

**ADDITIONAL SUBMISSION FOR
TRUE UP FOR FY 2016-17**

Submitted by



Dr. J. S. Chahal

**BEFORE THE PUNJAB STATE ELECTRICITY REGULATORY
COMMISSION, CHANDIGARH**

Case No. 65 of 2017

IN THE MATTER OF: Filing of an additional submission in Petition No. 65 of 2017 for the approval of True-up of ARR for FY 2016-17 under Section 62, 64 and 86 of the Electricity Act, 2003 read with the Regulation 13 of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005, as amended from time to time.

AND

IN THE MATTER OF Punjab State Transmission Corporation Limited (hereinafter referred as "PSTCL" or "the Petitioner")

The Petitioner has filed a Petition No. 65 of 2017 for Annual Performance Review for FY 2017-18 and Revised estimates for FY 2018-19 on November 30, 2017.

The PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005 (hereinafter referred as "PSERC Tariff Regulations, 2005") specifies as under:

"9. REVIEW AND TRUING UP ... After audited accounts of a year are made available, the Commission shall undertake similar exercise as above with reference to the final actual figures as per the audited accounts. This exercise with reference to audited accounts shall be called Truing Up." (Emphasis supplied)

PSERC Tariff Regulations, 2005 requires PSTCL to file True-up for FY 2016-17 on the basis of audited accounts. At the time of filing of the present Petition, audited accounts for FY 2016-17 were in final stage and the Petitioner was not able to submit the True-up for FY 2016-17.



Hence, in light of the foregoing, the Petitioner craved leave for filing of True-up Petition for FY 2016-17 during the proceedings of the present Petition as an additional submission.

Now, the audited accounts for FY 2016-17 are finalised. The Petitioner hereby submits the True-up for FY 2016-17 based on audited annual accounts.

1 TRUE UP ARR FOR FY 2016-17

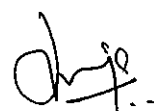
1.1 Background

The Hon'ble Commission in its Tariff Order dated July 27, 2016 for FY 2016-17 approved the Aggregate Revenue Requirement (ARR) of Rs. 1151.01 Crore, after adjustment of carrying cost, for PSTCL. Out of this, the Net ARR of Rs. 25.92 Crore was approved for SLDC for FY 2016-17.

Further, Hon'ble Commission vide Order dated November 21, 2016 in the matter of Interim Application in Review Petition No. 4 of 2016 in Petition No. 78 of 2015 (Tariff Order for FY 2016-17), decided that PSTCL shall recover total amount of Rs. 1047.02 Crore during FY 2016-17, which is the difference between Rs. 1151.01 Crore and Rs. 103.99 Crore (on account of past revenue gaps from FY 2010-11 to FY 2015-16).

Further, Hon'ble Commission vide Order dated October 23, 2017 has approved the revised Net ARR of Rs. 1117.89 Crore for Transmission Business and Rs. 22.78 Crore for SLDC and approved surplus of Rs. 10.34 Crore. Further, after considering the all carrying cost on the past gaps Annual Revenue Requirement for FY 2016-17 worked out to Rs. 1175.72 crore and the same is carried forward in review of PSPCL for FY 2016-17 as Transmission Charges payable.

P SERC Tariff Regulations, 2005 requires PSTCL to file True-up for FY 2016-17 on the basis of audited accounts. The Petitioner submits the True up for FY 2016-17 on the



basis of audited accounts as required under the provisions of PSERC Tariff Regulations, 2005 and subsequent amendments. In the present Petition, the Petitioner has submitted the actual numbers based on audited accounts. The Petitioner also submits its rationale for the key heads of expenditure, which critically impact its overall financial health. This Chapter further describes the various components of ARR as well as the performance of PSTCL in FY 2016-17 for transmission and SLDC business.

The Petitioner further submits that it has filed the appeal against the PSERC Order for review of FY 2016-17 before Hon'ble APTEL. The Petitioner is submitting the True-up for FY 2016-17 without prejudice to contentions made in the Appeals before higher courts.

1.2 Description of the Transmission System

The details of the transmission system of PSTCL as on April 1, 2016 to March 31, 2017 are tabulated below:

Table 1: Transmission System of PSTCL during FY 2016-17

Sr. No.	Particulars	Opening (As on 1 st April 2016)	Addition during the year	Closing (As on 31 st March 2017)
Transmission Lines (Circuit-kms)				
1	400 kV	1599.75	0.00	1599.75
2	220 kV	6384.31	356.29	6740.60
3	132 kV	3120.22	4.96	3125.18
	Total	11104.28	361.25	11465.53
Substations (Nos.)				
1	400 kV	4	1	5
2	220 kV	89	5	94
3	132 kV	73	-4	69
	Total	166	2	168
Transmission Substation Bays (Nos.)				
1	400 kV	12	4	16
2	220 kV	252	13	265

Sr. No.	Particulars	Opening (As on 1 st April 2016)	Addition during the year	Closing (As on 31 st March 2017)
3	132 kV	242	2	244
4	66 kV	701	13	714
	Total	1207	32	1239
Substation Capacity (MVA)				
1	Substation Capacity	30,599	2967	33566

1.3 Transmission System Availability

The Petitioner submits that the overall Transmission System Availability for FY 2016-17, as certified by Chief Engineer SLDC, was 99.86%. The following table provides the transmission system availability for each month of FY 2016-17:

Table 2: Transmission System Availability for FY 2016-17

Sr. No.	Month	Transmission System Availability (%)
1	Apr-16	99.97%
2	May-16	99.92%
3	Jun-16	99.91%
4	Jul-16	99.94%
5	Aug-16	99.91%
6	Sep-16	99.94%
7	Oct-16	99.98%
8	Nov-16	99.98%
9	Dec-16	99.18%
10	Jan-17	99.72%
11	Feb-17	99.96%
12	Mar-17	99.95%
13	Grand Total	99.86%

The incentive on account of achievement of Transmission System Availability is discussed subsequently in this Chapter.

1.4 Transmission Losses

The Hon'ble Commission fixed the transmission loss level at 2.50% for FY 2016-17 at the same level as approved for FY 2015-16. The Hon'ble Commission held that it would revisit the issue of transmission loss for FY 2016-17 after the boundary meters are provided and energy audit is conducted.

The transmission loss figures were available from July 16 onwards till March 2017. Since, these transmission losses are for the period of nine (9) months only. Hence, to normalise the computation of the losses, the transmission losses for the period from April 2017 to June 2017 has been taken into account. Accordingly, the transmission losses for the period from July 2016 to June 2017 works out as 3.88%. **In view of this, the Petitioner prays to the Hon'ble Commission to approve the transmission losses of 3.88% for FY 2016-17.**

1.5 Employee Costs

In the ARR Petition for FY 2016-17, PSTCL claimed Employee Costs of Rs. 399.47 Crore for Transmission business and Rs. 6.73 Crore for SLDC for FY 2016-17. As against this, the Hon'ble Commission had approved employee costs of Rs. 361.48 crore for Transmission and Rs. 7.26 crore for SLDC in the Tariff Order for FY 2016-17.

In the Review of ARR for FY 2016-17, the Petitioner submitted revised estimates for employee cost as Rs. 461.66 Crore for Transmission business and Rs. 7.25 Crore for SLDC business. As against this, the Hon'ble Commission has approved the employee costs of Rs. 370.31 Crore for Transmission and Rs. 7.24 Crore for SLDC for FY 2016-17.

Actual Employee Costs

The Petitioner submits the actual Employee Costs to the Hon'ble Commission for consideration. The details of Employee Costs as per Audited Accounts for FY 2016-17 are shown in the following table:

Table 3: Employee Costs for FY 2016-17 as per Audited Accounts (Rs. Crore)

Sr No	Particulars	Transmission	SLDC	PSTCL
1	Salaries	77.52	2.82	80.34
2	Interim relief/ Wage Revision	0.15	-	0.15
3	Overtime	4.22	-	4.22
4	Dearness Allowance	92.21	3.06	95.27
5	Other Allowances	15.99	0.52	16.52
6	Bonus	0.15	-	0.15
	Total (A)	190.24	6.40	196.64
7	Staff Welfare Expenses			
I	Electricity Concession to Employees	1.69	-	1.69
II	Staff Welfare Expenses	0.17	0.00	0.17
	Total (B)	1.86	0.00	1.86
8	Medical Reimbursement	1.67	0.01	1.68
9	LTC Expenses	0.12	0.01	0.13
10	Payment under Workmen Compensation Act	-	-	-
	Total (C)	1.79	0.02	1.81
11	Manpower Outsourcing cost (D)	22.16	-	22.16
12	Less:			
	Employee costs capitalized	43.43	-	43.43
	Total (E)	43.43	-	43.43
13	Net Total (F=A+B+C+D-E)	172.62	6.42	179.04
14	Terminal benefits (G)	262.80	0.12	262.92
15	Grand Total (F+G)	435.42	6.54	441.96

The Petitioner has considered the Terminal benefits for the employees of erstwhile PSEB covered under Pension as Rs. 254.31 Crore being 11.36% of the total amount as intimated by PSPCL. It is submitted that the employees recruited by PSTCL are covered under New Pension Scheme (NPS) and are entitled to gratuity under the provisions of the Payment of Gratuity Act, 1972 and the leave salary under the Leave Rules of the Corporation. For discharging the said terminal liabilities, PSTCL has gone for actuarial valuation as on March 31, 2017 towards gratuity and leave

salary. For the purpose of the present Petition, the Petitioner has considered the Terminal Liability as per the actuarial valuation. The above liability has been created for meeting the current terminal liabilities of gratuity and leave encashment in respect of employees recruited by PSTCL in compliance of Ind AS 19 issued by the ICAI and is not covered under regulation 33 of the PSERC Tariff Regulations mentioned above. The amount related to NPS is actually paid.

For the purpose of True-up, the PSTCL has considered the Terminal benefits for employees of erstwhile PSEB. The terminal liabilities towards NPS is considered based on actual payout made. The terminal benefits considered by PSTCL is as shown in the following Table:

Table 4: Terminal Benefits for FY 201-17 (Rs. Crore)

Sr. No.	Particulars	PSTCL
1	Terminal Benefits for the Employees of erstwhile PSEB	254.31
2	Terminal Benefits towards NPS for new employees recruited by PSTCL	2.56
3	Terminal Benefits towards Gratuity and Leave encashment for new employees recruited by PSTCL	4.57
4	Miscellaneous -PF Inspection fees, solatium, contribution to CPF, PF, LWF, etc.	1.48
5	Grand Total	262.92

Hon'ble Commission is not allowing Progressive funding to PSTCL on the ground that Tariff Regulations, 2005 provides for payment of terminal liabilities on the principle of *Pay as you go* basis. The Petitioner has not considered any progressive funding of terminal benefits in view of pending appeal before Hon'ble Supreme Court.

The details of head-wise actual Employee cost for Transmission and SLDC have been provided in Format F1 and F1s respectively.



Computation of Normative Employee Cost

Fifth Amendment of PSERC Tariff Regulations, 2005 dated October 15, 2015, specifies as under:

“Sub-clause (a) of clause (3) shall be substituted as under:

(a) The employee cost as claimed by the distribution licensee (s) shall be considered in two parts:

- (i) Terminal benefits such as Death-cum-Retirement Gratuity, Pension, Commuted Pension, Leave Encashment, LTC, Medical reimbursement including fixed medical allowance in respect of pensioners and share of BBMB employee expenses and*
- (ii) all other expenses accounted for under different subheads of employee cost taken together.*

The cost component of terminal benefits and BBMB expenses shall be allowed on actual basis. All other expenses under different subheads of employee cost shall be determined by the Commission limited to actual expenses after prudence check as per formula given below:-

Employee cost other than terminal benefits

$$(EMP_n) = (EMP \text{ base}) * (INDEX_n / INDEX_{base})$$

Where,

EMP_n – Employee Cost approved by the Commission for nth year.

EMP base– Employee Cost approved by the Commission for base year.

INDEX_n - Inflation Factor to be used for indexing the Employee Cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) of nth year and shall be calculated as under:-

$$INDEX_n = (0.50 * CPI_n + 0.50 * WPI_n)$$

INDEX_{base} - Inflation Factor to be used for indexing the Employee Cost. This will be a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI) of base year and shall be worked out as under:-

$$INDEX_{base} = (0.50 * CPI_{base} + 0.50 * WPI_{base})$$

CPI = Consumer Price Index (Industrial Workers)

WPI= Wholesale Price Index (All Commodities)”

In view of the Regulation 28 (3) of PSERC Tariff Regulations, 2005, the Petitioner has considered the Terminal benefits of Rs. 262.92 Crore for FY 2016-17 based on audited accounts. Also, impact of pay revision/arrears of Rs. 0.15 Crore based on audited account of FY 2016-17 have been considered separately.

It may be noted that the Hon'ble Commission, while computing the normative expenses, has considered the other employee cost of Rs. 92.20 Crore allowed for FY 2011-12 as base expenses, in line with PSERC(Terms and Conditions for Determination of Tariff), Second Amendment, Regulations, 2012. However, these Regulations do not mention whether the base expenses to be considered should be gross or net. The Hon'ble Commission may appreciate that the normative Employee expenses to be permitted should be at gross level only, as the expense capitalisation depends on capital projects undertaken and staff or employees of PSTCL dedicated to such project execution.

For example, in case the normative Employee expenses are allowed on a net of capitalization taking a base year but actual capitalisation of that respective year is different from that of base year, then the normative allowance would be lower/higher because these may not be exactly same as of the current year. In some years, the capitalization may be very high due to several capital projects being taken up by the licensee whereas in some years it may be negligible due to very less capital projects taken up. Expense capitalization, therefore, is a factor which varies unpredictably and normative Employee expense should be provided at gross level only. The Petitioner respectfully submits that the actual expense capitalized can only be considered in ARR.

In view of the above, the Petitioner has considered Other Employee Cost of Rs. 143.64 Crore for FY 2011-12 for Transmission Business as base expenses after adding capitalised employee costs of Rs. 51.44 Crore. Since, no employee cost has been capitalised for SLDC for FY 2011-12, the Petitioner has considered the Other employee cost of Rs. 5.72 Crore for FY 2011-12 for SLDC as base expenses.

The Petitioner has computed the Gross Other employee costs for FY 2016-17 as shown in the following table:

Table 5: Computation of Other Employee Costs for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Net Other Employee Cost allowed for FY 2011-12	92.20	5.72	97.92
2	Add: Employee Costs capitalised in FY 2011-12	51.44	0.00	51.44
3	Gross Other Employee Costs allowed for FY 2011-12	143.64	5.72	149.36
4	CPI:WPI (50:50) Increase of FY 2016-17 over FY 2011-12	26.62%	26.62%	26.62%
5	Gross Other Employee Cost for FY 2016-17	181.87	7.24	189.11

Further, the Petitioner submits that it is also entitled for the additional employee cost pertaining to new installations/network for the asset added during the year in accordance with Regulation 28 (3) (c) which allows additional employee cost in case of new installations on case to case basis keeping in view the principles and methodologies enunciated in these Regulations. In the absence of any specific principles and methodologies in the Regulation, the Petitioner has computed the additional employee costs on account of addition of new installations with respect to FY 2011-12 in accordance with the methodology adopted in Tariff Order for FY 2016-17.

The Petitioner submits that the transmission system consisting of substations and lines have increased manifold since April 16, 2010 which needs extra man power to maintain it. The PSERC regulations also support this but no methodologies/principles have been enunciated by the Hon'ble Commission in the Regulations.

