

PUNJAB STATE POWER CORPORATION LIMITED
(Chief Accounts Officer/E&A, The Mall Patiala)

ACCOUNTS CIRCULAR No. 20
YEAR - 2013

To

1. All Addl. Superintending Engineers/Sr. Executive Engineers/
Executive Engineers
2. All Asstt. Executive Engineers/ Asstt. Engineers.

Memo No: 7249/7798/ WM&G /CAC-16 /Vol-II Dated: 14.11.2013

Subject - Accounting of Interest on securities (meter and consumption), deduction & deposit of Tax Deducted at Source from there to.

The instructions for making provision for Interest on Security in the month of March and its adjustment in the first bill issued in the next financial year were issued vide CAO/PSEB, Patiala memo no. 4709-5235 /CAC-16 Dated 16.3.1993. But it has been observed that these instructions are not being followed meticulously. As a result of which the Revenue Monitoring Reports reflects the abnormal per unit rate of SOP. The Management has viewed it seriously.

Further, the amount of interest on securities in many cases crosses the minimum limit of Income tax deductible at source. Therefore, it becomes the responsibility of the offices making provision for Interest on Security to deduct the TDS from that amount and deposit the same on or before the due date fixed by the Income Tax department from time to time.

The procedure for accounting of Provision of Interest on Securities (meter and consumption) deposited by the consumers and TDS deducted is as under:-

1 Sub divisional office shall prepare or have category wise list of consumers showing the Account No., Name of Consumer and Security Deposit, from the Computer Cell.

2 At the year end Sub division office shall calculate consumer wise interest accrued on securities and TDS thereon if any (as per the instruction issued by income tax department from time to time) for the period 1st April, to 31st March or for the specific period for which the interest is payable.

3 Sub Division office shall prepare the Journal Voucher as follows and send it along with list of consumers so prepared to division office for adjustment in the account for the month of March.

Debit 78.601 Interest to consumers-Security deposits
Credit 48.300 Interest payable on consumer's security deposits
Credit 46.923 Income tax deducted at source on payment of interest on borrowings, payment to contractors and other payments

4 Sub Division office shall also arrange to obtain the copy of PAN card of the consumers whose TDS has been deducted.

5 The TDS deducted shall be deposited by the DDO on or before the dates prescribed by the Income Tax Department from time to time.

6 The responsibility to supply the complete documents i.e. copy of PAN shall rest with the Sub division and the responsibility to issue Form-16 to the respective consumers for the amount deposited shall rest with the DDO.

7 Sub Division office shall ensure to give credit of net amount of interest (after deducting TDS if any) to the consumer as per instructions contained in Electricity Supply Code and related Matter Regulations 2007, Electricity supply Instructions manual and Conditions of supply through their electricity bills.

8 Sub Division office shall also ensure to adjust the Journal Voucher for the adjustment of allowances given to the consumer on account of interest, in the revenue account of the same month by debiting Account code 48.300 and contra credit to account code 61.2.

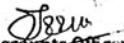
9 As the adjustment of interest on securities (meter and consumption) through the bills affect the revenue of the that month, therefore the Divisional office shall also ensure the adjustment of the Journal voucher as mention in the Sr. no. 8 above in the same month.

10 Chapter 46 Accounting for interest payable on Security (Meter and Consumption) deposit from consumers of Sale of Power (Edition 1992) is also amended as per Annexure 'A' attached.

The above instructions must be followed in letter and spirit so that per unit rate must not portray any abnormality in any month.

This issue with the approval of Chief Accounts Officer/E&A

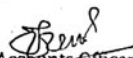
DA/Annexure "A"


Accounts Officer/WM&G
PSPCL Patiala

Endt.No: 7799/7948/ WM&G/ CAC-16 /Vol-II Dated: 14.11.2013

Copy of the above is forwarded to the following for information & further necessary action:-

1. All Engineer-in-Chief/Chief Engineers.
2. All Chief Accounts Officers /Chief Auditor/Financial Advisor/FA&CAO.
3. All Dy. Chief Engineers /Superintending Engineers.
4. All Dy. Chief Accounts Officers /Dy. Chief Auditor /Dy. Financial Advisors.
6. All Sr. Accounts Officers/Accounts Officer.
7. RAO, Patiala.
8. SE/IT with a request to place the circular on web site.


Accounts Officer/WM&G,
PSPCL, Patiala.

Accounts circular 20/2013
Annexure 'A'

46-Accounting for interest payable on Security (Meter and Consumption) deposit from consumers		
Responsibility	Action	Timing
Ledger keeper	1. Scrutinize the consumer security deposit ledgers (SOP-25) and prepare a list in duplicate of consumers to whom interest has become payable on such deposits in accordance with the rules of the Corporation. Enter the period for which the interest is to be paid in the list.	At the year end
UDC Revenue	2. Calculate the interest amount payable to them at SBI's Long term PLR prevalent on the first of April of the relevant year and TDS thereon if any (as per the instruction issued by income tax department from time to time). Enter the same in the list.	At the year end
	3. Collect the copies of PAN card of the consumers whose amount of interest exceed the minimum limit for TDS deduction.	
	4. Forward the list to RA	
Revenue Accountant/	5. Check that all the security deposits on which the interest has become payable have been included in the list.	At the year end
	6. Check Interest amount and TDS calculated.	
	7. To obtain the copies of PAN Card and attached with the list.	
	8. Prepare the journal voucher in triplicate and get it approved by AEE/AE.	
AEE/AE	9. Ensure that all the consumers whose TDS require to be deducted have supplied the copies of PAN Cards. If any consumer has not supplied the same, it shall be his responsibility to get the same collected.	
Ledger clerk	10. Receive the list approved by AEE/AE and enter the same in the adjustment register for Sundry allowances to give credit for Net interest after TDS (if any) through first energy bill of the next financial year as per Sale of Power manual	
UDC Revenue	11. On permanent disconnection of consumer's connection, calculate the interest amount accrued and due on security amount till the relevant date and prepare the journal voucher for interest accrued and due.	As and when
	12. Get the calculation checked by RA and JV approved from SDO	
	13. Forward the JV to Ledger clerk	
Ledger clerk	14. Post the interest accrued and due in the adjustment register for sundry allowance so as to adjust it against the amount due from consumer before issue of final bill	Same Day