

Subject: Parking/vesting of outstanding amount.Rs.56.40 Crore in the opening balance sheet of 16.04.2010 at the time of unbundling of erstwhile PSEB.

As per the telephonic discussion on yesterday and today with Ms. Reeta Gupta, Joint Director, of PSERC the detail of Rs. 56.40crore division wise is as per Annexure A:

In the erstwhile PSEB, the expenditure incurred by the accounting unit on behalf of other was being settled through IUT heads i.e. the division incurring any expenditure will raise the IUT and the other division will issue the U-Cheque against the expenditure. Thus at the end of the financial year, both the transactions at Head Office level were paired leaving zero balance in GH 37.000. Thus depicting the actual expenditure in the books of accounts on which behalf the expenditure was incurred. Although in the past some expenditure was incurred and IUT bills were raised but U-Cheques were not received resultantly debit balances were outstanding and expenditure could not be routed through profit and loss accounts. After unbundling many divisions were shifted to PSPCL and the amount receivable from PSPCL (after adjustment of the outstanding balances between intra PSTCL divisions) could not be settled in view of non availability of details. As the detail of outstanding amount was not available so the BOD of PSTCL decided to write-off outstanding balance as the recovery of amount was not possible. In the ARR petition PSTCL has requested to the Hon;ble Commission to approve the write-off balance as in the past PSERC considered the written back of outstanding credit balances as Non Tariff Income. In view of the above, It is again requested to allow Rs.56.40 crore as written-off debits.

Account Head Information (Upto) Corporate (Division-Wise) for March Final'2019

Account Code : 39000

Account Description : U-Cheque blank code prior to 16.04.10

Sr. No.	Particular	Opening Balance as on 01 April, 2018		Transaction During the Year April 2018 to March Final, 2019		Closing Balance as on 31 March Final, 2019	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
1	201 - TLSC Dn. Patiala	-596812735	0	596812735	0	596812735	0
2	202 - Grid Dn. Patiala	116804828	0	0	116804828	-116804828	0
3	203 - Grid Dn. Moga	-276845331	0	277107806	262475	276845331	0
4	204 - TLSC Dn. Bathinda *96*	-204776297	0	0	204776297	-204776297	0
5	206 - Grid Dn. Ludhiana *98*	69867146	0	0	69867146	-69867146	0
6	211 - TLSC Dn. Jullundhar	-663583641	0	663583641	0	663583641	0
7	212 - Grid Dn. Jullundhar	-332302298	0	332302298	0	332302298	0
8	213 - Grid Dn. Amritsar	-170053045	0	170053045	0	170053045	0
9	214 - TLSC Dn. Mohali	29870127	0	0	29870127	-29870127	0
10	221 - PLC Dn. Amritsar	-556510082	0	556510082	0	556510082	0
11	222 - CO and C Dn. Bathinda	-307732270	0	307732270	0	307732270	0
12	223 - PLC Dn. Ludhiana	-590055969	0	590055969	0	590055969	0
13	224 - CO and C Dn. Patiala *89*	-331319823	0	331319823	0	331319823	0
14	231 - SLDC Divn. Patiala *97*	-67026436	0	67026436	0	67026436	0
15	232 - A.O. Open Access Patiala	396813230	0	0	396813230	-396813230	0
16	233 - Accounts Officer(SLDC, PSTCL, Patiala	-39475296	0	39475296	0	39475296	0
17	261 - Civil Works Dn. Mohali	265607396	0	0	265607396	-265607396	0
18	262 - Civil Works Dn. Patiala	-530364875	0	530364875	0	530364875	0
19	263 - Civil Works Dn. Mukatsar	6735050	0	0	6735050	-6735050	0
20	264 - Civil Works Dn. Ludhiana	-198840073	0	198840073	0	198840073	0
21	265 - Civil Works Dn. Jullundhar	-1078336951	0	1078336951	0	1078336951	0
22	601 - Protection Dn. Jullundhar *91*	-132375637	0	132375637	0	132375637	0
23	603 - Grid Mtc.(PandM) Sarna *91*	-1275896017	0	1275896017	0	1275896017	0

Print Date : 3/13/2020 [2:43:27 pm]