The Petitioner has, however, worked out the additional gross employee costs on account of addition of new installation/network are, as per the following table:

Table 6: Computation of Additional employee costs for network installation for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	GFA as on 1 April, 2012	5,265.17	5.50	5,270.67
2	Gross Other employee cost allowed in FY 2011-12	143.64	5.72	149.36
3	% of Employee Expenses	3%	104%	3%
4	GFA as on 1 April, 2016	8,384.98	14.90	8,399.87
5	Addition of GFA from 1 April, 2012 to 1 April, 2016	3,119.81	9.40	3,129.20
6	Addition of GFA during FY 2016-17	499.02	3.88	502.90
7	Additional Employee Cost for addition of GFA from 1 April, 2012 to 31 March, 2016	85.11	9.77	88.68
8	Additional Employee Cost for network Installation during the year	6.81	2.02	7.13
9	Total	91.92	11.79	95.80

Accordingly, the normative employee costs for FY 2016-17 are computed as shown in the following table:

Table 7: Normative Employee Cost for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Terminal Benefits	262.80	0.12	262.92
2	Interim relief/ Wage Revision	0.15	-	0.15
3	Gross Other Employee Cost	181.87	7.24	189.11
4	Additional Employee Cost for network Installation	91.92	11.79	95.80
5	Less: Employee expenses capitalized	43.43	0.00	43.43
6	Total Employee Cost	493.31	19.15	512.46

As regards the allowable employee costs, Hon'ble APTEL in Judgment dated September 11, 2014 in Appeal No. 174 of 2012 held that when the utility needs to comply with the lawful agreements entered into with the employees the same cannot be avoided and wriggled out of.

Hon'ble Commission vide its Order dated October 14, 2015 decided as under:

“However the judgments of Hon’ble APTEL, in so far as Employee Cost for FY 2012-13, 2013-14, 2014-15 etc. of PSPCL and PSTCL is concerned, shall be implemented during true-up exercise of ARRs for these years after applying prudence check.”

PSTCL humbly submits that the actual employee costs include the impact of the addition of new employees recruited over the years. In past years, the new employees recruited by PSTCL is shown in the following Table:

Table 8: Employees addition in past years (Nos.)

Sr. No.	Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	Total
1	Addition in Employees (Nos.)	395	336	66	27	2	826

It is submitted that normative Employee costs has been computed based on actual employee cost for FY 2011-12 and applicable increase in WPI and CPI. The normative computation of employee cost does not include the impact of new employees recruited post FY 2011-12, however, the same has been reflected in the actual employee cost.

In view of the above, the Petitioner claims the actual employee costs for FY 2016-17 for True-up purpose as shown in the following Table:

Table 9: Employee Costs for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SEDC	PSTCL
1	Terminal Benefits	262.80	0.12	262.92
2	Impact of wage revision/arrears	0.15	-	0.15
3	Other Employee Costs	172.47	6.42	178.89
4	Total Employee Costs	435.42	6.54	441.96

The actual Employee costs are lower than the normative expenses. The Petitioner prays the Hon’ble Commission to approve the Employee costs of Rs. 435.42 Crore for Transmission and Rs. 6.54 Crore for SLDC for FY 2016-17. During Tariff order of



FY 2015-16, Hon'ble Commission has allowed employee cost on normative basis to PSTCL while allowed on actual basis to PSPCL. The Petitioner requests Hon'ble Commission to allow actual employee cost on the basis of audited annual accounts.

1.6 Repair and Maintenance Expenses-

The PSERC Tariff Regulations, 2005 specifies as under:

"(1) Operation & Maintenance expenses" or "O&M expenses" shall mean repair and maintenance (R&M) expenses, employee expenses and administrative & general expenses (A&G) including insurance.

(2) O&M expenses for distribution licensee (s) shall be determined by the Commission as follows:

(a) O&M expenses as approved by the Commission for the year 2011-12 (true up) shall be considered as base O&M expenses for determination of O&M expenses for subsequent years

(b) Base O&M expenses (except employee cost) as above shall be adjusted according to variation in the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year to determine the O&M expenses for subsequent years"

In the ARR Petition for FY 2016-17, PSTCL claimed R&M Expenses of Rs. 45.76 Crore for Transmission business and Rs. 5.96 Crore for SLDC for FY 2016-17. As against this, the Hon'ble Commission had approved R&M expenses of Rs. 47.28crore for Transmission and Rs. 4.54crore for SLDC in the Tariff Order for FY 2016-17.

In the Review of ARR for FY 2016-17, the Petitioner submitted revised estimates for R&M expenses as Rs. 49.11 Crore for Transmission business and Rs. 10.05 Crore for SLDC business. As against this, the Hon'ble Commission had approved R&M expenses of Rs. 19.71crore for Transmission and Rs. 6.45crore for SLDC in the Tariff Order for FY 2016-17.

The actual R&M expenses incurred, as per the audited annual account for FY 2016-17 are provided as below:

Table 10: R&M Expenses for FY 2016-17 (Audited) (Rs. Crore)

Sl. No.	Particulars	Transmission	SLDC	PSTCL
1	R&M Expenses	25.83	0.23	26.06

The details of head-wise R&M Expenses for FY 2016-17 for Transmission and SLDC have been provided in Format F4 and F4s.

The Petitioner has worked out the normative R&M expenses as per the PSERC Tariff Regulations, 2005 for FY 2016-17 as shown in the following table:

Table 11: Normative R&M Expenses for FY 2016-17 (Rs. Crore)

Sl. No.	Particulars	Transmission	SLDC	PSTCL
1	Gross Fixed Assets as on 1 April, 2012 (a)	5265.17	5.50	5270.67
2	Approved R&M cost for FY 2011-12 (b)	25.92	1.93	27.85
3	Gross Fixed Assets as on 1 April, 2016 (c)	8,384.98	14.90	8,399.87
4	Base R&M expense for year (d=b x c/a)	41.28	5.23	46.51
5	Increase in WPI from FY 2011-12 (e)	111.62%	111.62%	111.62%
6	Applying WPI Increase on Base R&M (f=d x e)	46.07	5.83	51.91
7	Addition of GFA during FY 2016-17 (g)	499.02	3.88	502.90
8	% Rate of R&M expenses (h=f/c)	0.55%	39.14%	0.62%
9	R&M expenses for asset addition during year (i=g x h)	1.37	0.76	2.13
10	Total R&M Expenses (f+i)	47.44	6.59	54.04

The actual R&M expenses are lower than the normative R&M expenses. The Petitioner prays the Hon'ble Commission to approve the actual R&M expenses of Rs. 25.83 Crore for Transmission and Rs. 0.23 Crore for SLDC for FY 2016-17.

1.7 Administrative and General Expenses

The PSERC Tariff Regulations, 2005 specifies as under:

“(1) Operation & Maintenance expenses” or “O&M expenses” shall mean repair and maintenance (R&M) expenses, employee expenses and administrative & general expenses (A&G) including insurance.

(2) O&M expenses for distribution licensee (s) shall be determined by the Commission as follows:

(a) O&M expenses as approved by the Commission for the year 2011-12 (true up) shall be considered as base O&M expenses for determination of O&M expenses for subsequent years

(b) Base O&M expenses (except employee cost) as above shall be adjusted according to variation in the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year to determine the O&M expenses for subsequent years

Provided that any expenditure on account of license fee, initial or renewal, fees for determination of tariff and audit fee shall be allowed on actual basis over and above the A&G expenses approved by the Commission.

.....

(6) O&M expenses excluding employee expenses for gross fixed assets added during the year shall be considered for a period of six months in cases where Commercial Operation Date of the assets is not available otherwise from the date of commissioning on pro-rata basis.”

In the ARR Petition for FY 2016-17, PSTCL claimed A&G Expenses of Rs. 24.90 Crore for Transmission business and Rs. 7.06 Crore for SLDC for FY 2016-17. As against this, the Hon'ble Commission had approved A&G expenses of Rs. 21.74crore for Transmission and Rs. 1.82crore for SLDC in the Tariff Order for FY 2016-17.

In the Review of ARR for FY 2016-17, the Petitioner submitted revised estimates for A&G expenses as Rs. 22.75 Crore for Transmission business and Rs. 2.91 Crore for SLDC business. As against this, the Hon'ble Commission had approved A&G expenses of Rs. 15.58crore for Transmission and Rs. 1.86crore for SLDC in the Tariff Order for FY 2016-17.

The actual A&G expenses incurred, as per the audited annual account for FY 2016-17 are provided as below:



Table 12: A&G Expenses for FY 2016-17 (Audited) (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	A&G Expenses	17.25	0.73	17.98

The details of head-wise A&G Expenses for FY 2016-17 for Transmission and SLDC have been provided in Format F5 and F5s. The Petitioner has worked out the normative A&G expenses for FY 2016-17 as shown in the following Table:

Table 13: Normative A&G Expenses for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Gross Fixed Assets as on 1 April, 2012 (a)	5265.17	5.50	5270.67
2	Approved A&G cost for FY 2011-12 (b)	11.59	0.56	12.15
3	Gross Fixed Assets as on 1 April, 2016 (c)	8,384.98	14.90	8,399.87
4	Base A&G expense for year (d=b x c/a)	18.46	1.52	19.97
5	Increase in WPI from FY 2011-12 (e)	111.62%	111.62%	111.62%
6	Applying WPI Increase on Base A&G (f=d x e)	20.60	1.69	22.29
7	Addition of GFA during FY 2016-17 (g)	499.02	3.88	502.90
8	% Rate of A&G expenses (h=f/c)	0.25%	11.35%	0.27%
9	A&G expenses for asset addition during year (i=g x h)	0.61	0.22	0.83
10	Total A&G Expenses (j= f+i)	21.22	1.91	23.13
11	Add: Audit Fees (k)	0.28	-	0.28
12	Add: Fees for determination of Tariff (l)	0.50	-	0.50
13	Total A&G Expenses (j+k+l)	22.00	1.91	23.91

The actual A&G expenses are lower than the normative A&G expenses. The Petitioner prays the Hon'ble Commission to approve the actual A&G expenses of Rs. 17.25 Crore for Transmission and Rs. 0.73 Crore for SLDC for FY 2016-17.

1.8 Investment and Capital Expenditure

The Petitioner submits that Opening Capital Work in Progress for FY 2016-17 as per audited accounts is Rs. 761.65 Crore. The Petitioner had made Investment of Rs.

400.20 Crore during FY 2016-17 and converted Rs. 496.65Crore as Fixed Assets. The remaining investment was carried over as Capital Work in Progress to the next year. The details for Transmission and SLDC are shown in the following table:

Table 14: Capital Investment for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Opening Capital work in progress	756.89	4.76	761.65
2	Add: Addition of Capital Expenditure during the year	397.71	2.49	400.20
3	Less: Transferred to fixed assets during the year	493.82	2.83	496.65
4	Closing Capital Works in progress	660.78	4.42	665.20

1.9 Funding of Capital Expenditure

The Petitioner submits that during FY 2016-17, it has incurred the Capital Expenditure of Rs. 400.20 Crore. The funding of Capital expenditure has been considered by availing loans only from Banks/Financial Institution.

1.10 Depreciation

The PSERC Tariff Regulations, 2005 specifies as under:

“Regulation 25 Depreciation

For the purpose of tariff, depreciation shall be computed in the following manner:

a. The value base for the purpose of depreciation shall be the historical cost of the assets, that is actual expenses limited to approved capital cost where such capital cost has been approved by the Commission.

Provided that land is not a depreciable asset and its cost shall be excluded from the capital cost while computing depreciation.

b. The historical cost of the asset shall include additional capitalisation.

c. The historical cost shall include foreign currency funding converted to equivalent rupees at the exchange rate prevalent on the date when foreign currency was actually availed but not later than the date of commercial operation.

- d. 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.*
- e. 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. Provided that the total depreciation during the life of the asset shall not exceed 90% of the original cost."*

Hon'ble Commission in Tariff Order for FY 2016-17 approved the Depreciation of Rs. 210.46 Crore for Transmission and Rs. 0.59 Crore for SLDC for FY 2016-17. Further, the Petitioner, in Review of ARR of FY 2016-17, revised the projected depreciation charges as Rs. 308.64 Crore for Transmission and Rs. 1.18 Crore for SLDC. As against this, Hon'ble Commission in its Tariff Order for FY 2016-17 has approved the depreciation charges of Rs. 263.28 Crore for Transmission and Rs. 1.18 Crore for SLDC for FY 2016-17.

For the purpose of True-up of FY 2016-17, the Petitioner submits the details of depreciation as per the annual audited accounts for FY 2016-17 as shown in the Table below:

Table 15: Depreciation for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Depreciation	260.62	0.76	261.37

The Petitioner requests the Hon'ble Commission to approve the Depreciation of Rs. 260.62 Crore for Transmission and Rs. 0.76 Crore for SLDC as per the audited account for FY 2016-17.

1.11 Interest Charges

The PSERC Tariff Regulations, 2005 specifies as under:

"26. INTEREST AND FINANCE CHARGES ON LOAN

1. *For Existing Loan Capital, Interest & finance charges shall be computed on the outstanding Loans, duly taking into account the rate of interest & schedule of repayment as per the Terms & Conditions of relevant agreements. The rate of interest shall be the actual rate of interest paid/payable by the Licensee(s) or the State Bank of India Advance rate as on April, 1 of the relevant year, wherever is lower*
2. *For New investments, Interest & finance charges shall be computed on the loans, duly taking into account the rate of interest & schedule of repayment as per the Terms & Conditions of relevant agreements. The rate of interest shall be the actual rate of interest paid/payable by the Licensee(s) or the State Bank of India Advance rate as on April, 1 of the relevant year, wherever is lower.*
3. *The interest rate on the amount of equity above 30% treated as loan shall be the weighted average rate of interest on loan capital of the generating company / licensee; Provided that interest and finance charges of renegotiated loan agreements shall not be considered, if they result in higher charges.*
Provided further that interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost.
... ..
6. *The Commission shall allow obligatory taxes on interest, commitment charges, finance charges (including guarantee fee payable to the Govt.) and any exchange rate difference arising from foreign currency borrowings, as finance cost.*
7. *Any saving in costs on account of subsequent restructuring of debt shall be shared between the consumers and the generating company / licensee in such ratio as may be decided by the Commission."*

Hon'ble Commission in Tariff Order for FY 2016-17 has approved the Interest Charges of Rs. 409.47 Crore for Transmission and Rs. 1.43 Crore for SLDC. Further, the Petitioner, in Review of ARR of FY 2016-17, revised the projected Interest Charges as Rs. 407.25 Crore for Transmission and Rs. 1.43 Crore for SLDC. As against this, the Hon'ble Commission in its Tariff Order for FY 2016-17 has approved the Interest Charges of Rs. 373.22 Crore for Transmission and Rs. 0.64 Crore for SLDC for FY 2016-17.

Hon'ble Commission in MYT Order dated October 23, 2017 has not allowed the interest charges for loans, stating that loans are not in the nature of long term loans, even though such loans are used for funding of capital expenditure. While approving the funding of Capital expenditure for FY 2014-15 and FY 2015-16, PSTCL has claimed funding from loan only. For funding of such capital expenditure, PSTCL has taken loans, which are not in the nature of long term loan.

The Hon'ble Commission has disallowed such loans. On the other hand, the Hon'ble Commission has also not considered any equity on account of funding of such capital expenditure. This approach adopted is not prudent. The funding of such capital expenditure has to be considered either by loan or by equity. Hence, for the purpose of True-up for FY 2016-17, PSTCL has considered the Opening loan as on April 1, 2017 based on the audited accounts for FY 2016-17 and approach adopted by PSTCL in previous Tariff Petitions.

