



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

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

OFFICE OF THE CHIEF ACCOUNTS OFFICER

{A&R (compilation) Section, SHAKTI SADAN, PATIALA}

PAN No. AAFCP4714J

Regd. No. U40109PB2010SGC033814

To

Er./Sh.....

Addl S.E./Senior Executive Engineer/Accounts Officer,

P.S.T.C.L.....

Memo No: 686/763

Dated : 10.05.2013

**Subject: Submission of Annual Adjustment Account for the month of March, 2013
Instructions thereon.**

As you are aware that books of accounts of FY 2012-13 be closed on 31st March 2013. After unbundling of PSEB into PSPCL and PSTCL the Annual Accounts of PSTCL will 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 (RAO). 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 31.03.2013, Profit & Loss for the period ending 31st March, 2013 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 (RAO).
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.

This office has already issued instructions vide memo no. 334/404/CAO/A&R/35 dated 11.04.2013 regarding submission of March 2013 account in two parts:

- 1 Normal Monthly Account (without Annual Adjustments).
- 2 Annual Adjustment Account.

Therefore, it must be ensured that all adjustments are carried out in March 2013 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 2013, 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 2013 is submitted by 31st May 2013 after compliance of all outstanding paras/observations along with requisite schedule, statements and certificates. Supplementary Accounts, if any must reach in this office by 7th June 2013 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 2013 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.

DA/Instructions

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

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 Accounts of March 2013.

1. **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 by debit to GH-10 per contra credit to GH-14.** List of works completed /commissioned and transferred to GH-10 should invariably be supplied with the Journal voucher.
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). **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).**
2. 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.
3. Depreciation on fixed assets including Vehicles/Machinery purchased on or after 1.4.86 and transferred to fixed assets upto 16.04.2010 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.
4. (i) Depreciation will be charged on Assets as per Rates prescribed in Company Act-1956 (applicable from 17.04.2010 onwards). The Relevant schedule XIV of company Act 1956 is attached at **Annexure-B**. 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. Depreciation

Register must be got checked from WAD Section PSTCL Patiala for the depreciation charged and accounted for in 2012-13 through March 2013 account.

- (ii) 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.
- (iii) 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'.
5. 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. 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.
6. 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 Accounts (Refer Accounts Circular No. 12/2002 dt. 16.12.2002 and 13/2003 dated 21.08.2003). Year wise abstract of assets must be prepared. **Apart from the above, the information for maintenance of Fixed Assets Register (FAR) upto date 31.03.2013 (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 2013 positively.**
The following certificate duly signed by DDO/Sr. Xen of the concerned division should also be sent along with March 2013 account on the formats of FAR for statutory audit:
"Certified that physical verification of fixed assets of _____ division as on 31.03.2013 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."
- 7 (a) 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'.
- 7 (b) 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	22.201/		Issue of Material		

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

Total

Total

Total of the Stock of all type of inventory (details as indicated above) should tally with the difference of Debit and Credit under code 22.6 of the Trial Balance for the period 2012-13.

The following certificate duly signed by DDO/Sr. Xen of the concerned division should also be sent along with March 2013 account as per the requirements of Companies Audit Report Order 2003 (CARO) same as required for the FY 2011-12, 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 31.03.2013 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."

8. **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 2012 onwards by your division/Accounting Unit and adjusted in the adjustment account of March, 2013 without fail. 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. Non-Clearance of IUT Bills may attract disciplinary action against the delinquent, officers/officials concerned.**
9. A U-Cheque shall be issued by the concerned accounting units for funds transferred by AO/Banking PSTCL Patiala during the year 2012-13 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., 2013 as per Trial balance and for March, 2013 as per cheques drawn statement and details of adjustment of stale cheques.
10. 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, 2012 to Feb. 2013 as per Trial balance and for March, 2013 it shall be supported by Remittance Statement.

11. The U-Cheque and the IUT Bills should be sent along with Cheque Drawn Statement for March 2013 and Remittance into Bank Statement for March, 2013. 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, 2013 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, 2013 A/C 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 2013 Account.

12. **Regarding Credit taken and payments made in respect of GPF under Account Head 57.120 by the different Accounting Units of PSTCL:**

Accounting Units of PSTCL will prepare Schedules regarding debits made and credits taken during the financial year 2012-13 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 after incorporating the adjusting entries in March 2013 Account. Thereafter AO/Cash PSTCL Patiala will receive U-Cheques from the concerned Accounting Units of PSTCL for Credits taken during the financial year 2012-13 on the basis of certificate/ confirmation issued by AO/GPF PSPCL Patiala after incorporating the entries in March 2013 Account. Similarly AO/Cash PSTCL Patiala will issue U-Cheques to the concerned Accounting Units of PSTCL for debits made during the financial year 2012-13 on the basis of certificate/confirmation issued by AO/GPF PSPCL Patiala after incorporating the entries in March 2013 Account as already explained in Annexure A of Accounts Circular 02/2012 of PSTCL issued for March 2012 account i.e. the same procedure be adopted for March 2013 Adjustment account.

