

COST AUDIT REPORT

OF

**PUNJAB STATE TRANSMISSION CORPORATION
LIMITED**

FINANCIAL YEAR

2018-19

COST AUDITOR'S

PAWAN & ASSOCIATES

COST ACCOUNTANTS

ZIRAKPUR (MOHALI) PUNJAB

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PAWAN & ASSOCIATES COST ACCOUNTANTS

702, Tower D-3, Maya Garden City, Chandigarh-Ambala Highway, Zirakpur-140603 Mohali (Pb.)
Mobile : 98140-01047 e-mail : vermacma@gmail.com PAN:AAHPV4712B

COST AUDIT REPORT

We, PAWAN & ASSOCIATES having been appointed as Cost Auditor under section 148(3) of the Company's Act, 2013 (18 of 2013) of M/s Punjab State Transmission Corporation Limited having its registered office at The Mall, Patiala, Punjab have audited the Cost Records maintained under section 148 of the said act and in compliance with the Cost Auditing Standards in respect of the ELECTRICITY INDUSTRY for the year ending 31st March, 2019 maintained by the Company.

1 In addition to our observations and suggestions in para 2, we report as under :


- (i) We have sought all the information's and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
- (ii) In our opinion, necessary cost records, out of the records as per rule 5 of the companies (Cost Records and Audit) Rules, 2014 have been extracted and prepared by the company in respect of the products under reference.
- (iii) In our opinion, proper returns adequate for the purpose of the cost audit have been received from the branches not visited by us.
- (iv) In our opinion, and to the best of our information, the said books and records (compiled and extracted to the maximum possible extent) do give the information as required by the Companies Act, 2013, in the manner so required.
- (v) In our opinion, the company has adequate system of Internal Audit of cost records which to our opinion is commensurate to its nature and size of the business.
- (vi) In our opinion, information's, statements in the annexure to this cost audit report gives a true and fair view of cost of production of product(s)/rendering of service (s), cost of sales, margin and other information relating to product(s)/service (s) under reference, refer to ANNEXURE- A attached herewith.
- (vii) Detailed unit wise and product wise cost statements and schedules thereto in respect of the product under reference of the company duly audited and certified by us are kept in the company.

2 Observations and Suggestions, If any, of the Cost Auditor, relevant of the cost audit.

As per Annexure - B attached herewith.

Dated :- 29-11-2019
Place :- Zirakpur
UDIN:- 1913570ZZNGYBBFE5C

for PAWAN & ASSOCIATES
Cost Accountants


(CMA PAWAN KUMAR VERMA)
PROP./FCMA/13570
FRN - 101729

ANNEXURE - A

Management's Responsibility for Cost Statements

The Company's Board of Directors is responsible with respect to preparation of these annexure's to Cost Audit Report and Cost Records that give a true and fair view of the Cost of production, Cost of Sales, Margin and other information relating to the product under reference in accordance with the generally accepted Cost Accounting Principles and Cost Accounting Standards as specified under rule 5 of the Companies (Cost Records and Audit) Rules, 2014.

This responsibility also includes maintenance of adequate Cost Accounting Records in accordance with the provisions of the Company's Act, 2013 for ensuring the accuracy and completeness of the Cost Accounting Records, relevant to the preparation and presentation of the Cost Statements that give a true and fair view and are free from material misstatement, whether due to error or fraud.

Cost Auditor's Responsibility

Our responsibility is to express an opinion on these annexure's to the Cost Audit Report based on our audit.

We have taken into account the provisions of the Act, Cost Accounting Standards and matters which are required to be included in the Cost Audit Report under the provisions of the Act and Rules made thereunder.

We have conducted our audit in accordance with the Standards of Auditing which requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these Cost Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Cost Statements. The procedure selected depend on the cost auditor's judgement, including the assessment of the risks of material misstatement of the Cost Statements, whether due to error or otherwise. An audit also included evaluating the appropriateness of the Cost Accounting Policy's used and the reasonableness of the technical estimates made by the Company's Management, as well as evaluating the overall presentation of the Cost Statements.

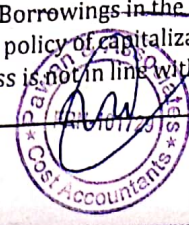
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Cost Statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters referred here below as basis for our qualified opinion due to deviation in method of accounting adopted by the company vis-a-vis as required under IND AS in consonance with which cost accounting records has been maintained by the company*, the statements in the annexure to this report gives a true and fair view of cost of production of the product, cost of sales, margin and other information's relating to the product under reference.

As Ind AS is applicable to the company, cost records has been compiled by the company on the basis of financial statements, as such any deviation in Ind AS will be treated as deviation in cost records also to the same extent. Due to this our basis for qualified opinion are also as below :

1. The accounting treatment of borrowing cost capitalized in respect of General Borrowings in the cost records and in books of accounts is not as per Ind AS 23. The company's cost accounting policy of capitalization of borrowing cost taking into consideration Yearly Average Cost of work in progress is not in line with Ind AS which requires borrowing cost to be calculated on weighted average basis.