Account Head Information (Upto) Corporate (Division-Wise) for March Final 2019

Account Code : 39000

Account Description : U-Cheque blank code prior to 16.04.10

Sr. No.	Particular	Opening Balance as on 01 April, 2018		Transaction During the Year April 2018 to March Final, 2019		Closing Balance as on 31 March Final, 2019	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
24	604 - PandM Divn. Kapurthala *91*	-933137988	0	933137988	0	933137988	0
25	612 - Grd Mic (PandM) Fatehgarhchunian *91*	-754074840	0	754074840	0	754074840	0
26	613 - Grd Mic (PandM) Patit *91*	-860278409	0	860278409	0	860278409	0
27	621 - Protection Dn. No-1 Ludhiana *91*	-227537684	0	227537684	0	227537684	0
28	622 - Protection Dn. No-2 Ludhiana *91*	-77165874	0	77165874	0	77165874	0
29	623 - P and M Divn. No-2 Gobindgarh *91*	-1127519823	0	1127519823	0	1127519823	0
30	624 - P and M Divn. Jaagraon *91*	-582844309	0	582844309	0	582844309	0
31	631 - P and M Divn. Mahipur *91*	-980094438	0	980094438	0	980094438	0
32	632 - Protection Dn. Hoshiarpur *91*	-41211291	0	41211291	0	41211291	0
33	634 - Protection Dn. Mohali *91*	3379630257	0	0	3379630257	-3379630257	0
34	636 - P and M Divn. Mohali *92*	-4937168926	0	4937168926	0	4937168926	0
35	641 - Protection Dn. Patiala *91*	-103280816	0	103280816	0	103280816	0
36	642 - P and M Dn. Ahlowal *91*	-1559969220	0	1559969220	0	1559969220	0
37	643 - Protection Divn. Sangrur *91*	-36570261	0	36570261	0	36570261	0
38	644 - P and M Dn. Ferozpur *91*	-1185346175	0	1185346175	0	1185346175	0
39	645 - P and M Dn. Moga *91*	-1338486082	0	1338486082	0	1338486082	0
40	654 - P and M Dn. Mukatsar *91*	-1704709019	0	1714791566	10082547	1704709019	0
41	656 - P and M Dn. Bathinda *98*	-1031847961	0	1031847961	0	1031847961	0
42	657 - P and M Dn. Patran *98*	-1190470460	0	1190470460	0	1190470460	0
43	658 - P and M Dn. Ropar *98*	-768758943	0	768758943	0	768758943	0
44	659 - P and M Divn. No-1 Gobindgarh *98*	-531648109	0	531648109	0	531648109	0
45	660 - P and M Divn. Dhanderi Kalan *98*	-812398911	0	812398911	0	812398911	0
46	661 - P and M Divn. Lallo Kalan *98*	-1401471871	0	1401471871	0	1401471871	0
47	662 - P and M Divn. Jamsheer *98*	-1742712562	0	1742712562	0	1742712562	0
48	663 - Grd Mic (PandM) Wadala Granthian *98*	-632655990	0	632655990	0	632655990	0
49	665 - Grd Mic (PandM) Vernal *98*	-557375272	0	557375272	0	557375272	0
50	666 - Grd Mic (PandM) Amitsar *98*	-1176622283	0	1176622283	0	1176622283	0

Print Date : 3/13/2020 [2:43:27 pm]

Account Head Information (Upto) Corporate (Division-Wise) for March Final'2019

Account Code : 39000

Account Description : U-Cheque blank code prior to 16.04.10

Sr. No.	Particular	Opening Balance as on 01 April, 2018		Transaction During the Year April 2018 to March Final, 2019			Closing Balance as on 31 March Final, 2019	
		Dr.	Cr.	Dr.	Cr.	Net	Dr.	Cr.
51	667 - Grid Mtc.(PandM) Buttar *98*	-311656063	0	311656063	0	311656063	0	0
52	669 - PandM Grid Mtc.Dasuja *98*	-620905520	0	620905520	0	620905520	0	0
53	670 - P and M Dn. Malerkotla *98*	-417262614	0	417262614	0	417262614	0	0
54	742 - Director Research Chandigarh*92*	-32909531	0	32909531	0	32909531	0	0
55	800 - AO Cash Patiala	79683106	0	0	79683106	-79683106	0	0
56	802 - AO Banking Patiala	16606328173	0	0	16606328173	-16606328173	0	0
57	803 - AO CPC Patiala	287411793	0	0	287411793	-287411793	0	0
58	808 - AO A and R Patiala	24535173053	0	21453872425	45431961280	-23978088855	557084198	0
59	900 - AO(Transco(Common Balances)Patiala	-10606339556	0	10606339556	0	10606339556	0	0
	GRAND TOTAL	546739176	0	68896178727	68885833705	10345022	557084198	0

