

To

All Addl. SEs/Sr.Xens/AOs (DDOs)  
Under PSTCL.

**Accounts Circular - 04/2024**

Memo No: 453-497/CFO/GST-38

Dated:20.08.2024

**Subject: Opening of New Account Code for GST paid to Govt. on advance received for Contributory /Deposit works under GST & accounting entries.**

In-continuation of PSTCL's Accounting Circular no.s 07/2017 dated 29.06.2017, 09/2018 dated 12.09.2018, 06/2020 dated 25.06.2020& 02/2024 dated 07.03.2024, in order to account for and reconcile GST paid advance to Govt. (GH-27.6) with actual GST liability towards Govt. on Contributory /Deposit works uniformly, following new accounting codes are added in the booklet "Chart of Account (Commercial Accounting System Vol.-I Part-I)."

<b>Main Account Code: 46.9 » Sundry Liabilities and provisions *</b>	
<b>Account Code</b>	<b>Description</b>
46.996	SGST - Advance State Goods and Services Tax Control A/c
46.997	CGST - Advance Central Goods and Services Tax Control A/c
46.998	IGST - Advance Integrated Goods and Services Tax Control A/c

**Explanation:** Amount of GST (SGST/CGST/IGST) collected by PSTCL with advance amount received on account of contributory work & deposit work will be credited to these account codes and while adjusting advance GST for work completed, the same shall be debited to these codes respectively. The accounting treatment of transaction relating to above is as under:

**01. Journal Entries for the accounting treatment of GST on Contributory/Deposit works**

Srno.	By Whom	At When	Journal Entries	Ledger	Amount
1)	Concerned Accounting Units/DDO's	When the sum of money is received by the accounting units/DDO's	Cash or Bank (GH :24.110/24.501)	Dr.	Total Amount of Advance
			To Receipts for Contributory or Deposit Work (GH:47.305/47.309)	Cr.	Advance amount excluding GST
			To Advance GST Control * (GH:46.996/997/998)	Cr.	Amount of GST on advance
			Event: Being Funds received from firm for the work to be performed by the PSTCL on their behalf.		
2)	Concerned Accounting Units/DDO's	When the liability of GST on the advances received made payable to Govt.	GST deposited on Advance, deposit received towards contribution, deposit works (GH:27.601/602/603)	Dr.	Amount of GST on advance
			To Liability for GST (GH:46.990/991/992)	Cr.	
			Event: Being GST to be in advance to govt. for the work to be performed by PSTCL, its liability is created for payment.		

3)	AO/CPC currently in charge of AO/GST will look after the entries to be made by AO/GST.	When the liability of GST on the advances has been reported on PSTCL's GST portal by the DDO's.	IUT-Other transactions (GH:37.100)	Dr.	Amount of GST on advance
			To Cash & Bank (GH:24.401/24.130)	Cr.	
			Event: Being advance GST liability paid to Govt. & IUT Bills are raised respectively to concerned accounting units/DDO's by AO/GST.		
4)	Concerned Accounting Units/DDO's	When the IUT bills received for their accounting units respectively.	Liability for GST (GH:46.990/991/992)	Dr.	Amount of GST on advance
			To U-cheque Control Account (GH:37000)	Cr.	
			Event: Being U-cheque issued to AO/GST for the IUT raised to concerned accounting units/DDO's.		
5)	Concerned Accounting Units/DDO's	When expenditure related to Deposit/Contributory Works are incurred.	Accounting entry for the cost of work performed & related expenditure in case of Deposit Works & Contributory Works shall be made as per Accounting Circular 07/2017 dated 29.06.2017 regarding Accounting Treatment of Deposit Works & Contributory Works		
6)	Concerned Accounting Units/DDO's	When levying Dept. Charges.			
7.1)	A) Deposit works				
	Concerned Accounting Units/DDO's	When the Deposit work has completed or partly completed against which GST Invoice has to be raised to firm who has deposited the advance for said work.	Advance GST Control *. (GH:46.996/997/998)	Dr.	Total amount of GST charged over the cost of work done & departmental charges levied by PSTCL.
			To GST deposited on Advance, deposit received towards contribution, deposit works. (GH:27.601/602/603)	Cr.	An amount of GST liability payable @ 18% (Present GST rate) to Govt. for the work completed & Departmental Charges
			Event: Being GST paid in advance is adjusted against the liability of GST upon Departmental Charges & CWIP/ Work completed and against which invoice raised to firm.		