2. The accounting treatment of capitalization of self constructed assets is not in line with Ind AS-16 " Property, Plant & Equipment ". The construction divisions of PSTCL are capitalizing their entire administrative and general expenses , depreciation , repair and maintenance & employee cost to capital work in progress.

As per Para 19 of "Ind AS-16" Administrative and other General Overhead cost can not be included in the cost of asset. Also, as per Para - 12 the cost of day to day servicing such as repairs and maintenance can not be included in the carrying amount of property, Plant & Equipment. Depreciation being notional cost should not be included in the cost of asset.

The total amount of administration & general expenses, repairs and maintenance, depreciation capitalizes during F.Y. 2018-19 has resulted in overstatement of assets and reduction of losses as per cost accounts by Rs.5,72,18,977/-

Further as per Para 17 of " Ind AS -16 " the cost of employee benefits arising directly from construction or acquisition of item of Property, Plant & Equipment should be included in the cost of assets. However, construction divisions are capitalizing entire Employee cost (including the cost of employees that are not directly engaged in construction activities).The total amount of employee cost capitalized during FY 2018 -19 is Rs.39,65,43,978/- However the impact of Employee cost capitalized on Assets & Statement of Profit & loss can't be determined as detail of Employee cost directly related to construction activities is not available.

3. PSTCL has accounted for terminal liability on the principle of "Pay as you go" basis amounting to Rs.287,04,44,881/- being 11.36 % of total amount as intimated for FY 2018-19.

4. There are certain observations raised by **Indian Audit and Accounts Department, Office of the Accountant General (Audit) Punjab vide their letter no. ES-PSUs/CA-V-II/337/PSTCL/18-19/19-20/271 dated 06/11/2019**, effect of which has not been incorporated by the company in cost records maintained by the company. The net impact of above comments is that Other Equity-Profit and Loss account (Surplus Account) are understated by Rs.9.15 crores. If the company provides for the liabilities/corrects its inflated assets and income etc., its current year's reported loss of Rs.6.96 crores will increase to Rs.16.78 crores .

for PAWAN & ASSOCIATES
Cost Accountants

(CMA PAWAN KUMAR VERMA)
PROP./FCMA/13570
FRN - 101729

Annexure - B

Based on our examination of the records of the company, our observations and suggestions are as under :

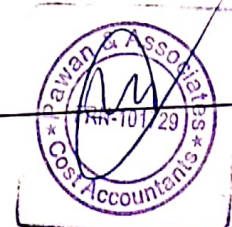
- 1 Conversion Cost has come down by Rs. 1425.32 per LUS from Rs. 9547.67 per LUS in PY to Rs. 8122.35 per LUS in CY.
- 2 Other overheads has come down by Rs. 101.09 per LUS from Rs. 398.70 per LUS in PY to Rs. 297.61 per LUS in CY.
- 3 Administrative overheads has come down by Rs. 947.49 per LUS from Rs. 6804.31 per LUS in PY to Rs. 5856.83 per LUS in CY.
- 4 Interest Cost has come down by Rs. 2380.06 per LUS from Rs. 10546.83 per LUS in PY to Rs. 8166.77 per LUS in CY.
- 5 Average Sales Realization/Receipts has come down by Rs. 2933 per LUS from Rs. 24730 per LUS in PY to Rs. 21796 per LUS in CY.
- 6 Overall loss has come down 76 % by Rs. 1886.88 per LUS from Rs. 2476.44 per LUS in PY to Rs. 589.56 per LUS in CY.
- 7 Value addition has gone up by Rs. 5644.35 Lacs from Rs. 112192.36 Lacs in PY to Rs. 117836.71 Lacs in CY.
- 8 Net revenue from operations of the company has gone up by Rs. 6292.32 Lacs from Rs. 118246.31 Lacs in PY to Rs. 124538.63 Lacs in CY.
- 9 Net Profit before Tax has come down by Rs. 828.01 Lacs from profit of Rs. 139.12 Lacs in PY to loss of Rs. 688.89 Lacs in CY.
- 10 Debt Equity Ratio has decreased marginally by 0.07 times from 1.57 times in PY to 1.49 times in CY.
- 11 Ratio of Current Assets to Current Liabilities has come down by 0.13 times from 0.63 times in PY to 0.50 times in CY.
- 12 Ratio of Value Addition to Net Revenue from Operations has come down by 0.26 % from 94.88 % in PY to 94.62 % in CY.
- 13 Power received for transmission has increased by 19.19 % by 94704.378 LUS from 493544.656 LUS in PY to 588249.034 LUS in CY.
- 14 Power transmission loss as far as volume is concerned is increased by 1483.512 LUS from 15388.65 LUS in PY to 16872.16 LUS in CY. However, transmission loss as a % age to power received for transmission comes down by 0.25 % from 3.12 % in PY to 2.87 % in CY.
- 15 Previous year figures has been regrouped, recasted and reclassified wherever required.

for PAWAN & ASSOCIATES
Cost Accountants.

