



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

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

Corporate Identity No. U40109PB2010SGC033814

OFFICE OF THE CHIEF ACCOUNTS 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: 895-975

Dated : 08.05.2014

**Subject: Submission of Annual Adjustment Account for the month of March, 2014
Instructions thereon.**

As you are aware that books of accounts of FY 2013-14 are to be closed on 31st March 2014. After unbundling of PSEB into PSPCL and PSTCL the Annual Accounts of PSTCL are to 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 office of CAG India. The preparation/ finalization/ 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 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 31.03.2014, Profit & Loss Statement for the period ending 31st March, 2014 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 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 2014 adjustment account and no adjustment is left which has effect on the Profit & Loss and Financial position of the Company for the year ending 31st March 2014, so that Profit & Loss and Financial position of the Company can be depicted in true & fair manner through the Annual Accounts.

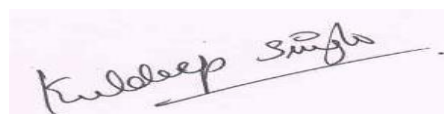
Time Schedule

It must be ensured that the Trial Balance of Annual Adjustment account of March 2014 is online submitted by 23rd May 2014 after vetting/checking from the WAD Section and submission of Online Certificates (the separate instructions for which are being issued) to the editing/checking agency i.e. WAD after compliance of all outstanding paras/observations along with requisite schedules, statements and certificates. Supplementary Accounts, if any must reach in this office by 31st May 2014 positively.

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.

You are requested to send the Annual Adjustment account of March 2014 before the above mentioned dates, after that no account shall be entertained and your office will be fully responsible for non-submission of annual account in time.

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



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

DA/Instructions

CC :

- 1 Chief Engineer/P&M, PSTCL, Ludhiana.
- 2 Chief Engineer/SLDC PSTCL, Patiala.
- 3 Chief Engineer/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, PSPCL/PSTCL, Patiala for placing the circular on websites of PSPCL/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 2014.

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 should invariably be supplied with the Journal voucher.
- (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 appropriate Account code under Group Head-16 with written down value and Depreciation to GH-12 (Appropriate Account Code).
- (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 funds stands allocated.**
- (viii) Completion certificates duly signed by the Divisional 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 3/2014.

2. Depreciation:

- (i) 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.

- (ii) Depreciation on fixed assets including Vehicles/Machinery purchased on or after 1.4.86 and transferred to fixed assets 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.
- (iii) **Depreciation Charged on the Assets be only incorporated in Adjustment Account-2014. It must be ensured that Depreciation credited to GH-12/GH-65.6 is tallied with GH-77/GH 83.6**

3. Depreciation Policy:

- (i) Depreciation will be charged on Assets on Straight Line Method (SLM) at the rates specified in Companies Act-1956 (applicable from 17.04.2010 onwards). In respect of the Depreciable Assets for which no rate has been specified (including the assets of SLDC), rates as notified by CERC are taken. The relevant schedule XIV of company Act 1956 is attached at **Annexure-B**.
- (ii) The fixed assets are depreciated up to 90% of the original cost after taking 10% as residual value of the assets except leasehold assets.
- (iii) Temporary erections are depreciated fully (100%) in the year of acquisitions/capitalization by taking the WDV as Re. 1/- for control purpose.
- (iv) Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.
- (v) Assets costing up to Rs. 5,000/- are fully depreciated in the year of acquisition except where specific classification has been prescribed for the purpose of depreciation under the classification 'Furniture & Fixtures' and 'Office Equipment'.

Depreciation Register must be got checked from WAD Section PSTCL Patiala for the depreciation charged and accounted for in 2013-14 before finalizing/submission of March Adjustment Account 2014.

4. 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.**

Apart from the above, the information for maintenance of Fixed Assets Register (FAR) upto date 31.03.2014 (quantity as well as value) on the formats already supplied as per requirement of Companies Audit Report Order 2003 (CARO) vide memo no. 143/154/CAO/A&R/ 64 dated 17.02.2012 be submitted before and upto submission of adjustment account of March 2014 to WAD section positively with copy to AAO/FAR along with copy of Asset Cards of assets created during the year.

