

Punjab State Electricity Regulatory Comm  
SCO : 220-221, Sector 34-A, Chandigarh, 160 022  
Tel. : 0172-2648321, Fax : 0172-2664758

DO No. ....

Dated : .....



**P.P. GARG**  
Secretary

*Xy*  
*DY PA - E* *Q*  
*2/11/14*

Subject: - Petition for Annual Revenue Requirement and Determination of  
Tariff filed by PSTCL for FY 2015-16 – Deficiencies.

Financial Advisor, PSTCL vide letter no. 3323/FA/ARR-501 dated  
28.11.2014 has filed petition for Aggregate Revenue Requirement &  
Determination of Tariff for FY 2015-16. On preliminary scrutiny of the petition  
filed by PSTCL, the Commission has observed some deficiencies enclosed as  
Annexure-I (Financial) and Annexure-II (Technical).

You are, therefore, requested to ensure submission of the  
information/comments on these deficiencies to the Commission within 7 days.  
The petition will be taken on record only after receipt of satisfactory reply to these  
deficiencies.

Yours sincerely,

*[Signature]*  
(P.P. GARG)

Diary No. 180/JSFS/FA/PSTCL  
Dated 2/12/14

DA/as above

Sh. Anurag Agarwal, IAS,  
Chairman-cum-Managing Director,  
Punjab State Transmission Corp. Ltd,  
The Mall, Patiala.

*No 13253/dated 1-12-14*

The Financial Advisor,  
PSTCL, Shakti Sadan,  
Opp. Kalidevi Mandir,  
Patiala.

## FINANCIAL (PSTCL)

## 1. Audit Report:

- i. The Comments of Comptroller and Auditor General of India on Audited Accounts for FY 2012-13 as per the Companies Act may be furnished at the earliest and a time frame may be indicated.
- ii. Cost Audit Report and the Compliance Report duly authenticated and signed by the Cost Accountant in the specified formats (Performae A to H) as per the notification of Ministry of Corporate Affairs dated 07.12.2011 has not still been furnished which may be expedited. Prescribed proforma - D be prepared for each major zone and area. A time frame for submitting the report may please be indicated.

## 2. Tax on Income

The matter regarding supply of CAG reports should be followed up with the office of the Comptroller and Auditor General and the information required under sub-head "Tax on Income" be expedited.

## 3. Depreciation.

As per Regulation 27 of PSERC Tariff Regulations, 2005 as amended vide notification dated 17<sup>th</sup> September, 2012 depreciation for generation and transmission assets shall be calculated at the rate of depreciation specified by the Central Electricity Regulatory Commission from time to time. Depreciation for distribution and other assets not covered by CERC shall be as per the rates notified in the Companies Act as revised from time to time. In view of this, details of depreciation charges as per the provisions in PSERC Tariff Regulations may be furnished on the format already supplied vide letter dated 1.12.2014.

## 4. Prior Period Items.

The information regarding the period to which the prior period income/ expenses relate may be expedited.

6. Depreciation.

As per Annexure-I of Main Audit Report of PSTCL, the Auditor's has pointed out that the fixed assets as per fixed assets register have not been reconciled with the book balance of fixed assets. The vehicle under note no. 12 has Gross block of ₹692,84,143/- whereas accumulated depreciation is ₹827,73,839/- showing a credit WDV of ₹134,89,696/-. In some units as per fixed assets register the gross block of fixed assets are showing credit balances. In some units the depreciation provided on the block is more than the value of gross blocks of fixed assets. No adjustments have been made on decommissioned assets on the fixed assets. The Company continues to charge depreciation on such assets without making adjustments of the value of old assets. The effect on depreciation on Profit/Loss on sale of assets and value of Written off/ obsolete assets is not ascertained. The differences pointed out by Auditor need to be reconciled. In view of Auditor's observations, depreciation as per CERC Regulations may be furnished on the attached format.

7. Interest & Finance Charges.

- i. The rates of interest on Long Term Borrowing and Short Term Borrowings as per Note 6 of the Audited Accounts for FY 2012-13 are not clear as in some of the cases it has been mentioned as @ 8% - 12.50% etc. whereas, in some cases mentioned as base rate + some %age without mentioning the clear cut rate of interest for each borrowing. Please furnish complete details of each actual loan alongwith actual rate of interest and also specify whether it is a Long Term Borrowing or Working Capital Loan.
- ii. As per Note 6 of the Audited Accounts for FY 2012-13, the closing balance of Long Term Borrowings for FY 2011-12 is ₹2540.91 crore whereas in the ARR in Table 26 the opening balance for FY 2012-13 has been depicted as ₹2640.59 crore. Clarification regarding the different figures may be given.

8. Prior Period Items.

The details of finance cost of ₹0.22 crore, depreciation cost of ₹3.33 crore, R&M cost of ₹0.03 crore and A&G cost of ₹0.06 crore given in Note 32 of Audited Accounts may be provided. The period to which these costs relate may also be mentioned.

