ESI deducted and deposited during the year 2014-15							
Sr no	Month	YEAR	Employee share(Cr Balance 44.406)	Actual amount deposited	Actual Date of Deposit	Due date of Deposit as per ESI Act 1948	Remarks
1	April	2014				21.5.2014	
2	May	2014				21.6.2014	
3	June	2014				21.7.2014	
4	July	2014				21.8.2014	
5	August	2014				21.9.2014	
6	September	2014				21.10.2014	
7	October	2014				21.11.2014	
8	November	2014				21.12.2014	
9	December	2014				21.1.2015	
10	January	2015				21.02.2015	
11	February	2015				21.03.2015	
12	March	2015				21.04.2015	
13	March	2015				21.04.2015	
TOTAL April 2014-March2015							
Note: Certified that the above figures are tallied with the monthly trial balance/books of accounts.							
							Signature of Officer Incharge(DDO)

Name of Division				Performa-G								
Location code												
Detailed proof of Taxes paid relevant for section 43 B of Income Tax Act for F.Y. 2014-15												
Sr. No	Account code	Description	Opening Balance as on 01-04-2014		Transaction during the Year		Balance as on 31-03-2015		Net Balance (Cr-Dr)	Proof of payment for * depositing the balance as per column 7 after 31.03.2015		
			Dr.	Cr.	Dr.	Cr.					Challan no.	Date
			1	2	3	4	5 (1+3)	6 (2+4)	7 (6-5)			
1	44.401	Income Tax deducted at source										
2	44.404	Board's contribution to PF & FPS										
3	44.405	Board's contribution to EPF										
4	44.407	Board's contribution to ESI										
5	46.923	TDS on payment to contractor and other payments										
6	46.934	Service Tax										
7	46.935	Vat TDS										
8	46.937	CST										
9	46.938	PST										
10	46.953	Building and construction cess										
*Kindly provide clear photostat copy of Tax challan along with any other documentary evidence (if any) as proof of payment of Tax.												
										Signature of Officer Incharge(DDO)		