The following certificate duly signed by DDO/Sr. Xen of the concerned division should also be sent along with March 2014 Adjustment Account on the formats of FAR for statutory audit to AO/WAD, PSTCL, Patiala with one copy to FAR Section:

"Certified that physical verification of fixed assets of _____ division as on 31.03.2014 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."

AO/WAD will ensure before accepting the March Adjustment account of 2014 that copy of requisite Asset Card/Asset detail and certificate of physical verification have been supplied to FAR Section by the concerned accounting units positively.

5. 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, 2013.

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		O & M Works	22.321/ 22.339	
Material returned by contractors	22.361/ 22.379		Issue to Contractors	22.341/ 22.359	
Transfer inward	22.401/ 22.419		Transfer Outward	22.421/ 22.439	
Capital Material Stock adjustment	22.501/ 22.519		Transfer of material within Divn/COS	22.450	
O&M -do-	22.521/ 22.539		Capital material Stock Adjustment	22.501/ 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 2013-14.

- (iii) The cost of unused material as on 31.3.2014 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 2014 account.
- (iv) The Cost of unused material/jobs in progress in workshops as on 31.3.2014 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 2014.
- (v) The cost of material which has been received up to 31.3.2014 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 2014 Adjustment Account. It must be ensured that the value as on 31.03.2014 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 duly signed by DDO/Sr. Xen of the concerned division should also be sent along with March 2014 Adjustment Account as per the requirements of Companies Audit Report Order 2003 (CARO) same as per instructions already issued vide memo no. 353/370/CAO/A&R/ 56 dated 20.03.2012 for statutory audit:-**
"Certified that physical verification of stores of _____ division as on 31.03.2014 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, unserviceable 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 2014 adjustment Account.

6. 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 2013 onwards by your division/Accounting Unit and be adjusted in the adjustment account of March, 2014 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 31.03.2014 (if not cleared) should also be supplied to AO/WAD at the time of submission of March 2014 adjustment Account.

7. 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 2013-14 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 break up of amount shall be supplied with U-Cheque i.e. figures upto Feb., 2014 as per Trial balance and for March, 2014 as per cheques drawn statement and details of adjustment of stale cheques.

The detail of amount standing in stale cheques account 46.910 as on 31.03.2014 (party-wise with amount and period) be supplied to AO/WAD along with March Adjustment Account 2014 as per format already supplied.

8. 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, 2013 to Feb. 2014 as per Trial balance and for March, 2014 it shall be supported by Remittance Statement.

The U-Cheque and the IUT Bills should be sent along with Cheque Drawn Statement for March 2014 and Remittance into Bank Statement for March, 2014. These 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 Account for March, 2014 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, 2014 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 2014 Account.

9. **Regarding Credit taken and payments made in respect of GPF under Account Head 57.126 and 57.127 by the different Accounting Units of PSTCL:**

Accounting Units of PSTCL will prepare Schedules regarding debits made and credits taken during the financial year 2013-14 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 PSTCL Patiala will receive the certificate from the concerned Accounting Units of PSTCL for Credits taken and Debits made during the financial year 2013-14 and prepare the consolidated statement (Division wise) of GH 57.126 and 57.127 for reconciliation of the same with PSPCL. **All the concerned accounting units should ensure that there is only balance relating to March 2014 will appear under GH 57.126 which will relate to the amount deducted from the salary of employee for the month of March 2014 adjusted/accounted for through JV of salary of March 2014 payable in April 2014 and tallied with the amount paid on 1st April 2014 under this head. It should also be ensured that no balance will appear under Head 57.127 and 46.912 as on 31.03.2014 i.e. both Debits and Credits for the year 2013-14 should be same. AO/WAD also ensured the above adjustments and no balance will appear during 2013-14 under GPF old Head 57.120, before accepting the March Adjustment Account of different accounting units. The GH 57.120 old GPF head only be operated by AO/Cash or AO/Banking for clearance of the old amount stands for PSTCL as a whole. No U-cheque will be issued/taken by any accounting unit from the AO/Cash for the transactions made during 2013-14 under GH- 57.126 and 57.127 but certificate received from AO/GPF, PSPCL will be submitted to AO/Cash before submitting the March Adjustment Account 2014.**