For the purpose of True up for FY 2016-17, the Petitioner has considered the Interest Charges based on Audited Accounts and actual loan taken against the investment done during FY 2016-17. The source wise long-term loan outstanding for PSTCL for FY 2016-17 is shown in the following table:

Table 16: Source wise Loan outstanding for FY 2016-17 (Rs. Crore)

Sr. No.	Name of Source	Opening Balance as on April 1, 2016	Loan Received	Loan Repaid	Closing Balance as on March 31, 2017
1	LIC	56.80	0.00	22.83	33.97
2	REC	2,924.81	208.50	205.78	2,927.53
3	SBOP	65.56	0.00	21.56	44.00
4	NABARD	127.77	69.81	0.00	197.58
5	OBC	40.10	0.00	40.10	0.00
6	Loan from PSPCL	495.57	7.59*	0.00	503.16
7	GPF liability	153.69	0.00	21.95	131.74
8	Bank of India	138.46	50.00	0.00	188.46
9	PFC	0.00	61.06	0.00	61.06

Sr. No.	Name of Source	Opening Balance as on April 1, 2016	Loan Received	Loan Repaid	Closing Balance as on March 31, 2017
10	Loan for SLDC	3.73	3.24	0.27	6.70
11	Total loan for PSTCL	4,006.49	400.20	312.49	4,094.19

*Interest free loan

The Petitioner submits that it has incurred the Interest Charges as given in the table below:

Table 17: Interest and Finance Charges for FY 2016-17 (Audited) (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
	Interest on Loans:			
1	Life Insurance Corporation	4.47	0.00	4.47
2	Rural Electrification Corporation	341.07	0.59	341.66
3	SBOP	5.77	0.00	5.77
4	NABARD	18.09	0.00	18.09
5	OBC	2.98	0.00	2.98
6	Loan from PSPCL	53.38	0.00	53.38
7	General Provident Fund	11.56	0.00	11.56
8	Bank of India	19.12	0.00	19.12
9	Power Finance Corporation	6.26	0.00	6.26
	Sub-total	462.20	0.59	462.79
10	Add: Miscellaneous interest/finance charges	0.36	0.00	0.36
11	Add: Guarantee Charges	10.00	0.00	10.00
12	Less: Interest capitalized	61.82	0.00	61.82
13	Net Total	411.24	0.59	411.83

As regards the loan from OBC, PSTCL submits that amount of Rs. 40.10 Crore was outstanding as on April 1, 2016 and out of which Rs.28.25 Crore was to be repaid by March 31, 2017 and Rs. 11.85 Crore by January 31, 2018. The rate of interest of such loan was 12.50% payable monthly. PSTCL paid the entire loan on October 13, 2016 by availing the loan at the lower rate of interest to reduce the impact of higher interest

amount in subsequent period. This transaction led to saving of interest amount of Rs. 0.06 Crore during FY 2016-17. As the interest on working capital is allowed on normative basis, hence PSTCL requests the Hon'ble Commission to allow the Interest expenses of Rs. 0.93 Crore for the loan taken towards repayment of loan of OBC included in the interest expenses of OBC loan.

The Petitioner prays the Hon'ble Commission to approve the Interest Charges of Rs. 411.24 Crore for Transmission and Rs. 0.59 Crore for SLDC for FY 2016-17 after True-up.

1.12 Return on Equity

The PSERC Tariff Regulations, 2005 specifies as under:

"25. RETURN ON EQUITY

- 1. Return on Equity shall be computed @ 15.5% on the paid up equity capital determined in accordance with Regulation 24.*
- 2. Equity invested in foreign currency shall be allowed a return up to the prescribed limit under clause (1) of this Regulation in the same currency and the payment on this account shall be made in Indian Rupees based on the exchange rate on the date of declaration of dividends. The difference in actual exchange rate and the provisional exchange rate considered while determining the ARR and Tariff shall be taken into consideration at the time of Truing Up.*
- 3. The premium raised by the generating company or the licensee while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid up equity capital for the purpose of computing return on equity, subject to limit prescribed in Regulation 24, provided such premium amount and internal resources are actually utilised for meeting capital expenditure.*
- 4. For allowing Return on Equity, the Commission shall consider the actual amount of equity employed in creation of assets."*

Hon'ble Commission in Tariff Order for FY 2016-17 has approved the Return on Equity of Rs. 93.91 Crore for Transmission. Further, the Petitioner, in Review of ARR of FY 2016-17, revised the Return on Equity as Rs. 156.71 Crore for Transmission.

Against this, Hon'ble Commission in Tariff Order for FY 2016-17 has approved the Return on Equity of Rs. 93.91 Crore for Transmission.

The Petitioner has considered the RoE at the rate of 15.50% in accordance with the effective date of notification of the Amendment to the Tariff Regulations. The Petitioner computed the RoE for FY 2016-17 with details as provided below:

Table 18: Return on Equity for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	PSTCL
1	Equity at the opening of FY 2016-17	605.88
2	Addition of equity during the year	-
3	Equity at the closing of FY 2016-17	605.88
4	Rate of Return (%)	15.50%
5	Return on Equity	93.91

The Petitioner prays the Hon'ble Commission to approve the Return on Equity of Rs. 93.91 Crore for FY 2016-17 after True-up.

1.13 Interest on Working Capital

The PSERC Tariff Regulations, 2005 specifies as under:

"Regulation 30- Working Capital & Interest rate on Working Capital

For transmission licensee (s) and SLDC, the working capital shall be the sum of the following:

(i) Operation and Maintenance expenses for one month

(ii) Receivables equivalent to two months

(iii) Maintenance spares @ 15% of Operation and Maintenance expenses"

Hon'ble Commission in Tariff Order for FY 2016-17 has approved the Interest on Working Capital of Rs. 33.99 Crore for Transmission and Rs. 0.90 Crore for SLDC. Further, the Petitioner, in Review of ARR of FY 2016-17, revised the projected Interest on Working Capital as Rs. 41.79 Crore for Transmission and Rs. 1.26 Crore for SLDC. As against this, the Hon'ble Commission in Tariff Order for FY 2016-

17has approved the Interest on Working Capital of Rs. 31.13 Crore for Transmission and Rs. 0.89 Crore for SLDC.

For the purpose of True-up, the Petitioner has computed the Interest on Working Capital as per the provisions of Tariff Regulations, 2005. The Petitioner has considered the actual weighted average rate of interest for Working capital loans for Transmission Business. The computation of Interest on Working Capital is submitted in the following table:

Table 19: Interest on Working Capital for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC
1	Receivables equivalent to two months of fixed cost	214.04	2.39
2	Maintenance spares @ 15% of O&M expenses	71.78	1.12
3	Operation and Maintenance expenses for one month	39.88	0.62
4	Total Working Capital (Normative)	325.69	4.14
5	Rate of Interest applied	11.74%	11.74%
6	Interest on Working Capital	38.24	0.49

The Petitioner prays the Hon'ble Commission to approve the Interest on Working Capital of Rs. 38.24 Crore for Transmission and Rs. 0.49 Crore for SLDC for FY 2016-17 after True-up.

1.14 ULDC Charges

Hon'ble Commission in Tariff Order for FY 2016-17 has approved the ULDC charges of Rs. 16.10 Crore for SLDC. Further, the Petitioner, in Review of ARR of FY 2016-17, revised the projected ULDC Charges as Rs. 16.10 Crore, against which ULDC Charges of Rs. 9.93 Crore was approved by the Hon'ble Commission. For the purpose of True-up for FY 2016-17, the Petitioner submits the actual ULDC Charges based on Audited Accounts as shown in the following Table:

Table 20: ULDC Charges for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	ULDC Charges - SLDC own share	0.00	5.68	5.68
2	ULDC Charges - BBMB share	0.00	1.58	1.58
3	ULDC Charges - Central Sector share	0.00	0.33	0.33
4	NRLDC Charges	0.00	2.33	2.33
5	Total	0.00	9.93	9.93

The Petitioner prays the Hon'ble Commission to approve the ULDC charges of Rs. 9.93 Crore for FY 2016-17 under True-up.

1.15 Non-tariff Income

The PSERC Tariff Regulations, 2005 specifies as under:

"Regulation 34 Non Tariff Income

Following components of income shall be treated as non tariff income for the generating company or the licensee (s) as applicable:

- *Meter/metering equipment/service line rentals*
- *Service charges*
- *Customer charges*
- *Revenue from late payment surcharge*
- *Miscellaneous receipts*
- *Incentives from CGS's*
- *Miscellaneous charges (except PLEC charges)*
- *Interest on staff loans and advances*
- *Interest on advances to suppliers*
- *Income from trading*
- *Income from staff welfare activities*
- *Excess found on physical verification*
- *Interest on investments, fixed and call deposits and bank balances*
- *Net recovery from penalty on coal liaison agents*
- *Prior period income*

- *Income from open access charges i.e. application fee, cross subsidy surcharge, additional surcharge, transmission and/or wheeling charges, scheduling charges etc."*

Hon'ble Commission in Tariff Order for FY 2016-17 has approved the Non-tariff Income of Rs. 41.05 Crore for Transmission and Rs. 6.72 Crore for SLDC. Further, the Petitioner, in Review of ARR of FY 2016-17, revised the projected Non-tariff Income of Rs. 33.63 Crore for Transmission Business and Rs. 5.41 Crore for SLDC. As against this, the Hon'ble Commission in Tariff Order for FY 2016-17 has approved the Non-tariff Income of Rs. 49.25 Crore for Transmission and Rs. 5.41 Crore for SLDC.

For the purpose of True-up for FY 2016-17, the Petitioner has considered the Non-tariff income as indicated in Note 24 of audited accounts. The Petitioner has not considered the income towards the following heads wherein expenses were not allowed by Hon'ble Commission in previous Tariff Orders.:

- (a) Income of Rs. 1.37 Crore towards interest received on refund of income tax
- (b) Income of Rs. 0.85 Crore towards provision withdrawn on unserviceable/obsolete items and losses under investigation.

Further Petitioner has also not considered Non-tariff Income arising out of book adjustment in respect of the following:

- (a) Income of Rs. 16.70 Crore towards Sundry Credit balances written back.
- (b) Income of Rs. 0.11 Crore towards Security deposits/EMD forfeited.

The Petitioner has also not claimed other expenses/debits comprising interalia provision for value of obsolete store and miscellaneous losses and write off. The Petitioner submits its claim for Non-tariff Income as shown in the following table:

Table 21: Non-tariff Income for FY 2016-17 (Rs. Crore)

Sl. No.	Particulars	Transmission	SLDC	PSTCL
1	Non-tariff Income	31.32	4.92	36.24

The Petitioner prays the Hon'ble Commission to approve the Non-tariff Income of Rs. 31.32 Crore for Transmission and Rs. 4.92 Crore for SLDC for FY 2016-17 for True-up.



1.16 Income Tax

The Petitioner submits that income tax has been claimed based on Note 32 of audited accounts for FY 2016-17.

1.17 Prior Period Expenses

The Petitioner has claimed the prior period depreciation of Rs. 7.90 Crore as per Note 27.1 of the audited accounts for FY 2016-17.

1.18 Incentive on account of Transmission System Availability

In accordance with PSERC Tariff Regulations, 2005, the Petitioner is eligible for incentive for over achieving the availability targets for transmission system availability which has been verified and certified by SLDC. The net transmission charges inclusive of incentive on the basis of fixed charges for Transmission and computation of incentive are given as per the table below.

Table 22: Incentive on account of Transmission System Availability for FY 2016-17(Rs. Crore)

S. No.	Month	Transmission Availability (%)	Monthly Transmission Charges	Transmission charges inclusive incentive	Incentive
1	Apr-15	99.97%	103.59	105.67	2.08
2	May-15	99.92%	107.04	109.13	2.10
3	Jun-15	99.91%	103.59	105.60	2.02
4	Jul-15	99.94%	107.04	109.16	2.12
5	Aug-15	99.91%	107.04	109.12	2.09
6	Sep-15	99.94%	103.59	105.64	2.05
7	Oct-15	99.98%	107.04	109.20	2.16
8	Nov-15	99.98%	103.59	105.68	2.09
9	Dec-15	99.18%	107.04	108.33	1.29
10	Jan-16	99.72%	107.04	108.92	1.88
11	Feb-16	99.96%	96.68	98.61	1.93
12	Mar-16	99.95%	107.04	109.17	2.13

S. No.	Month	Transmission Availability (%)	Monthly Transmission Charges	Transmission charges inclusive incentive	Incentive
	Total		1260.28	1284.22	23.94

The Petitioner submits to the Hon'ble Commission to approve the incentive of Rs. 23.94Crore for transmission system availability as determined above for FY 2016-17.

1.19 Aggregate Revenue Requirement

After taking into account the expenses claimed for various components of Aggregate Revenue Requirement, Net ARR for Transmission and SLDC is summarised in the following table:



Table 23: Net ARR for Transmission and SLDC for FY 2016-17(Rs. Crore)

Sr. No.	Particulars	Transmission Business		SLDC		Transmission Business and SLDC	
		Tariff Order	True-up	Tariff Order	True-up	Tariff Order	True-up
1	Net Employee costs	361.48	435.42	7.26	6.54	368.74	441.96
2	Net R&M expenses	47.28	25.83	4.54	0.23	51.82	26.06
3	Net A&G expenses	21.74	17.25	1.82	0.73	23.56	17.98
4	Depreciation	210.46	260.62	0.59	0.76	211.05	261.37
5	Interest charges	409.47	411.24	1.43	0.59	410.90	411.83
6	Interest on Working Capital	33.99	38.24	0.90	0.49	34.89	38.72
7	ULDC Charges	-	-	16.10	9.93	16.10	9.93
8	Return on Equity	93.91	93.91	-	-	93.91	93.91
9	Prior Period Expenses		7.90				7.90
10	Income tax	-	1.19	-	-	-	1.19
11	Total Revenue Requirement	1,178.33	1,291.61	32.64	19.26	1,210.96	1,310.87
12	Less: Non-tariff Income	41.05	31.32	6.72	4.92	47.77	36.24
13	Gross Aggregate Revenue Requirement	1,137.28	1,260.28	25.92	14.34	1,163.19	1,274.63
14	Incentive	-	23.94	-	-	-	23.94
15	Net ARR	1,137.28	1,284.22	25.92	14.34	1,163.19	1,298.57

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1.20 Revenue from Tariff

The Petitioner submits that Hon'ble Commission in Tariff Order for FY 2016-17 read with Order dated November 21, 2016 in Interim Application in Review Petition No. 4 of 2016 has approved Net ARR for FY 2016-17 as shown in the following Table:

Table 24: Net ARR for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Tariff Order for FY 2016-17	Order on I.A. in Review Petition No. 4 of 2016
1	Net ARR	1163.20	1163.20
2	Total Revenue Gap/(Surplus) for past years	0.00	(103.99)
3	Total Carrying cost for past years	(12.19)	(12.19)
4	Total Revenue Requirement for FY 2016-17	1151.01	1047.02

Hon'ble Commission vide Order dated November 21, 2016 in I.A. in Review Petition No. 4 of 2016 on Tariff Order for FY 2016-17, has approved recoverable amount of Rs. 1047.02 Crore for FY 2016-17, which includes Rs. 25.92 Crore for SLDC for FY 2016-17, after adjustment of carrying cost.

However, while undertaking the review of FY 2016-17, the Hon'ble Commission has considered the total revenue of Rs. 1151.01 Crore and has not taken the cognizance of its Order dated November 21, 2016. However, the Petitioner has made the adjustment in audited accounts on the basis of Hon'ble Commission's Order dated November 21, 2016. Hence, there would be mismatch in approach.

In light of the foregoing, for the purpose of True-up for FY 2016-17, the Petitioner has considered the revenue for FY 2016-17 as approved in Tariff Order as shown in the following Table:

Table 25: Revenue from Tariff for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Transmission Charges from PSPCL	1125.09	0.00	1125.09
2	SLDC Charges from PSTCL	0.00	25.92	25.92
3	Grand Total	1125.09	25.92	1151.01

1.21 Revenue Gap/(Surplus) for FY 2016-17

The Petitioner has computed the Revenue Gap/(Surplus) after True-up for FY 2016-17 as shown in the following Table:

Table 26: Revenue Gap/(Surplus) for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Net Aggregate Revenue Requirement	1,284.22	14.34	1,298.57
2	Revenue from Tariff	1,125.09	25.92	1,151.01
3	Revenue Gap/(Surplus)	159.14	(11.57)	147.56

Thus, the Petitioner prays the Hon'ble Commission to allow the revenue gap of Rs. 147.56 Crore for PSTCL for FY 2016-17 as per the above given Table.