(CMA PAWAN KUMAR VERMA)
PROP./FCMA/13570
FRN- 101729

PUNJAB STATE TRANSMISSION CORPORATION LIMITEDPSEB Head Office, The Mall,
Patiala -147001 PunjabCost Audit Report
2018-19**Annexure to Cost Audit Report****1) General Information**

1 CIN or Foreign company registration number	U40109PB2010SGC033814
2 Name of company	PUNJAB STATE TRANSMISSION CORPORATION LIMITED
3 Address of Registered office	PSEB Head Office, The Mall, Patiala -147001 Punjab
4 Address of Corporate office	PSEB Head Office, The Mall, Patiala -147001 Punjab
5 Email of the company	csjasvir@yahoo.in
6 Date of Beginning of Reporting Financial Year	01-04-2018
7 Date of End of Reporting Financial Year	31-03-2019
8 Date of Beginning of Previous Financial Year	01-04-2017
9 Date of End of Previous Financial Year	31-03-2018
10 Level of Rounding used in cost statements	Actual
11 Whether Indian Accounting Standards are applicable to the company	Yes
12 Number of cost auditors for reported period	One
13 Date of BOD meeting in which annexure to cost audit report was approved	07-11-2019
14 Whether cost auditors report has been qualified or has any reservations or contains adverse remarks	Yes
15 Consolidated qualifications, reservations or adverse remarks of all cost auditors	As per Annexure -A attached
16 Consolidated observations or suggestions of all cost auditors	As per Annexure -B attached
17 Whether company has related party transactions for sale or purchase of goods and service	Yes



PUNJAB STATE TRANSMISSION CORPORATION LIMITED	
PSEB Head Office, The Mall, Patiala -147001 Punjab	Cost Audit Report 2018-19

2) General Details of Cost Auditors	
Whether cost auditor is lead auditor	No
Category of cost auditor	Proprietorship Firm
Firm's registration number	101729
Name of cost auditor / cost auditor's firm	PAWAN & ASSOCIATES
PAN of cost auditor /cost auditor "s firm	AAHPV4712B
Address of cost auditor or cost auditor's firm	702, Block D-3, Maya Garden City, Chandigarh- Ambala Highway, Zirakpur - 140603 Mohali Punjab
Email id of cost auditor or cost auditor "s firm	vermacma@gmail.com
Membership number of member signing report	13570
Name of member signing report	CMA Pawan Kumar Verma
Name of product (s) with CETA heading	NA
SRN number of Form CRA- 2	G88496401
Number of audit committee meeting during the year for which cost auditor was invited	Nil
Number of audit committee meeting attended by cost auditor during the year	Nil
Date of Signing cost audit Report and annexure by cost auditor	29-11-2019
Place of signing cost audit report and annexure by cost auditor	Zirakpur



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Head Office, The Mall,
Ludhiana -147001 Punjab

3) COST ACCOUNTING POLICIES

- 1 The Cost Statements are prepared under historical cost convention, on accrual basis, in accordance with Generally Accepted Cost Accounting Principles (GACAP) and comply with Companies (Cost Record & Audit) Rules, 2014, and Cost Accounting Standards issued by the Institute of Cost Accountants of India.

In order to comply with the (Cost Record and Audit) Rules, 2014 followings are the Cost Centres identified by the Company :

a. IDENTIFICATION OF COST CENTRES/COST OBJECTS & COST DRIVERS:

Cost Centres have been identified according to major functions/activities in accordance with Cost Accounting Standard-1 issued by the Institute of Cost Accountants of India.

b. ACCOUNTING FOR MATERIAL COST INCLUDING PACKING MATERIALS, STORES & SPARES ETC., EMPLOYEE COSTS, UTILITIES & OTHER RELEVANT COST COMPONENTS.

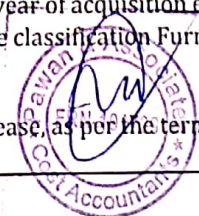
- (i) The Company is engaged in the transmission of electricity, thus no Direct materials are required. There is consumption of O & M materials which are considered at cost based on weighted average basis.
- (ii) Employee Cost is ascertained taking into account the gross pay including all allowances payable along with the cost to the employer of all the benefits.
- (iii) Remuneration upto Xen level in P&M is considered as part of Direct Employee Cost.
- (iv) Direct Employee cost is allocated to divisions on actual basis.
- (v) Terminal benefits and staff welfare cost is charged to administrative overheads as the same are being paid to the retired employees on pay 'as you go' basis. This also includes contribution towards NPS and provisions for gratuity and leave encashment in respect of employees recruited by company.

c. ACCOUNTING, ALLOCATION AND ABSORPTION OF OVERHEADS

- (i) Overheads comprise indirect materials, indirect employee costs and indirect expenses which are not directly identifiable or allocable to production/service. The identifiable overheads are allocated to respective functions on actual basis and those which cannot be identified are apportioned to the cost centres on the most appropriate basis.
- (ii) Administrative Overheads are Cost of all activities relating to general management and administration of the company, excluding finance cost but including terminal benefits.

