The accounting policy of IDGC of Centre, PJSC for 2019 was approved by Order from 29.12.2018 # 618-CA and is generated according to the requirements of the following regulations:

• The Civil Code of the Russian Federation;
• Federal Law "About the business accounting" of 06.12.2011 # 402-FZ;
• Provisions on conducting the business accounting and accounting reporting in the Russian Federation (order of MF of the Russian Federation from 29.07.1998 # 34-n).
• Business accounting provisions:
- RAS 1/2008 «Company accounting policy»;
- RAS 3/2006 «Accounting of assets and the obligations, which cost is expressed in foreign exchange»;
- RAS 4/99 «Company accounting statements»;
- RAS 5/01 «Accounting of inventories»;
- RAS 6/01 «Accounting of fixed assets»;
- RAS 7/98 «Events after the reporting date»;
- RAS 8/2010 «Estimated liabilities, contingent liabilities and contingent assets»;
- RAS 9/99 «Company Income»;
- RAS 10/99 ««Company expenses»;
- RAS 11/2008 «Information on affiliated parties»;
- RAS 12/2000 «Information on segments»;
- RAS 13/2000 «Accounting of the state support»;
- RAS 14/2007 «Accounting of intangible assets»;
- RAS 15/2008 «Accounting of expenses under loans and credits»;
- RAS 16/02 «Information on terminated activity»;
- RAS 17/02 «Accounting of expenses on R&D»;
- RAS 18/02 «Accounting of settlements on the profit tax of the company»;
- RAS 19/02 «Accounting of financial investments»;
- RAS 20/03 «Information on participation in joint activity»;
- RAS 21/2008 ««Change of estimate values»;
- RAS 22/2010 «Correction of errors in the business accounting and reporting»;
- RAS 23/2011 «Cash flow statement».

IDGC of Centre' accounting policy is generated proceeding from assumptions that:
• assets and obligations of the Company exist separately from assets and obligations of proprietors and assets and obligations of other companies (the economic entity assumption);
• the Company will continue the activity in the foreseeable future and it does not have intentions and necessity of liquidation or essential reducing of activity and, hence, the obligations will be repaid when due hereunder (the accounting continuity assumption);
• the accounting policy adopted by the Company is applied in succession from one accounting year to another (assumption of sequence of application of accounting policy);
• facts of economic activities of the Company concern that accounting period in which they took place, irrespective of actual time of receipt or payment of the money funds connected with these facts (assumption of time definiteness of facts of economic activities).

Methods of estimation of inventories:
Inventories are accepted for accounting at the actual cost price. Write-off of inventories in production was carried out at average cost.

Qualification of fixed assets:
An asset is accepted by the Company for accounting as fixed assets if the following conditions are simultaneously met:
- an item is intended for use in the production of goods, in the performance of work or provision of services, for management needs of the Company, or for providing by the Company for a fee in temporary possession and use or for temporary use;
- an item is intended for use for a long time, i.e. a term exceeding 12 months or a normal operating cycle if it exceeds 12 months;
- the company does not assume the subsequent resale of this item;
- an item is able to bring to the Company economic benefits (income) in the future.

Methods of depreciation and amortization for separate groups of fixed assets items:
Depreciation of fixed assets is calculated by a straight-line method according to the terms of useful life established by the Company's Commission for acceptance of fixed assets based on the conclusion of technical specialists, taking into account the information specified in the technical documentation for the item.

Methods of estimation of items of fixed assets received under contracts, providing execution of obligations (payment) by non-monetary funds:
Items of fixed assets received by the Company under contracts providing for the performance of obligations (payment) by non-monetary assets (in particular, under barter contracts) are valued at the value of costs transferred or to be transferred by the Company. The cost of valuables transferred or to be transferred by the Company is determined from the price at which, in comparable circumstances, the Company usually determines the cost of similar valuables.

Methods of estimation of intangible assets acquired by non-monetary funds:
Intangible assets received by the Company under contracts providing for the performance of obligations (payment) by non-monetary assets (in particular, under barter contracts) are valued at the value of costs transferred or to be transferred by the Company. The cost of valuables transferred or to be transferred by the Company is determined from the price at which, in comparable circumstances, the Company usually determines the cost of similar valuables.

Methods of determination of depreciation of intangible assets:
The amount of depreciation for intangible assets is determined by norms calculated on the basis of their initial cost and useful life (by a straight-line method).

Changes of terms of useful life of intangible assets:
Term of useful life of an intangible asset is annually checked by the Company on necessity of its specification. In case of essential change of duration of the period during which the Company assumes to use the assets, term of its useful life is to be specified. Arisen in this connection adjustments are recognized in the business accounting and the accounting statements as changes in estimate values.

