



STATE BANK OF PAKISTAN
FINANCE DEPARTMENT
I. I. Chundrigar Road, Post Box No. 4456, Karachi

No. FD/ 4967 /BK-4-2014

December 18, 2014

All Heads of Departments

Dear Madam / Sir,

HALF YEARLY CLOSING OF ACCOUNTS AS ON 31ST DECEMBER 2014

Please refer to the Administration Circular Nos. 41 and 34 dated the 18 November 1952 and 30 October 1962 respectively wherein detailed instructions regarding preparation of half yearly statement of Profit & Loss Account are given.

In continuation of the above said circulars the necessary supplementary instructions attached at Annexure- A are issued in this regard for guidance and compliance, which should be followed by Departments / Divisions / Units to which these are applicable.

All the officers concerned are requested to follow the instructions carefully and note to the action required to ensure adherence its time line mentioned in this circular. It is essential that the items of work relating to the closing of Accounts be taken up earnestly from now with a view to minimizing pressure during the last working days of December.

Encl: Annexure A & B.

Sd/-
(Fayyaz Mahmood)
Assistant Director

Endt. No. FD/ 4968 /BK-4-2014 of date

Copy electronically forwarded for information and necessary action (if any) to:-

1. The Governor's Office, SBP
2. PAs to Deputy Governors, SBP.
3. PAs to Executive Directors / Economic Advisers / Corporate Secretary, SBP.
4. PA to Chief Legal Advisor, Legal Services Department, SBP.
6. PA to Managing Director – SBP-BSC, Head Office, Karachi.
7. PA to Managing Director – NIBAF, Islamabad.
8. Director, Human Resource Department, SBP.
9. Director, Chief Information Officer, ISTD, SBP.
10. Director, Accounts Department, SBP-BSC-Head Office, Karachi.
11. Director, Engineering Department, SBP-BSC-Head Office, Karachi.
12. Director, General Services Department, SBP-BSC-Head Office, Karachi.
13. All Divisional Heads, Finance Department, SBP.

Assistant Director

ANNEXURE - A**SUPPLEMENTARY INSTRUCTIONS / GUIDELINES
FOR HALF YEARLY CLOSING OF ACCOUNTS AS ON 31ST DECEMBER 2014****1. STATEMENT OF PROFIT AND LOSS ACCOUNT:**

The statement of Profit and Loss Account for the half year ended 31st December may please be submitted in the prescribed form. While preparing other prescribed statements of income and expenditure for the half year, comparison should be made with the figures of the corresponding half year of previous financial year viz. July to December and necessary explanation be given for increase/ (decrease) in each case. In the Analysis of Expenses Account as on 31st December, the figures of provision as on the above date should be incorporated in the respective head/sub-head thereof.

2. ADVANCES AND PAYABLES ACCOUNTS:

Concerned division / department may please pay due attention and take steps to minimize the number of outstanding entries in the above accounts to the minimum before the 31st December.

3. INTERCOMPANY ACCOUNTS:

As it is necessary to have minimum balance in the intercompany receivable / payable accounts as on 31st December, therefore, the entries in the Inter-company accounts should be responded by debit/credit to the proper heads of account on receipt of advice from relevant quarters immediately so that outstanding entries in the said accounts remain at minimum.

4. PAYMENT OF BILLS:

All possible efforts should be made to account for all the outstanding expenses pertaining to the half year under the appropriate heads of accounts before the 31st December. Immediate steps should also be taken to get the outstanding amounts for which provision was made at the time of the annual closing of the Bank's account for the year ended the 30th June 2014 be adjusted properly before the 31st December so that the amount of provision in respect of the expenses incurred but not defrayed, is kept to the minimum possible.

5. STATEMENT OF PROVISIONS:

The statement of provision of all such amount of Income and Expenditure, which cannot be taken into account before the 31st December may please be furnished after taking into account the following:-

- A. Unadjusted outstanding provisions made as on 30th June 2014 on account of :-
 - i. Expenditure incurred but not actually defrayed.
 - ii. Prepaid Expenses.
 - iii. Income accrued but not realized.
- B. Provision to be made in respect of :-
 - i. Expenditure incurred
 - ii. Prepaid Expenses
 - iii. Income accrued as on 31st December but not realized.
 - iv. Income realized in Advance

Statement of provision should be countersigned by Head of Division and submitted to Financial Accounts Division as per pro-forma enclosed at annexure – 'B' on or before 5th January 2015.

6. IMPAIRMENT & WRITE OFF OF ASSETS:

All the concerned departments / divisions responsible for dealing with loans and advances or any other assets subject to impairment are advised to provide the details of impairment losses booked during the current financial year along with copy(s) of approval of competent authority under ER 702 to the Financial Accounts Division within four days of half yearly closing of accounts.

Details of all write-offs of loans and advances or any other assets made during the current financial year along with copy(s) of approval of competent authority under ER 703 should also be provided to Financial Accounts Division within four days of half yearly closing of accounts.

7. AGING OF OUTSTANDING ENTRIES:

All the concerned departments / divisions are advised to clear the outstanding entries of assets / liabilities accounts pertaining to them before 26th December and keep the balance to minimum on 31st December. In addition to this, they are advised to provide aging of all outstanding entries pertaining to them in assets / liabilities accounts as on 31st December.

It is also advised that status of entries outstanding time barred / more than a year should be escalated to the management for necessary action. Moreover, if any provision required against any time barred / more than a year should be provided to Financial Accounts Division latest by 5th January 2015, after that date it will be assumed that no provision is required.

ANNEXURE - B

_____ Department
 _____ Division / Unit

STATEMENT OF PROVISION TO BE MADE IN THE BANK'S
HALF YEARLY CLOSING OF ACCOUNTS AS ON 31ST DECEMBER, 2014

S. N.	Account Code	Cost Centre	Title of Account	Debit (Rs.)	Credit (Rs.)
TOTAL					

Signed by
Divisional Head

No. _____ dated the _____

Copy forwarded to 'Financial Accounts Division', Finance Department, State Bank of Pakistan, Karachi with reference to their Circular No. **FD/ /BK-4-2013 dated the December, 2014.**