10. **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 2013-14 by different Accounting Units of PSTCL on account of Pensionary benefits will required to be transferred for adjustment in March 2014 Account.

Therefore for implementation of these provisions, Accounting Units of PSTCL will prepare statements/schedules regarding debits/payments made during the financial year 2013-14 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 AO/Pension PSPCL Patiala will issue certificate to the concerned Accounting Units of PSTCL after incorporating the adjusting entries in March 2014 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 2013-14 after incorporating the entries in March 2014 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 2014 Adjustment account.**

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 2014.

(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 2013-14 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 2014 Adjustment account.**

11. 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.

12. Deposits:

Deposits including earnest money received in the form of Bank Guarantee, investment Certificates, etc. received during the year 2013-14 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

13. 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.**

14. 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.

15. 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.

16. 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.*"

17. 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 2014 Adjustment Account by the construction divisions. The detail of which also be provided to AO/WAD along with the March 2014 Adjustment Account. This entry will be reversed in the month of April 2014.

18. Liabilities for Expenses:

Provision of liability for expenses (GH 46.410/ 46.430) due/incurred but not paid upto March 2014 should be made and full details and copies of bills must be attached with the J.V. For any excess creation of provision than the required the concerned office will be responsible.

19. 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 3/2014.**
- (ii) **The information regarding EPF, ESI and TDS (tax deducted and deposited) for the FY 2013-14 also be supplied to AO/Taxation, PSTCL, Patiala at the time of submission of March 2014 Adjustment Account on the formats - A to F attached. AO/WAD will ensure before accepting the March Adjustment 2014 Account that the above said requisite details have been provided tom AO/Taxation by all the accounting units.**

- (iii) Entries of salary for 3/2014 of regular staff shall be made crediting the net amount payable to account head 44.310. At the time of making payment in 4/2014 this head shall be cleared.
- (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 2013-14. 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 March 2014 must be accounted for in the month of March 2014 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.

20. **Closing Entry:**

After the accounts for March 2014 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 adjustment account of 3/2014 net against Revenue receipts & Expenditure heads will be Nil. Closing Entry in the Trial Balance shall be indicated in bold and italics.

The Column "balance at the end of previous year" should be incorporated in the Trial balance to be submitted for the adjustment account of March, 2014 in the form of credit or debit as the case may be.

21. **Check-list for Divisional Accountant before submission of March 2014 Adjustment Account:**

- 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 (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 2014.
- c) The Capital expenditure booked upto March, 2014 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 2013-14 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 2014.
- 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 31.03.2014 are to be adjusted and made NIL.
- ii) Year wise break up of items outstanding as on 31.3.2014 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 along with adjustment account of March 2014.

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

- iii) Year wise break-up of Account Code 46.926 Misc. Deposits and 47.305 Receipt for Deposit Work in the following proforma be supplied along with adjustment account of March 2014.

<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) There must not be any entry in deleted account code.
- vi) 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.
- vii) **TDS (GH-27.4):-Form-16A against deduction of Tax at source for any payment must be got collected and sent to AO/Taxation in time preferably by 30th June, 2014 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. A certificate in respect of TDS is given as under:**

"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".

viii) There must not be any entry in deleted Account Code.

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

x) 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 adjustment account 3/2014.

22. 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 46.926, 47.305, 47.309, 44.210 and 44.211

be supplied in the following proforma with the Adjustment Account for 3/2014.

<u>Position as on 31st March, 2014</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.