d. ACCOUNTING FOR DEPRECIATION/AMORTIZATION

- (i) In line with Part B of Schedule II to Companies Act 2013, with effect from April 01, 2014, depreciation is provided as per PSERC (Terms & Conditions for determination of Tariff) Regulations, 2005 (as amended in 2012) (PSERC Regulations). In accordance with PSERC Regulations depreciation has been provided on the straight line method at rates specified in Appendix II of Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2014.
- (ii) The tangible Property, Plant and Equipment are depreciated up to 90% of the original cost after taking 10% as residual value of Property, Plant and Equipment.
- (iii) Temporary erections are depreciated fully (100%) in the year of acquisitions/ capitalization by taking the written down value as INR 1/- for control purpose.
- (iv) Intangible assets viz computer software are amortized on straight line method at rates specified in Appendix II of Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2014.
- (v) Depreciation on additions to/ deductions from Property, Plant and Equipment during the year is charged on pro-rata basis from the month of such addition or as the case may be up to the month in which such Property, Plant and Equipment is sold, discarded, demolished or destroyed.
- (vi) Property, Plant and Equipment costing up to Rs. 5,000/- each are fully depreciated in the year of acquisition except where specific classification has been prescribed for the purpose of depreciation under the classification Furniture & Fixtures and Office Equipment.
- (vii) Leasehold assets are amortized over the period of lease, including the optional period of lease, as per the terms of the lease agreements.



e. ACCOUNTING FOR BY-PRODUCTS / JOINT-PRODUCTS, SCRAP, WASTAGE ETC.

The Company is engaged in transmission of electricity. There are no by products/joint products.

f. BASIS OF INVENTORY VALUATION

- (i) Inventories are valued at lower of cost determined on weighted average basis or net realizable value.
- (ii) The cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- (iii) The costs of purchase consist of the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the acquisition.
- (iv) The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

g. METHODOLOGY OF VALUATION OF INTER-UNIT / INTER-COMPANY AND RELATED PARTY

The Company has entered into related party transactions in respect of services from Directors and KMP's during the year under audit. (These transactions are in nature of remuneration paid to them).

Further, company has also entered into related party transactions in respect of services rendered to Punjab State Power Corporation Limited during the year under audit. These are in nature of revenue received.

The same are considered at arm's length price.

h. TREATMENT OF ABNORMAL AND NON-RECURRING COSTS INCLUDING CLASSIFICATION OF NON-COST ITEMS

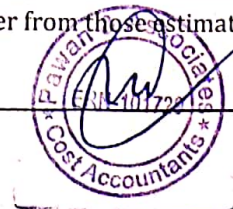
Non-cost items are excluded from the cost of sales and are treated as a separate item of reconciliation of profit as per cost accounts and Profit as per financial accounts.

i OTHER

- 1 Cost Accounting policies not referred above are consistent and in consonance with Generally Accepted Cost Accounting Principles.
- 2 In our opinion and according to the information and explanations given to us, the budgetary control systems followed by the Company are adequate.

3 COST ACCOUNTING RECORD RULES :-

Records required under the cost accounting record rules has been maintained only at the end of the financial year on the basis of audited financial accounts. The preparation of the Cost Statements in conformity with the generally accepted cost accounting principles requires management to make estimates and assumptions that affect the reported amounts and results of operation during the reporting years. Although these estimates are based upon management's best knowledge of current affairs, actual results could differ from those estimates and revisions, if any, are recognized in the current and future years.



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

PSEB Head Office, The Mall,
Patiala -147001 Punjab

4) PRODUCT / SERVICE DETAILS (FOR THE COMPANY AS WHOLE)

Name of Product (s) / Service (s)	UOM	CETA Heading	Whether Covered under cost audit	Net Operational Revenue	
				Current Year	Previous Year
Transmission of Electricity	LUS	NA	Yes	₹ 12,45,38,63,137	₹ 11,82,46,31,275
Total net operational revenue of Manufactured product or services				₹ 12,45,38,63,137	₹ 11,82,46,31,275
Other operating Incomes of company				₹ 35,83,25,459	₹ 1,32,42,63,278
Total operating incomes of company				₹ 12,81,21,88,596	₹ 13,14,88,94,553
(i) Exceptional and Extra Ordinary Income				₹ 0	₹ 0
(ii) Other comprehensive income, if any				₹ -6,71,130	₹ -96,89,760
Total Revenue including Exceptional, Extra Ordinary and Other Comprehensive Income, if any				₹ 12,81,15,17,466	₹ 13,13,92,04,793
Turnover as per Excise/ Service Tax/ GST Records (Refer Note No.1)				₹ 12,45,38,63,137	₹ 2,62,36,71,833

1) In previous year total revenue as per financial accounts is for accounting year whereas turnover as per excise / GST is for the period ending as on 30th June, 2017.