[Handwritten Signature]

Detail of GH - 31 to 37 (IUT Account Heads - Relating to the period prior to 16.04.2010) as on 31.03.2019

SR. No.	Particulars	Location Code	31.100	32.100	36.100	37.100	Total
1	TLSC Division Patiala	201	-41,16,876				-41,16,876
2	Grid construction Division Patiala	202	27,13,049		6,560	9,32,880	36,52,489
3	Grid construction Division Moga	203	2,79,636				2,79,636
4	Grid construction Division Jalandhar	212	1,24,122			9,71,922	10,96,044
5	Civil Works Division Patiala	262		68,052			68,052
6	Civil Works Division Jalandhar	265				1	1
7	Protection Division Patiala	641		8,909			8,909
8	P&M Division Laltonkalan	661	58,12,075			96,456	59,08,531
	TOTAL		48,12,006	76,961	6,560	20,01,259	68,96,786

h.s.wk
 Accounts Officer/A&R,
 PSTCL, Patiala.

[Signature]

✓ Dy. CAG
Dy. CAG
PVT. SE



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

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

Corporate Identity Number: U40109PB2010SGC033814

www.pstcl.org (O/o Company Secretary) E-mail: comp-secy@pstcl.org

Tel./Fax No. 0175-2970047

Do

Subject: Chief Financial Officer Agenda No. 104/CFO/A&R-174 dated 13.03.2020- To write off Rs. 56.40 Crore outstanding as on 31.03.2019 (under IUT Heads- Rs 55.71 Crore of U Cheque Blank Account Code 37000 (renamed as 39000) and Rs. 0.69 Crore of IUT Account Codes 30-37) pertaining to period prior to 16.04.2010 which was excess parked/vested to PSTCL in the opening Balance sheet of 16.04.2010 at the time of unbundling of erstwhile PSEB.

The decision taken by Board of Directors in its 60th meeting held on 05.05.2020 at VIP Guest House, Mohali on the above subject is as under:-

"The Board considered the agenda and thereafter, passed the following resolution:-

"RESOLVED THAT approval be and is hereby accorded to write off the amount of Rs. 56.40 Crore (Rs. 56,39,80,984) outstanding as on 31.03.2019 (under IUT Heads- Rs. 55.71 Crore (Rs. 55,70,84,198) of U Cheque Blank Account Code 37000 (renamed as 39000) and Rs. 0.69 Crore (Rs. 68,96,786) of IUT Account Codes 30-37) pertaining to period prior to 16.04.2010 which was excess parked/vested to PSTCL in the opening Balance Sheet of 16.04.2010 at the time of unbundling of erstwhile PSEB from the books of accounts of PSTCL and charged to Profit & Loss Account at the time of finalization of Annual Accounts of PSTCL for FY 2019-20".

Diary No. 163 SPS/CFO
Dated: 8/6/2020

This is for information and necessary action under due intimation to this office please.

[Signature]
Supdt/Meeting,
O/o Company Secretary
PSTCL, Patiala.

To
Chief Financial Officer,
PSTCL, Patiala.

U.O. No. 559 /BOD/60.15 /PSTCL

Dated: 08.06.2020

No. 186
Dt: 08/6/2020

163
8/6/2020



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

(Regd. Office: PSEB Head Office, The Mall, Patiala, Punjab, India)

Corporate Identity Number: U40109PB2010SGC033814

Office: Chief Financial Officer, (A&R Section), Shakti Sadan, Patiala

This Agenda contains 10 pages

Competency: BODs

Agenda No. 104 /CFO/A&R-174

Dated: 13.03.2020

Subject: To write off Rs.56.40 Crore outstanding as on 31.03.2019 (under IUT Heads- Rs.55.71 Crore of U Cheque Blank Account Code 37000 (renamed as 39000) and Rs.0.69 Crore of IUT Account Codes 30-37) pertaining to period prior to 16.04.2010 which was excess parked/vested to PSTCL in the opening Balance sheet of 16.04.2010 at the time of unbundling of erstwhile PSEB.