**Annexure-II**

**Technical (PSTCL)**

1. *CE/SLDC* It has been submitted in the ARR that the overall transmission system availability as certified by Chief Engineer/SLDC in FY 2012-13 was 99.93%. PSTCL in the ARR has petitioned to approve incentive of ₹8.92 crore for transmission system availability as projected in the ARR for FY 2012-13, as admissible as per PSERC Tariff Regulations. It needs to be confirmed by Chief Engineer/SLDC that the Transmission System availability has been determined as per applicable Tariff Regulations/CERC Regulations.



(14)

**PUNJAB STATE TRANSMISSION CORPORATION LIMITED**  
**Regd. Office: PSEB Head Office, The Mall Patiala-147001, Punjab, India.**  
**Corporate Identity Number: U40109PB2010SGC033814 (www.pstcl.org)**  
**(O/o Financial Advisor, (ARR Section) 3<sup>rd</sup> Floor, Shakti Sadan, Patiala)**  
**Fax/Ph. No. 0175-2206523      Email : fa@pstcl.org**

To

The Secretary,  
Punjab State Electricity Regulatory Commission,  
SCO No.220-221, Sector 34-A,  
Chandigarh.

Memo No. 3415 /FA/ARR-503

Dated: 5/12/14

**Subject:      ARR/TARIFF PETITION FOR THE YEAR 2015-16 FILED  
BY PSTCL - OBJECTIONS.**

*df/*  
Please refer to your Office No. 13253 dated 01.12.2014 vide which the deficiencies in the ARR as submitted by PSTCL were intimated.

Enclosed please find herewith copy of the response as desired vide your above referred letter.

DA/As Above

*df/*  
*5/12/14*  
Financial Advisor,  
PSTCL, Patiala  
*5/12/14*

**Subject: Reply on Comments/Objections of PSERC on PSTCL Petition for ARR 2015-16.**

The point wise reply to the Hon'ble PSERC's letter No.13253 dated 01/12/2014 is as under:-

**1. Audit Report**

- i. The comments of Comptroller and Auditor General of India (C&AG) on audited accounts of FY 2012-13 as per Companies Act are awaited and will be furnished as and when received.
- ii. Cost Audit is in progress and will be submitted after receipt of the Report.

**2. Tax on Income**

The Statutory Auditor expressed his opinion for those items regarding non-quantification for which it was not possible on their part to quantify the same. Calculation of quantification of the amount of these items is also not possible. Apart from the above it is submitted that income tax is paid on the basis of accounts approved by the Board of Directors and as per the provisions of Income Tax Act. The income tax is not payable on the basis of opinion expressed by the Statutory Auditor. The management view/replies on Statutory Auditors report shall be put up to Board of Directors along with comments of C&AG which are still awaited as mentioned in Para 1(i) above. The same shall be submitted after its approval by the Board of Directors.

**3. Employee Cost:**

- i. The figure shown in the Table 12 – Terminal Benefits – Share of Leave Encashment of Rs.18.56 crore for the FY 2012-13 is as per the amount booked/charged in the accounts @ 11.36% as per transfer scheme. This amount relates to share of leave encashment relating to retired employees only. This does not include the figure relating to the amount of earned leave allowed on account of LTC to working employees.
- ii. Desired detail is attached at **Annexure I.**

**4. Administrative & General (A&G) expenses.**

Desired detail is attached at **Annexure II.**

**5. Repair and Maintenance (R&M) expenses.**

Desired detail is attached at **Annexure III.**

Contd...2...

6. **Depreciation**

It is already submitted earlier that there are misclassifications under different sub-heads in the figures vested as on 16.04.2010 against the figures available under the different field accounting units. Most of the misclassifications were set right/adjusted upto FY 2012-13. Accordingly the revised depreciation chart/formats were supplied to PSERC but the figure of asset relating to vehicle was not set right/reconciled till the finalization of annual accounts of FY 2012-13. The same has now been adjusted/reconciled in FY 2013-14 which is evident from the figures of chart of Sub-head wise value of fixed assets along with depreciation as on 31.03.2014 (provisional basis) given vide letter no. 2503 dated 20.11.2014. (The copy of same is also attached for reference as marked).

The finalization of Annual Accounts of FY 2012-13 is based on the Significant Accounting Policies as approved by the Board of Directors. The policy for depreciation provides as under:-

"Depreciation is provided on straight line method (SLM) at the rates specified in the Schedule XIV to the Companies Act, 1956. In respect of the depreciable assets for which no rate has been specified (including the assets of SLDC), rates notified by CERC are adopted."

For the purpose of tariff determination, the PSERC Tariff Regulation 2005 as amended in 2012 provides that depreciation of assets not covered by CERC shall be as per the rates notified in the Companies Act as revised from time to time. The rate of depreciation as per the Companies Act in respect of fixed assets except 3 no. items for which no rates have been prescribed in Companies Act namely (i) Communication Equipment – Radio & High Frequency – GH 10.571 (ii) Communication Equipment – Telephone Lines & Telephones – GH 10.572 (iii) Air Conditioning Plant – Portable – GH 10.577 are same as those of rates prescribed in CERC Regulations.

In respect of rates of depreciation of aforesaid three items the same has been taken as CERC rates. As such the depreciation at CERC rates shall be the same as the depreciation calculated while finalizing the accounts of FY 2012-13.