- 13 (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 2012-13 by different Accounting Units of PSTCL on account of Pensionary benefits will required to be transferred for adjustment in March 2013 Account.

Therefore for implementation of these provisions, Accounting Units of PSTCL will prepare statements/schedules regarding debits/payments made during the financial year 2012-13 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 2013 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 2012-13 after incorporating the entries in March 2013 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 2013 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 2013.

14 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 2012-13 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/A&R 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 2013 Adjustment account.**

15. 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.

16. Deposits including earnest money received in the form of Bank Guarantee, investment Certificates, etc. received during the year 2012-13 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

17. 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 debit balance under GH - 44.4, 46.923, 46.937, 46.938 & 46.953.**
18. **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.

- 19 **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.”*

20. (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 3/2013.**
- (ii) **The information regarding EPF, ESI and TDS (tax deducted and deposited) for the FY 2012-13 also be supplied to AO/A&R PSTCL Patiala at the time of submission of March 2013 account on the formats - A to F attached.**
- (iii) Entries of salary for 3/2013 of regular staff shall be made crediting the net amount payable to account head 44.310. At the time of making payment in 4/2013 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 2012-13. 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.
- 21 (i) All expenditure (GH 74, 75 & 76) relating to financial year March 2013 must be accounted for in the month of March 2013 adjustment account by creating provision for the same.
- (ii) 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.
22. **After the accounts for March 2013 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**

3/2013 net against Revenue receipts & Expenditure heads will be Nil. Closing Entry in the Trial Balance shall be indicated in Red Ink.

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, 2013 in the form of credit or debit as the case may be.

23. The cost of unused material as on 31.3.2013 for Capital & O&M works shall be physically verified by the SDO at the close of the year and adjusted through J.V. to be prepared with detail of material 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 and entry reversed in 1st April 2013 account.

The Cost of unused material/jobs in progress in workshops as on 31.3.2013 may be debited to the account code 22.712 (jobs in progress) per contra credit to the workshop (14.450/460). Entry shall be reversed in April 2013.

The cost of material which has been received up to 31.3.2013 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.

24. 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, unless there are specific reasons for it which should be recorded in form CE-21 against that item. Scheme wise expenditure under each scheme should be reconciled.
 - b) All documents/Vouchers/JVs/Stamped receipts are sent with the adjustment account of March 2013.
 - c) The Capital expenditure booked upto March, 2013 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 2012-13 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 2013.
 - 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 31.03.2013 is to be adjusted and made NIL.

- ii) Year wise break up of items outstanding as on 31.3.2013 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 Proforma be supplied along with adjustment account of March 2013.

<u>Financial Year</u>	<u>No. of items</u>	<u>Amount</u>
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- 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 2013.

<u>Financial Year</u>	<u>No. of items</u>	<u>Amount</u>
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- iv) Scheme-wise details i.e. transmission under Account Code 10 & 14 & 71 to 77 be supplied in proforma 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.

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 3/2013.

25. **All the store accounting units should also send the detail of slow moving, unserviceable, scrap or obsolete material as on 31.03.2013. (quantity as well as value wise along with March 2013 adjustment account) and diminution in the value of above said items except slow moving may be provided in the adjustment account of March 2013 after review of the same.**

26. (i) The age wise analysis in respect of Advances to Suppliers/contractors against stock/works and inventory in the following proforma may also be supplied with the account for 3/2013.

<u>Position as on 31st March, 2013.</u>	<u>No. of Item</u>	<u>Amount</u> (Fig.in Rs.)
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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.

- (ii) Age-wise analysis of A/C codes 46.926, 47.305, 44.210 and 44.211 be submitted along with March Account on the proforma mentioned in para 29(i) above. 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.

27. 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 3/2013.

28. A certificate for reconciliation of sundry debtors 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 3/2013. 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 2012-13 as per instructions already issued vide **Accounts Circular No. 01/2010 of PSTCL and 07/2011 of PSTCL.**

29. 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.

30. 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 Divns. 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.