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PUNJAB STATE TRANSMISSION CORPORATION LIMITED

PSEB Head Office, The Mall,
Patiala -147001 Punjab

5) QUANTITATIVE INFORMATION

Name of Product CETA Heading Particulars	Transmission of Electricity		
	UOM	Current Year	Previous Year
1. Available Capacity			
(a) Installed Capacity		NA	NA
(b) Capacity Enhanced During the Year			
(c) Total Available Capacity			
2. Actual Service Provided			
(a) Own Services	LUS	588249.034	493544.656
(b) Services Under contractual arrangements			
(c) Outsourced Services			
(d) Total Services	LUS	588249.034	493544.656
3. Total Services Provided as per Service Tax/GST Records (Refer note 1)	LUS	588249.034	127423.030
4. Capacity Utilization (In - House)			
5. Other Adjustements			
a. Self or Capative consumption			
b. Other Quantitative Adjustemnets, if any	LUS	-16872.160	-15388.648
c. Total Other Adjustements	LUS	-16872.160	-15388.648
6. Total available services for sale (2 d + 5 c)	LUS	571376.875	478156.008
7. Actual Sales			
(a) Services Rendered - Domestic	LUS	571376.875	478156.008
(b) Services Rendered - Export			
(c) Total Services Rendered	LUS	571376.875	478156.008

1) In previous year, total production as per Para 2 (d) is for the accounting year where as production as per excise / service tax as per Para 3 is for the period ending as on 30th June, 2017.



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

PSEB Head Office, The Mall,
Patiala -147001 Punjab

6) ABRIDGED COST STATEMENT

Name of Product CETA Heading Unit of Measurement		Transmission of Electricity			
		NA			
		LUS			
	Service Provided	Finished Stock Adjustments	Captive Consumption	Other Adjustments	Service Rendered
Current Year	588249.034	0.000	0.000	-16872.160	571376.875
Previous Year	493544.656	0.000	0.000	-15388.648	478156.008
S.no	Particulars	Current Year		Previous Year	
		Amount	Rate Per Unit	Amount	Rate Per Unit
1	Materials Consumed	₹ 0	₹ 0	₹ 0	₹ 0
2	Utilities	₹ 0	₹ 0	₹ 0	₹ 0
3	Direct Employee Cost	₹ 1,55,40,49,192	₹ 2,642	₹ 1,62,17,38,476	₹ 3,286
4	Direct Expenses	₹ 7,52,57,854	₹ 128	₹ 10,52,05,676	₹ 213
5	Consumable stores and spares	₹ 0	₹ 0	₹ 0	₹ 0
6	Repairs and maintenance	₹ 28,00,96,191	₹ 476	₹ 17,97,36,188	₹ 364
7	Quality Control Expenses	₹ 0	₹ 0	₹ 0	₹ 0
8	Research and Development Expenses	₹ 0	₹ 0	₹ 0	₹ 0
9	Technical Know - how Fee/ Royalty	₹ 0	₹ 0	₹ 0	₹ 0
10	Depreciation /Amortization	₹ 2,69,34,92,331	₹ 4,579	₹ 2,60,87,43,375	₹ 5,286
11	Other Overheads	₹ 17,50,69,545	₹ 298	₹ 19,67,76,341	₹ 399
12	Industry Specific operating Expenses	₹ 0	₹ 0	₹ 0	₹ 0
13	Total	₹ 4,77,79,65,113	₹ 8,122	₹ 4,71,22,00,056	₹ 9,548
14	Less :- Credits for Recoveries	₹ 0	₹ 0	₹ 0	₹ 0
15	Cost of Service Provided	₹ 4,77,79,65,113	₹ 8,122	₹ 4,71,22,00,056	₹ 9,548
16	Cost of Outsourced / Contractual Services	₹ 0	₹ 0	₹ 0	₹ 0
17	Total Services Available	₹ 4,77,79,65,113	₹ 8,122	₹ 4,71,22,00,056	₹ 9,548
18	Less :- Captive Consumption	₹ 0	₹ 0	₹ 0	₹ 0
19	Other Adjustments	₹ 0	₹ 240	₹ 0	₹ 307
20	Cost of Services Sold	₹ 4,77,79,65,113	₹ 8,362	₹ 4,71,22,00,056	₹ 9,855
21	Administrative Overheads	₹ 3,34,64,55,536	₹ 5,857	₹ 3,25,35,22,796	₹ 6,804
22	Selling And Distribution Overhead	₹ 0	₹ 0	₹ 0	₹ 0
23	Cost of Sales Before Interest	₹ 8,12,44,20,649	₹ 14,219	₹ 7,96,57,22,852	₹ 16,659
24	Finance Charges	₹ 4,66,63,03,744	₹ 8,167	₹ 5,04,30,31,803	₹ 10,547
25	Cost of Sales	₹ 12,79,07,24,393	₹ 22,386	₹ 13,00,87,54,655	₹ 27,206
26	Net Sales Realization (Net of Taxes)	₹ 12,45,38,63,137	₹ 21,796	₹ 11,82,46,31,275	₹ 24,730
27	Margin	₹ -33,68,61,256	₹ -590	₹ -1,18,41,23,380	₹ -2,476



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

PSEB Head Office, The Mall,
Patiala -147001 Punjab

7) Details of Material Consumed

Name of Product		Transmission of Electricity						
CETA Heading		NA						
Description of Material	Category	UOM	Current Year			Previous Year		
			Quantity	Rate Per Unit	Amount	Quantity	Rate Per Unit	Amount
Not Applicable								
Category : - Indigenous Imported Self Manufactured								

