

**PUNJAB STATE POWER CORPORATION LTD.
CHIEF ACCOUNTS OFFICER
(WM&G SECTION)**

**ACCOUNTS CIRCULAR NO. 03
YEAR: 2011**

To

1. All Addl.SEs/Sr.Xens / REs in PSPCL
2. All Accounts Officers in PSPCL.

**Memo No: 1882/2352 /WM&G/A-63/Vol-XI
Dated: 16.2.2011**

Sub: Booking of employees cost to Capital Works for the year 2010-11.

With the introduction of Electricity (Supply) (Annual Accounts), Rules 1985 framed by Govt. of India and made applicable in the Erstwhile PSEB w.e.f 1.4.1986, (now PSPCL) the employees cost are to be charged to works by the concerned Divisions/Accounting Units. To meet the requirement of these rules, the following procedure should be followed: -

1. O&M ACCOUNTING UNITS/ORGANISATIONS

- (a) The employees cost (Work-charged/daily labour) which have exclusively/directly been employed on Capital Works are to be transferred from Group Head 75 by debit to Group Head 14 Capital Works in progress Accounts (Work concerned) per contra credit to Account Code 75.920.
- (b) A portion of regular employees cost equal to 11% of Capital Works Expenditure incurred during the year is to be charged, by debit to Group Head 14 (work-concerned) per contra credit to Account Code 75.930.
- (c) A portion of Head Office employees cost equal to 0.7% of Capital Works Expenditure incurred during the year (without adding 11% as mentioned in para 'b' above) is to be charged by debit to Group Head 14 (work concerned) per contra credit to Account Code 75.935.

2. BOOKING OF EMPLOYEES COST BY ACCOUNTING UNITS (UNDER DS ORGN.) WHERE NO ACTIVITIES RELATING TO O&M ARE CARRIED OUT.

- (a) The employees cost (Work Charged/Daily Labour) which have exclusively/directly been employed on Capital Works are to be transferred from GH-75 by debit to GH-14- Capital Work in progress Accounts (Work concerned) per contra credit to Account Code 75.920 by the concerned division/Accounting Unit.
- (b) Regular employees cost and administration & general expenses of division/sub divisions booked under GH-75 and GH-76.1 by the division are to be capitalized by the concerned Const. Division/Accounting Unit by debit to GH-15.2 (Revenue expenses reclassified- Pending allocation over Capital Works) per contra credit to Account Code 75.910 and 76.9 respectively. This adjustment is to be made every month and where this has not been done, the adjustment be carried out in the account of March.
- (c) The pay and allowances etc. of gazetted establishment i.e Sr.Xen., AEEs & AEs in respect of Const. divn./Accounting Unit for the year will be intimated by .A.O/Pay & Accounts to the concerned divisional office. Divisional office shall account for

this expenditure by debit to Group Head 15.2 per contra credit to Account Code 75.910/76.9 respectively.

- (d) The expenditure booked under Account Code 15.2 as per b&c above shall be distributed on the works expenditure in the ratio of expenditure incurred during the year by debit to GH-14 (Work concerned) per contra credit to Account Code 15.2.
- (e) As regards expenditure (employees cost and administration and general expenses) of Circles/Design Directorate and CE offices, regular employees cost equal to 1% of the capital works expenditure incurred during the year (without adding the charges as indicated in sub para b,c & d above) shall be debited to GH-14 (work concerned) per contra credit to Account Code 75.930 on advalorem basis.
- (f) In addition a portion of head office employees cost equal to 0.7% of Capital Works expenditure incurred during the year (without adding the charges as indicated in the sub para (b to e) shall be charged to GH-14 (work concerned) per contra credit to Account code 75.935.

3. ACCOUNTING UNITS UNDER CONSTRUCTION ORGANISATIONS (OTHER THAN THERMAL PROJECTS).

- (a) The employees cost (work charged/daily labour) which have exclusively/directly been employed on Capital Works are to be transferred from Group Head- 75 by debit to Group Head 14-Capital Works in progress Account (work concerned) per contra credit to Account Code 75.920 by the concerned division/Accounting Unit.
- (b) Regular employees cost and Administration and General expenses of Divisions/Sub-divisions booked under Group Head-75 and 76.1 by the division

is to be capitalized by the concerned Const. Division /Accounting Unit by debit to Group Head 15.2 (Revenue expenses re-classified-Pending allocation over Capital Works) per contra credit to Account code 75.910 and 76.9 respectively. This adjustment is to be made every month and where this has not been done, the adjustment be carried out in the Account of March.
- (c) The Pay & Allowances etc. of gazetted establishment i.e Sr. Xen, AEEs & AEs in respect of Const. Division/Accounting Unit for the year will be intimated by the A.O/Pay & Accounts to the concerned Divisional Office by 10th April. The Divisional Office will account for this expenditure by debit to Group Head 15.2 per contra credit to Account Code 75.910/76.9 respectively.