31. 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 **Enterprise engaged in**

Manufacturing of Production **Providing or rendering**

Services

Micro Upto Rs. 25 lakh Upto Rs. 10 lakh

Small More than Rs. 25 lakh but does More than Rs. 10 lakh but does

not exceed Rs. 5 crore not exceed Rs. 2 crore

Medium	More than Rs. 5 crore but does not exceed Rs. 10 crore	More than Rs. 2 crore but does not exceed Rs. 5 crore
---------------	--	---

It is also mentioned that in calculating the investment in Plant and Machinery, Cost of pollution control, the research and development, industrial safety devices and such other items as may specified, by notification, shall be excluded.

So, the information in the following formats must be supplied alongwith monthly accounts for March, 2012. The WAD Section will supply the consolidated information to A & R Section on or before 31st May, 2012. 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 alongwith 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

Enterprise	No. of Items	Amount		
		Principal	Interest	Total
Micro				
Small				
Medium				

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

Enterprise	No. of Items	Amount		
		Principal	Interest	Total
Micro				
Small				
Medium				

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

Enterprise	No of items	Interest due	Interest Payable	Total
Micro				
Small				
Medium				

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

Enterprise	No. of Items	Amount
Micro		
Small		
Medium		

5. Further Interest of Previous Years remaining due and Payable

Enterprise	No. of Items	Amount
Micro		
Small		
Medium		

32 For 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 AO/A&R, PSTCL at the time of submission of March 2013 Account.

33. 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.
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 Account of March 2013.

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.

Sr.no	Particulars	Amount	Status of the case

9. 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 31-3-13 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:

- (a) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) It is held primarily for the purpose of being traded;
- (c) It is expected to be realized within 12 months after the reporting date ; or
- (d) 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:

- (a) It is expected to be settled in the company's normal operating cycle;
- (b) It is held primarily for the purpose of being traded;
- (c) It is due to be settled within 12 months after the reporting date; or
- (d) 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.

10. 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.

11. Finance lease obligations:

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

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

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

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

15. 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.

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

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

18. 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

The above said information is also required for the FY 2011-12 which may be provided through Supplementary/Recasting account of March 2012 for the purpose of finalizing the Balance Sheet as per Revised Schedule VI of the Companies Act, 1956.

35. The Accounting Units shall supply the certificate alongwith the trial balance as mentioned in the foregoing points. In addition the certificates as under may be furnished:

- (i) Certified that all material issued upto 31st March 2013 has been accounted for in the account of 2012-13.
- (ii) Certified that the interest on all staff loans and advances (interest bearing) for the year 2012-13 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 2013.
- (vi) Certified that the stock of scrap generated upto 31st March 2013 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 2013 (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.

36. The D.D.Os having Drawing and collection Account with the Bank must supply the Bank Statement showing Bank Balance as on 31-3-2013 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 2013 account along with certificates of bank for the purpose of finalization of Balance sheet of PSTCL for the year 2012-13.**
37. The classification of expenditure / receipt must be in accordance with the Chart of Accounts / Accounts Circulars issued by the C.A.O. /WM&G Section from time to time. However, for the ready reference the detail of circulars issued during 2012 by PSTCL is given as under :

Sr. No.	Circular No.	Newly Opened Account Code	Remarks
1	03/2012	24.413	Disbursement Bank Account - Indian Bank
2	04/2012	57.170	New Restructured De-fined Contributory Pension (NPS) Scheme - employees contribution share(recruited after 16.04.2010 by PSTCL)
		57.175	New Restructured De-fined Contributory Pension (NPS) Scheme - employer/corporation Contribution share(recruited after 16.04.2010 by PSTCL)
		75.835	Terminal benefits New Restructured De-fined Contributory Pension (NPS)Scheme - Employer/ Corporation contribution share (recruited after 16.04.2010 by PSTCL)

STATEMENT OF FIXED ASSETS TRANSFERRED TO OTHER

DIVISIONS DURING 2012-13

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 31.03.2013 in respect of _____ Division

Information in respect of Contingent Liabilities					
	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 Matters Cases				
	a)				
	b)				
	Sub Total (A)				
B	Contingent Liabilities of Statutory Dues				
	1 Entry Tax & Sales Tax				
	a)				
	b)				
	2 Sales Tax & CST				
	a)				
	b)				
	3 Service Tax Disputed				
	a)				
	b)				
	Sub Total (B)				
C	Other Contingent Liabilities				
	a)				
	b)				
	Sub Total (C)				
	Grand Total (A+B+C)				

Signature of Sr. Xen/ AO

Annexure "A"
(Instruction No. 24 (i) g)

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.	Capitalisation of Depreciation in Const Divn.	15.311	77.9		
4.	(i) Cheque drawn		(-) 24.401 (+) 37.000		
	(ii) Transfer of funds		(-) 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 expdr. 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 Transferd to GH-28
2. No. balance of GH 44 should be transfered 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	Kutcha 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.	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%
C. [Omitted]					29.05%
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 inl& 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.