1.22 Recovery of Revenue Gap for Truing up for FY 2016-17

Hon'ble Commission in past Tariff Orders has considered the Revenue Gaps and its carrying cost for past years at time of determination of Tariff for the year. Hence, the Tariff includes the Standalone ARR, past Revenue Gaps and its carrying cost. However, at time of True-up for respective years, such past Revenue Gaps and its carrying cost had not been considered in expenses. So, effectively, such Revenue Gaps and its carrying cost were not recovered through tariff in past years. Further, it is noted that Hon'ble Commission vide Order dated October 23, 2017 undertook review of FY 2016-17 and approved revenue surplus of Rs. 10.34 Crore. Hence, the net recovery of revenue gap for FY 2016-17 has been considered after taking into account the revenue surplus already passed on to PSPCL.

The PSTCL has computed the carrying cost on revenue gap for FY 2016-17 as shown in the following Table:

Table 27: Computation of carrying cost for Truing up for FY 2016-17 (Rs. Crore)

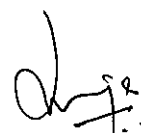
Sr. No.	Particulars	Rate of Interest (%)	FY 2016-17
1	Stand-alone Revenue Gap/(Surplus) after True-up		147.56
2	Less: Revenue Gap/(surplus) already considered at time of review of FY 2016-17		(10.34)
3	Net Revenue Gap/(Surplus) for FY 2016-17 after True-up		157.90
4	Carrying cost for FY 2016-17 (Half year)	11.74%	9.27
5	Carrying cost for FY 2016-17	11.74%	18.54
6	Carrying cost for FY 2017-18 (Half year)	11.74%	9.27
7	Total Carrying cost		37.08

For the purpose of the present Petition, the PSTCL has computed the cumulative Revenue Gap for FY 2016-17 as under:

Table 28: Total Revenue Gap for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Petition
1	Net Revenue Gap/(surplus) for FY 2016-17 (a)	157.90
2	Carrying cost for True-up for FY 2016-17 (b)	37.08
3	Cumulative Revenue Gap/(Surplus) for FY 2016-17 (a+b)	194.98

The PSTCL requests the Hon'ble Commission to approve the cumulative revenue gap of Rs. 194.98 Crore for True-up for FY 2016-17 in the ARR of FY 2018-19.



2 PRAYERS

The Petitioner respectfully prays to the Hon'ble Commission:

- a) Allow to submit True-up for FY 2016-17 as an additional submission in accordance with provisions of PSERC (Terms and Conditions for Determination of Tariff) Regulations, 2005;
- b) Approve the actual Revenue Gap arising on account of True-up for FY 2016-17 along with carrying cost and its recovery as proposed in this Petition;
- c) Allow additions/alterations/modifications/changes to the Petition at a future date
- d) Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued;
- e) Condone any error/ omission and to give opportunity to rectify the same;

BY THE APPLICANT THROUGH



FINANCIAL ADVISOR,

Punjab State Transmission Corporation Limited, Patiala.

2.1 True-up Formats

S. No	Form Reference	Details of Form
1	ARR Summary	ARR Summary of Transmission and SLDC Business
2	Form F1	Employee Expenses
3	Form F4	Repair & Maintenance Expenses
4	Form F5	Administration & General Expenses
5	Form F8	Expenses Capitalised
6	Form F9	Depreciation
8	Form F12	Non-Tariff Income
9	Form F14	Consumer Contribution
10	Form F15	Equity
11	Form F16	Return on Equity
12	Form F17	Line Length (ckt-km)
13	Form F19	Number of Sub-Stations
14	Form F20	Interest on Working Capital
15	Form F21	Interest & Finance Charges
16	Form F22	Transmission Availability (%)
17	Form F23	Transmission Loss (%)
18	Form F24	Revenue from Transmission Tariffs
		ULDC Charges

SUMMARY AGGREGATE REVENUE REQUIREMENT

(Rs. in Crore)

Sr. No	Particulars	FY 2016-17					
		Transmission Business		SLDC		Transmission Business and	
		Tariff Order	True-up	Tariff Order	True-up	Tariff Order	True-up
1	Net Employee costs	361.48	435.42	7.26	6.54	368.74	441.96
2	Net R&M expenses	47.28	25.83	4.54	0.23	51.82	26.06
3	Net A&G expenses	21.74	17.25	1.82	0.73	23.56	17.98
4	Depreciation	210.46	260.62	0.59	0.76	211.05	261.37
5	Interest charges	409.47	411.24	1.43	0.59	410.90	411.83
6	Interest on Working Capital	33.99	38.24	0.90	0.49	34.89	38.72
7	ULDC Charges	-	-	16.10	9.93	16.10	9.93
8	Return on Equity	93.91	93.91	-	-	93.91	93.91
9	Prior Period Expenses	-	7.90	-	-	-	7.90
10	Income tax	-	1.19	-	-	-	1.19
11	Total Revenue Requirement	1,178.33	1,291.61	32.64	19.26	1,210.96	1,310.87
12	Less: Non Tariff Income	41.05	31.32	6.72	4.92	47.77	36.24
13	Aggregate Revenue Requirement	1,137.28	1,260.28	25.92	14.34	1,163.19	1,274.63
14	Incentive	-	23.94	-	-	-	23.94
15	Gross ARR	1,137.28	1,284.22	25.92	14.34	1,163.19	1,298.57
16	Carrying cost for past year gaps	(12.19)	-	-	-	(12.19)	-
17	Net ARR	1,125.09	1,284.22	25.92	14.34	1,151.00	1,298.57
18	Revenue from Tariff	-	1,125.09	-	25.92	-	1,151.00
19	Revenue Gap	-	159.14	-	(11.57)	-	147.56



Form - F1 (SLDC)
Employee Expenses

Sr. No	Particulars	(Rs. in Crore)	
		FY 2016-17 Tariff Order	Actuals
I	Other expenses		
1	Basic pay		2.82
2	Over time payment		-
3	Dearness allowance		3.06
4	Other Allowance		0.52
4.1	HRA		
4.2	Fixed Medical Allowance		
4.3	Conveyance Allowance		
4.4	Telephone Allowance		
4.5	Uniform charges		
4.6	Contribution towards NPS, P.F. etc.		
5	Bonus		0.00
6	Sub-total		6.40
7	Medical Expenses reimbursement		0.01
8	Leave travel assistance/concession		0.01
9	Payment under workmen		-
10	Sub Total		0.02
11	Electricity Concession to PSTCL employees		-
12	Solatum and Momento		-
13	Staff Welfare expenses		0.00
14	Sub Total		0.00
15	Less: Establishment cost recoverable on execution of 66 kV works		-
16	Less: Employee Cost Capitalised		-
17	Net Salary and Other Employee Cost		6.42
18	Arrears		-
19	Prior period adjustments		-
20	Impact of pay revision		-
21	Out Sourcing Cost		-
22	Employee Cost for New installation		-
23	Grand Total		6.42

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
II	Terminal Benefits		
1	Gratuity		-
2	Earned Leave encashment		-
3	Solatum and Momento		0.03
4	Contribution towards NPS, P.F. etc.		0.05
5	Terminal Benefits for PSTCL employees		0.04
	Sub-total		0.12
III	Pension Payments		
	Basic pension		-
	Any other expenses		-
	Contribution of Pension		-
	Sub-total		-
	Total		0.12
	Amount capitalized		-
	Net amount (II + III)		0.12
	Grand total	7.26	6.54

Def.

Form - F4

Repair and Maintenance Expenses

(Rs. in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Plant & machinery		23.36
2	Building including renovation		1.23
3	Hydraulic works & civil works		0.66
4	Line cable & network		0.56
5	Vehicles		0.49
6	Furniture & fixtures		0.01
7	Office equipments		0.03
8	Operating expenses		-
9	Sub-total		26.33
10	Less: Expenses Capitalised		0.50
11	Less: R& M recoverable on execution of 66KV works		-
12	Net R&M Expenses		25.83
13	R&M for Assets Addition during the year		-
14	Add: Prior period expenses/losses		-
15	Total R&M Expenses	47.28	25.83

Signature

Form - F4 (SLDC)

Repair and Maintenance Expenses

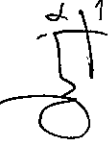
(Rs. in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Plant & machinery		0.18
2	Building including renovation		0.04
3	Hydraulic works & civil works		-
4	Line cable & network		-
5	Vehicles		0.01
6	Furniture & fixtures		-
7	Office equipments		-
8	Operating expenses		-
9	Total		0.23
10	Less: Expenses Capitalised		-
11	R&M recoverable on execution of 66KV works		-
12	Net expenses		0.23
13	R&M for Assets Addition during the year		-
14	Add: Prior period expenses/losses		-
15	Total R&M Expenses	4.54	0.23

Form - FS
Administration and General Expenses

(Rs. in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Rent, Rates & Taxes		1.35
2	Insurance		0.03
3	Telephone, Postage, Telegramme and Telex		0.53
4	Legal Charges		0.34
5	Audit Fees		-
6	Consultancy/Technical Charges		0.20
7	Conveyance & Travel Charges		6.84
8	Vehicle Expenses		-
9	Fees & Subscription		0.01
10	Books & Periodicals		0.00
11	Printing & Stationery		0.22
12	Advertisement/Publicity expenses		0.27
13	Electricity/Water Charges		7.66
14	Expenses on Training		0.09
15	Hospitality		0.05
16	Conference Expenses		-
17	Contingency Expenses		1.76
18	Outsourcing expenses for engagement of Personnel on Contract basis		-
20	Contribution payable to NRPC		-
21	Miscellaneous expenses		-
22	Lease Rentals		-
23	Material Related expenses		2.11
24	Other purchase related expenses		-
25	Other donations		-
19	Other expenses		0.13
26	Sub-total		21.59
27	Add: Additional A&G expenses on the asset addition		-
28	Add: Audit and Licence and ARR Determination Fee		0.79
29	Total expenses		22.38
30	Less: A&G expenses recoverable on execution of 66KV works		-
31	Less: A&G Expenses capitalized		5.13
32	Net expenses		17.25
33	Add prior period Expenses/Losses		-
34	Other Debits/Staff Outsourcing Expenses		-
35	Total A&G Expenses	21.74	17.25



**Form - F5 (SLDC)
 Administration and General Expenses**

S. No	Particulars	(Rs. in Crore)	
		FY 2016-17 Tariff Order	Actuals
1	Rent, Rates & Taxes	-	-
2	Insurance	0.00	0.00
3	Telephone, Postage, Telegramme and Telex	0.06	0.06
4	Legal Charges	0.09	0.09
5	Audit Fees	-	-
6	Consultancy/Technical Charges	-	-
7	Conveyance & Travel Charges	0.06	0.06
8	Vehicle Expenses	-	-
9	Fees & Subscription	0.02	0.02
10	Books & Periodicals	-	-
11	Printing & Stationery	0.02	0.02
12	Advertisement/Publicity expenses	0.00	0.00
13	Electricity/Water Charges	0.38	0.38
14	Expenses on Training	-	-
15	Hospitality	0.00	0.00
16	Conference Expenses	-	-
17	Contingency Expenses	0.07	0.07
18	Outsourcing expenses for engagement of Personnel on Contract basis	-	-
19	Contribution payable to NRPC	-	-
20	Miscellaneous expenses	-	-
21	Lease Rentals	-	-
22	Material Related expenses	-	-
23	Other purchase related expenses	-	-
24	Other donations	-	-
25	Other expenses	0.04	0.04
26	Total	0.73	0.73
27	Add: Additional A&G expenses on the asset addition	-	-
28	Add: Audit and Licence and ARR Determination Fee	-	-
29	Total expenses	0.73	0.73
30	A&G expenses recoverable on execution of 66KV works	-	-
31	Administration & General expts. capitalized	-	-
32	Net expenses	0.73	0.73
33	Add prior period Expenses/Losses	-	-
34	Other Debits/Staff Outsourcing Expenses	-	-
35	Total A&G Expenses	1.82	0.73

dfj

Form - F8
Expenses Capitalized

(Rs. in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Interest & Finance charges Capitalized		61.82
2	Other expenses capitalized:		
	a. Employee expenses		43.43
	b. R&M Expenses		0.50
	c. A&G Expenses		5.13
3	Total		49.06
4	Grand Total		110.88

ULDC Charges for SLDC

(Rs. in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	ULDC Charges - SLDC Own Share	3.00	5.68
2	ULDC Charges - BBMB Share	1.50	1.58
3	ULDC Charges - Central Sector Share	2.50	0.33
4	NRLDC Fees and Charges	4.00	2.33
5	OPGW Charges	5.00	-
6	URTDSM	0.10	-
7	Total	16.10	9.93

**Form - F9
Depreciation**

(Rs. in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Depreciation (Excluding prior period adjustment)	210.46	260.62
2	Opening GFA (Net of Land and Land Rights)	5,734.60	5,463.71
3	Assets additions during the Year	500.00	499.02
4	Assets replacement/ retirement	-	2.46
5	Closing GFA	6,234.60	5,960.26
6	Depreciation % of Opening GFA	3.67%	4.77%
6	Depreciation as % of Opening and Closing GFA	3.52%	4.56%

**Form - F9 (SLDC)
Depreciation**

(Rs in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Depreciation (Excluding prior period adjustm	0.59	0.76
2	Opening GFA (Net of Land and Land Rights)	11.68	9.28
3	Assets additions during the Year		3.88
4	Assets replacement/ retirement	-	-
5	Closing GFA	11.68	13.16
6	Depreciation % of Opening GFA	5.05%	8.15%
6	Depreciation as % of Opening and Closing GFA	5.05%	6.74%

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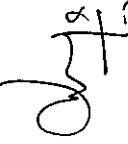
Form - F12
Income from investments and other non-tariff income

Sr. No.	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Meter/ metering equipment/ service line rentals		-
2	Service charges		-
3	Customer charges		-
4	Revenue from late payment surcharge		-
5	Miscellaneous receipts		-
6	Incentives from CGS's		-
7	Miscellaneous charges (except PLEC charges)		-
8	Interest on staff loans and advances		-
9	Interest on advances to suppliers		-
10	Income from trading		-
11	Income from staff welfare activities		0.01
12	Rental charges for staff quarters, water charges, Hospital ward, guest house etc.		0.40
13	Sale of Tender forms		0.09
14	Income from O&M of bays of PGCIL		5.76
15	Interest on investments, fixed and call deposits and bank balances		-
16	Sundry Credit balances written back		-
17	Other Non Tariff Income including prior period		-
18	Income from open access charges i.e. application fee, cross subsidy surcharge, additional surcharge, transmission and/ or wheeling charges, scheduling charges etc.		19.94
19	Sale of Scrap		0.75
20	Misc. income - NOC charges open access customers		0.00
21	Other miscellaneous income		4.38
	Total	41.05	31.32



Form - F12 (SLDC)
Income from investments and other non-tariff income

S. No	Particulars	(Rs. in Crore)	
		FY 2016-17	Actuals
1	Meter/ metering equipment/ service line rentals		-
2	Service charges		-
3	Customer charges		-
4	Revenue from late payment surcharge		-
5	Miscellaneous receipts		-
6	Incentives from CGS's		-
7	Miscellaneous charges (except PLEC charges)		-
8	Interest on staff loans and advances		-
9	Interest on advances to suppliers		-
10	Income from trading		-
11	Income from staff welfare activities		-
12	Rental charges for staff quarters, water charges, Hospital ward , guest house etc.		0.02
13	Sale of Tender forms		-
14	Excess found on physical verification		-
15	Interest on investments, fixed and call deposits and bank balances		-
16	Net recovery from penalty on coal liaison agents		-
17	Other Non Tariff Income including prior period		-
18	Income from open access charges i.e. application fee, cross subsidy surcharge, additional surcharge, transmission and/or wheeling charges, scheduling charges etc.		3.34
19	Sale of Scrap		-
20	Misc. income - NOC charges open access customers		1.28
21	Any other income not included above		0.28
22	Total	6.72	4.92



