

Petition filed by Power Transmission Corporation of Uttarakhand Limited for True up for FY 2019-20, Annual Performance Review for FY 2020-21 and Revised ARR for FY 2021-22

Deficiencies pertaining to replies dated 21.01.2021 and 27.01.2021

1. Vide replies to the data gaps (Ref. Query No. 1, Form 1) dated 12 January 2021, PTCUL submitted the revised Form 1 for FY 2019-20 to FY 2021-22. However, still PTCUL did not submit the complete (Income Tax, Previous year True-Up etc) details in the Form 1 for current and ensuing year. Details furnished for O&M Expenses and Interest on WC of FY 2019-20 is not matching with table 26 of the petition. PTCUL should submit the complete details in Form 1 and also required to rectify this discrepancy and maintain consistency at all places.
2. Vide replies to the data gaps (Ref. Query No. 1, Form 20) dated 12 January 2021, PTCUL submitted the revised Form 20 for FY 2019-20 & FY 2020-21. However, the details submitted for O&M Expenses and Interest on WC of FY 2019-20 in Form 20 is not matching with revised Form 1 submitted in reply to the same data gaps.
3. Vide replies to the data gaps (Ref. Query No. 3) dated 12 January 2021, PTCUL submitted Form 9A having details for the projects which have been capitalized for the first time in books of accounts amounting to Rs. 218.94 Crore and an additional capitalization of Rs. 5.00 Crore (Form 9.8) in FY 2019-20 have also been considered in the GFA addition in Table 5 of the Petition. However, the total of Form 9A & Form 9.8 comes out Rs. 223.94 Crore, and in Table 5 of the Petition, PTCUL has claimed the GFA addition of Rs. 221.24 Crore for FY 2019-20. PTCUL should rectify this discrepancy and maintain consistency at all places.
4. Vide replies to the data gaps (Ref. Query No. 7) dated 12 January 2021, PTCUL submit the revised table (Sharing of gain/loss on account of O&M Expenses for FY 2019-20) for Actual and Claimed O&M Expenses for FY 2019-20. In the revised table the PTCUL changed the number (from Rs. 146.77 Crore to Rs. 146.64 Crore) for O&M Expenses claimed in FY 2019-20, however in revised form 20 the number

is Rs. 146.79 Crore. PTCUL should rectify this discrepancy and maintain consistency at all places.

5. Vide replies to the data gaps (Ref. Query No. 13) dated 12 January 2021, PTCUL submitted that in Form 9A the details submitted are for the projects which have been capitalized for the first time in books of accounts, petitioner further submitted that INR 14.03 Crore of additional capitalization in FY 2020-21 has also been considered in the GFA. It is observed that the actual capitalization (till Sept.) for FY 2020-21 is still not matching with form 9A and form 9.8. PTCUL should rectify this discrepancy and maintain consistency at all places.
6. In table 1 & table 2 of the Petition, PTCUL claimed project wise capitalization in FY 2019-20. It is observed that the capitalisation claimed submitted in Excel Form 9.5 and Excel Form 9.6 are not matching with the table 1 & 2 of the petition for the respective project as shown below:

S. No.	Name of the project	Capitalisation claimed in Table 1 & 2 of the petition (Rs. Crore)	Amount submitted in Form 9.5 (Rs. Crore)	Amount submitted in Form 9.6 (Rs. Crore)
1	Construction of 132/33kV GIS S/s at Bageshwar	56.03	65.64	49.68
2	Supply, Erection & Testing and Commissioning of 220 KV Transformer bay and 33 KV feed bays including shifting, Erection & Testing and Commissioning of 25 MVA 220/33 KV Transformer at 220 KV Substation SIDCUL Haridwar.	2.37	2.49	2.93
3	Supply, Erection and Testing and commissioning for "Shifting of 132KV lines in Dev Sanskriti Vishvavidhyalaya campus of Sri Ved Mata Gayatri trust Shantikunj Haridwar".	3.21	3.45	3.21
4	Construction of SLDC at Rishikesh and 2 Nos Sub SLDC at Kashipur and Dehradun and its associated communication network	20.08	-	22.72
5	132kV Single circuit line on D/c towers from Ranikhet to Bageshwar	49.66	49.70	48.83
6	Stringing of Second Circuit of 132KV D/C Satpuli-Kotdwar Transmission Line	4.15	5.17	5.52