7. **Interest and Finance Charges**

a) **Loan from REC:**

Loan is being received from REC in instalments based on the requirement of Capital funds. REC charges the interest at the

Contd...3...

rate applicable on the date of release of funds and this rate remains valid for 3 years. Thus every release of instalment has different rate of interest. The list of instalments received in different years alongwith the rate of interest can be vouched at the time of validation of data by PSERC officials.

b) The rate of interest from other financial institutions is as under:-

i) Interest charged by SBOP on MTL for FY 2012-13 is as under:

S.No.	Particulars	Rate of Interest
1.	From 01-04-2012 to 21-02-2013	12.00%
2.	From 22-02-2013 to 31-03-2013	11.75%

ii) Interest charged by PSPCL for FY 2012-13 is as under:

S.No.	Particulars	Rate of Interest
1.	From 01-04-2012 to 30-04-2012	12.25%
2.	From 01-05-2012 to 08-02-2013	12.00%
3.	From 09-02-2013 to 31-03-2013	11.75%

iii) Interest charged by OBC on three types of loans is as under:-

The rate for OBC for loan at Note 6.2 1(i) is as under:

S.No.	Particulars	Rate of Interest
1.	From 01.04.2012 to 10-04-2012	12.25%
2.	From 11-04-2012 to 13-05-2012	12.15%
3.	From 14-05-2012 to 15-08-2012	12.00%
4.	From 16-08-2012 to 24-02-2013	11.90%
5.	From 25-02-2013 to 31-03-2013	11.75%

The rate of interest for OBC Loan at Note 6.2 1(ii) is as under:

S.No.	Particulars	Rate of Interest
1.	From 01.04.2012 to 12-01-2013	9.75%
2.	From 13-01-2013 to 31-03-2013	12.50%

The rate of interest for OBC Loan at Note 6.2 1(iii) is as under:

S.No.	Particulars	Rate of Interest
1.	From 01.04.2012 to 31.03.2013	10.50%

iv) Interest rate of CC limit (working capital loan) for FY 2012-13 is as under:

S.No.	Particulars	Rate of Interest
1.	From 01-04-2012 to 21-02-2013	12.75%
2.	From 22-02-2013 to 31-03-2013	12.50%

Contd..4..



c) Opening Balance of loan of Rs.2640.59 for FY 2012-13 includes amount of short term loan worth Rs.100.00 Crore , shown as note 9 of Audited Accounts of FY 2012-13.It is also stated that closing balances of Long term loans for FY 2011-12 is Rs.2540.59 Crore not as Rs. 2540.91Crore.

8. **Prior Period Items**

Every year in books of accounts, omissions/adjustment relating to earlier years are shown as prior period items. The most of the prior period items like depreciation, R&M cost etc. have been incorporated in the annual accounts of FY 2012-13 as pointed out by the Statutory Auditor at the time of conducting the statutory audit of different accounting units which comes to his notice due to reconciliation of balances of assets and liabilities vested as per transfer scheme. The details and period is available at division level only.

9. **Technical**

Copy of the letter of CE/SLDC confirming that Transmission System Availability has been calculated as per applicable Tariff Regulations/CERC Regulations is attached.

4/12/14  
Financial Advisor,  
PSTOL, Patiala  
4/12/14

**PUNJAB STATE TRANSMISSION CORPORATION LTD.**  
**AGGREGATE REVENUE REQUIREMENT FOR FY 2014-15**

S. No	Particulars	Employee Expenses for PSTCL												Rs. in Crores									
		FY 2013-14(Provisional)						FY 2014-15 (Unaudited Figures)						H2 (Budgeted)			Total			Ensuing Year (FY 2015-16)			
		STU	SLDC	PSTCL	H1	STU	H1	SLDC	PSTCL	H1	STU	H1	SLDC	PSTCL	H2	STU	H2	SLDC	PSTCL	H2	STU	SLDC	Projected
1	Salaries	81.12	2.80	83.92	43.59	1.27	44.86	51.77	1.78	53.55	98.41												
2	Overtime	4.31	0	4.31	1.13	0.00	1.13	1.87	0.00	1.87	3.00												
3	Dearness Allowance	62.15	2.20	64.35	38.79	1.22	40.01	62.29	2.02	64.31	104.32												
4	Other Allowances	36.66	1.22	37.88	10.33	0.31	10.66	16.12	0.59	16.71	27.37												
5	Staff Welfare Expenses	0.13	0.00	0.13	0.07	0.00	0.07	0.38	0.01	0.39	0.46												
6	Sub Total	184.37	6.22	190.59	93.93	2.80	96.73	132.43	4.40	136.83	233.56												
7	Less : Establishment cost recoverable on execution of 66KV works	0.27	0	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00												
8	Total Salary and Other Employee Expenses [6+10+13-14]	184.10	6.22	190.32	93.93	2.80	96.73	132.43	4.40	136.83	233.56												
9	:Less: Employee costs capitalized	45.64	0	45.64	4.36	0.00	4.36	42.70	0.00	42.70	47.06												
10	Net Salary and Other Employee Expenses [15-16]	138.46	6.22	144.68	89.57	2.80	92.37	89.73	4.40	94.13	186.50												
11	Add Prior period adjustments	0	0	0.00	0.01	-	0.01	0.00	0	0.00	0.01												
12	Total expenses charged to	138.46	6.22	144.68	89.58	2.80	92.38	89.73	4.40	94.13	186.51												
13	Terminal Benefits	186.93	0	186.93	30.56	0.00	30.56	161.78	0	161.78	192.34												
14	Total Employee Expenses	325.39	6.22	331.61	120.14	2.80	122.94	251.51	4.40	255.91	378.85												

Note: 1. Figures of HI of FY 2014-15 are as per accounts(unaudited) and figures of FY 2014-15 as a whole are as per Budget.