23. 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 3/2014. 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 2013-14 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 2014 Adjustment Account:

Sundry debtors as 31st March, 2014: 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. _____	

24. Tax Deducted/Collected at source from employees, 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.

25. 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.

1. **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.

2. **Freight Charges on Stores:**

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

3. **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 realization estimation and are in significant in relation to overall Establishment 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. Also, the erstwhile PSEB 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.

26. **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	More than Rs.10 lacs but does not exceed

	not exceed Rs. 5 crore	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, 2017. The WAD Section will supply the consolidated information to A&R Section on or before 31st May, 2014. 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.

1. Unpaid Principal and Interest due

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

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

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

3. 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				

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

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

5. Further Interest of Previous Years remaining due and Payable

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

27. 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 2014.

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 2013-14 should also be supplied on the formats already sent at the time of submission of adjustment account of March 2014 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.

28. As the Annual Accounts of PSTCL are required to be prepared in compliance of the provisions of the Companies Act, 1956, the following information along with details, required for disclosure/incorporate in the balance sheet, be supplied with March (Adjustments) Account, 2014:

1. As per provisions of Companies Act, the detail of contingent liabilities should also be sent along with March 2014 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, 2014.
2. The no. of items and amount of non-moving stores as on 31st March 2014 be intimated (refer Sr. no. 25 of the instruction)
3. The information under Micro, Small and Medium Enterprises Act, 2006 be Supplied (refer sr. no. 31 of the instruction) .
4. As per Accounting Standard (AS)-28, the disclosure regarding impairment of assets are required. As such, the information is respect of assets impaired during the year be intimated along with details.
5. 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,2014 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.

6. The information regarding fixed assets got insured during the year be supplied by mentioning the type of assets got insured.
7. The information regarding frauds/embezzlements etc. Occurred during the year:

Sr. No.	Particulars	Amount	Status of the case

8. The Govt. of India, Ministry of company affairs has revised the schedule VI of the companies Act 1956. These instructions have been made applicable w.e.f. 1-4-11 under which the balance sheet as on 31-3-14 is required to be prepared accordingly. 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.

9. 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.

10. Finance lease obligations:

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

11. Lease deposits to be disclosed as long term loan as & advances under the head non-current assets.

12. Current and non-current investments are to be disclosed separately under current assets & non-current assets respectively.

13. Loans and advances to be broken up in long term and short term and to be disclosed under non-current & current assets respectively.

14. 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.

15. **Current liabilities;** Current liabilities be segregated in to current & non-current, short term & long-term be supplied to be disclosed under current liabilities.

16. Finance cost shall be classified as interest expense, other borrowing costs & Gain /loss on foreign currency transaction & translation.

17. 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

18. **Disclosure regarding Contingent liabilities:**

As per **Companies Act, 1956** 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 on the format attached at end of these instructions. The Taxation Section will supply the consolidated information to A & R Section on or before 15th June, 2014 after compiling the all the figures.

The above said information is also required for the FY 2013-14 which may be provided through Supplementary/Adjustment account of March 2014 for the purpose of finalizing the Balance Sheet as per Revised Schedule VI of the Companies Act, 1956.

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

The Accounting Units shall supply the certificate alongwith the trial balance of Adjustment Account of March 2014 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 2014 has been accounted for in the account of 2013-14.
- (ii) Certified that the interest on all staff loans and advances (interest bearing) for the year 2013-14 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 2014.
- (vi) Certified that the stock of scrap generated upto 31st March 2014 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 2014 (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.

30. **Consolidated Bank Reconciliation Statement:**

The D.D.Os having Drawing and collection Account with the Bank must supply the Bank Statement showing Bank Balance as on 31-3-2014 to AO/Banking PSTCL Patiala. **AO/Banking will submit the consolidated reconciliation statement account of all the bank accounts opened for different accounting units as per Accounts circular 02/2011 of PSTCL or otherwise at the time of submission of their March 2014 account along with certificates of bank for the purpose of finalization of Balance sheet of PSTCL for the year 2013-14.**

AO/SLDC will provide separate Bank Reconciliation Statement to the Compilation Section at the time of submission of March 2014 Adjustment Account.