Additional deficiencies

First time Capitalisation and Additional Capitalisation

7. As per audited Balance Sheet for FY 2018-19, the closing balance of GFA pertaining to Deposit works were Rs. 6443.46 Lakh as on 31.03.2019 whereas as per audited annual accounts for FY 2019-20, the opening GFA pertaining to Deposit works is Rs. 6453.08 Lakh. Submit the reason for variation.
8. The Petitioner is required to submit the reasons for reversal of IDC amounting to Rs. 2.61 Crore under UITP scheme for FY 2019-20.
9. Interest during construction period transferred to CWIP pertaining to UITP Schemes.
10. With regard to additional capitalisation claimed for FY 2019-20 and FY 2020-21 in Form 9.8, the Petitioner is required to submit the schemes under which additional capitalisation has been made alongwith actual/expected date of additional capitalisation.
11. With regard to '132/33 kV GIS S/s at Bageshwar, the Petitioner is required to submit following details:
 - a. The Petitioner vide Annexure-A to Form 9.A has provided activity details for delay in commissioning of the sub-station. In the matter, the Petitioner is required to submit date wise activity schedule for delay period alongwith documentary proof alongwith justification.
 - b. The Petitioner at page no. 134 of the Petition has submitted the time extension granted period for the completion of the Project. In the matter, the Petitioner is required to submit supporting documents such as Board approval, revised LoA, judiciary Orders, etc.
 - c. Hard copy of Tariff Form 9.5
 - d. As per Form 9.5, capital cost upto COD is amounting to Rs. 63.46 Crore whereas as per Form 9.A, capital cost upto COD is Rs. 55.83 Crore. You are required to submit reasons for variation.

- e. As per Tariff Form 9.5, the actual cost incurred upto 31.03.2020 includes amount of Rs. 0.13 Crore pertaining to Contingency expenses. In this regard, you are required to submit the nature of expenses.
 - f. Reason for claiming IDC of amounting to Rs. 0.07 Crore after COD and upto March 31, 2020.
 - g. As per Form 9.5, additional capitalisation from CoD to 31.03.2020 is Rs. 1.09 Crore whereas as per Form 9.8, additional capitalisation is Rs. 0.20 Crore. Petitioner is required to submit justification for the variation.
 - h. Details of penalty charged for delay in carrying out supply and erection work in accordance with the agreement executed with the Contractor. If not, reason for the same.
12. With regard to 'Supply, Erection & Testing and Commissioning of 220 KV Transformer bay and 33 KV feed bays including shifting, Erection & Testing and Commissioning of 25 MVA 220/33 KV Transformer at 220 KV Substation SIDCUL Haridwar', the Petitioner is required to submit:
- a. As per Form 9.5, capital cost upto COD is amounting to Rs. 2.49 Crore whereas as per Form 9.A, capital cost upto COD is Rs. 2.37 Crore. You are required to submit reasons for variation.
 - b. With regard to delay in commissioning, the Petitioner is required to submit date wise activity schedule for delay period alongwith documentary proof and justification for delay.
 - c. Details of penalty charged for delay in carrying out supply and erection work in accordance with the agreement executed with the Contractor. If not, reason for the same.
13. With regard to the Supply, Erection and Testing and commissioning for 'Shifting of 132KV lines in Dev Sanskriti Vishvavidhyalaya campus of Sri Ved Mata Gayatri trust Shantikunj Haridwar' the Petitioner is required to submit following:
- a. Purchase Order and Work Order alongwith amendment thereof, if any.

