



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

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

Corporate Identity Number: U40109PB2010SGC033814

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

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Accounts Circular No. 04/2015/PSTCL

To

All Addl. SEs/Sr. Xens/AOs **(In-charge of Accounting Units)**
under PSTCL

Memo No. 748-92/CFO/A&R-20

Dated: 11.05.2015

Subject: Depreciation policy from FY 2014-15 onwards.

Reference: In continuation to instruction no. 2 of instructions issued regarding submission of March Annual Adjustment Account 2015 on dated 10.04.2015.

The matter regarding charging of depreciation on assets was pending with the management at the time of issuing of instructions under reference due to enactment of Companies Act 2013. Now, the management has decided that the following depreciation policy shall be adopted from FY 2014-15 onwards:

1. As per the provisions of Part B of Schedule II to the Companies Act 2013, with effect from 1st April 2014, depreciation is provided as per PSERC Tariff Regulations 2005 (as amended in 2012). In accordance with PSERC Regulations, depreciation is calculated annually based on Straight Line Method at rates specified in Appendix II of CERC Tariff Regulations 2014.
2. The fixed assets are depreciated up to 90% of the original cost after taking 10% as residual value of the assets. However, the leasehold assets are fully amortized over the entire lease period as per the terms of the lease agreement.
3. Temporary erections are depreciated fully (100%) in the year of acquisitions/capitalization by taking the WDV as Re. 1/- for control purpose.
4. Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from the month of such addition or as the case may be upto the month in which such asset is sold, discarded, demolished or destroyed.
5. Assets costing up to Rs 5,000 each 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.

To charge depreciation in accordance with the above policy, the compatible chart is also enclosed herewith. Further, it should also be ensured by each DDO that the details regarding date of commissioning/de-commissioning of assets added/deleted during the year 2014-15 under each sub-heads is properly recorded/maintained along with depreciation charged during the year in FAR register.

Apart from the above, the date for submission of March Annual Adjustment Account 2015 has also been extended upto 18th May 2015 for the implementation of the above instructions properly.

The meticulous compliance of these instructions should be ensured.

This issues with the approval of competent authority.

Enclosures: As above


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

Endst. No. 793-818/CFO/A&R-20

Dated: 11.05.2015

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

1. Chief Engineer/TS PSTCL Patiala.
2. Chief Engineer/SLDC PSTCL Patiala.
3. Chief Engineer/P&M PSTCL Ludhiana.
4. Financial Advisor PSTCL Patiala.
5. Chief Accounts Officer (WM&G) PSPCL Patiala.
6. All Dy.CEs/SEs under PSTCL.
7. All Dy. CAOs / Dy. CAs / Dy. FAs under PSTCL.
8. Company Secretary, PSTCL.
9. All AOs under P & M Circles.
10. RAO, PSTCL, Patiala.
11. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL.


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

CC:

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

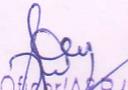
Chart showing depreciation rates for FY-2014-15 as per appendix II of CERC Tariff Regulations 2014 for different Accounting Heads/Codes