2. As the Budget of FY 2015-16 shall be finalised in the month of March-2015 on the basis of Tariff Order to be announced by PSERC, so it is not possible to provide budgeted numbers of FY 2015-16 at this juncture. The figures of FY 2015-16 are on normative basis.

PUNJAB STATE TRANSMISSION CORPORATION LTD.  
AGGREGATE REVENUE REQUIREMENT FOR FY 2015-16

ANNEXURE-II

Administration and General Expenses for PSTCL

S. No	Particulars	FY 2013-14 (Provisional)			H1 of FY 2014-15 (Unaudited Figures)			H2 (Budgeted)			Total	Ensuing Year (FY 2015-16)		
		STU	SLDC		H1 STU	H1 SLDC	PSTCL H1	H2 STU	H2 SLDC	PSTCL H2		STU	SLDC	Projected
Column Reference		1	2	3	4	5	6	7	8	9	10	11	12	13
1	Rent, Rates & Taxes	5.98	0.00	5.98	0.80	0.00	0.80	2.68	0	2.68	3.48			
2	Insurance	0.01	0.00	0.01	0.01	0.00	0.01	0.02	0	0.02	0.03			
3	Telephone, Postage, Telegramme and Telex	0.55	0.06	0.61	0.30	0.01	0.31	0.46	0.08	0.54	0.85			
4	Legal Charges	0.20	0.00	0.20	0.09	0.00	0.09	0.14		0.14	0.23			
5	Consultancy/Technical Charges	0.19	0.00	0.19	0.03	0.00	0.03	0.44	0	0.44	0.47			
6	Conveyance & Travel Charges	7.17	0.17	7.34	3.43	0.02	3.45	6.76	0.17	6.93	10.38			
7	Fees & Subscription	0.60	0.01	0.61	0.00	0.00	0.00	0.83	0.02	0.85	0.85			
8	Books & Periodicals	0.01	0.00	0.01	0.00	0.00	0.00	0.04	0	0.04	0.04			
9	Printing & Stationery	0.26	0.01	0.27	0.08	0.00	0.08	0.24	0.01	0.25	0.33			
10	Advertisement/Publicity expenses	0.08	0.01	0.09	0.01	0.01	0.02	0.86	0.01	0.87	0.89			
11	Electricity/Water Charges	3.19	0.30	3.49	1.74	0.13	1.87	3.01	0.19	3.2	5.07			
12	Expenses on Training	0.11	0.00	0.11	0.01	0.00	0.01	0.19	0	0.19	0.2			
13	Hospitality	0.10	0.00	0.10	0.01	0.00	0.01	0.15	0.01	0.16	0.17			
14	Conference Expenses	0.06	0.00	0.06	0.01	0.00	0.01	0.1	0	0.1	0.11			
15	Contingency Expenses	2.20	0.06	2.26	1.06	0.02	1.08	0.26	0.05	0.31	1.39			
16	Other Expenses	5.40	0.00	5.40	0.05	0.00	0.05	1.96	0	1.96	2.01			
17	Other Purchase related expenses	3.6	0.00	3.60	1.54	0.00	1.54	-1.19	0	-1.19	0.35			
18	Lease rent on lease hold Assets	0.58	0.00	0.58	0.00	0.00	0.00	0	0	0	0			
19	Contribution payable to NRPC	0	0.12	0.12	0.00	0.00	0.00	0	0.12	0.12	0.12			
	<b>Sub Total</b>	<b>30.29</b>	<b>0.74</b>	<b>31.03</b>	<b>9.17</b>	<b>0.19</b>	<b>9.36</b>	<b>16.94</b>	<b>0.67</b>	<b>17.61</b>	<b>26.97</b>			
20	A&G expenses recoverable on execution of 66KV works	0.03	0.00	0.03	0.00	0.00	0.00	0	0	0	0			
21	<b>Sub Total</b>	<b>30.26</b>	<b>0.74</b>	<b>31.00</b>	<b>9.17</b>	<b>0.19</b>	<b>9.36</b>	<b>16.94</b>	<b>0.67</b>	<b>17.61</b>	<b>26.97</b>			
22	Audit Charges	0.28	0.00	0.28	0.03		0.03	0.39	0	0.39	0.42			
23	Payment to outsourced	16.34	0.17	16.51	5.50	0.06	5.56	10.33	0.13	10.46	16.02			
25	Add: License Fee	0.25	0.00	0.25	0.25		0.25	0	0	0	0.25			
26	Add: Tariff Filing Fee	0.25	0.00	0.25			0.00	0.25	0	0.25	0.25			
	<b>Sub Total</b>	<b>17.12</b>	<b>0.17</b>	<b>17.29</b>	<b>5.78</b>	<b>0.06</b>	<b>5.84</b>	<b>10.97</b>	<b>0.13</b>	<b>11.1</b>	<b>16.94</b>			
27	Less: Administration & General capitalized	9.48	0.00	9.48	2.15	0.00	2.15	6.2	0	6.2	8.35			
28	<b>Net A&amp;G Expenses</b>	<b>37.90</b>	<b>0.91</b>	<b>38.81</b>	<b>12.80</b>	<b>0.25</b>	<b>13.05</b>	<b>21.71</b>	<b>0.8</b>	<b>22.51</b>	<b>35.56</b>			
29	Add: Prior Period Expenses/Losses	1.49	0.00	1.49	0	0.17	0.17	0	0	0	0.17			
30	<b>Grand Total</b>	<b>39.39</b>	<b>0.91</b>	<b>40.30</b>	<b>12.80</b>	<b>0.42</b>	<b>13.22</b>	<b>21.71</b>	<b>0.63</b>	<b>22.34</b>	<b>35.58</b>	<b>28.53</b>	<b>4.96</b>	<b>33.49</b>