- b. As per Form 9.5, capital cost upto COD is amounting to Rs. 3.45 Crore whereas as per Form 9.A, capital cost upto COD is Rs. 3.21 Crore. You are required to submit reasons for variation.
 - c. With regard to delay in commissioning, the Petitioner is required to submit date wise activity schedule for delay period alongwith documentary proof and justification for delay.
 - d. Details of Penalty charged for delay in carrying out supply and erection work in accordance with the agreement executed with the Contractor. If not, reason for the same.
14. With regard to construction of SLDC at Rishikesh and 2 nos Sub SLDC at Kashipur and Dehradun and its associated communication network, the Petitioner is required to submit the following details:
- a. Purchase Order and Work order alongwith amendments thereof, if any.
 - b. Form 9.5 for the aforesaid work.
 - c. As per Form 9.A, the work was completed on 01.10.2018 i.e. during FY 2018-19. However, the date of capitalisation is 23.09.2019. The Petitioner is required to submit the reasons delay in capitalising the work alongwith supporting documents.
 - d. As per Form 9.A, there is nil IDC charged to the work. The Petitioner is required to submit the reasons for not charging IDC against the capitalisation of Rs. 20.08 Crore.
 - e. Details of Penalty charged for delay in carrying out supply and erection work in accordance with the agreement executed with the Contractor. If not, reason for the same.
15. With regard to '132 kV S/C Ranikhet-Bageshwar Line', the Petitioner is required to submit following details:
- a. Submit properly filled Form 9.5 specifying actual quantity and rates also.

- b. As per Form 9.A, capital cost upto COD is Rs. 48.98 Crore whereas as per Form 9.5, the same is Rs. 48.95 Crore. Submit the reason for variation.
 - c. As per Form 9.8, additional capitalisation from COD to 31.03.2020 is Rs. 0.65 Crore whereas per Form 9.5, the same is Rs. 0.75 Crore. Submit the reason for variation.
 - d. The Petitioner has submitted that due to change in route and increase in no. of tower, cost of supply increased. In this regard, the Petitioner is required to submit the details of proposed route, final route for transmission line and reasons for change in route alongwith documentary proof.
 - e. Reasons for increase in erection cost alongwith documentary proof.
 - f. As per Tariff Form 9.5, the actual cost incurred upto COD includes amount of Rs. 0.05 Crore pertaining to Contingency expenses. In this regard, you are required to submit the nature of expenses.
 - g. Reason for claiming IDC amounting to Rs. 0.07 Crore after COD and upto March 31, 2020.
 - h. With regard to delay in commissioning, the Petitioner is required to submit date wise activity schedule for delay period alongwith documentary proof and justification for delay.
 - i. Details of Penalty charged for delay in carrying out supply and erection work in accordance with the agreement executed with the Contractor. If not, reason for the same.
16. With regard to 'Stringing of Second Circuit of 132 kV D/C Satpuli-Kotdwar Transmission Line, the Petitioner is required to submit following-
- a. As per Form 9.A, capital cost upto CoD is Rs. 4.15 Crore whereas in Form 9.5, the same has been shown Rs. 5.17 Crore. As per Form 9.A, IDC is amounting to Rs. 0.27 Crore whereas, no details of IDC has been submitted in Form 9.5. Further, details of Overhead have also not been submitted in Form 9.5. Furthermore, as per Form 9.5, there is undischarged liability whereas

additional capitalisation of Rs. 1.03 Crore has been claimed for FY 2020-21 in Form 9.8.

Submit the reasons for variation and submit rectified and properly filled Form 9.5 or Form 9.A, as the case may be.

- b. With regard to delay in commissioning, the Petitioner is required to submit date wise activity schedule for delay period alongwith documentary proof and justification for delay.
- c. Details of Penalty charged for delay in carrying out supply and erection work in accordance with the agreement executed with the Contractor.

17. With regard to the first time capitalisation for FY 2019-20 in Form 9.A, the Commission observed that works mentioned from S. No. 14 to 21 and S. No. 23 to 38 under PSDF scheme commissioned prior to FY 2019-20. In this regard, the Petitioner is required to submit the justification for considering the same under "First Time Capitalisation" in Form 9.A.

18. Works/scheme (alongwith corresponding material amount) under which material amounting to Rs. 2.70 Crore has been received back.

19. With regard to proposed capitalisation for FY 2020-21 (second half) in Table 30 and FY 2021-22 in Table 48 of the Petition, the Petitioner is required to submit expected date of commissioning, financial progress (in Rs. And %) alongwith physical progress as on 31.01.2021.