**Form - F15 - Transmission Business
Equity**

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Opening Balance of Equity	605.88	605.88
2	Equity Addition during the Year	-	-
3	Deduction in Equity on account of retirement of assets	-	-
4	Closing balance of Equity	605.88	605.88

**Form - F16 - Transmission Business
Return On Equity**

Sr. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Opening Balance-Equity Capital	605.88	605.88
2	Equity addition during the year through Internal Accruals	-	-
3	Closing balance-Equity Capital	605.88	605.88
5	ROE rate (%)	15.50%	15.50%
4	Return on Equity	93.91	93.91

Format - F17 - Transmission Business
Line Length (ckt-km)

Sr. No	Particulars	As on March 31, 2014		Addition during FY 2014-15		As on March 31, 2015		Addition during FY 2015-16		As on March 31, 2016		Addition during FY 2016-17		As on March 31, 2017	
		Actuals		Actuals		Actuals		Actuals		Actuals		Actuals		Actuals	
1	400 kV	367.75		1232.00		1599.75		0.00		1599.75		0.00		1599.75	
2	220 kV	5520.77		175.92		5696.69		687.62		6384.31		356.29		6740.60	
3	132 kV	3112.20		2.46		3114.66		5.56		3120.22		4.96		3125.18	
4	Total	9000.72		1410.38		10411.10		693.18		11104.28		361.25		11465.53	

Format - F19 - Transmission Business
Number of Substations for Transmission function

S. No	Particulars	As on March 31, 2014		Addition during FY 2014-15		As on March 31, 2015		Addition during FY 2015-16		As on March 31, 2016		Addition during FY 2016-17		As on March 31, 2017	
		Actuals		Actuals		Actuals		Actuals		Actuals		Actuals		Actuals	
1	400 kV	2.00		2.00		4.00		0.00		4.00		1.00		5.00	
2	220 kV	83.00		5.00		88.00		1.00		89.00		5.00		94.00	
3	132 kV	76.00		-2.00		74.00		-1.00		73.00		-4.00		69.00	
4	Total	161.00		5.00		166.00		0.00		166.00		2.00		168.00	



Form - F20
Normative Interest on Working Capital

Sr. No	Particulars	FY 2016-17	
		Tariff Order	Normative
1	Receivables equivalent to two months of fixed cost.	189.55	214.04
2	Maintenance spares @ 15% of O&M expenses	64.58	71.78
3	Operation and Maintenance expenses for one month.	35.88	39.88
4	Total Working Capital (Normative)	290.00	325.69
5	Additional Working Capital Requirement On Capital Spares	-	-
4	Total Working Capital	290.00	325.69
5	Rate of Interest applied	11.72%	11.74%
6	Interest on Working Capital	33.99	38.24

Form - F20 (SLDC)
Normative Interest on Working Capital

S. No	Particulars	FY 2016-17	
		Tariff Order	Normative
1	Receivables equivalent to two months of fixed cost.	4.32	2.39
2	Maintenance spares @ 15% of O&M expenses	2.04	1.12
3	Operation and Maintenance expenses for one month.	1.13	0.62
4	Total Working Capital (Normative)	7.50	4.14
5	Additional Working Capital Requirement On Capital Spa	-	-
6	Total Working Capital	7.50	4.14
7	Rate of Interest applied	12.00%	11.74%
8	Interest on Working Capital	0.90	0.49

dh

Form - F21
Interest & Finance Charges

(Rs in Crore)

Sr. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Opening Balance	3,712.04	4,002.76
2	Loan addition during FY	500.00	396.96
3	Loan Repayment during FY	405.24	312.22
4	Closing Balance	3,806.80	4,087.49
5	Interest Expenses	442.28	451.14
6	Interest in GP fund	11.08	11.56
7	Interest disallowed on account of diversion of funds	-	-
8	Interest Capitalised	43.89	61.82
9	Net Interest	409.47	400.88
10	Rate of Interest	11.76%	11.15%
11	Guarantee Charges	-	10.00
12	Miscellaneous Interest and Finance Charges	-	0.36
13	Interest & Finance Charges	409.47	411.24

**Form - F21 (SLDC)
Interest & Finance Charges**

(Rs in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Opening Balance	8.45	3.73
2	Loan addition during the year	16.30	3.24
3	Loan Repayment during the year	-	0.27
4	Closing Balance	24.75	6.70
5	Interest Expenses	1.43	0.59
6	Interest in GP fund	-	-
7	Interest disallowed on account of diversion of fu	-	-
8	Interest Capitalised	-	-
9	Net Interest	1.43	0.59
10	Rate of Interest	8.61%	11.31%
11	Guarantee Charges	-	-
12	Miscellaneous Interest and Finance Charges	-	-
13	Interest & Finance Charges	1.43	0.59

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Form - F 21 Detailed
Interest Cost

FY 2016-17

(Rs in Crore)

Sr. No.	Particulars (Source)	Opening balance	Rate of interest	Addition during the year	Repayment during the year	Closing balance	Amount of interest
1	LIC	56.80	9.85%	-	22.83	33.97	4.47
2	REC	2,924.81	11.66%	208.50	205.78	2,927.53	341.07
3	SBOP	65.56	10.53%	-	21.56	44.00	5.77
4	NABARD	127.77	11.12%	69.81	-	197.58	18.09
5	OBC	40.10	10.22%	-	40.10	-	2.98
6	PSPCL	495.57	10.69%	7.59	-	503.16	53.38
7	GPF	153.69	8.10%	-	21.95	131.74	11.56
8	Bank of India (WC)	138.46	11.70%	50.00	-	188.46	19.12
9	PFC		10.25%	61.06	-	61.06	6.26
10	Sub-total	4,002.76	11.44%	396.96	312.22	4,087.49	462.70
11	Less: Interest Capitalised						61.82
12	Miscellaneous Interest and Finance Charges						0.36
13	Guarantee Charges						10.00
14	Grand Total						411.24

dit

**Form - F22- Transmission Business
Transmission Availability (%)**

Sr. No.	Particulars	FY 2016-17	
			Actual
1	April		99.97%
2	May		99.92%
3	June		99.91%
4	July		99.94%
5	August		99.91%
6	September		99.94%
7	October		99.98%
8	November		99.98%
9	December		99.18%
10	January		99.72%
11	February		99.96%
12	March		99.95%
13	Average		99.86%

Form - F23

Transmission Loss (%)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Transmission Loss	2.50%	3.88%

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Computation of Incentive on account of Higher Transmission Availability

FY 2016-17

Normative Availability	98%
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Sr. No.	Month	No of Days in Month	Monthly Transmission Charges	Actual Availability (%)	Transmission charges inclusive incentives	Incentive
1	Apr-16	30	103.59	99.97%	105.67	2.08
2	May-16	31	107.04	99.92%	109.13	2.10
3	Jun-16	30	103.59	99.91%	105.60	2.02
4	Jul-16	31	107.04	99.94%	109.16	2.12
5	Aug-16	31	107.04	99.91%	109.12	2.09
6	Sep-16	30	103.59	99.94%	105.64	2.05
7	Oct-16	31	107.04	99.98%	109.20	2.16
8	Nov-16	30	103.59	99.98%	105.68	2.09
9	Dec-16	31	107.04	99.18%	108.33	1.29
10	Jan-17	31	107.04	99.72%	108.92	1.88
11	Feb-17	28	96.68	99.96%	98.61	1.93
12	Mar-17	31	107.04	99.95%	109.17	2.13
		365	1260.28		1284.22	23.94



Form - F24

Revenue from Transmission Tariff

(Rs. in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Revenue from Transmission Tariffs	1125.09	1125.09
	Total	1125.09	1125.09

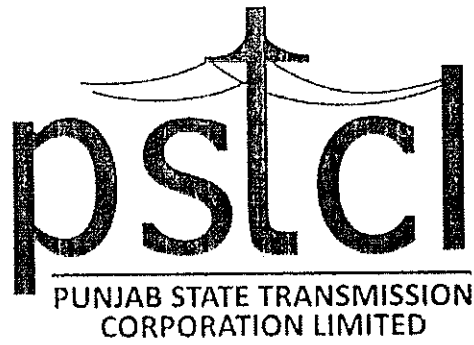
Form - F24 (SLDC)

Revenue from SLDC Tariff

(Rs. in Crore)

S. No	Particulars	FY 2016-17	
		Tariff Order	Actuals
1	Revenue from SLDC Fees and Charges	25.92	25.92
	Total	25.92	25.92

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FINANCIAL STATEMENTS

FY 2016-17



Punjab State Transmission Corporation Limited

The Mall, Patiala



INDEPENDENT AUDITOR'S REPORT

To,

The Members,
Punjab State Transmission Corporation Limited
Patiala.

Sub: Statutory Audit Report for the year ending 31.3.2017.

Report on the Financial Statement

We have audited the accompanying Ind AS financial statements of PUNJAB STATE TRANSMISSION CORPORATION LIMITED, PATIALA ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating



effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

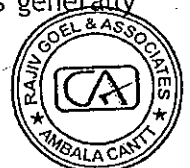
Our responsibility is to express an opinion on Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on Ind AS financial 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 items 1 to 8 described in Annexure-1 attached herewith, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally



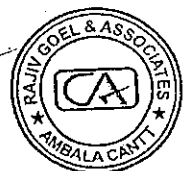
accepted in India, of the state of affairs of the Company as at 31st March 2017, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

- (a) The comparative financial information of the company for the transition date opening balance sheet as at 1st April 2015, included in Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as adjusted for the differences in the accounting principles adopted by the company on the transition to the Ind AS.
- (b) The comparative financial information of the company for the year ended 31st March 2016, included in Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us as adjusted for the differences in the accounting principles adopted by the company on the transition to the Ind AS.

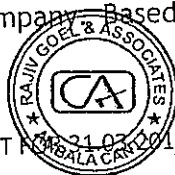
Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of sub section 5 of section 143 of the Companies Act 2013, we give in the "Annexure B" a statement on the directions issued under the aforesaid section by the comptroller and auditor general of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) That the management had appointed consultants for their support to migrate the accounts of FY 15-16 and prepare the balance sheet of FY 16-17 as per Indian accounting standards (Ind As) vide Work order cum contract agreement no. 4/CFO/A&R-154 dated 10.05.2017. The accounts have been prepared by the management in consultation with the consultant confirming to the compliance of Ind



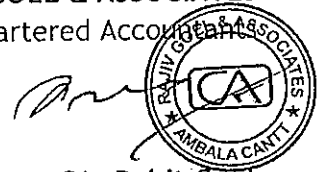
As provisions. We have relied upon the impact study report of the consultants in respect of the applicability and compliance of the provisions of Ind As.

- c) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- e) In our opinion, except for the possible effects of the items 1 to 8 described in Annexure-1 attached herewith, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- f) In view of exemption given vide notification no. G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the company.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- i. The Company does not have any pending litigations which would impact its Ind AS financial Position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - iv. The company has provided requisite disclosures in Ind AS financial statements as to holding as well as dealing in specified bank notes during the period from 8th November 2016 to 30th December 2016 on the basis of information available with the company. Based on audit procedures, and



relying on management's representations we report that disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management. Refer Note No. 66 to Ind AS financial statements.

For M/S RAJIV GOEL & ASSOCIATES
Chartered Accountants



CA. Rohit Goel
Partner
FRN 011106N
M. No. 091756

Place: Patiala
Date: 23.01.2018

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“ANNEXURE A” TO THE AUDITORS’ REPORT

Referred to in our Report of even date:

1.

a. The company is maintaining proper records showing full particulars including Quantitative details and situation of fixed assets except for the fixed assets transferred on 16/04/2010 pursuant to the transfer scheme notified by the State Government which is in process. *However no distinctive mark / specification number has been marked on Fixed Assets.*

Further, submitted that the capital loans have been availed by PSTCL from banks/financial institutions secured against hypothecation of future assets. Hence capital assets created out of capital loans being availed from banks /financial institutions are not free from encumbrances.

b. As per information and explanation given fixed assets have been physically verified by the management during the year but no records of such verification has been produced before us. In the absence of detail we are unable to verify the reasonableness and frequency of physical verification commensurate to size and nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

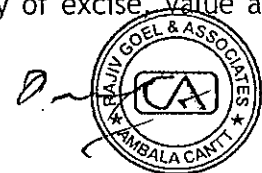
c. As informed to us, the title deeds of immovable properties procured before 16.04.2010 are not mutated in the name of the company but the ownership of which accrues to company by operation of law through Transfer scheme notified by Punjab Government on 24.12.2012. The said title deeds are available with PSPCL (as the Estate office of erstwhile PSEB which is now functioning under PSPCL after unbundling and is the custodian of such title deeds).

Further, title deeds of immovable properties acquired by the company after 16.04.2010 are either in the name of the company or on operating lease from different Panchayats, agreements of which are available with the company.

2. The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed have been properly dealt with in the books of accounts.



3. The company has not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
5. The Company has not accepted any deposits from the public covered under Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. As informed to us, the company has maintained Cost records prescribed by the Central Government under sub section (1) of section 148 of the Act. However, the cost records are audited by cost auditor; therefore we have not made detailed examination of the records with a view to determine whether they are accurate and complete.
7.
 - a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable except for the *TDS defaults of Rs. 9,01,425/- reflecting under Form 26AS as on 23.01.2018, NPS default of Rs. 646/-, Labour cess of Rs. 44,023/-, Service tax of Rs. 994/- and Bonus default of Rs. 7,07,085/-.*
 - b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

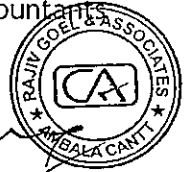


8. In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
9. The company has not raised any money by way of initial public offer or further public offer. According to the information and explanation given to us, the money raised by way of debt instruments and term Loans have been applied for the purpose of which they were obtained.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company. Therefore, reporting under clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.
14. Based upon our examination of the records of the company and according to the information and explanations given to us by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. Based upon our examination of the records of the company and according to the information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with them.



16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company.

For M/S RAJIV GOEL & ASSOCIATES
Chartered Accountants



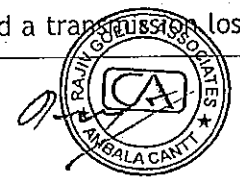
Rohit Goel
CA. Rohit Goel
Partner
FRN 011106N
M. No. 091756

Place: Patiala
Date: 23.01.2018

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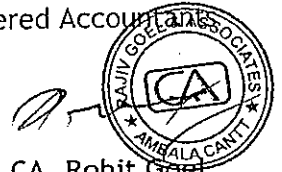
“Annexure B” to the Independent Auditor’s Report

Sr. No.	Directions	Reply
1	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title lease deeds are not available?	As informed to us, the title deeds of immovable properties procured before 16.04.2010 are not in the name of the company but the ownership of which accrues to company by operation of law through Transfer scheme notified by Punjab Government on 24.12.2012. The said title deeds are available with PSPCL (as the Estate office of erstwhile PSEB which is now functioning under PSPCL after unbundling and is the custodian of such title deeds). Further, title deeds of immovable properties acquired by the company after 16.04.2010 are either in the name of the company or are on operating lease from different Panchayats, agreements of which are available with the company.
2	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.	There is no case of waiver/write off of debts/loans/interest etc.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	No inventories are lying with the third parties & no assets have been received as gift from Govt. or other authorities.
4	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be provided/commented.	As informed to us, PSTCL has commissioned adequate transmission capacity to evacuate the power from generating stations including those which are drawn from outside of the state/northern grid. There has been no claim of loss against PSTCL from any generating company.
5	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?	There is a system in place to determine the transmission loss by the company since July, 2016. The transmission loss from July 2016 to March 2017 is 4.2%. However, as informed to us, PSERC has allowed a transmission loss



		of 2.5% in the Tariff Order of FY 2016-17. The company has claimed that even otherwise, the difference between actual loss and the loss approved by the commission is not required to be accounted for in the books of accounts as the corporation has recovered its transmission charges in full as approved by PSERC on transmission capacity basis.
6	Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements?	In the books of accounts as on 31.03.2017 a sum of Rs. 50,92,18,198/- is standing under the head of "Receipts for Deposit Work" and amounting to Rs. 77,09,70,797/- under "Receipts for Contribution Work". These amounts are on account of assets constructed and completed on behalf of other agencies. These balances are un-reconciled and un-confirmed and no details regarding the same are available with the company as to whom these amounts are payable.