Note: 1. Figures of H1 of FY 2014-15 are as per accounts(unaudited) and figures of FY 2014-15 as a whole are as per Budget.

2. As the Budget of FY 2015-16 shall be finalised in the month of March-2015 on the basis of Tariff Order to be announced by PSERC,

so it is not possible to provide budgeted numbers of FY 2015-16 at this juncture. The figures of FY 2015-16 are on normative basis.

**PUNJAB STATE TRANSMISSION CORPORATION LTD.  
AGGREGATE REVENUE REQUIREMENT FOR FY 2015-16**

Form - F4

**Repair and Maintenance Expenses for PSTCL**

S. No	Particulars	FY 2013-14 (Provisional)						H1 of FY 2014-15 (Unaudited Figures)						H2 (Budgeted)						Total			Ensuing Year (FY 2015-16)		
		STU		SLDC		Total		H1 STU		H1 SLDC		H1 Total		H2 STU		H2 SLDC		H2 Total		STU		SLDC		Projected	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
	<b>Column Reference</b>																								
1	Plant & machinery	41.41	1.38	42.79	12.34	0.59	12.93	21.66	0.91	22.57	35.5														
2	Building including renovation	2.59	0.03	2.62	0.86	0.01	0.87	2.24	0.02	2.26	3.13														
3	Hydraulic works & civil works	0.73	0	0.73	0.36	-	0.36	0.64	0	0.64	1														
4	Line cable & network	0.40	0	0.40	0.40	0.36	-	0.36	1.64	0	1.64	2													
5	Vehicles	0.79	0.01	0.80	0.29	-	0.29	0.57	0.01	0.58	0.87														
6	Furniture & fixtures	0	0	0	0	-	0	0.06	0	0.06	0.06														
7	Office equipments	0.01	0	0.01	0	-	0.00	0.07	0.01	0.08	0.08														
8	Lump sum provision							12.40		12.40	12.4														
8	<b>Total</b>	<b>45.93</b>	<b>1.42</b>	<b>47.35</b>	<b>14.21</b>	<b>0.60</b>	<b>14.81</b>	<b>39.28</b>	<b>0.95</b>	<b>40.23</b>	<b>55.04</b>														
9	Less: Expenses Capitalised	0.88	0	0.88	0.11	-	0.11	4.44	0	4.44	4.55														
10	<b>Net expenses</b>	<b>45.05</b>	<b>1.42</b>	<b>46.47</b>	<b>14.10</b>	<b>0.60</b>	<b>14.70</b>	<b>34.84</b>	<b>0.95</b>	<b>35.79</b>	<b>50.49</b>														
11	Add Prior period adjustments	0.29	0	0.29	0	-	0.00	0.00	0	0	0														
13	<b>Total expenses charged to</b>	<b>45.34</b>	<b>1.42</b>	<b>46.76</b>	<b>14.10</b>	<b>0.60</b>	<b>14.70</b>	<b>34.84</b>	<b>0.95</b>	<b>35.79</b>	<b>50.49</b>														

Note: 1. Figures of H1 of FY 2014-15 are as per accounts (unaudited) and figures of FY 2014-15 as a whole are as per Budget.

2. As the Budget of FY 2015-16 shall be finalised in the month of March-2015 on the basis of Tariff Order to be announced by PSERC, so it is not possible to provide budgeted numbers of FY 2015-16 at this juncture. The figures of FY 2015-16 are on normal basis.



**PUNJAB STATE TRANSMISSION CORPORATION LIMITED**

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

Corporate Identity Number: U40109PB2010SGC033814

O/o Dy. CAO/A&R, Shakti Sadan, Patiala

www.pstcl.org e-mail: dy-cao-a-r@pstcl.org Tel./Fax No. 0175-2203637

To

Financial Advisor,  
PSTCL, Patiala.