1. The assets and liabilities of erstwhile PSEB were distributed among the two corporations. Govt. of Punjab through notification dated 24.12.2012 vested the assets and liabilities of erstwhile PSEB as on 16.04.2010 in PSPCL and PSTCL with the amount of Rs.30912.00 Crore and Rs.4114.28 Crore respectively. These balances were segregated and notified, on the basis of the report of consultants M/s Ernst and Young, by Govt. of Punjab (Deptt. Of Power). The outstanding balances relating to Generation and Distribution functions were vested in PSPCL and of Transmission function were vested in PSTCL. The detail of assets and liabilities distributed between PSPCL and PSTCL alongwith main methodology adopted (with certain assumptions) is as per Annexure-'A' (Pages - 4 to 5).
2. Analysis of the amount parked as on 16.04.2010 against balances of IUT heads (30-37, 37000 and 39.1) i.e. transfer of material, assets, liabilities between different divisions of erstwhile PSEB was Rs.18.32 Crore (Dr balance) which should have been zero. This has also been substantiated in the Chapter 13- Reconciliation of U-cheques issued/received- Balance under Blank Account Code 37000 of IUT manual. However, due to non reconciliation/non-adjustment of balances as on 16.04.2010 among different accounting units of erstwhile PSEB under IUT heads an amount of Rs.18.32 Crore was outstanding. This amount was vested/parked to PSPCL & PSTCL as on 16.04.2010 in the opening Balance Sheet of both the companies through Transfer notification dated 24.12.2012 (as minus debit balance of Rs.39.80 crore to PSPCL and positive debit balance of Rs.58.12 crore to PSTCL) Annexure-'B' (Page - 6).
3. Out of total outstanding amount of Rs.58.12 crore (debit balance) parked as on 16.04.2010 Rs.1.72 Crore relating to PSTCL Divisions was settled by PSTCL at its own level and the outstanding amount decreased to Rs.56.40 crore debit balance. So, at present the net amount outstanding under this head is Rs.56.40 crore debit balance (as on 31.03.2019- as per Audited Annual Accounts for the FY 2018-19).
4. The Division-wise balances of Rs.55.71 Crore (relating to GH 37000 renamed as GH 39000) have been transferred at Corporate level under one accounting unit i.e. AO/A&R LC-808 in FY 2018-19 which is now standing under this Location Code as on 31.03.2019 and Rs.0.69 Crore (relating to IUT heads 30-37) are standing under different Location Codes. All these balances of Rs.56.40 Crore (outstanding as on 31.03.2019) pertains to the period prior to 16.04.2010. The division-wise list is attached at Annexure-'C' (Pages - 7 to 10).

- 2 -
5. The above balances are still appearing in the balance sheet as receivables in the books of PSTCL and is inviting qualification from the statutory auditors of the PSTCL in its Auditor's report every year.
 6. The matter was first time raised with PSPCL on dated 22.02.2013 (after issue of Transfer Scheme notification dated 24.12.2012) and the same was returned with the remarks that the above adjustment pertaining to opening balance sheet needs either GOP notification or may be routed through by the two corporations internally. The matter was deliberated between both the corporations time and again at Directors level in various meeting dated 06.07.2017 and 25.04.2018 (despite of taking the matter through letters/corespondence with PSPCL upto the level of CFO) but no final decision could be arrived till date.
 7. The Audit Commiittee in its 27th meeting held on 16.12.2019 at Mohali at the time of reviewing the Audited Annual Financial Statements of the company for the FY 2018-19, has also decided in this regard that *immediate steps shall be taken to reconcile the balances in a time bound manner and to be discussed with PSPCL to resolve the issue.*
 8. Further, the matter regarding clearance of subject cited balances was also discussed in the AGM of PSTCL on 12.02.2020 in the presence of Director/Finance of PSPCL (as shareholder of PSTCL) and decided that a joint meeting at the level of Director/Finance of both the companies be convened to resolve the issue.
 9. To act upon these decisions taken (as mentioned in Sr. No. 7 & 8), a joint meeting was held between both the companies at Director/Finance level on dated 26.02.2020 in which Director/Finance, PSPCL, Director/F&C, PSTCL, CFO of PSPCL & PSTCL, Dy CAO/A&R of PSPCL & PSTCL and AO/A&R of PSPCL & PSTCL participated. The issue was deliberated in detail and to settle the above said long pending issue relating to balances standing under IUT heads, it has been decided that *in the absence of details/records of various accounting units (including merged/defunct/created) pertaining to long period of erstwhile PSEB from 01.04.1986 to 16.04.2010 (i.e. start from the commercial accounting system of erstwhile PSEB in 1986 to date of unbundling of erstwhile PSEB i.e. 16.04.2010), the balances of subject cited IUT Heads pertaining to the period prior to 16.04.2010 and still appearing in the books of both the Companies be adjusted/written off/written back by the concerned Company at its own level.*