20. With regard to 'Construction of 1 no. 220 KV Bay (Phase 1) at 220 KV S/s for 220 KV Pirankaliyar Puhana (PGCIL) line' the Petitioner vide Annexure XV submitted that financial progress is 98% against the proposed capitalisation of Rs. 186.86 Crore. The Petitioner is required to clarify that how the financial progress worked out to 98% when only Rs. 1.85 Crore has been paid against the proposed capitalisation of Rs. 186.86 Crore.

21. The Petitioner, in Table 29 of the Petition has claimed Rs. 0.06 Crore under the head of 'others' whereas as per Form 9.A, Rs. 0.04 Crore has been claimed under the said head. The Petitioner is required to submit the reason for discrepancy.

Further, you are also required to submit the details of assets capitalised under the head of 'others'.

22. The Petitioner vide submission dated 21.01.2021 has submitted rectified Table 29, 30 and 31 of the Petition, however, the work wise details submitted for "Capitalisation in first half of FY 2020-21 (INR Crore)" does not reconcile with the details submitted in Form 9.A. The Petitioner is required to submit rectified details of 'capitalisation in first half of FY 2020-21' or Form 9.A, as the case may be.
23. Whether, 'LILO of 220 kV Kashipur-Pantnagar line at 220/33 kV S/S Jaspur' has been commissioned, if yes, submit date of commissioning and if not, submit expected date of commissioning.
24. With regard to first time capitalisation and additional capitalisation during FY 2020-21, the Petitioner is required to reconcile Form 9.A and Form 9.8 with addition in GFA during FY 2020-21 based on the Provisional annual report for FY 2020-21 (upto September, 2020).

Long Term Borrowing

25. As per Note 14 of audited annual accounts for FY 2019-20, total secure loans are amounting to Rs. 787.01 Crore as on 31.03.2019 whereas as per Note 10 of audited annual accounts for FY 2018-19, total secured loans as on 31.03.2019 were Rs. 626.35 Crores. In this regard, the Petitioner is required to submit the reasons for deviation.
26. The Petitioner is to clarify, whether there is any delay in payment of Interest, if yes:
 - a. Submit details of the Penalty imposed by the financial institute.
 - b. Interest outstanding as on 31.03.2019 and 31.03.2020.
 - c. Interest charged on Interest outstanding on Long term secured loans.
27. Submit the reasons for charging negative/credit entry for "ADB PFR-II" (AG Code 78.576.910) and 'Interest on REC Loans' (AG Code 78.586) under Interest and other financial charges as per Trail Balance for FY 2019-20.

28. Under which head of Balance sheet/P&L account, the negative amount of Rs. 5.22 Crore pertaining to "ADB PFR-II" (AG Code 78.576.910) has been charged.
29. As per Form 15.2 i.e. "Calculation of Weighted Average Interest Rate of Interest on **Actual Loans**", Opening and closing loans are amounting to Rs. 538.35 Crore and Rs. 559.42 Crore respectively whereas as per Form 15.1 and Note 14 of audited annual accounts for FY 2019-20, opening and closing loans are Rs. 608.50 Crore and Rs. 688.65 Crore excluding ADB loan. In this regard, the Petitioner is required to submit the reason for variation.
30. As per Trail Balance and audited annual accounts for FY 2019-20, total interest charged by financial institutes are Rs. 61.12 Crore (Rs. 34.54 Crore- P&L and Rs. Rs. 26.58 Crore- CWIP) whereas as per Form 15.2 i.e. "Calculation of Weighted Average Interest Rate of **Interest on Actual Loans**", interest on loans works out to Rs. 57.26 Crore. Submit the reasons for variation.
31. As per Trial Balance for FY 2019-20, net Interest & other financial charges during FY 2019-20 are amounting to Rs. 30.56 Crore, whereas as per P&L account Interest & other financial charges are amounting to Rs. 34.54 Crore for FY 2019-20. The Petitioner is required to submit proper justification for variation.