| Sr no. | Asset account code | Description | Applicable Depreciation Rate(%) |
|--------|--------------------|---|---------------------------------|
| 1 | 10.202 | Buildings containing hydro electric generating plant | 3.34* |
| 2 | 10.206 | Buildings containing Transmission installations above 66KVA | 3.34 |
| 3 | 10.207 | Building containing Transmission installations higher than 13.2 kva but not exceeding 66kva | 3.34* |
| 4 | 10.208 | Buildings containing Distribution installations. | 3.34* |
| 5 | 10.211 | Office buildings | 3.34 |
| 6 | 10.222 | Residential colony for staff. | 3.34 |
| 7 | 10.234 | Temporary buildings. | 100 |
| 8 | 10.244 | Workshop buildings | 3.34 |
| 9 | 10.245 | Other buildings. | 3.34 |
| 10 | 10.401 | Pucca roads. | 3.34 |
| 11 | 10.412 | Railways sidings. | 3.34* |
| 12 | 10.501 | Turbine generator etc. | 5.28* |
| 13 | 10.502 | Plant foundations for steam power plant | 5.28* |
| 14 | 10.506 | Oil storage equipment | 5.28 |
| 15 | 10.509 | Instrumentation & Controls | 5.28 |
| 16 | 10.540 | Transformers for repairs | 5.28 |
| 17 | 10.541 | Transformers,Transformers Kiosks,sub-station equipment and other fixed appratus having a rating of 100 kva and above | 5.28 |
| 18 | 10.542 | Transformers,Transformers Kiosks,sub-station equipment and other fixed appratus -others | 5.28 |
| 19 | 10.551 | Material handling equipment-earthmovers,bulldozers | 9.50 |
| 20 | 10.552 | Material handling equipment- cement mixers | 9.50 |
| 21 | 10.553 | Material handling equip. - Cranes | 9.50 |
| 22 | 10.555 | Material handling equipment-others | 9.50 |
| 23 | 10.561 | Switchgear including cable connections. | 5.28 |
| 24 | 10.563 | Batteries including charging equipment | 5.28 |
| 25 | 10.565 | Fabrication /workshop plant & equipments | 5.28 |
| 26 | 10.567 | Lightening arrestors. | 5.28 |
| 27 | 10.571 | Communication equipment-radio & high frequency carrier system | 6.33 |
| 28 | 10.572 | Communication equipment-telephone lines & telephone | 6.33 |
| 29 | 10.574 | Static machine tools & equipment | 5.28 |
| 30 | 10.576 | Air conditioning plant-static | 5.28 |
| 31 | 10.577 | Air conditioning plant- portable | 9.50 |
| 32 | 10.580 | Refrigerators and water coolers. | 5.28 |
| 33 | 10.581 | Meter testing laboratory tools & equipment | 5.28 |
| 34 | 10.583 | Tools & tackles. | 5.28 |
| 35 | 10.584 | Fire Fighting Equipment | 5.28 |
| 36 | 10.586 | Surveying , drawing instruments | 5.28 |
| 37 | 10.599 | Other Misc,equipments. | 5.28 |
| 38 | 10.601 | overhead lines(towers, poles,fixtures,overhead conductor and devices) lines on fabricated steel supports opreating at nominal voltage higher than 66 kv | 5.28 |
| 39 | 10.603 | Overhead lines on reinforced support | 5.28 |
| 40 | 10.611 | Undrground cables including joint boxes | 5.28 |

Chart showing depreciation rates for FY-2014-15 as per appendix II of CERC Tariff Regulations 2014 for different Accounting Heads/Codes

| Sr no. | Asset account code | Description | Applicable Depreciation Rate(%) |
|--------|--------------------|--|---------------------------------|
| 41 | 10.612 | Under ground cables - duct system. | 5.28 |
| 42 | 10.631 | Metering equipments. | 5.28 |
| 43 | 10.641 | Street lighting and signal system. | 5.28 |
| 44 | 10.685 | Miscellaneous equipments. | 5.28 |
| 45 | 10.710 | Trucks,Tempo trekkers etc. | 9.50 |
| 46 | 10.720 | Buses including mini buses | 9.50 |
| 47 | 10.730 | jeeps and motor cars. | 9.50 |
| 48 | 10.740 | Other vehicles. | 9.50 |
| 49 | 10.801 | Furniture and fixtures office. | 6.33 |
| 50 | 10.802 | Furniture and fixture Rest/Guest houses etc. | 6.33 |
| 51 | 10.901 | Calculators | 6.33 |
| 52 | 10.902 | Type writers and duplicating machines | 6.33 |
| 53 | 10.903 | Cash register machine | 6.33 |
| 54 | 10.904 | Computers | 15 |
| 55 | 10.591 | RTU | 15 |

* Assets not relating to transmission business will continue to be depreciated at the rates mentioned till these are set right.


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