31. **Accounts Circulars/Instruction issued during 2013-14 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 2013-14 relating to opening of new heads from time to time. However, for the ready reference the detail of these circulars issued during 2013-14 by PSTCL is given as under :

Sr. No.	Circular No.	Newly Opened Account Code	Remarks
1	4/2013	46.912	Amount received from GPF Trust for disbursements on behalf of DDOs
2	5/2013	39.000	U-Cheque Blank Code (prior to 16.04.10)
3	6/2013	10.59 10.591	Other Miscellaneous IT Equipment Remote Terminal Unit (RTU) installed at Grid Sub- stations
4	7/2013	70.504	NRLDC fees & charges
5	9/2013	78.855	Interest on Employer & Employee contribution under NPS (in respect of employees recruited by PSTCL)

		78.856	Interest on Employer & Employee contribution under NPS (in respect of employees who are on deputation from PSPCL)
		57.171	Interest payable – on Employees Contribution under NPS (for employees recruited by PSTCL)
		57.176	Interest payable – on Employer’s Contribution under NPS (for employees recruited by PSTCL)
		57.161	Interest payable – on Employees Contribution under NPS (for employees on deputation from PSPCL)
		57.166	Interest payable – on Employer’s Contribution under NPS (for employees on deputation from PSPCL)
6	10/2013	75.881	Terminal benefits of Employees recruited by PSTCL
		44.161	Provision for Gratuity of Employees recruited by PSTCL
		44.162	Provision for Leave Encashment of Employees recruited by PSTCL
		44.163	Provision for Ex-gratia of Employees recruited by PSTCL
		44.164	Provision for Post-retirement medical benefits of Employees recruited by PSTCL
7	11/2013	81.110	Tax expense - Current Income Tax
		46.800	Provision for Income Tax – Current Tax
8	2/2014	76.198	Share of Administration Expenses payable to Govt. of Punjab for Investment Promotion Schemes
		76.199	Share of Administration Expenses payable to Govt. of Punjab for Cultural, Welfare and Heritage activities

**STATEMENT OF FIXED ASSETS TRANSFERRED TO OTHER
DIVISIONS DURING 2013-14**

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	U-Cheque No./Dt. Received From Responding Unit
1	2	3	4	5	6	7	8

Detail of contingent liabilities as on 31.03.2014 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"

Sr. No.	Particulars	Amount Dr. Head	Cr. Head	JV No.	Attached with SD No.
1.	Transfer of Asset to GH-10	10	14		
2.	i) Depreciation O&M Divn. ii) Depreciation on Cars/Jeeps	77.1	GH-12 77.171/172		GH-12
3.	Capitalization of Depreciation in Const. Divn.	15.311	77.9		
4.	(i) Cheque drawn (ii) Transfer of funds		(-) 24.401 (+) 37.000 (-) 24.405 (+) 37.000		
(ii)	Remittance in to Bank	(-) 24.501 (+) GH.33	--		
5	GPF Transfer	(-) 57.120 (+) GH-36	--		
6	Pension transfer	(-)GH-44.110/ 44.120/75.617/75.863/ 75.861/57.150/28.861/ 75.873/75.874/75.875 (payments to retirees on a/c of pension etc.)			
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 Employees Cost i.e. Salaries in Const.Divn.	15.2	75.9		
10.	(i) Bonus excess paid than Prov. (ii) Bonus less paid than prov.		83.5 (+) 65.8	44.320 (-) 44.320	
	(iii) Bonus to be paid during 2009-2010	75.510 75.520	44.320		
11.	Pay & All of Gaz. Staff in Const. Division	15.202	75.910		
12.	Liability of unpaid wages W/C staff.	75	44.211 44.403		