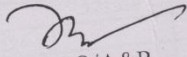
Memo No. 2503 /CAO/A&R-01/Vol-II Dated: 20.11.14

**Subject: Supply of Nature-wise/Category-wise/Sub-head-wise value of fixed assets along with depreciation.**

**Reference:** In continuation to this office memo no. 2472/CAO/A&R/01/Vol-II dated 04.11.2014.

The annual accounts of FY 2013-14 have not been finalised as the statutory audit is in progress. The sub-head-wise details of fixed assets along with depreciation for FY 2013-14 (provisional basis) are attached herewith. On completion of statutory audit, the final information/details with regard to the above cited subject in respect of audited accounts of FY 2013-14 will be provided.

Enclosures: As above

  
Dy. CAO/A&R,  
PSTCL, Patiala.

*Auto copy form  
file in ARR-502A of CFO*

Format for supplying information regarding sub-head-wise detail of Fixed Assets, Depreciation etc.

as on 31-3-2014

(in Rs.)

Account code (sub-head)		Original Cost of Fixed Asset as on 1 April, 2013	Depreciation provided upto 31-03-2013	Addition during 1-04-2013 to 31-03-2014	Deduction during 1-04-2013 to 31-03-2014	Depreciation from 1-04-2013 to 31-03-2014	Depreciation upto 31-03-2014	Tentative/Provisional	
								Gross value of assets as on 31-03-2014	Net value of assets as on 31-03-2014
10.101	Land owned under full title	29261959387	0	6442695			0	29268402082	29268402082
10.102	Land held under lease	40506	1259210		40506	-1259210	0	0	0
<b>Total 10.1</b>	<b>Land &amp; Land Rights</b>	<b>29261999893</b>	<b>1259210</b>	<b>6442695</b>	<b>40506</b>	<b>-1259210</b>	<b>0</b>	<b>29268402082</b>	<b>29268402082</b>
10.202	Building containing diesel electric	1095818	-275586				782361	506775	1095818
10.206	Buildings containing Transmission	680777511	231978354		150903271	10451505	242429859	529874240	287444381
10.207	Buildings containing Transmission	70208473	17481633	28989230		17231148	34712781	99197703	64484922
10.208	Building containing DS installation	9245142	5465715			308788	5774503	9245142	3470639
10.211	Office buildings	96564752	76710526	38490437		29652578	106363104	135055189	28692085
10.222	Residential colony for staff.	82497405	61350455	156349667		69530314	130880769	238847072	107966303
10.234	Temporary buildings.	2647873	2036251			346835	2383086	2647873	264787
10.244	Workshop buildings	-1969780	1003543	2540145		-538577	464966	570365	105399
10.245	Other buildings.	247492624	101156805		32222149	-3016323	98140482	215270475	117129993
<b>Total 10.2</b>	<b>Buildings</b>	<b>1188559818</b>	<b>496907696</b>	<b>226369479</b>	<b>183125420</b>	<b>124748629</b>	<b>621656325</b>	<b>1231803877</b>	<b>610147552</b>
10.401	Pucca roads.	57478112	6924460		35124349	420395	7344855	22353763	15008908
10.412	Railway siding	0	0	1408286		561820	561820	1408286	846466
<b>Total 10.4</b>	<b>Other Civil Works</b>	<b>57478112</b>	<b>6924460</b>	<b>1408286</b>	<b>35124349</b>	<b>982215</b>	<b>7906675</b>	<b>23762049</b>	<b>15855374</b>
10.501	Turbine generator etc.	164139273	74698897		148038811	-69411919	5286978	16100462	10813484
10.502	Plant foundations for steam power	0	0	326468		17238	17238	326468	309230
10.506	Oil storage equipment	381040	331010		121319	-97261	233749	259721	25972
10.509	Water treatment plant	2557347	1325660	274124		206570	1532230	2831471	1299241
10.541	Instrumentation & Controls	10973098193	3846608252	878851188		298425423	4145033675	11851949381	7706915706
10.542	T/Fs and equipments etc.above 10	229408137	105937162		143456343	-33865742	72071420	85951794	13880374
10.551	Material handling equipment	211834635	190659121	23384		7547	190666668	211858019	21191351
10.552	Material handling equipment- cent	1450554	336491	6640		164809	501300	1457194	955894
10.553	Material handling equip. - Cranes	23384	3621241		23384	-3621241	0	0	0
10.555	Material handling equipment-othe	6202193	2869573			683388	3552961	6202193	2649232
10.561	Switchgear including cable connec	7787425443	3629567196	1051151163		367184526	3996751722	8838576606	4841824884
10.563	Batteries including charging equip	9442730	4510963	7821130		6316751	10827714	17263860	6436146

- 9 -

Format for supplying information regarding sub-head-wise detail of Fixed Assets, Depreciation etc.

as on 31-3-2014

(in Rs.)