10. **Proposal:**

It is submitted that PSTCL has already written back credit balances amounting to Rs.112.13 Crore (in the FY 2017-18 Rs.105,69,87,326/- and in FY 2018-19 Rs.6,43,41,318/-) out of the total amount outstanding pertaining to the period more than 3 years (including the amount parked/vested as on 16.04.2010 as deposits/securities/sundry credit balances) for which no claims were raised (as per principle decision taken by BOD in this regard). Similarly, now, maximum efforts have been put to settle the issue relating to debit balances parked as on 16.04.2010 under IUT heads for reconciliation/adjustment of the same with PSPCL but yielded no results till date due to absence of details/records of such balances pertaining to very long period (i.e. 01.04.1986 to 16.04.2010). The subject cited amount has become irrecoverable and needs to be written off from the books of accounts of the PSTCL to avoid further qualification of auditors.

Keeping in view the above facts, it is proposed that Board may consider and approve the amount of Rs.56.40 Crore (Rs.56,39,80,984) outstanding as on 31.03.2019 (under IUT



Heads- Rs.55.71 Crore (Rs.55,70,84,198) of U Cheque Blank Account Code 37000 (renamed as 39000) and Rs.0.69 Crore (Rs.68,96,786) of IUT Account Codes 30-37) pertaining to period prior to 16.04.2010 which was excess parked/vested to PSTCL in the opening Balance sheet of 16.04.2010 at the time of unbundling of erstwhile PSEB, to be written off from the books of accounts of PSTCL and charged to Profit & Loss Account at the time of finalization of Annual Accounts of PSTCL for FY 2019-20.

11. Views of Legal Section:

No legal views are required in this case as it involves no legal point to write off such balances of IUT heads pertaining to the period prior to 16.04.2010, which are pending since long.

12. Views of Finance Section:

The agenda itself is moved by CFO and is placed with the approval of Director/F&C, PSTCL. Hence further views of Finance Section are not required.

13. Declaration:

All material information likely to influence the decision has been truly and fairly brought out in the agenda notes and no such information has been withheld. Also there is no willful default in compliance of all applicable laws, rules, regulations, procedures concerning the subject matter of the agenda.

14. Competency:

The competency lies with the Board of Directors of PSTCL as per clause 1(viii) (b) to Second Schedule to Conduct of Business Regulations, 1980.

15. Decision Required:

The Board may consider and pass the following resolution:-

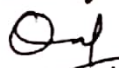
RESOLVED THAT approval be and is hereby accorded to write off the amount of Rs.56.40 Crore (Rs.56,39,80,984) outstanding as on 31.03.2019 (under IUT Heads- Rs.55.71 Crore (Rs.55,70,84,198) of U Cheque Blank Account Code 37000 (renamed as 39000) and Rs.0.69 Crore (Rs.68,96,786) of IUT Account Codes 30-37) pertaining to period prior to 16.04.2010 which was excess parked/vested to PSTCL in the opening Balance sheet of 16.04.2010 at the time of unbundling of erstwhile PSEB from the books of accounts of PSTCL and charged to Profit & Loss Account at the time of finalization of Annual Accounts of PSTCL for FY 2019-20.

Enclosures: Annexure 'A' to 'C'

Prepared by


Chief Financial Officer,
PSTCL, Patiala.

Approved by


Director/F&C 13/3/2020
PSTCL, Patiala.