(i) Provision of Boards Share of EPF of 3/2010	75.810	44.405
(ii) Regular pay of Staff	75	44.310
13. Service postage stamps remaining unused	(+)24.120 (-) 76.112	Entry to be reversed in 4/2013
14. Liability for expditure. under GH 74 to 76	74 to 76	46.410/46.430
15. Pre paid expenses	(+) 28.820 (-) Concerned (GH)	-- (Entry to be reversed in April 2013)
16. Intt. on loans Advances	28.360	62.210
17. Intt. on cash Securities of Boards employees	78.853	46.926
18. Closing Entry	61 to 65 Net difference to GH-38	70 to 89
19. Unused Material	22.640/ 22.650 (-) work concerned	-- (Entry to be reversed in April 2013)
20. Percentage of employees Cost Charged to works in const. Division	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 for GH. 23.8

Account code: 44.401

FORMAT -A

Account Description: Income Tax Deducted at source salary

Division LC-

Detail of TDS deducted and deposited during the year 2012-13							
Sr no	Month	YEAR	TDS Deducted(Cr Balance 44.401)	Date of Deduction	Actual Date of Deposit	Due date of Deposit as per Income Tax Act	Remarks
	April						
	May						

Account code: 44.403

FORMAT -B

Account Description: Employee contribution to EPF

Detail of EPF deducted and deposited during the year 2012-13							
Sr no	Month	YEAR	Employee share(Cr Balance 44.403)	Date of Deduction	Actual Date of Deposit	Due date of Deposit after grace days as per EPF Act	Remarks
	April						
	May						

Account code: 44.405

FORMAT -C

Account Description: Board's contribution to EPF

Detail of EPF deducted and deposited during the year 2012-13							
Sr no	Month	YEAR	Employer share(Cr Balance 44.405)	Date of Deduction	Actual Date of Deposit	Due date of Deposit after grace days as per EPF Act	Remarks
	April						
	May						

Account code: 44.406

FORMAT D

Account Description: Employees contribu

Detail of ESI deducted and deposited during the year 2012-13							
Sr no	Month	YEAR	Employee share(Cr Balance 44.406)	Date of Deduction	Actual Date of Deposit	Due date of Deposit as per ESI Act 1948	Remarks
	April						
	May						

Account code: 44.407

FORMAT -E

Account Description: Board's contribution to ESI

Detail of ESI deducted and deposited during the year 2012-13							
Sr no	Month	YEAR	Employer share(Cr Balance 44.407)	Date of Deduction	Actual Date of Deposit	Due date of Deposit as per ESI Act 1948	Remarks
	April						
	May						

Account code: 46.923

FORMAT -F

Account Description: Income Tax Deducted at source on payment of interest on borrowing, payment to contractors and other payment

Detail of TDS deducted and deposited during the year 2012-13							
Sr no	Month	YEAR	TDS Deducted(Cr Balance 46.923)	Date of Deduction	Actual Date of Deposit	Due date of Deposit as per Income Tax Act	Remarks
	April						
	May						

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

Signature of Officer Incharge(DDO)

Compatible chart for charging of Dep as per Companies Act 1956 (Where no specific rates are available in Companies Act,CERC rates are applicable) for different Accounting Heads/Codes