Account code (sub-head)		Original Cost of Fixed Asset as on 1 April, 2013	Depreciation provided upto 31-03-2013	Addition during 1-04-2013 to 31-03-2014	Deduction during 1-04-2013 to 31-03-2014	Depreciation from 1-04-2013 to 31-03-2014	Depreciation upto 31-03-2014	Tentative/Provisional	
								Gross value of assets as on 31-03-2014	Net value of assets as on 31-03-2014
10.101	Land owned under full title	29261959387	0	6442695			0	29268402082	29268402082
10.102	Land held under lease	40506	1259210		40506	-1259210	0	0	0
<b>Total 10.1</b>	<b>Land &amp; Land Rights</b>	<b>29261999893</b>	<b>1259210</b>	<b>6442695</b>	<b>40506</b>	<b>-1259210</b>	<b>0</b>	<b>29268402082</b>	<b>29268402082</b>
10.202	Building containing diesel electric	1095818	-275586				782361	506775	1095818
10.206	Buildings containing Transmission	680777511	231978354		150903271	10451505	242429859	529874240	287444381
10.207	Buildings containing Transmission	70208473	17481633	28989230		17231148	34712781	99197703	64484922
10.208	Building containing DS installation	9245142	5465715			308788	5774503	9245142	3470639
10.211	Office buildings	96564752	76710526	38490437		29652578	106363104	135055189	28692085
10.222	Residential colony for staff.	82497405	61350455	156349667		69530314	130880769	238847072	107966303
10.234	Temporary buildings.	2647873	2036251			346835	2383086	2647873	264787
10.244	Workshop buildings	-1969780	1003543	2540145		-538577	464966	570365	105399
10.245	Other buildings.	247492624	101156805		32222149	-3016323	98140482	215270475	117129993
<b>Total 10.2</b>	<b>Buildings</b>	<b>1188559818</b>	<b>496907696</b>	<b>226369479</b>	<b>183125420</b>	<b>124748629</b>	<b>621656325</b>	<b>1231803877</b>	<b>610147552</b>
10.401	Pucca roads.	57478112	6924460		35124349	420395	7344855	22353763	15008908
10.412	Railway siding	0	0	1408286		561820	561820	1408286	846466
<b>Total 10.4</b>	<b>Other Civil Works</b>	<b>57478112</b>	<b>6924460</b>	<b>1408286</b>	<b>35124349</b>	<b>982215</b>	<b>7906675</b>	<b>23762049</b>	<b>15855374</b>
10.501	Turbine generator etc.	164139273	74698897		148038811	-69411919	5286978	16100462	10813484
10.502	Plant foundations for steam power	0	0	326468		17238	17238	326468	309230
10.506	Oil storage equipment	381040	331010		121319	-97261	233749	259721	25972
10.509	Water treatment plant	2557347	1325660	274124		206570	1532230	2831471	1299241
10.541	Instrumentation & Controls	10973098193	3846608252	878851188		298425423	4145033675	11851949381	7706915706
10.542	T/Fs and equipments etc.above 10	229408137	105937162		143456343	-33865742	72071420	85951794	13880374
10.551	Material handling equipment	211834635	190659121	23384		7547	190666668	211858019	21191351
10.552	Material handling equipment- cent	1450554	336491	6640		164809	501300	1457194	955894
10.553	Material handling equip. - Cranes	23384	3621241		23384	-3621241	0	0	0
10.555	Material handling equipment-othe	6202193	2869573			683388	3552961	6202193	2649232
10.561	Switchgear including cable connec	7787425443	3629567196	1051151163		367184526	3996751722	8838576606	4841824884
10.563	Batteries including charging equip	9442730	4510963	7821130		6316751	10827714	17263860	6436146

- 9 -

13



**PUNJAB STATE TRANSMISSION CORPORATION LTD.**  
**OFFICE OF THE CHIEF ENGINEER/SLDC**

(Regd. Office: PSEB Head Office, The Mall, Patiala)  
SLDC Building, 220KV Grid Sub-Station, Ablowal, (Patiala) - 147001.  
Tel No. 0175-2366007, Fax No. 0175-2365340 e-mail: ce-sldc@pstcl.org

From  
Chief Engineer /SLDC,  
PSTCL, Patiala,

To  
Dy. Financial Advisor-2  
PSTCL, Patiala

Memo No: 1284

Dated: 4.12.14

Subject: Confirmation of Transmission Availability for the year 2012-13.

Ref: Your office memo no. 3371/72/FA/ARR-503 dated 02.12.2014.

In the above context, it is certified that Transmission System Availability of 99.93% for the year 2012-13 has been calculated as per applicable Tariff Regulation/CERC Regulation.

It for your kind information & necessary action please:

CE/SLDC(OP)  
PSTCL, Patiala.

12/14  
or,  
4/14

FROM :

FAX NO. :

10 Dec. 2014 4:52PM P1

17

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION  
SCO 220-221, SECTOR 34-A, CHANDIGARH**

To

Financial Adviser,  
Punjab State Trans Corp Ltd,  
3<sup>rd</sup> Floor, Shakti Sadan,  
Opp Kali Mata Mandir,  
Patiala.

Fax-0175-2206523

No. PSERC/Tariff/T/187/13524  
Dated 10/12/2014

Subject: - Petition for Aggregate Revenue Requirement and Determination of Tariff filed by PSTCL for FY 2015-16 – Deficiencies.

Reference your office letter no. 3415/FA/ARR-503 dated 05.12.2014 on the subject.

The reply submitted is still deficient in case of some of the deficiencies pointed out by the Commission vide DO letter no. 13252/53 dated 01.12.2014. As such, the reply to the deficiencies as per Annexure-I be submitted to the Commission within 3 days. The ARR and Tariff Petition will be taken on record only after receipt of satisfactory reply to the deficiencies.

