



**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**

**Accounts Circular No. 11/2019/PSTCL**

To

All Addl. SEs/Sr. Xens/AOs (All Accounting Units/DDOs)  
under PSTCL

Memo No. 2544-2599/CFO/A&R-20

Dated: 11.10.2019

**Subject: - Booking of dismantled power transformers – healthy/repairable under "Asset in use" account heads (10.5) instead of "Asset not in use" account heads (16.5) - change in procedure as per requirement of IndAS.**

Presently dismantled power transformers – healthy/damaged but repairable are being booked under "Asset not in use" account heads (16.5) as per procedure laid down in Manual on Damaged Transformers issued vide Accounts Circular No. 2/1997 and 15/2009 by the erstwhile PSEB. The same was also re-iterated by PSTCL vide memo no. 1127/1131/CAO/A&R-20 dated 02.06.2014.

Till date, depreciation on dismantled power transformers (both Types - healthy/repairable and non-repairable) placed under "Asset not in use" account heads namely GH-16.5 and 16.6 is being stopped as and when any dismantled power transformer is transferred from active use under GH-10.5 to asset not in use account under GH-16.5/16.6.

To implement the following provisions of para no. 55 of Ind AS 16 – PPE, it has been decided that depreciation on dismantled power transformers – healthy/repairable kept as idle is required to be charged:

**"Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated."**

For this purpose the present procedure for transferring of such dismantled power transformers (healthy/repairable) from GH 10.5 to Asset not in use GH 16.5 has been changed from FY 2019-20 and it is decided that as and when dismantled power transformer is transferred to Store Division by any P&M Division then Store division should identify that such power transformer is healthy/repairable or non-repairable.

**Thereafter:**

- (a) if it is healthy/repairable then Store Division should place it under separate new account code GH-10.550 (Power Transformers – Healthy/repairable) along with its accumulated depreciation under new GH-12.550 (Accumulated Depreciation Power Transformers – Healthy/repairable) as "Asset in use account" instead of placing as "Assets not in use account" under existing GH -16.511/521. Further, the depreciation on such power transformers is also to be charged by debiting Account Code - 77.150 (Depreciation on Plant & Machinery) and crediting the new Account Code - 12.550 (Accumulated**

**Depreciation Power Transformers – Healthy/repairable) by the Store Division till it is re-issued to any P&M Division after repairs.**

**Upon re-issue, it will again be placed by the concerned P&M Division under relevant account code GH-10.541/10.561 etc. along with its accumulated depreciation under GH-12.541/12.561 etc.**

- (b) If it is not repairable then Store Division should place it under GH-16.611/621 (Original cost as well as accumulated depreciation thereof) as per existing practice/procedure. Further, no depreciation is to be charged on these power transformers by Store Division as it is to be ceased as and when the same is transferred by P&M Division as per the provisions already followed as per para no. 55 of Ind AS 16 and Ind AS 105 being classified as Asset held for sale (refer Accounts Circular 3/2019).**

For this purpose the following new account codes are added in the booklet 'Chart of Accounts' (Commercial Accounting System, Vol.-1 Part 1):

Account Code	Account Head
<b>10.5</b>	<b>Plant and Machinery</b>
10.550	Power Transformers – Healthy/repairable
<b>12.5</b>	<b>Depreciation Provision – Plant &amp; Machinery</b>
12.550	Accumulated Depreciation Power Transformers – Healthy/repairable

This issues with the approval of CFO, PSTCL, Patiala.

*Harminder Singh*

Accounts Officer/A&R,  
PSTCL, Patiala.

Endst. No. 2600-2644/CFO/A&R-20

Dated: 11.10.2019

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

1. Chief Engineer/ HIS&D, PSTCL, Patiala.
2. Chief Engineer/TS, PSTCL, Patiala.
3. Chief Engineer/P&M, PSTCL, Ludhiana.
4. Chief Engineer/SLDC, PSTCL, Patiala.
5. Chief Accounts Officer (Finance & Audit), PSTCL, Patiala.
6. Company Secretary, PSTCL, Patiala.
7. All Dy.CEs/SEs under PSTCL.
8. DGM/IT, PSTCL, Patiala.
9. All Joint/Dy. CAOs / Dy. CAs under PSTCL.
10. All AOs under PSTCL (except DDOs).
11. RAO, PSTCL, Patiala.

*Harminder Singh*

Accounts Officer/A&R,  
PSTCL, Patiala.

CC:

1. Sr. PS to CMD, PSTCL, Patiala for kind information of CMD, please.
2. Sr. PS to Director/F&C, PSTCL, Patiala for kind information of Director, please.

3. Dy. Secy. to Director/Tech., PSTCL, Patiala for kind information of Director, please.
4. Sr. PS to Director/Admn., PSTCL, Patiala for kind information of Director, please.