



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Chief Accounts Officer, A&R {Compilation} Shakti Sadan, Patiala

To

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

Memo No. 1918/1978/CAO /A&R
Dated: 19.07.2011

Subject: Provision for liability on account of capital works completed by contractors in respect of bills are not received or received but not passed.

As per provisions of Basic Accounting Principles & Policies of Commercial Accounting Systems Vol. 1 Part II Para 2.49 page 13 regarding ***“Capitalization regardless of Non-finalization of Contractor’s Bills etc.”*** that *“Mere non-submission of interim or final bills by suppliers or contractors shall not be permitted to withhold capitalization of assets. In cases where bills are not received or are received but not passed, a provision should be made for an amount as per the contract. The cost of assets concerned shall be determined accordingly and capitalized when assets are first put to use.”*

You are requested to make ensure that the above instructions should be implemented and appropriate provision be made at the time of finalization of March 2011 account.

Accounts Officer/A&R (Compilation),
PSTCL, Patiala.

Endst No. 1979/2010/CAO/A&R/20

Dated: 19.07.2011

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

- 1 Er. in Chief/Sub Station, PSTCL, Patiala.
- 2 Chief Engineer/TL, PSTCL, Patiala.
- 3 Chief Engineer/P&M, PSTCL, Ludhiana.
- 4 Chief Engineer/SO&C, PSTCL, Patiala.
- 5 Financial Advisor, PSTCL, Patiala.
- 6 All Dy. CEs/SEs under PSTCL.
- 7 All Dy. CAOs / Dy. CAs / Dy. FAs under PSTCL.
- 8 Company Secretary, PSTCL, Patiala.
- 9 Accounts Officer/Corporate Audit, PSTCL, Patiala for checking the compliance of the instructions at the time of accepting the March 2011 account.

- 10 SE/IT, PSPCL / PSTCL, Patiala for placing the circular on websites of PSPCL/PSTCL.

Accounts Officer/A&R (Compilation),
PSTCL, Patiala.

CC

- 1 Sr. PS to Director/Finance & Commercial, PSTCL, Patiala.
- 2 Dy. Secy. to Director/Technical, PSTCL, Patiala.
for kind information of the Directors respectively.