B) Contributory Works					
7.2)	Concerned Accounting Units/DDO's	When the Contributory work has completed or partly completed against which GST Invoice has to be raised to firm who has deposited the advance for the said work.	CWIP A/c – (GH:14/15)	Dr.	Total amount of GST charged over the cost of work done & departmental charges levied by PSTCL.
			To GST deposited on Advance, deposit received towards contribution, deposit works (GH:27.601/602/603)	Cr.	An amount of GST liability payable @ 18% (Present GST rate) to Govt. for the work completed & Departmental Charges
			Event: Being GST paid in advance is adjusted against the liability of GST upon Departmental Charges & CWIP/ Work and invoice raised to firm.		

**Note: Accounting units/DDO's must insure to intimate AO/GST regarding the GST invoice issued to firm and its adjustment against the GH 27.6 (GST paid in advance to Govt.) in regard to accounting entry as per current prevailing practice.**

8)	Concerned Accounting Units/DDO's	When creating of Fixed Asset against Contributory Work.	Accounting entry for creation of Fixed Asset against Contributory Work are same as per current prevailing practice.		
9)	Concerned Accounting Units/DDO's	When Contributory work funds transferred to Capital Reserve A/c.	Receipts for Contributory Works (GH:47.309)	Dr.	An advance Contributory Works amount excluding GST.
			Advance GST Control * (GH:46.996/997/998)	Dr.	Amount of GST
			To Consumer contribution towards cost of Capital Assets (i.e. Capital Reserve) (GH:55.199)	Cr.	Total Amount of asset created out of advance for contributory work.
			Event: Being Capital Reserve created against Contributory Fixed Asset.		

## 02. Journal Entries for the refund of the amount received on Contributory/ Deposit works

Srno.	By Whom	At When	Journal Entries	Ledger	Amount
10)	Concerned Accounting Units/DDO's	On receipt of refund of GST advance from Govt in centralised collection bank account.	IUT-Other transactions (GH:37.100)	Dr.	Amount of GST
			To GST deposited on Advance, deposit received towards contribution, deposit works (GH:27.601/602/603)	Cr.	
			Event: Being IUT bill raised to AO/Loan & Banking (LC-802) for refund received from Govt. for the excess advance GST paid by PSTCL in the centralised collection bank account.		

**Note: AO/GST must insure to intimate Accounting units/DDO's regarding the receipt GST refund received by PSTCL in the centralised collection banking account for posting an accounting entry of clearance of GST deposited on Advance, deposit received towards contribution, deposit works from Govt under GH 27.601/602/603.**

11)	Concerned Accounting Units/DDO's	When the excess amount of advance is to refunded back to firm after completion of work.	Receipts for Contributory or Deposit Work (GH:47.305/47.309)	Dr.	Amount excluding GST
			Advance GST Control A/c * (GH:46.996/997/998)	Dr.	Amount of GST
			To Cash & Bank (GH:24.401/24.130/46.450)	Cr.	Total Amount.
			Event: Being excess amt. received, refunded after the Contributory/Deposit work completed.		

In reference to above accounting instructions, AO/GST (Currently Ao/CPC) will share the data of advance GST as per GST return to all respective Accounting Units/DDO's with a copy to AO/WAD. The Accounting units/DDO's shall reconcile & match the data of advance GST as per GST return supplied by AO/GST and ensure to submit "Certificate of Reconciliation" to AO/WAD, PSTCL, Patiala on quarterly basis.

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

*Haminder Singh*  
20/08/24  
Accounts Officer/A&R,  
PSTCL, Patiala.

Endst No: 498-539/CFO/GST-38

Dated:20.08.2024

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

**Emailed  
Only**

1. All EICs/Chief Engineers under PSTCL.
2. All Dy. CEs/SEs under PSTCL.
3. CAO/F&A, PSTCL Patiala.
4. Company Secretary, PSTCL, Patiala.
5. All Joint/Dy. CAOs/Dy. CAs/Dy. FAs under PSTCL.
6. All AOs under PSTCL (Except DDOs).

*Haminder Singh*  
20/08/24  
Accounts Officer/A&R,  
PSTCL, Patiala.

CC No. 540/CFO/GST-38

Dated :20.08.2024

OSD/Director F&C, PSTCL, Patiala for kind information to worthy Director F&C, please.