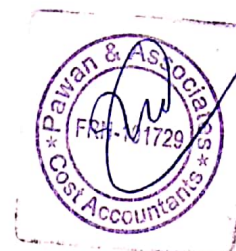


PUNJAB STATE TRANSMISSION CORPORATION LIMITED

PSEB Head Office, The Mall,
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8) Details of Utilities Consumed

Name of Product	Transmission of Electricity					
	NA					
CETA Heading	Current Year			Previous Year		
	Quantity	Rate Per Unit	Amount	Quantity	Rate Per Unit	Amount
Not Applicable						



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

PSEB Head Office, The Mall,
Patiala -147001 Punjab

9) Details of Industry Specific Operating Expenses

Name of Product

Transmission of Electricity

CETA Heading

NA

Description of Industry Specific Expenses

Current Year Amount

Previous Year Amount

Not Applicable



PUNJAB STATE TRANSMISSION CORPORATION LIMITEDPSEB Head Office, The Mall,
Patiala -147001 Punjab**10) PRODUCT AND SERVICE PROFITABILITY STATEMENT**

Particulars	Current Year			Previous Year		
	Sales	Cost of Sales	Margin	Sales	Cost of Sales	Margin
Transmission of Electricity	₹ 12,45,38,63,137	₹ 12,79,07,24,393	₹ -33,68,61,256	₹ 11,82,46,31,275	₹ 13,00,87,54,655	₹ -1,18,41,23,380
Total	₹ 12,45,38,63,137	₹ 12,79,07,24,393	₹ -33,68,61,256	₹ 11,82,46,31,275	₹ 13,00,87,54,655	₹ -1,18,41,23,380



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

PSEB Head Office, The Mall,
Patiala -147001 Punjab

11) PROFIT RECONCILIATION (FOR COMPANY AS WHOLE)

Sr. no.	Particulars	Current Year	Previous Year
1	Profit or loss as per Cost Accounts		
	(a) For Audited Products	₹ -33,68,61,256	₹ -1,18,41,23,380
	(b) For Un- Audited Products	₹ 0	₹ 0
2	<u>Add: - Incomes not considered in cost accounts</u>		
	Income from sale of scrap	₹ 4,19,69,248	₹ 1,00,94,245
	Income from sale of fixed assets	₹ 0	₹ 99,35,983
	Income from staff welfare activities	₹ 0	₹ 78,936
	Miscellaneous income	₹ 19,81,71,104	₹ 1,18,58,44,248
	Provision withdrawn on obsolete items and losses under investigation	₹ 47,70,792	₹ 6,58,28,436
	Actuarial Gain/Loss on Gratuity	₹ 6,71,130	₹ 96,89,760
	Reversal of excess provision of impairment loss	₹ 5,66,35,906	₹ 0
	Interest received on refund of Income tax	₹ 2,07,88,723	₹ 1,91,64,327
3	<u>Less :- Expenses not considered in cost accounts</u>		
	Impairment Loss-Damaged or unrepairable Plant & Machinery	₹ 91,24,260	₹ 3,58,46,100
	Value of Obsolete Store	₹ 7,40,174	₹ 0
	Losses under investigation	₹ 80,47,654	₹ 6,65,61,453
	Loss on sale of fixed asset	₹ 3,66,35,679	₹ 0
	Other debits and write off	₹ 4,86,655	₹ 1,82,148
	Donations	₹ 0	₹ 11,000
4	Difference in Valuation of Stock Between Financial Accounts and Cost Accounts	₹ 0	₹ 0
5	Other Adjustments	₹ 0	₹ 0
6	Profit or loss as per Financial Accounts (excluding Other Comprehensive Income for companies following Ind AS)	₹ -6,88,88,775	₹ 1,39,11,854

* Company has considered actuarial gain/loss on gratuity as part of cost due to which loss as per Cost Accounts has been overstated by Rs. 6,71,130/- in Current Year (Rs. 96,89,760/- in Previous year)

** Profit as per Financial Accounts for FY 2017-18 is changed from Rs.5,00,02,205/- to Rs.1,39,11,854/- due to Prior Period adjustment made in books of 2018-19 relating to the period 2017-18 is now shown in 2017-18 as per Ind AS 8. i.e. by increasing the provision for losses under investigation from Rs.3,60,90,351/- in previous year to Rs.6,65,61,453/- in current year.

*** Out of Rs.37,34,957/- Rental Income for staff quarters an amount of Rs.2,58,386/- is adjusted from the Rental expenses and remaining Rs.34,76,571/- makes part of reconciliation for FY 2018-19.

