



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

(Regd. Office: PSEB Head Office, The Mall, Patiala-147001)

Corporate Identity Number: U40109PB2010SGC033814

O/o Accounts Officer/A&R, Shakti Sadan, Patiala

www.pstcl.org e-mail: ao-comp@pstcl.org Tel./Fax No. 0175-2203637

Accounts Circular No. 14/ 2017/PSTCL

To

All Addl. SEs/Sr. Xens/AOs
under PSTCL

(All Accounting Units)

Memo No. 4069-4115/CFO/A&R-20

Dated: 07-11-2017

Subject: - Opening of New Account Code for Fair Value Ind AS Adjustment in respect of Loans and amortization of Guarantee fees.

As per Companies Act 2013, the annual accounts of FY 2016-17 are to be prepared as per Ind AS. According to that, Guarantee Fees/Transaction cost i.e. Processing fees etc., to avail the Loan, has to be amortized during the expected tenure of the Loan and Loan is to be depicted in the annual accounts at fair value. To comply with Ind AS and to depict true and fair presentation of annual accounts, Loan balances depicted as per Indian Generally Accepted Accounting Principles (IGAAP) need to be shown as per Ind AS in the annual accounts, for which the following new Account codes are added in the booklet "Chart of Account (Commercial Accounting System Vol-I Part-I)" under main Account 53 – Capital Liabilities (Other Than State Govt. Loans).

<u>Account Code</u>	<u>Account Head</u>
53.351	Loan Fair Value Ind AS Adjustment Account - REC
53.551	Loan Fair Value Ind AS Adjustment Account - State Bank of Patiala (now SBI)
53.560	Loan Fair Value Ind AS Adjustment Account - Bank of India
53.851	Loan Fair Value Ind AS Adjustment Account - PFC

The following additional Accounting entries (along with other previously passed) are also required to be passed at the year-end regarding initial measurement at Fair value of respective loan & subsequent measurement of respective Loan at fair value at year-end (upto the expected tenure of the Loan) regarding amortization of Guarantee fees/Transaction cost i.e. Processing fees etc.:-

- 1. For Initial measurement of Loan at fair value regarding adjustment of Guarantee fees/Transaction cost paid/accrued at the year end (in the year of payment/accrual shown in the books of accounts).**

Loan Fair Value Ind AS Adjustment Account (Respective)Dr.

To Guarantee Fee/Transaction Cost

- 2. The portion of amortization of Guarantee fees/Transaction cost at the end of each year -**

Guarantee Fee/Transaction Cost A/CDr.

To Loan Fair Value Ind AS Adjustment Account (Respective)

Note: Loan account will be shown in the Balance Sheet as amount of total loan outstanding by deducting the amount outstanding in Loan Fair value Ind AS adjustment account.

This issues with the approval Chief Financial Officer, PSTCL, Patiala.

Harinder Singh
Accounts Officer/A&R,
PSTCL, Patiala.

Endst. No. 4116-4159/CFO/A&R-20

Dated: 07-11-2017

Copy of the above is forwarded to the following for information and further necessary action please:

1. Er.-in-Chief/TS, PSTCL, Patiala.
2. Chief Engineer/P&M, PSTCL, Ludhiana.
3. Chief Engineer/SLDC, PSTCL, Patiala.
4. Chief Financial Officer, PSTCL, Patiala.
5. Financial Advisor, PSTCL, Patiala.
6. Chief Auditor, PSTCL, Patiala.
7. Company Secretary, PSTCL, Patiala.
8. Dy. CAO/A&R, PSPCL, Patiala.
9. All Dy.CEs/SEs under PSTCL .
10. All Dy. CAOs/Dy. CAs/Dy. FAs under PSTCL.
11. All AOs under PSTCL (except DDOs).
12. AO/WM&G, PSPCL, Patiala.
13. RAO, PSTCL, Patiala.
14. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL.

Harinder Singh
Accounts Officer/A&R,
PSTCL, Patiala.

CC:

1. Sr. PS to Director/F&C, PSTCL, Patiala for kind information of Director, please.
2. Chief Financial Officer, PSPCL, Patiala.