Sr no.	Account Code	Description	Applicable Depreciation Rate
1	2	3	4
1	10.201	Building containing thermo-electric plant	3.34
2	10.202	Buildings containing hydro electric generating plant	3.34
3	10.203	Bldg. containing diesel	3.34
4	10.206	Buildings containing Transmission installations above 66KVA	3.34
5	10.207	Buildings containing Transmission installations below 66 KVA	3.34
6	10.208	Buildings containing Distribution installations.	3.34
7	10.210	Ancillary Buildings	3.34
8	10.211	Office buildings	1.63
9	10.222	Residential colony for staff.	1.63
10	10.234	Temporary Buildings (such as wooden structure)	100
11	10.244	Workshop buildings	3.34
12	10.245	Other buildings.	3.34
13	10.340	Plant & pipelines for water supply	5.28
14	10.342	Drainage & sewerage - residential colony	5.28
15	10.401	Pucca roads.	1.63
16	10.402	Kutchra roads.	1.63
17	10.412	Railways sidings.	3.34
18	10.501	Turbine generator etc.	5.28
19	10.502	Plant foundations for steam power plant	5.28
20	10.503	Boiler plant & equipment	5.28
21	10.504	Locomotives	5.28
22	10.505	Coal handling Equipments	5.28
23	10.506	Oil storage equipment	5.28
24	10.507	Ash handling plant & equipment	5.28
25	10.508	Water treatment plant	5.28
26	10.509	Instrumentation & Controls	5.28
27	10.510	Station piping	5.28
28	10.531	Hydel power generating plant	5.28
29	10.532	Plant foundation for hydel power	5.28
30	10.535	Auxillaries in hydel power plant	5.28
31	10.540	Transformers for repairs	5.28
32	10.541	Transformers and equipments etc.above 100 KVA	5.28
33	10.542	T/Fs and equipments etc.above 100 KVA-others	5.28
34	10.551	Material handling equipemnt	11.31
35	10.552	Material handling equipment- cement mixers	11.31
36	10.553	Material handling equip. - Cranes	11.31
37	10.555	Material handling equipment-others	11.31
38	10.561	Switchgear including cable connections.	5.28
39	10.563	Batteries including charging equipment	5.28
40	10.565	Fabrication /workshop plant & equipments	5.28
41	10.567	Lightening arrestors.	5.28
42	10.571	Cummunication equipment	6.33

43	10.572	Communication equipment	6.33
44	10.574	Static machine tools & equipment	5.28
45	10.576	Air conditioning plant-static	5.28
46	10.577	Air conditioning plant- portable	9.50
47	10.580	Refrigerators and water coolers.	5.28
48	10.581	Meter testing laboratory tools & equipment	5.28
49	10.582	Equipment in hospitals/clinics	5.28
50	10.583	Tools & tackles.	5.28
51	10.584	Fire Fighting Equipment	5.28
52	10.585	Hydrogen gas gen.plant	5.28
53	10.586	Surveying , drawing instruments	5.28
54	10.599	Other Misc,equipments.	5.28
55	10.601	Overhead lines(towers, poles etc.) at normal voltage	5.28
56	10.602	Overhead lines below than 66KVA	5.28
57	10.603	Overhead lines on reinforced support	5.28
58	10.604	Overhead lines on treated wood supports	5.28
59	10.611	Undrground cables including joint boxes	5.28
60	10.612	Uner ground cables - duct system.	5.28
61	10.621	Service connections DS and CS	5.28
62	10.622	Service connections- Industrial.	5.28
63	10.623	Service connections - Tubewell.	5.28
64	10.625	Service connections Temporary	5.28
65	10.630	Meters for repairs	5.28
66	10.631	Metering equipments.	5.28
67	10.641	Street lighting and signal system.	5.28
68	10.685	Miscellaneous equipments.	5.28
69	10.710	Trucks,Tempo trekkers etc.	11.31
70	10.720	Buses including mini buses	11.31
71	10.730	jeeps amd motor cars.	9.50
72	10.740	Other vehicles.	11.31
73	10.801	Furniture and fixtures office.	6.33
74	10.802	Furniture and fixture Rest/Guest houses etc.	6.33
75	10.901	Calulators	6.33
76	10.902	Type writters and duplicaing machines	6.33
77	10.903	Cash register examachine	6.33
78	10.904	Computers	16.21
79		Data Processing machine including computers	16.21

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. I. 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 taxis 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-	..	..
III. Furniture & fittings				
1. General Rates (NESD)	18.1	6.33	..	..
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%	..	..
IV. Ships				
1. Ocean-going ships -				
(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%	..	..
2. Vessels ordinarily operating on inland waters -				
(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.