



**PUNJAB STATE TRANSMISSION CORPORATION LIMITED**

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

Corporate Identity Number: U40109PB2010SGC033814

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

www.pstcl.org e-mail: ao-comp@pstcl.org Tel./Fax No. 0175-2203637

Accounts Circular No.19/2017/PSTCL

To

All Addl. SEs/Sr. Xens/AOs (All Accounting Units)  
under PSTCL

Memo No. 4579-4625/CFO/A&R-20

Dated: 30.11.2017

**Subject:- Opening of New Account Code for Deferred Liability/Income relating to Interest Free Loan.**

As per Companies Act 2013, Ind AS compliant annual accounts of FY 2016-17 are required to be prepared. To comply with the requirements of Ind AS and for true and fair presentation of annual accounts, the consultant appointed for implementation of Ind AS in PSTCL has suggested that Interest Free Loan received should be depicted initially at present value using the EIR method and the balance amount is to be treated as Deferred Liability/Income in the financial statements. Further at the end of each year Deferred Liability/Income is to be reduced and Loan Value is to be increased equal to the amount of notional interest (ignoring the notional interest as expense as well as income i.e. by transferring the amount from Deferred Liability to Loan Account).

For this purpose the following new Account codes are added in the booklet "Chart of Account (Commercial Accounting System Vol-I Part-I)" under main Account 53 – Capital Liabilities (Other Than State Govt. Loans):

Account Code

Account Head

53.861

Deferred Liability/Income Ind AS Adjustment  
Account – Interest Free Loan

The following additional Accounting entries (along with other previously passed) will be passed at the year-end regarding initial measurement of Interest Free Loan at present value using the EIR method (taking interest rate on similar loan) for creating a Deferred Liability/Income & subsequent adjustment at the end of each year regarding transferring the amount from Deferred Liability/Income to Loan Account equal to the amount of notional interest (ignoring the notional interest as expense as well as income):

**For Initial measurement of Loan - Interest Free at present value using the EIR method at the year end (in the year of Receipt of Loan shown in the books of accounts).**

Loan From PSPCL GH 53.811 .....Dr.

To Deferred Liability/Income Ind AS Adjustment Account (Interest Free Loan) GH 53.861

**At the end of each year regarding transfer of amount from Deferred Liability/Income to Loan Account equal to the amount of notional interest (ignoring the notional interest as expense as well as income):**

Deferred Liability/Income Ind AS Adjustment Account .....Dr  
(Interest Free Loan) GH 53.861

To Loan From PSPCL GH 53.811

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

*Harmander Singh*  
Accounts Officer/A&R,  
PSTCL, Patiala.

Endst. No.4626-4669/CFO/A&R-20

Dated: 30.11.2017

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

1. Er.-in-Chief/TS, PSTCL, Patiala.
2. Chief Engineer/P&M, PSTCL, Ludhiana.
3. Chief Engineer/SLDC, PSTCL, Patiala.
4. Chief Financial Officer, PSTCL, Patiala.
5. Financial Advisor, PSTCL, Patiala.
6. Chief Auditor, PSTCL, Patiala.
7. Company Secretary, PSTCL, Patiala.
8. Dy. CAO/A&R, PSPCL, Patiala.
9. All Dy.CEs/SEs under PSTCL.
10. All Dy. CAOs/Dy. CAs/Dy. FAs under PSTCL.
11. All AOs under PSTCL (except DDOs).
12. AO/WM&G, PSPCL, Patiala.
13. RAO, PSTCL, Patiala.
14. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL.

*Harmander Singh*  
Accounts Officer/A&R,  
PSTCL, Patiala.

CC:

1. Sr. PS to Director/F&C, PSTCL, Patiala for kind information of Director, please.
2. Chief Financial Officer, PSPCL, Patiala.