The expenditure booked under Account Code 15.2 as per para a, b & c shall be distributed on the works expenditure in the ratio of expenditure incurred during the year by debit to Group Head- 14 (work concerned) per contra credit to Account Code-15.2.

- (d) As regards the expenditure (employees cost and administration and General Expenses) of Const. Circle Design Directorates and CE office, the percentage at which the expenses are to be booked to the Capital Works will be intimated by the Dy. CAO or the Sr. Xen(Works) concerned, where no Dy.CAO is posted. On receipt of the intimation from the Dy.CAO/Sr.Xen (Works) the expenditure on account of establishment of Circles, Design Directorates and CE Office shall be debited to the Group Head 14 (work concerned) per contra credit to Account Code 75.930. To work out the percentage at which the expenses are to be booked to Capital Works, following procedure shall be followed by the Dy.CAO/Sr.Xen (Works) concerned.

The expenditure(Employees Cost and Administration & General Expenses) of the concerned Const. Circle, Design Directorate and CE's office (from April to February as per Trial balance and for March, as compiled by the concerned Divisions and other adjustments if still to be carried out) shall be ascertained from the concerned offices of Chief Engineer otherwise from the following office(s): -

- (i) The division in regard to expenses of Circle(s) including Pay & Allowances of non-gazetted employees.
- (ii) AO/Cash in regard to Pay & Allowances of non –gazetted employees of Design Directorates and CE office(s).
- (iii) AO/Pay & Accounts for pay and allowances of Gazetted Estt. of Circle(s), Design Directorate(s) & CE/Office(s).
- (iv) And other offices concerned where the expenditure is being booked.

The above expenditure so ascertained is to be allocated on percentage basis over the Capital Works expenditure incurred during the year by the concerned Organisation. The percentage shall be worked out and intimated to the concerned Divisions/Accounting Units latest by 18th April for charging the expenditure to the Capital Works. The percentage so fixed shall also be intimated to this office.

- (e) In addition to above, the Const. Divisions/Accounting Units shall also charge a portion of Head Office employees cost equal to 0.7% of Capital Works expenditure incurred during the year (without adding the charges as indicated in para 'b' to 'd' above) by debit to Group Head-14 (Work concerned) per contra credit to Account Code 75.935.

4. THERMAL PROJECTS/PLANTS

- (a) The employees cost (work charged/daily labour) which have exclusively/directly been employed on Capital works are to be transferred from Group Head-75 by debit to GH-14 capital work in progress Accounts (works concerned) per contra credit to Account Code 75.920.
- (b) The employees cost (regular) up to Chief Engineer level which have exclusively been employed on Capital Works is to be transferred from Group Head-75 by debit to Group Head 15.2 (Revenue Expenses re-classified pending allocation over capital works) per contra credit to Account Code 75.910 and then distributed on works in the ratio of works expenditure.

However, in case of plants where regular employees cost could not be identified as exclusively for capital works, a portion of regular employee cost equal to 11% of Capital Works expenditure incurred during the year is to be charged by debit to GH-14 (work concerned) per contra credit to Account Code-75.930.

- (c) A portion of Head Office employees cost equal to 0.7% of Capital Works Expenditure incurred during the year (without adding the cost as indicated in para 'b') is to be charged by debit to Group Head-14 (work concerned) per contra credit to Account Code 75.935.

GENERAL

Calculation in respect of regular employee cost @ 11% or at the rate intimated by Dy.CAO or Sr.Xen (Works concerned and Head Office employees cost @ 0.7% shall be rounded off to the nearest ten rupees. Neither IUT Bills shall be raised nor U-cheques issued against these adjustment.

Under paragraph 2.47 of Basic Accounting Principles & Policies, the Capitalization of assets is to be done on issue of Assets commissioning certificate from the relevant technical authority of the Board. As such capitalization of assets may be done on regular basis after charging H.O prorata charges.

The adjustments are required to be carried out in the Accounts for the month of March.

Copy of the relevant Journal Voucher (J.V) shall be supplied along with the account for the month of March.

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

Accounts Officer/WM&G,
PSPCL, Patiala.

Endst.No. 2352/2577 /WM&G /A-63/Vol-XI Dated: 16.2.2011

Copy of the above is forwarded to the following officers of PSPCL & PSTCL for information & necessary action please: -

1. All Chief Engineers
2. All CAOs, FA & CAO
2. All Superintending Engineers
3. Chief Auditor, Patiala.
4. All Dy. CAOs/ Dy.CAs, Dy.FAs
5. RAO, Patiala.
6. SE/IT, Patiala.

Dy.CAO/Sr.Xen (Works) in the O/O CE concerned Const., Organization are requested to intimate to the concerned division, the percentage at which employees cost relating to Const. Circle, Design Directorate and CE's office is to be booked to Capital Works following the procedure laid down in para 3(d), under intimation to this office.

**Accounts Officer/WM&G,
PSPCL, Patiala.**

CC:-

1. PS to CMD (PSPCL/PSTCL)
2. PS to Directors (PSPCL/PSTCL)