For M/S RAJIV GOEL & ASSOCIATES
Chartered Accountants



CA. Rohit Goel
Partner
FRN 011106N
M. No. 091756

Place: Patiala
Date: 23.01.2018

“Annexure C” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

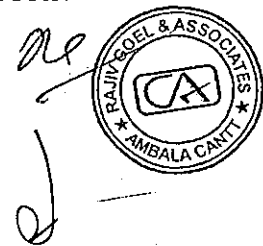
We have audited the internal financial controls over financial reporting of PUNJAB STATE TRANSMISSION CORPORATION LIMITED, PATIALA (“the Company”) as on March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate



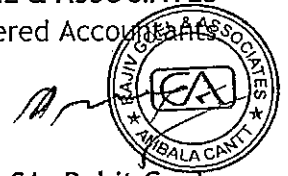
because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Patiala
Date: 23.01.2018

For M/S RAJIV GOEL & ASSOCIATES
Chartered Accountants

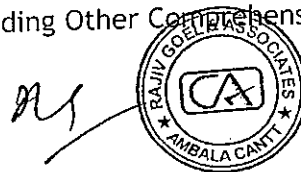


CA. Rohit Goel
Partner
FRN 011106N
M. No. 091756

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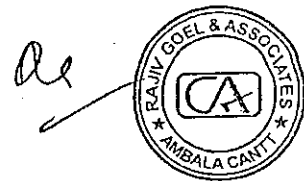
ANNEXURE-1 FORMING PART OF MAIN AUDIT REPORT OF PUNJAB STATE TRANSMISSION
CORPORATION LIMITED AS ON 31ST MARCH 2017

1. That Company is providing Operation and Maintenance services to 220 KV Ganguwal-Mohali Transmission Line which is co-owned by UT Chandigarh and PSTCL. During the year under audit, no bill for such service has been raised and issued to the UT Chandigarh as UT Chandigarh has intimated that with the introduction of POC (Point of Connection) Regime from FY 2011-12, they are already making payments to PGCIL for the POC charges on their total drawal of power as per the account prepared by NLDC Delhi (National Load Dispatch Centre) resulting into lower revenue. However expenses to maintain such transmission line have been accounted for in the books of accounts in totality and no separate accounts have been prepared by the management for such transmission line.
Further, as per accounting policy 2.12 "Revenue Recognition" Income from natural interstate lines to be accounted for in the books of accounts as and when received. For the recovery of such O&M charges of the above mentioned transmission line, PSTCL has taken up the matter with UT Chandigarh at all levels for settling O&M charges of above mentioned transmission line.
2. As per Amended Transfer Scheme 2012, PSTCL has to pay 11.36% share of terminal benefits payable to employees as per Punjab Power Sector Reforms Transfer (1st Amendment) Scheme 2012. As per information available PSPCL provides only 88.64% share of the total terminal benefit Liability in respect of pension, gratuity and leave encashment. As such Ind AS 19 is not applicable to PSTCL in respect of employees working in PSTCL on deputation/secondment from PSPCL and covered under the Pension Scheme, no provision has been made in the books of accounts of PSTCL to the extent of PSTCL's share of progressive funding being 11.36% of actuarial liability on account of terminal liability. PSTCL has accounted for terminal liability on the principle of 'Pay as you go' basis amounting to Rs. 254,31,12,837/- being 11.36% of total amount as intimated by PSPCL for FY 16-17.
3. Services to/from PSPCL like rent of Offices, rent of colonies etc is not accounted for in the books of accounts up to date. In the absence of information we are unable to ascertain the effect on statement of profit & loss (including Other Comprehensive Income) and balance Sheet.



4. The balances of Creditors are not confirmed. In the absence of information we are unable to ascertain its effect on statement of profit & loss and balance sheet.
5. That there was an opening credit balance of Rs. 16,28,70,583/- as on 01-04-2015 under the head "Reserve for Material Cost Variance" which represents the excess store incidental expenses incurred to Capital Works over the actual expenditure during the earlier years. However the company has transferred this balance to "Capital Reserve" during the financial year 2015-16. The credit of Rs. 16,28,70,583/- under Capital Reserve and corresponding excess debited under fixed assets both are over stated by the amount detailed above. In absence of the bifurcation of variance between the Fixed Assets and CWIP and Expenses its effect on Fixed Assets, Depreciation and Statement of Profit and Loss and Balance Sheet could not be ascertained.
6. Other Non Current Assets include Inter Unit Transfer debit balance of Rs. 1.72 Crore (Rs. 3.19 Cr as on 31.03.2016) and Blank U Cheque debit balance of Rs. 54.67 Crore relating to the period prior to 16/04/2010 are not reconciled and effect thereof on Statement of Profit and Loss and Balance Sheet could not be ascertained.
7. Credit Awaiting IUT Bills amounting Rs. 65,02,885/- under Current Liabilities Note No. 21 named as Other Current Liabilities.

That as explained to us "the amount received from other accounting units/recoveries made on behalf of other accounting units of PSTCL & PSPCL and cost of material received against SR, Store challan/SRWs shall be Credited under Credit Awaiting IUT Bills. As and when the claim is received from the concerned units then it will be cleared by issuing U-Cheque/transferring to ICT head by debiting this account code". That opening credit balance under this head as on 01.04.2016 is Rs. 4,42,93,788/- and closing credit balance as on 31.03.2017 amounts to Rs. 65,02,885/-. That during the audit it was observed that details are not available with the company as to which accounting unit amount is payable as it pertains to period prior to 16.04.2010. These balances are un-reconciled and Un-confirmed, therefore we are unable to comment upon the accuracy of the figures and the effect of reconciliation on profit and loss account and Balance Sheet could not be ascertained.



8. "Receipts for deposit works" is Rs. 50,92,18,198/- and under "Receipts for Contribution Works" is Rs. 77,09,70,797/- under Note No. 18 named as Other non current Liabilities.

As explained to us, "the amount received by PSTCL from outside parties to undertake works on their behalf are accounted under "Receipts for deposit works" and "Receipts for Contribution Works" under Other Long Term liability". That opening credit balance under "Receipts for deposit works" and "Receipts for Contribution Works" as on 01.04.2016 is Rs. 61,60,35,038/- and Rs. 57,88,62,533/- respectively. That during the audit it was observed that details are not available with the company as to whom these amounts are payable. These balances are un-reconciled and Un-confirmed, therefore we are unable to comment upon the accuracy of the figures and the effect of reconciliation on profit and loss account and Balance Sheet could not be ascertained.

Place: Patiala
Date: 23.01.2018

For M/S RAJIV GOEL & ASSOCIATES
Chartered Accountants



Rohit Goel
CA. Rohit Goel
Partner
FRN 011106N
M. No. 091756

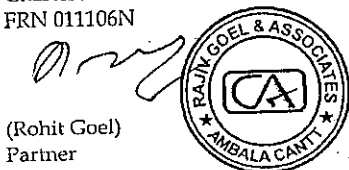
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PUNJAB STATE TRANSMISSION CORPORATION LIMITED
Balance Sheet As at March 31, 2017

(Amount in Rupees)

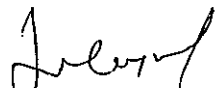
Sr. No.	Particulars	Note No.	Figures As at March 31, 2017	Figures As at March 31, 2016	Figures As at April 01, 2015
I	ASSETS				
1	Non current assets				
	(a) Property, Plant and Equipment	3	67,61,01,44,545	65,27,98,72,856	64,07,18,56,405
	(b) Capital work in progress	4 & 5	7,91,07,13,027	8,72,31,82,438	8,76,91,49,412
	(c) Financial Assets				
	(i) Others	6	3,93,90,719	3,91,54,954	5,03,11,584
	(d) Other non current assets	7	56,60,96,769	58,62,39,679	59,48,18,270
			76,12,63,45,060	74,62,84,49,927	73,48,61,35,671
2	Current assets				
	(a) Inventories	8	17,99,12,862	21,51,50,178	18,93,21,724
	(b) Financial assets				
	(i) Trade receivables	9	5,84,41,18,393	3,81,07,67,037	1,85,47,82,493
	(ii) Cash and cash equivalents	10	15,28,092	70,32,994	1,42,81,490
	(iii) Others	11	7,13,38,767	5,94,99,815	2,30,61,223
	(c) Current tax assets (Net)	12	38,84,95,536	36,69,33,435	15,00,95,190
	(d) Other current assets	13	4,50,77,901	27,63,865	27,11,478
			6,53,04,71,551	4,46,21,47,324	2,23,42,53,598
	Total		82,65,68,16,611	79,09,05,97,251	75,72,03,89,269
II	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity Share capital	14	6,05,88,34,650	6,05,88,34,650	6,05,88,34,650
	(b) Other Equity	15	22,54,89,51,016	22,50,11,52,049	22,38,33,76,451
			28,60,77,85,666	28,55,99,86,699	28,44,22,11,101
	LIABILITIES				
1	Non current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	16	43,77,24,06,016	40,33,73,37,460	37,78,64,66,426
	(b) Provisions	17	9,38,21,380	4,68,36,320	2,81,18,573
	(c) Other non current liabilities	18	1,32,90,11,276	1,19,48,97,571	1,18,86,35,612
			45,19,52,38,672	41,57,90,71,351	39,00,32,20,611
2	Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	19	2,08,80,94,943	2,53,82,66,111	1,77,06,56,178
	(ii) Other financial liabilities (other than those specified in item (c))	20	6,71,50,10,677	6,33,70,59,549	6,15,67,44,221
	(b) Other current liabilities	21	4,98,82,719	7,56,84,381	34,72,23,265
	(c) Provisions	22	8,03,934	5,29,160	3,33,893
			8,85,37,92,273	8,95,15,39,201	8,27,49,57,557
	Total		82,65,68,16,611	79,09,05,97,251	75,72,03,89,269
	Significant accounting policies	2			
	The accompanying Notes 1 to 68 are an integral part of financial statements				


As per our report of even date attached
For Rajiv Goel & Associates
Chartered Accountants
FRN 011106N

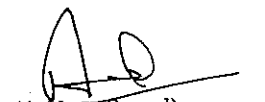


(Rohit Goel)
Partner
M.No 091756
Place: Patiala
Date: 23-1-2018

For and on behalf of the Board


(Jatinder Goyal)
Director/F & C


(Vinod Bansal)
Chief Financial Officer


(A. Venk Prasad)
Chairman-cum-Managing
Director


(Jasvir Singh)
Company Secretary

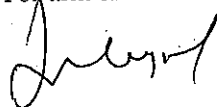
Sr. No.	Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Income			
	(a) Revenue from operations	23	12,43,15,78,564	11,77,18,26,854
	(b) Other income	24	32,00,51,852	29,90,23,000
	Total Income		12,75,16,30,416	12,07,08,49,854
II	Expenses			
	(a) Employee benefit expenses	25	4,41,96,13,860	4,03,87,65,847
	(b) Finance costs	26	5,07,39,96,198	4,76,46,17,768
	(c) Depreciation, amortization & impairment expenses	27	2,61,37,43,093	2,51,38,42,501
	(d) Other expenses			
	(i) Repairs & maintenance	28	26,05,78,274	33,80,22,372
	(ii) Administration & General expenses	29	17,97,90,283	16,69,25,249
	(iii) ULDC charges	30	9,93,22,430	11,75,65,557
	(iv) Others expenses/debits	31	4,32,56,278	1,64,83,797
	Total expenses		12,69,03,00,416	11,95,62,23,091
III	Profit/(Loss) before tax		6,13,30,000	11,46,26,763
	Tax expense	32		
	(i) Current tax		1,02,63,800	0
	(ii) Adjustment of tax relating to earlier year		16,76,401	(31,13,374)
IV	Profit/(Loss) for the period		4,93,89,799	11,77,40,137
V	Other Comprehensive Income			
	(a) Items that will not be reclassified to profit or loss			
	-Actuarial Gain/(Loss) on Gratuity	33	(15,90,832)	35,461
	Other Comprehensive Income		(15,90,832)	35,461
VI	Total Comprehensive Income for the period (IV + V)		4,77,98,967	11,77,75,598
	Earnings per equity share			
	Basic & Diluted	49	0.08	0.19

As per our report of even date attached
For Rajiv Goel & Associates
Chartered Accountants
FRN 011106N

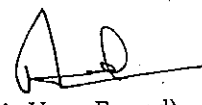


(Rohit Goel)
Partner
M.No 091756
Place: Patiala
Date: 23-1-2018

For and on behalf of the Board



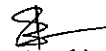
(Jatinder Goyal)
Director/F & C



(A. Venu Prasad)
Chairman-cum-Managing
Director



(Vinod Bansal)
Chief Financial Officer



(Jasvir Singh)
Company Secretary





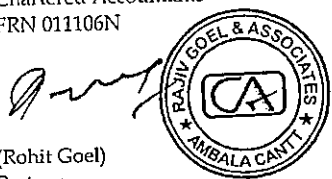
PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Cash Flow Statement for the period ended March 31, 2017

(Amount in Rupees)

Sr. No.	PARTICULARS	For the Year Ended March 31, 2017		For the Year Ended March 31, 2016	
(A)	Cash Flow from Operating Activities				
	Net Profit/(Loss) before tax		6,13,30,000		11,46,26,763
	Adjustment for:				
i	Interest on bank deposits	0		(2,16,992)	
ii	Income from sale of fixed assets	(50,26,874)		(5,37,78,418)	
iii	Provision withdrawn on unserviceable/obsolete items - capital	(68,49,529)		(19,61,941)	
iv	Provision for unserviceable & obsolete items - capital	2,65,70,432		1,08,54,329	
v	Finance cost	5,07,39,96,198		4,76,46,17,768	
vi	Depreciation, Amortization & Impairment Expenses	2,61,37,43,093	7,70,24,33,320	2,51,38,42,501	7,23,33,57,247
	Operating Profit/(Loss) before working capital changes		7,76,37,63,320		7,34,79,84,010
	Adjustment for working capital changes:				
i	(Increase)/Decrease in trade receivables	(2,03,33,51,356)		(1,95,59,84,544)	
ii	(Increase)/Decrease in inventories	3,52,37,316		(2,58,28,454)	
iii	(Increase)/Decrease in other non current financial assets	(2,35,765)		1,11,56,630	
iv	(Increase)/Decrease in other non current assets	2,01,42,910		85,78,591	
v	(Increase)/Decrease in other current financial assets	(1,18,38,952)		(3,66,28,193)	
vi	(Increase)/Decrease in other current assets including current tax asset (net)	(28,27,98,303)		(42,75,02,129)	
vii	Increase/(Decrease) in non current provisions	4,53,94,228		1,87,53,208	
viii	Increase/(Decrease) in current provisions	2,74,774		1,95,267	
ix	Increase/(Decrease) in other non current liabilities	13,41,13,705		62,61,959	
x	Increase/(Decrease) in other current financial liabilities	(14,76,14,825)		(40,60,86,822)	
xi	Increase/(Decrease) in other current liabilities	(2,58,01,662)		(27,15,38,884)	
	Net working capital change		(2,26,64,77,930)		(3,07,86,23,371)
	Cash generated from operations		5,49,72,85,390		4,26,93,60,639
	Income tax paid		20,69,81,965		21,37,24,871
	Net Cash from operating activities		5,70,42,67,355		4,48,30,85,510
(B)	Cash Flow from investing activities				
i	(Increase)/Decrease in PPE and intangible assets	(4,94,40,14,782)		(3,72,18,58,952)	
ii	(Increase)/Decrease in capital work in progress including capital stores	79,27,48,508		3,70,74,586	
iii	Income on sale of fixed assets	50,26,874		5,37,78,418	
iv	Interest income	0		4,06,593	
	Net Cash used in investing activities		(4,14,62,39,400)		(3,63,05,99,355)
(C)	Cash Flow from financing activities				
i	Finance cost paid	(5,01,84,34,424)		(4,77,36,08,346)	
ii	Movement in long term borrowings	3,90,50,72,735		3,14,62,63,762	
iii	Movement in short term borrowings	(45,01,71,168)		76,76,09,933	
	Net Cash from financing activities		(1,56,35,32,857)		(85,97,34,651)
(D)	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		(55,04,902)		(72,48,496)
(E)	Cash and cash equivalents at the beginning of the year		70,32,994		1,42,81,490
(F)	Cash and cash equivalents at the end of the year		15,28,092		70,32,994