O&M Expenses

32. As per Trial Balance for FY 2019-20, net A&G expenses incurred during FY 2019-20 are amounting to Rs. 30.44 Crore, whereas as per P&L account A&G expenses are amounting to Rs. 31.20 Crore for FY 2019-20. The Petitioner is required to submit proper justification for variation.
33. While computing the capitalisation rate for A&G Expenses, the Petitioner has considered Gross A&G Expenses amounting to Rs. 36.98 Crore in Form 8.3 whereas the same works out to Rs. 36.94 Crore (Rs. 30.44 Crore + Rs. 6.50 Crore) as per Trial Balance for FY 2019-20. Submit the reason for variation.
34. As per Form 8.3, grand total of A&G expenses is amounting to Rs. 30.48 Crore whereas, as per Trail Balance for FY 2019-20, the net A&G expenses are Rs. 30.44 Crore. Submit reason for variation.

35. Submit the detailed breakup of the 'miscellaneous expenses' (AG Code- 76.19) amounting to Rs. 2.05 Crore as provided in Trial Balance for FY 2019-20.
36. Petitioner has submitted Miscellaneous Expenses amounting to Rs. 2.57 Crore in Form 8.3. You are required to submit the breakup of the same.
37. As per Trial Balance for FY 2019-20, net Employee expenses incurred during FY 2019-20 are amounting to Rs. 85.62 Crore, whereas as per P&L account Employee expenses are amounting to Rs. 85.80 Crore for FY 2019-20. The Petitioner is required to submit proper justification for variation.
38. While computing the capitalisation rate for Employee Expenses, the Petitioner has considered Gross Employee Expenses amounting to Rs. 117.74 Crore in Form 8.1 whereas the same works out to Rs. 117.65 Crore (Rs. 85.62 Crore + Rs. 32.03 Crore) as per Trial Balance for FY 2019-20. Submit the reason for variation.
39. Based on the separation of accounts between Non- UITP (Intra-State) and UITP keeping as directed by Commission in previous Tariff Orders, provide the exact details as per tables given below, despite which further analysis of PTCUL ARR will not be possible. The Petitioner is directed to submit the breakup of Employee expenses, A&G expenses and details regarding Loans in the following format:

Employee Expenses			
Particular	UITP	Non-UITP	Total
Gross Employee Expenses			
Capitalization (CWIP)			
Net Charged to P&L			
Capitalisation Rate			
A & G Expenses			
Particular	UITP	Non-UITP	Total
Gross A&G Expenses			
License Fee			
Security Expenses			
Capitalization (CWIP)			
Net Charged to P&L			
Capitalisation Rate			
Interest on Loan			
Particular	UITP	Non-UITP	Total

Opening Loan			
Closing Loan			
Total Interest to P&L			
Interest Capitalised (CWIP)			

40. With regard to CPI and WPI, the Petitioner is required to submit the source link of the data.
41. Under which accounting head 'impact of seventh pay commission' has been accounted for in the audited annual accounts for FY 2019-20. Further, why the impact of seventh pay commission should be allowed when the Commission has already accounted for the impact of seventh pay commission i.e. 15% in EMP_(n-1) i.e. gross employees cost for FY 2018-19.
42. You are required to submit the reasons for charging negative/credit entry for performance incentive to employees (AG Code 75.415) for FY 2019-20 as per Trial Balance for FY 2019-20.
43. As per audited accounts for FY 2019-20, miscellaneous expenses are amounting to Rs. 2.40 Crore whereas in Form 8.3, the same has been submitted as Rs. 2.57 Crore. Submit the reason for discrepancy.

Others

44. Trail Balance for FY 2019-20 for the works pertaining to UITP Schemes.
45. With regard to Non-Tariff Income, the Petitioner vide its reply (point 9) dated 21.01.2021 submitted that only Interest on TDR through sweep account and Miscellaneous receipts have been considered as part of Non-Tariff Income. In this regard, the Petitioner is required substantiate that 'Interest from banks & other advances' and 'Interest on FDRs' have been earned from the ROE invested by it.
46. Assessment Orders of Income Tax department for preceding five financial years.
47. The Petitioner is required to submit the reason for claiming income tax of Rs. 29.74 Crore for FY 2019-20 whereas the actual income tax paid for the said year is Rs. 22.39 Crore as per ITR-V.