Change of methods of determination of depreciation of intangible assets:
The method for determining the depreciation of an intangible asset is annually checked by the Company for the need for its clarification. If the calculation of expected future economic benefits from the use of the intangible asset has changed significantly, the method for determining the depreciation of that asset changes accordingly. Arisen in this connection adjustments are recognized in the business accounting and the accounting statements at the beginning of a reporting year as changes in estimate values.

Procedure for recognition of income (revenue):
Revenues depending on their nature, conditions of receipt and activities are divided into:
- revenues from ordinary activities;
- other revenues.
Revenues from the ordinary activities of the Company are recognized as proceeds from sale of products (works, services) received by main types of activity.
Income from the sale of other works and services include all income related to the implementation of other works and services for the Company. Other revenues include all income not related to the sale of works and services for the ordinary activities.
Revenue is accepted for accounting in the amount, calculated in monetary terms, equal to the value of the receipt of cash and other property and (or) the value of receivables.

Recognition of expenses (costs). General provisions:
- costs (expenses) are recognized in the accounting records in the presence of the following conditions:
- expense is performed in accordance with a specific contract, a requirement of legislative and regulatory acts, usual business practice;
the amount of expenditure can be determined;
- there is confidence that as a result of a particular operation, economic benefits of the Company will decrease. There is confidence that as a result of a particular operation there will be a decrease in the Company's economic benefits when the Company has transferred an asset or there is no uncertainty as to the transfer of the asset.
The cost estimate of used resources – expenses – is preliminarily calculated on the expense accounts:
- costs for production of products, works, services (current) – account 20;
- costs of auxiliary production - account 23;
- general production costs - account 25;
- general economic costs – account 26;
- selling expenses - account 44;
- costs of acquisition (creation) of non-current assets (capital investments) – account 08.

Procedure for recognition of commercial and administrative expenses:

General economic expenses in full amount are recognized as management expenses and are recognized in the cost of services rendered, works performed in full in a reporting year of their recognition as expenses for ordinary activities.
Commercial expenses are debited to the debit of the account "Sales by sales activities" without distribution by types of sold products in full at the end of a reporting month.

Chosen methods of accounting for accounts receivable:
If receivables are considered doubtful, the Company creates provisions for doubtful debts with allocation of reserves for financial results.
The Company's accounts receivable are recognized doubtful that are not repaid or highly likely not to be repaid within the terms established by the contract and are not secured by appropriate guarantees.

Chosen methods of accounting for liabilities (accounts payable):
Accounts payable to suppliers of goods, works, services are accounted in the amount of accounts accepted for payment and the amount of accrued liabilities according to settlement documents.
Debts on credits and loans are divided into long-term and short-term:
- short-term debt is debt on received credits and loans, the maturity (circulation) of which does not exceed 12 months;
- long-term debt is debt on credits and loans received, the maturity (circulation) of which exceeds 12 months.
Debts on received credits and loans are estimated in view of due payment of interest according to terms of contracts as of the end of a reporting period.

Chosen method to determine the current profit tax value:
Current income tax is income tax for tax purposes, determined on the basis of the amount of the conditional expenditure (conditional income) adjusted for the amount of the permanent tax obligation (asset), the increase or decrease in the deferred tax asset and the deferred tax liability of a reporting period. The amount of the current profit tax should correspond to the amount of the calculated income tax, recorded in the corporate income tax return.

Events after the reporting date:
An event after the reporting date is a fact of business activities, which has influenced or can influence the financial situation, movement of monetary funds or results of activity of the company, and which took place in the period between the accounting date and date of signing the accounting statements for a reporting year.

Estimated liabilities:
Estimated liability is an obligation of the Company with an undetermined amount and (or) time of performance. An estimated liability may arise:
- from norms of legislation, other regulatory legal acts, court decisions, contracts;
- as a result of the Company's actions, which, due to the established past practice or public statements of the Company, indicate to other persons that the Company assumes certain duties, and as a consequence, such persons have reasonable expectations that the organization will perform such duties.
Estimated liability is recognized in the accounting records, if both of the following conditions take place:
- the company has an obligation, which was the result of past events of its economic life, the performance of which the company cannot avoid;
- decrease in economic benefits of the company, which is necessary for execution of an estimated liability, is probable;
- the estimated liability value can be reasonably measured.

Correction of errors in accounting and reporting:
Error is recognized significant, if it, alone or in combination with other errors for the same accounting period, can influence economic decisions of users taken on the basis of the financial statements prepared for this reporting period. The decision by the Company whether the error is significant depends on the error estimates, its nature and circumstances of occurrence, while errors are recognized significant, distorting, alone or in combination with others if the reporting error rate exceeds 10 %.