As per our report of even date attached
For Rajiv Goel & Associates
Chartered Accountants
FRN 011106N



(Rohit Goel)
Partner
M.No 091756
Place: Patiala
Date: 23-1-2017

For and on behalf of the Board

(Jatinder Goyal)
Director/F & C

(A. Venu Prasad)
Chairman-cum-Managing
Director

(Vinod Bansal)
Chief Financial Officer

(Jasvir Singh)
Company Secretary

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Notes to accounts for the year ended March 31, 2017
Statement of Changes in Equity for the period ended March 31, 2017

A. Equity Share Capital


Balance as at April 1, 2015	6,05,88,34,650
Changes in equity share capital during the year	-
Balance as at March 31, 2016	6,05,88,34,650
Changes in equity share capital during the year	-
Balance as at March 31, 2017	6,05,88,34,650


B. Other Equity

(Amount in Rupees)

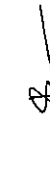
Particulars	Reserves & Surplus			Retained Earnings (Surplus Account)	Other items of OCI	Total
	General Reserve	Capital Reserve	Other Reserve - Material cost Variance Reserve			
Balance as per previous IGAAP March 31, 2015	2,00,05,121	18,45,82,07,825	16,28,70,583	3,97,70,72,703	-	22,61,81,56,232
Changes in prior period errors	-	-	-	(23,44,77,244)	-	(23,44,77,244)
Actuarial adjustment due to Ind AS	-	-	-	(3,02,537)	-	(3,02,537)
Restated balance at the beginning of the reporting period as at April 1, 2015	2,00,05,121	18,45,82,07,825	16,28,70,583	3,74,22,92,922	-	22,38,33,76,451
(i) Reclassification of items	-	16,28,70,583	(16,28,70,583)	-	-	0
(ii) Changes in prior period errors	-	-	-	10,03,34,081	-	10,03,34,081
(iii) Actuarial adjustment due to Ind AS	-	-	-	9,47,639	-	9,47,639
(iv) Profit for the year other than item (i) to (iii)	-	-	-	1,64,58,417	-	1,64,58,417
Profit during the year	-	-	-	11,77,40,137	-	11,77,40,137
(v) Other comprehensive income	-	-	-	35,461	-	35,461
Total Comprehensive income	-	-	-	11,77,75,598	-	11,77,75,598
Balance at the end of reporting period March 31, 2016	2,00,05,121	18,62,10,78,408	0	3,86,00,68,520	0	22,50,11,52,049
Profit during the year	-	-	-	4,93,89,799	-	4,93,89,799
Other comprehensive income	-	-	-	(15,90,832)	-	(15,90,832)
Total Comprehensive income	-	-	-	4,77,98,967	-	4,77,98,967
Balance at the end of the reporting period March 31, 2017	2,00,05,121	18,62,10,78,408	0	3,90,78,67,487	0	22,54,89,51,016

For and on behalf of the Board


(Jatinder Goyal)
Director / F & C


(A. Veni Prasad)
Chairman-cum-Managing Director


(Vinod Bansal)
Chief Financial Officer


(Jasvir Singh)
Company Secretary

As per our report of even date attached

For Rajiv Goel & Associates

Chartered Accountants

FRN 011106N



(Rohit Goel)

Partner

M.No 091756

Place: Patiala

Date: 23-1-2018

Transitional Balance Sheet as at April 01, 2015
Statement of changes in Equity as at April 01, 2015

A. Equity Share Capital	
Balance as at March 31, 2015	6,05,88,34,650
Changes in equity share capital	-
Balance as at April 01, 2015	6,05,88,34,650

Sr. No.	Particulars	Reserves & Surplus			Other items of OCI	Total
		General Reserve	Capital Reserve	Other Reserve Material cost Variance Reserve		
	Balance as per previous IGAAP as at March 31, 2015	2,00,05,121	18,45,82,07,825	16,28,70,583	-	22,61,81,56,232
	Ind AS adjustments:					
i	Changes in prior period errors (Depreciation) 2015-16	-	-	-	-	(9,20,44,049)
ii	Changes in prior period errors (IUT) 2015-16					(2,09,64,332)
iii	Changes in prior period errors (CWIP) 2015-16					(2,65,94,067)
iv	Changes in prior period errors (Impairment)					(5,51,23,646)
v	Prior period errors (Depreciation) discovered in 2016-17					(4,00,24,485)
vi	Error of excess overtime payment discovered in FY 2015-16					2,73,335
	Total Ind AS adjustments	-	-	-	-	(23,44,77,244)
	Restated balance at the beginning of the reporting period as at April 01, 2015 (before Actuarial adjustment)	2,00,05,121	18,45,82,07,825	16,28,70,583	-	22,38,36,78,988
	Actuarial adjustment due to Ind AS	-	-	-	-	(3,02,537)
	Restated balance at the beginning of the reporting period as at April 01, 2015	2,00,05,121	18,45,82,07,825	16,28,70,583	0	22,38,33,76,451

(Amount in Rupees)

For and on behalf of the Board

As per our report of even date attached

For Rajiv Goel & Associates

Chartered Accountants

FRN 011106N



(Rohit Goel)
Partner

M.No 091756

Place: Patiala

Date: 23-1-2018

(Jatinder Goyal)

Director / F & C

(A. Venk-Prasad)

Chairman-cum-Managing Director

(Vinod Bansal)

Chief Financial Officer

(Jasvir Singh)

Company Secretary



PUNJAB STATE TRANSMISSION CORPORATION LIMITED NOTES FORMING PART OF THE FINANCIAL STATEMENT

1 General Information

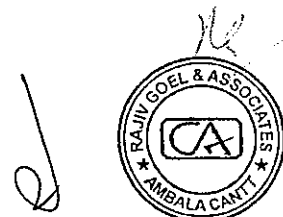
- Punjab State Transmission Corporation Limited (PSTCL) was incorporated on April 16, 2010 under the Companies Act, 1956. The Certificate of commencement of Business was received on the same date from Registrar of Companies, Chandigarh.
- The Government of Punjab restructured the Punjab State Electricity Board under the provisions of the Electricity Act, 2003. In exercise of Powers conferred by Section 131, 132 and 133 of the Act, the Government of Punjab made a Scheme called the Punjab Power Sector Reforms Transfer Scheme, 2010 (Transfer Scheme) vide Notification dated April 16, 2010 which inter alia provided for transfer of functions, undertakings assets, properties, rights, liabilities, obligations, proceedings and personnel of Punjab State Electricity Board. The Scheme was subsequently amended by State Government by making a Scheme called the Punjab Power Sector Reforms Transfer (First Amendment) Scheme, 2012 which was notified on December 24, 2012.
- In exercise of the powers conferred by sub clause 4 of clause 5 of the Transfer Scheme read with Section 131, 132 & 133 of the Act, the Government of Punjab transferred and vested the transmission undertaking with Punjab State Transmission Corporation Limited by way of Notifications No. 1/4/04-EB/PR/620 & 632 dated December 24, 2012 by vesting the transmission undertaking aggregate value of assets & liabilities of Rs. 4,114.28 crores as on April 16, 2010 and from the said date, Company is carrying on the business of transmission of electricity in the State of Punjab and discharging the functions of State Load Dispatch Centre.

2 Significant Accounting Policies

2.1 Basis of preparation of Financial Statements

i) Statement of Compliance

- The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs, under the provisions of the Companies Act, 2013 ('Act') (to the extent notified), applicable provisions of the Companies Act, 1956 and the provisions of the Electricity Act, 2003 to the extent applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The Company has adopted Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. For all the periods up to and including 31 March 2016, the



Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013 (to the extent notified and applicable) read with Companies (Accounting Standards) Rules, 2006 (as amended), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable. The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition, viz. 1 April 2015.

- Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

iii) Basis of Measurement

- The financial statements are prepared on the accrual basis of accounting under historical cost convention except for certain financial instruments (referred in Note 2.23 of Accounting policy) which are measured at fair values.

iii) Use of estimates and judgment

- The preparation of financial statements is in conformity with Ind AS which requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure/s, at the end of the reporting period. The estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

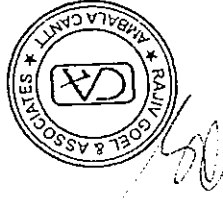
iv) Functional and presentation currency

- These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

2.2 Property, Plant and Equipment (PPE)

- The Company has adopted the cost model of recognition under Ind AS 16 to measure the Property, Plant and Equipment. Consequently, all Property, Plant and Equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

- The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable expenditure to bring



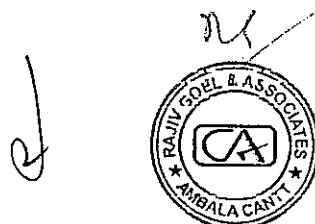
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the Property, Plant and Equipment to the location and making it ready for its intended use.

- Property, Plant and Equipment acquired as replacement of the existing assets/ component are capitalized and its corresponding replaced assets/ component removed/ retired from active use are derecognized.
- Spares parts procured along with the Plant & Machinery or subsequently which meets the recognition criteria of Property, Plant and Equipment are capitalized and added in the carrying amount of such item. The carrying amount of spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.
- Stand-by equipment are recognised in accordance with Ind AS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.
- Gains or losses arising from derecognition of an item of Property, Plant and Equipment is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss when the asset is derecognized.
- In case of Property, Plant and Equipment 100% funded by consumer contribution, amount equal to the annual depreciation on such Property, Plant and Equipment has been transferred from deferred income to depreciation.
- In case of Property, Plant and Equipment part funded by consumer contribution, proportionate amount of the annual depreciation has been transferred from deferred income to depreciation and balance depreciation is transferred to Profit & Loss Account.
- In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital Work-in-progress.
- Claims for price variation/exchange rate variation in case of contracts are accounted for on acceptance of claims.

2.3 Capital work in progress

- Projects under which the Property, Plant and Equipment are not yet ready for their intended use are carried at cost, comprising direct costs, related incidental expenses and attributable interest.



- All expenditure relating to Capital works of Transmission System Organization are allocated to the capital projects on pro rata basis.

2.4 Capital Stores

- Materials purchased for capital projects are classified as Capital stores and these are valued at cost.

2.5 Depreciation and Amortization

- In line with Part B of Schedule II to Companies Act 2013, with effect from April 01, 2014, depreciation is provided as per PSEERC (Terms & Conditions for determination of Tariff) Regulations, 2005 (as amended in 2012) (PSEERC Regulations). In accordance with PSEERC 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.
- 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.
- Temporary erections are depreciated fully (100%) in the year of acquisitions/capitalization by taking the written down value as INR 1/- for control purpose.
- Intangible assets viz computer software are amortised on straight line method at rates specified in Appendix II of Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2014.
- 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.
- 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.
- Leasehold assets are amortised over the period of lease, including the optional period of lease, as per the terms of the lease agreements.



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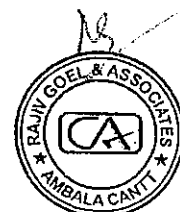
2.6 Government Grant / Assistance

- The Company may receive government grants/subsidy that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.
- Government grants/subsidy are recognised when there is reasonable assurance that the grant will be received and the Company will be able to comply with the conditions attached to them. These grants/subsidy are classified as grants relating to assets or revenue based on the nature of the grant.
- Government grants/subsidy with a condition to purchase, construct or otherwise acquire long term assets are initially recognised as deferred income. Once recognised as deferred income, such grants are recognised in the statement of profit and loss on a systematic basis over the useful life of the asset. Changes in estimates are recognised prospectively over the remaining life of the assets.
- Grant in the form of revenue grant/subsidy are deferred and recognised in the statement of profit and loss over the period that the related costs, for which it is intended to compensate, are expensed.

2.7 Impairment

- If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.
- Recoverable amount is the higher of fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any

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indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

2.8 Leases

- Lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

As a lessee

- Finance leases are capitalised at the lease's inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

- Operating lease payments are charged to the profit or loss on a straight-line basis over the lease term.

As a lessor

- Lease income from operating leases is recognized in income on a straight-line basis over the lease term of relevant lease.

2.9 Borrowing costs

- Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.
- General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of the respective asset.
- A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.
- Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.



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PUNJAB STATE TRANSMISSION CORPORATION LIMITED NOTES FORMING PART OF THE FINANCIAL STATEMENT

- To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The borrowing cost is capitalized on the basis of weighted average formula as under:-
 - a) Average of total opening and closing balance of CWIP
 - b) Average of opening and closing outstanding loans for capital works
 - c) Interest paid and provided for the year on loans for capital works
 - d) Capitalisation of borrowing cost = $c \times a / b$.

Other borrowing costs are expensed in the period in which they are incurred.

2.10 Inventories

- Inventories are valued at lower of cost determined on weighted average basis or net realizable value.
- 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.
- 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.
- The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.11 Cash and cash equivalents

- Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.12 Revenue recognition

- Transmission income is accounted for as and when accrued on the basis of tariff orders notified by Punjab State Electricity Regulatory Commission.
- Income from open access consumers is accounted for on the basis of Regulations read with the Tariff Orders notified by Punjab State Electricity Regulatory Commission.



- Income from natural interstate lines is accounted for on actual receipt basis.
- Other income is recognized on accrual basis except when ultimate realisation of such income is uncertain.
- Late payment surcharges, liquidated damages/warranty claims and Interest on advances to suppliers are accounted for on actual receipt basis.
- Value of waste and scrap is accounted for as and when sold.
- Revenue is measured at fair value of the consideration received or receivable.

Interest Income

- Interest income is recognised on a time proportion basis, by reference to the principal outstanding and the rate applicable, using the effective interest rate method (EIR).
- Interest income accrued on staff loans and advances are provided on accrual basis. Interest is recovered after recovery of principal amount.

2.13 Expense

- All expenses are accounted for on accrual basis except leave travel concessions, medical reimbursements, TA/DA claims, dearness allowance and arrears of salary which are accounted for on payment basis in the year these are paid.

2.14 Employee Benefits

- Employees working in PSTCL on deputation / secondment from PSPCL either are covered under the Pension Scheme or NPS Scheme.
- Pursuant to the Punjab Power Sector Reforms Transfer (First Amendment) Scheme 2012, there shall be common Employee Benefit Trusts for Pension, Gratuity and Leave Encashment for both PSTCL and PSPCL which shall be progressively funded by PSPCL & PSTCL respectively, as decided by Punjab State Electricity Regulatory Commission, in the ratio of 88.64 : 11.36 over a period of 15 Financial Years commencing from 1st April, 2014. The terminal benefits liability accruing during the period of progressive funding, and



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thereafter, shall be shared in the same ratio by the both corporations. The actual amount of pension, gratuity and leave encashment paid/to be paid on and with effect from 16th April, 2010 to 31st March, 2014 shall be shared by the PSPCL and PSTCL, in the ratio of 88.64 : 11.36 on yearly basis.