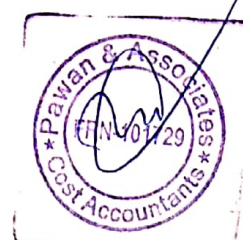


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12) VALUE ADDITION AND DISTRIBUTION OF EARNING

Particulars	Current Year	Previous Year
Value Addition:		
Revenue from Operations	₹ 12,45,38,63,137	₹ 11,82,46,31,275
Less : Taxes and other duties	₹ 0	₹ 0
Net revenue from operations	₹ 12,45,38,63,137	₹ 11,82,46,31,275
Add: Export Incentives	₹ 0	₹ 0
Add/Less: Adjustment in Stocks	₹ 0	₹ 0
Less: Cost of bought out inputs		
Cost of materials consumed	₹ 0	₹ 0
Cost of process material and chemicals	₹ 0	₹ 0
Cost of stores and spares consumed	₹ 0	₹ 0
Cost of utilities	₹ 0	₹ 0
Cost of other bought out inputs	₹ 67,01,92,236	₹ 60,53,95,683
Total Cost of bought out inputs	₹ 67,01,92,236	₹ 60,53,95,683
Value Added	₹ 11,78,36,70,901	₹ 11,21,92,35,592
Add: Income from any other sources	₹ 35,83,25,459	₹ 1,32,42,63,278
Add:-Exceptional, Extra Ordinary Income	₹ 0	₹ 0
:-Other Comprehensive Incomes, if any	₹ -6,71,130	₹ -96,89,760
Earnings Available for Distribution	₹ 12,14,13,25,230	₹ 12,53,38,09,110
Distribution of Earnings to:		
Employees as salaries & wages, retirement benefits, etc.	₹ 4,72,60,85,226	₹ 4,72,17,15,462
Shareholders as dividend	₹ 0	₹ 0
Company as retained funds	₹ 2,69,23,30,150	₹ 2,66,64,61,144
Government as taxes (specify)	₹ 0	₹ 0
Exceptional, Extra Ordinary and Other Comprehensive Expenses	₹ 0	₹ 0
Other distribution of earnings	₹ 4,72,29,09,854	₹ 5,14,56,32,504
Total distribution of earnings	₹ 12,14,13,25,230	₹ 12,53,38,09,110



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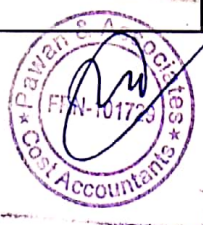
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13) FINANCIAL POSITION AND RATIO ANALYSIS

A	Financial Position	Unit	Current Year	Previous Year
1	Share Capital	Rs.	₹ 6,05,88,34,650	₹ 6,05,88,34,650
2	Reserves and Capital	Rs.	₹ 22,48,36,13,205	₹ 22,58,92,63,461
3	Long Term Borrowings	Rs.	₹ 42,65,95,19,111	₹ 44,89,20,81,094
4	(a) Gross Assets	Rs.	₹ 1,02,77,50,72,507	₹ 1,00,59,57,26,484
4	(b) Net Assets	Rs.	₹ 75,66,01,91,165	₹ 76,18,08,28,936
5	(a) Current Assets	Rs.	₹ 3,49,56,90,827	₹ 4,05,61,46,705
5	(b) Less :- Current Liabilities	Rs.	₹ 6,93,23,58,221	₹ 6,42,82,92,373
5	(c) Net Current Assets	Rs.	₹ -3,43,66,67,394	₹ -2,37,21,45,668
6	Capital Employed	Rs.	₹ 73,01,61,03,520	₹ 73,50,31,10,059
7	Net Worth	Rs.	₹ 28,54,24,47,855	₹ 28,64,80,98,111
B Financial Performance				
1	Value Added	Rs.	₹ 11,78,36,70,901	₹ 11,21,92,35,592
2	Net Revenue From Company	Rs.	₹ 12,45,38,63,137	₹ 11,82,46,31,275
3	Profit Before Tax	Rs.	₹ -6,88,88,775	₹ 1,39,11,854
C Profitability Ratios				
1	PBT To Capital Employed	% age	-0.09	0.02
2	PBT To Net Worth	% age	-0.24	0.05
3	PBT To Value Added	% age	-0.58	0.12
4	PBT To Net Revenue From Operations	% age	-0.55	0.12
D Other Financial Ratios				
1	Debt Equity Ratio	Times	1.49	1.57
2	Current Asset To Current Liabilities	Times	0.50	0.63
3	Value Added to Net Revenue from Operations	%age	94.62	94.88

Working Note - Capital Employed

	Current Year	Previous Year
Opening Net Fixed Assets	₹ 76,18,08,28,936	₹ 75,52,08,57,572
Closing Net Fixed Assets	₹ 75,66,01,91,165	₹ 76,18,08,28,936
Average Net Fixed Assets	₹ 75,92,05,10,051	₹ 75,85,08,43,254
Opening Non Current Investment		
Closing Non Current Investment		
Average Non Current Investment	₹ 0	₹ 0
Opening Net Current Assets	₹ -2,37,21,45,668	₹ -2,32,33,20,722
Closing Net Current Assets	₹ -3,43,66,67,394	₹ -2,37,21,45,668
Average Net Current Assets	₹ -2,90,44,06,531	₹ -2,34,77,33,195
Capital Employed	₹ 73,01,61,03,520	₹ 73,50,31,10,059