DA/as above

*[Signature]*  
Director/Tariff

XXX  
②  
10/12/14

शे.डि.ए.पी. ओ.स. टी. सी. ओ.स. पटियाला	
उप-विंड सल्लाहकार-I	शे. उ.सी.पी.स
उप-विंड सल्लाहकार-II	शे. उ.सी.स
वर्षीक निगराणिस: वटन	शे. उ.सी.स
शे. सी. वटन	शे. उ.सी.स
सी: निंसी सर्वंडर	

Diary No: 359/ISPS/FA/PSTCL  
Dated: 10/12/14





**PUNJAB STATE TRANSMISSION CORPORATION LIMITED**

Regd. Office: PSEB Head Office, The Mall Patiala-147001, Punjab, India.

Corporate Identity Number: U40109PB2010SGC033814 ([www.pstcl.org](http://www.pstcl.org))

(Office of Financial Advisor, ARR Section)

3<sup>rd</sup> Floor, Opp. Kali Mata Mandir, Shakti Sadan, Patiala.

Fax/Ph. No. 0175-2206523

Email : [fa@pstcl.org](mailto:fa@pstcl.org)

To

The Director/Tariff,  
Punjab State Electricity Regulatory Commission,  
SCO No.220-221, Sector-34/A,  
Chandigarh.

Memo No: 3495 /FA/ARR/503

Dated: 12/12/14

**Subject: Petition for Aggregate Revenue Requirement and Determination of Tariff for FY 2015-16- Deficiencies.**

*Reference: Your office memo no. PSERC/Tariff/T/187/13524 dated: 10.12.2014*

The point wise reply to the deficiencies as desired vide your above referred letter is as under:-

**1. Audit Report:**

i. It was already intimated vide this office memo no.3415/FA/ARR-503 dated 05.12.2014 that the comments of Comptroller and Auditor General of India (C&AG) on audited accounts of FY 2012-13 as per Companies Act are still awaited. This office has personally taken up the matter with Dy. AG at Chandigarh on 08.12.2014 and requested to get the same expedited. It is expected that final comments of C&AG shall be received by the end of January 2015.

ii. Cost Audit Report

The desired report will be submitted to the Hon'ble Commission by the end of Jan.,2015.

**2. Tax on Income:**

As already mentioned in Para 1 above, the matter regarding supply of C&AG report/comments is taken up personally and the same is likely to be received by the end of January 2015. The same shall be submitted after its approval by Board of Directors along with the management replies on Statutory Auditors Report. This will include the replies of the management on the issues raised under para 2 (Tax on Income).

**3. Depreciation:**

It is already submitted vide this office memo no. 3415/FA/ARR-503 dated 05.12.2014 that the finalization of Annual Accounts of FY 2012-13 is based on the Significant Accounting Policies as approved by the Board of *Directors*.

The policy for depreciation provides as under:

"Depreciation is provided on straight line method (SLM) at the rates specified in the Schedule XIV to the Companies Act, 1956. In respect of the depreciable assets for which no rate has been specified (including the assets of SLDC), rates notified by CERC are adopted."

The rates of depreciation as per the Companies Act in respect of fixed assets except 3 no. items for which no rates have been prescribed in Companies Act namely (i) Communication Equipment - Radio & High Frequency (ii) Communication Equipment - Telephone Lines & Telephones (iii) Air Conditioning Plant - Portable are same as those of rates prescribed in CERC Regulations.

In respect of rates of depreciation of aforesaid three items the same has been taken as CERC rates. As such the depreciation at CERC rates shall be the same as the depreciation calculated by PSTCL while finalizing the accounts of FY 2012-13.

Further As per Regulation 27(I)(d) of the PSERC Regulation the "Depreciation for generation and transmission assets shall be calculated annually as per straight-line method over the useful life of the asset at the rate of depreciation specified by the Central Electricity Regulatory Commission from time to time.

Provided that the total depreciation during the life of the asset shall not exceed 90% of the original cost.

PSTCL is charging depreciation upto 90% of the original cost of fixed assets by adopting PSERC Regulations.

There is no mention of charging of depreciation after 12 years from date of commercial operation by the utility over the balance useful life of assets in PSERC (Terms and Conditions for Determination of Tariff) Regulations 2005 as amended in 2012. It is only referred in CERC Regulations. Therefore the cognizance of charging depreciation after 12 years from the date of commercial operation by the utility over the balance useful life of the assets is not applicable to PSTCL. Since State Regulations are binding on State Utilities nor CERC Regulations. Therefore the information regarding detail of depreciation on the formats supplied vide letter dated 01.12.2014 is neither applicable nor possible to calculate at present.

4. **Prior Period Items:**

The information regarding the prior period items is as under:

Sr. No.	Detail of Items	Amount in Rs.			
		Prior to 16.04.2010	2010-11	2011-12	Total Amount
1	Finance Cost	-----	21,85,788	-----	21,85,788
2	Depreciation Cost	1,70,590	35,96,468	2,95,18,971	3,32,86,029
3	R&M Cost	-----	-----	2,86,963	2,86,963
4	A&G Cost	-----	-----	5,60,303	5,60,303

Financial Advisor,  
PSTCL, Raiala.  
12/12/14 12/12/12