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14) RELATED PARTY TRANSACTIONS

S. No.	Name of Related Party	Name of Product / Service	CIN of Related Party	PAN	Nature of Transaction	Quantity	Transfer Price	Amount	Normal Price	Basis Adopted to determine the Normal Price
1	Sh. Jatinder Goyal	Director Remuneration		AAOPG2613F	Services Received			₹ 2,09,957		Arms Length
2	Smt. Shashi Prabha	Director Remuneration		AEFPP3675P	Services Received			₹ 6,17,355		Arms Length
3	Sh. Aiay Kumar Kapur	Director Remuneration		ADAPK2337F	Services Received			₹ 15,07,575		Arms Length
4	Sh. Harkamal Singh Khurmi	Director Remuneration		ADTPK6058J	Services Received			₹ 1,21,680		Arms Length
5	Sh. Gurbachan Singh Chhabra	Director Remuneration		AAAMPC4301N	Services Received			₹ 70,800		Arms Length
6	Sh. Vinod Kumar Bansal	CFO		ADLPB7945D	Services Received			₹ 25,15,556		Arms Length
7	Sh. Jasvir Singh	CS		ADCPS3163M	Services Received			₹ 18,44,239		Arms Length
8	Punjab State Power Corporation Limited	Revenue	U40109PB2010SGC033813		Services Rendered			₹ 12,44,84,00,000		Arms Length



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15) Reconciliation of Indirect Taxes (for the company as a whole)

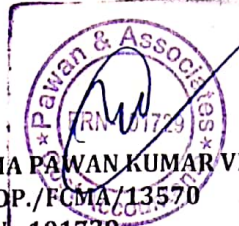
Particulars	Taxable Value / Assessable Value	Excise Duty/ VAT, CST, Cess	Goods & Services Tax			
			CGST	SGST / UTGST	IGST	Cess
Sl. N	Duties/Taxes Payable					
	Excise Duty					
1	Domestic					
2	Export					
3	Stock Transfers					
4	Others, if any					
5	Total Excise Duty (1 to 4)	-				
6	VAT, CST, Cess etc.					
7	Other State Taxes, if any					
	Goods & Services Tax					
8	Outward Taxable Supplies (other than zero rated, Nil Rated and	₹ 77,91,90,905	₹ 6,23,08,035	₹ 6,23,08,035	₹ 1,56,34,310	₹ 0
9	Outward Taxable Supplies (zero rated)	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
10	Inward Supplies (liable to Reverse Charge)	₹ 1,57,57,564	₹ 8,43,785	₹ 8,43,785	₹ 1,07,199	₹ 0
11	Other Outward Supplies (Nil Rated, Exempted)	₹ 12,45,38,63,137	₹ 0	₹ 0	₹ 0	₹ 0
12	NON-GST Outward Supplies	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
13	Total (8 to 12)	₹ 13,24,88,11,606	₹ 6,31,51,820	₹ 6,31,51,820	₹ 1,57,41,509	₹ 0
14	Total Duties / Taxes Payable (5 + 6 + 7 + 13)	₹ 13,24,88,11,606	₹ 6,31,51,820	₹ 6,31,51,820	₹ 1,57,41,509	₹ 0
	Duties/Taxes Paid [by Utilisation of Input Tax Credit and Input Tax Credit Utilised					
15	CGST / CENVAT		₹ 0	₹ 0	₹ 0	₹ 0
16	SGST / UTGST / VAT		₹ 0	₹ 0	₹ 0	₹ 0
17	IGST		₹ 0	₹ 0	₹ 0	₹ 0
18	CESS		₹ 0	₹ 0	₹ 0	₹ 0
19	Transitional Credit		₹ 0	₹ 0	₹ 0	₹ 0
	Others, if any, specify		₹ 0	₹ 0	₹ 0	₹ 0
20	Total Input Tax Credit Utilised (15 to 20)		₹ 0	₹ 0	₹ 0	₹ 0
21	Payment through Cash Ledger		₹ 6,31,51,820	₹ 6,31,51,820	₹ 1,57,41,509	-
22	Total Duties/Taxes Paid (21 + 22)		-	-	-	-
	Difference between Taxes Paid and Payable (14 - 23)		-	-	-	-
23	Interest/Penalty/Fines Paid					

Note:- GST on Outward Taxable Supplies of Rs. 2,50,11,646/- that relates to FY 2017-18 paid in FY 2018-19 (CGST 6,22,755/- SGST 6,22,755/- IGST 32,56,583/-)

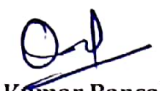
Total GST Paid in FY 2018-19 as per Trial Balance (CGST 6,29,30,790/- SGST 6,29,30,790/- IGST 1,88,90,893/-)

for PAWAN & ASSOCIATES
Cost Accountants

For Punjab State Transmission Corporation Limited


(CMA PAWAN KUMAR VERMA)
PROP./FCMA/13570
FRN- 101729


Jatinder Tajeja
CAO (F & A)


Vinod Kumar Bansal
Director/F&C


Jasvir Singh
Company Secretary