- Provision towards Gratuity and Leave Encashment in respect of employees recruited by the company are made based on actuarial valuation using the projected unit credit method.
- Remeasurement, comprising actuarial gains and losses, are recognised in the period in which they occur, directly in other comprehensive income. Remeasurement gains and losses are included in retained earnings in the statement of changes in equity and in the balance sheet.
- Short term employee benefits obligations are measured on an undiscounted basis and are expenses as the related services provided. A liability is recognized for the amount expected to be paid under short-term employee benefits if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.15 Income taxes

- Income tax expense for the year represents the sum of the current tax and deferred tax.
- Current tax is the expected tax payable / receivable on the taxable income / loss for the year calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.
- Deferred tax liabilities are generally recognized for all taxable temporary differences.
- Deferred tax assets are generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.
- Deferred tax recovery adjustment account is credited/ debited to the extent tax expenses is chargeable from the beneficiaries in future years on actual

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• Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.16 Earnings per Share

• The earnings considered in ascertaining the Company's EPS comprises of the net profit / loss after tax. Basic earnings per equity share is computed by dividing net profit / loss after tax by the weighted average number of equity shares outstanding during the year.

• Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Provisions

• A provision is recognized when the company has a present obligation (Legal or Constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

2.18 Contingent Liabilities

• Contingent liabilities are not recognized but disclosed in Notes when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

• Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

2.19 Contingent Assets

• Contingent Assets are not recognized but disclosed in Notes which usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits.



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PUNJAB STATE TRANSMISSION CORPORATION LIMITED
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- Contingent assets are assessed continuously to determine whether inflow of economic benefits becomes virtually certain, then such assets and the relative income will be recognised in the financial statements.

2.20 Segment Reporting

- Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman cum Managing Director (CMD) of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS-108, "Operating Segments."
- The Company is primarily engaged in single segment business of transmission of Power and State load distribution center functions. There is no reportable primary segment identification in accordance with the Ind AS-108.

2.21 Prior Period

- Material Prior period(s) errors are corrected retrospectively by restating the comparative amounts for the prior periods to the extent practicable along with change in basic and diluted earnings per share. However, if the error relates to a period prior to the comparative period, opening balances of the assets, liabilities and equity of the comparative period presented are restated.

2.22 Insurance claims

- Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.23 Financial instruments

Financial assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially recognised at fair value and directly attributable transaction costs towards acquisition or issue of the financial asset are added to or deducted from the fair value on initial recognition except for financial assets which are recognised at fair value through profit and loss.

Financial assets are classified as those measured at:

- amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest



- fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and/or interest but also from the sale of such assets. Such assets are subsequently measured at FVOCI.
- fair value through profit or loss (FVTPL), where the financial assets are not classified either at amortised cost or FVTOCI.

Financial assets include trade receivables, advances, security deposits, cash and cash equivalents etc and are classified for measurement at amortised cost. Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

- **Impairment:** The Company at each reporting date tests a financial asset or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and impairment loss recognised if the credit risk of the financial asset is significantly increased. The impairment losses and reversals are recognised in statement of profit and loss.
- **Derecognition:** Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires, or transfers the contractual rights to receive the cash flows from the asset.

Financial liabilities:

Borrowings, trade payables or other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest rate method.

- **Derecognition:** A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the




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PUNJAB STATE TRANSMISSION CORPORATION LIMITED
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recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.



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Note 3: Property, Plant and Equipment for the year ended March 31, 2017

Sr. No.	Particulars	Account Code	Gross Block				Accumulated Depreciation & Impairment				Net Block			
			Gross carrying value as at March 31, 2016	Additions	Disposal/ assets transferred in re-use	Gross carrying value as at March 31, 2017 (A)	Accumulated depreciation and impairment as at March 31, 2016	Additions	Disposal	Less: Ind AS Adjustments (Prior period of transition date)	Less: Ind AS Adjustments (Prior period of 2015-16)	Add: Impairment (GH-16.755 & 16.757)	Accumulated depreciation and impairment as at March 31, 2017 (B)	Carrying value as at March 31, 2017 (C=A-B)
1	Land and land rights	10.1	29,26,88,26,396	0	0	29,26,88,26,396	0	0	0	0	0	0	29,26,88,26,396	29,26,88,26,396
2	Buildings	10.2	1,54,70,85,819	20,91,22,536	0	1,75,62,08,355	69,59,16,824	4,43,98,739	4,95,575	17,74,635	0	73,80,45,373	1,01,81,62,982	85,11,68,995
3	Other civil works	10.4	2,97,54,101	82,28,959	0	3,79,83,060	97,87,377	14,49,391	869	1,58,524	0	1,10,77,375	2,69,05,685	1,99,66,724
4	Plant and Machinery	10.5	28,34,82,54,386	2,24,73,40,236	2,46,23,935	30,57,09,70,687	11,31,93,13,193	1,41,29,86,456	2,10,12,606	2,54,22,445	0	12,67,58,51,424	17,89,51,19,263	17,02,89,41,193
5	Line and cable net works	10.6	24,62,23,89,311	2,56,46,12,664	0	27,18,70,01,975	6,70,69,35,941	1,25,23,85,468	1,84,61,928	1,15,60,273	0	7,92,92,99,208	19,25,77,02,767	17,91,54,53,370
6	Vehicles	10.7	7,82,23,630	(40,03,524)	0	7,42,20,106	6,39,52,047	(23,11,796)	0	0	0	6,16,40,251	1,25,79,855	1,42,71,583
7	Furniture and fixture	10.8	3,64,67,671	34,78,345	0	3,99,46,016	1,56,08,021	22,30,609	59,507	86,182	0	1,76,98,941	2,22,47,075	2,08,59,650
8	Office Equipment	10.9	6,77,10,984	2,11,820	0	6,79,22,804	3,47,61,838	95,62,995	0	(7,027)	0	4,43,31,860	2,35,90,944	3,29,49,146
9	Total (A)		83,99,87,12,298	5,02,89,91,036	2,46,23,935	89,00,30,79,999	18,84,62,75,241	2,72,07,01,882	4,00,24,485	3,89,95,032	0	21,47,79,44,432	67,52,51,34,967	65,15,24,37,057
10	Assets not in use - idle/repairable	16.511/16.521	22,09,85,523	25,00,000	6,58,52,595	15,76,32,928	12,92,04,025	4,88,942	0	0	0	10,05,36,864	5,70,96,064	9,17,81,498
	Assets not in use - Damaged/ unrepairable	16.511/16.521	21,23,16,549	40,03,524	6,29,82,754	15,33,37,319	17,66,62,248	36,03,172	0	0	0	12,54,23,805	2,79,13,514	3,56,54,301
	Total (B)		43,33,02,072	65,03,524	12,88,35,349	31,09,70,247	30,58,66,273	40,92,114	0	0	0	22,59,60,669	8,50,09,578	12,74,35,799
	Gross Total (A + B)		84,43,20,14,370	5,03,54,94,560	15,34,59,284	89,31,40,49,646	19,15,21,41,514	2,72,97,99,996	4,00,24,485	3,89,95,032	0	21,70,39,05,101	67,61,01,49,545	65,27,98,72,856

Property, Plant and Equipment for the year ended March 31, 2016

Sr. No.	Particulars	Account Code	Gross Block			Accumulated Depreciation & Impairment			Net Block					
			Gross carrying value as at April 01, 2015	Additions	Disposal	Gross carrying value as at March 31, 2016 (A)	Accumulated depreciation and impairment as at April 01, 2015	Additions	Disposal	Less: Ind AS Adjustments (Prior period of transition date)	Less: Ind AS Adjustments (Prior period of 2016-17)	Add: Impairment (GH-16.755 & 16.757)	Accumulated depreciation and impairment as at March 31, 2016 (B)	Carrying value as at March 31, 2016 (C=A-B)
1	Land and land rights	10.1	29,26,84,01,831	4,24,565	0	29,26,88,26,396	0	0	0	0	0	0	29,26,88,26,396	29,26,84,01,831
2	Buildings	10.2	1,45,28,78,578	9,42,07,241	0	1,54,70,85,819	65,96,53,252	3,79,04,532	34,15,595	17,74,635	0	69,59,16,824	85,11,68,995	79,32,25,326
3	Other civil works	10.4	2,94,61,748	62,93,353	0	2,97,54,101	86,41,366	9,87,487	0	1,58,524	0	97,87,377	1,99,66,724	1,48,20,382
4	Plant and Machinery	10.5	25,82,14,35,957	2,61,41,16,387	8,72,97,958	28,34,82,54,386	10,16,78,97,647	1,26,28,10,061	8,50,34,037	2,54,22,445	0	11,31,93,13,193	17,02,89,41,193	15,65,35,38,310
5	Line and cable net works	10.6	23,87,72,08,259	74,51,81,052	0	24,62,23,89,311	5,66,47,76,403	1,03,42,50,195	36,50,930	1,15,60,273	0	6,70,69,35,941	17,91,54,53,370	18,21,24,31,856
6	Vehicles	10.7	7,99,40,214	0	17,16,584	7,82,23,630	6,39,61,374	15,35,599	0	0	0	6,39,52,047	1,42,71,583	1,59,78,840
7	Furniture and fixture	10.8	3,51,82,213	12,83,458	0	3,64,67,671	1,34,83,196	20,39,874	1,231	86,182	0	1,56,08,021	2,08,59,650	2,16,99,017
8	Office Equipment	10.9	6,64,27,776	12,83,208	0	6,77,10,984	2,47,06,601	1,00,04,520	(57,744)	(7,027)	0	3,47,61,838	3,29,49,146	4,17,21,175
9	Total (A)		80,62,49,36,576	3,46,27,90,264	8,90,14,542	83,99,87,12,298	16,60,31,19,839	2,34,95,32,268	9,20,44,049	3,89,95,032	0	18,84,62,75,241	65,15,24,37,057	64,02,18,16,737
	Assets not in use - idle/repairable	16.511/16.521	48,69,479	21,61,16,044	0	22,09,85,523	3,33,342	12,88,70,883	0	0	0	12,92,04,025	9,17,81,498	45,36,137
10	Assets not in use - Damaged/ unrepairable	16.511/16.521	23,77,78,829	11,07,02,839	13,61,65,119	21,23,16,549	19,22,75,298	8,08,13,761	10,01,67,880	0	0	17,66,62,248	3,56,54,301	4,55,03,531
	Total (B)		24,26,48,308	32,68,18,883	13,61,65,119	43,33,02,072	19,26,08,640	20,96,84,444	10,01,67,880	0	0	30,58,66,273	12,74,35,799	5,00,39,668
	Gross Total (A + B)		80,86,75,84,884	3,78,96,09,147	22,51,79,661	84,43,20,14,370	16,79,57,29,479	2,55,92,16,712	15,34,95,729	3,89,95,032	0	19,15,21,41,514	65,27,98,72,856	64,07,18,56,405

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Property, Plant and Equipment as at April 01, 2015

Sl. No.	Particulars	Account Code	Gross Block			Accumulated Depreciation & Impairment				Deemed cost As at April 01, 2015 (C = A-B)	
			Gross carrying value as at March 31, 2015	Ind AS Adjustments April 01, 2015	Gross carrying value as at April 01, 2015 (A)	Accumulated depreciation as at March 31, 2015	Add: Ind AS Adjustments (Prior period of 2015-16)	Add: Ind AS Adjustments (Prior period of 2016-17)	Add: Impairment (GH-16.755 & 16.757)		Accumulated depreciation and Impairment as at April 01, 2015 (B)
1	Land and land rights	10.1	29,26,84,01,831	0	29,26,84,01,831	0				0	29,26,84,01,831
2	Buildings	10.2	1,45,28,78,578	0	1,45,28,78,578	65,57,42,082	34,15,595	4,95,575		65,96,53,252	79,32,25,326
3	Other civil works	10.4	2,34,61,748	0	2,34,61,748	86,40,497	0	869		86,41,366	1,48,20,382
4	Plant and Machinery	10.5	25,82,14,35,957	0	25,82,14,35,957	10,06,18,51,004	8,50,34,037	2,10,12,606		10,16,78,97,647	15,65,35,38,310
5	Line and cable net works	10.6	23,87,72,08,259	0	23,87,72,08,259	5,64,26,63,545	36,50,930	1,84,61,928		5,66,47,76,403	18,21,24,31,856
6	Vehicles	10.7	7,99,40,214	0	7,99,40,214	6,39,61,374	0	0		6,39,61,374	1,59,78,840
7	Furniture and fixture	10.8	3,51,82,213	0	3,51,82,213	1,34,28,458	1,231	53,507		1,34,83,196	2,16,99,017
8	Office Equipment	10.9	6,64,27,776	0	6,64,27,776	2,47,64,345	(57,744)	0		2,47,06,601	4,17,21,175
	Total (A)		80,62,49,36,576	0	80,62,49,36,576	16,47,10,51,305	9,20,44,049	4,00,24,485	0	16,60,31,19,839	64,02,18,16,737
9	Assets not in use - Idle/repairable	16.511/	48,69,479	0	48,69,479	3,33,342				3,33,342	45,36,137
	Assets not in use - Damaged/ unrepairable	16.521/	23,77,78,829	0	23,77,78,829	13,71,51,652		0		19,22,75,298	4,55,03,531
10	Total (B)		24,26,48,308	0	24,26,48,308	13,74,84,994	0	0	0	19,26,08,640	5,00,39,668
	Gross Total (A + B)		80,86,75,84,884	0	80,86,75,84,884	16,60,85,36,299	9,20,44,049	4,00,24,485	0	16,79,57,29,479	64,07,18,56,405

Note 3.1

i Fixed Assets forming part of the transmission undertaking as vested by the State Govt. vide Notification dated 24.12.2012 have been taken up at the values provided by State Govt. Depreciation has been provided taking the same useful life as it was at the time of vesting by the Govt. of Punjab.

ii Details of disposals during FY 2016-17 is as under

Particulars	Gross Value	Acc. Depre.
Assets sold during the year	8,76,06,689	5,61,00,287
Assets re-used out of assets not in use - Idle/Repairable	6,58,52,595	2,91,56,103
Total	15,34,59,284	8,52,56,390

iii Details of Impairment adjusted due to Ind AS

Particulars	April 01, 2015	FY 2015-16	FY 2016-17	Total as at March 31, 2017
Impairment loss booked during the year (as per Ind AS adjustment)	5,51,23,646	1,04,30,265	0	6,55,53,911
Impairment loss withdrawn and adjusted against actual loss of sale on the disposal of relevant asset already recognized in books of accounts (as per IGAAP)	0	(66,89,196)	0	(66,89,196)
Impairment loss withdrawn at the disposal of relevant asset	0	0	(87,54,502)	(87,54,502)
Total	5,51,23,646	37,41,069	(87,54,502)	5,01,10,213

iv Land and land rights include the land for which title deeds are not in the name of Company, but the ownership of which accrues to PSTCL by operation of law through Transfer scheme notified by Punjab Government on 24.12.2012. Further, all these lands are in peaceful possession of PSTCL and investment has already been made on such lands for creation of assets which are owned by PSTCL. But the title deeds of land vested with PSTCL are available with PSPCL (as the Estate office of erstwhile PSEB which is now functioning under PSPCL after unbundling and is the custodian of such title deeds). The company has details/deeds in respect of land procured after 16.04.2010.

v The accounting units of the Company are maintaining Fixed Asset Registers. The Fixed Asset Register categorywise, locationwise and valuewise has also been prepared at Corporate Level. However, the preparation of quantitative detail of each assets alongwith its value is under progress.

vi Physical verification of the Fixed Assets have been carried out at the accounting unit level as on 31.03.2017 and no discrepancies have been reported.



(Amount in Rupees)

Note 4 : Capital Work in Progress

Sr. No	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Capital works in progress	14	5,42,47,03,458	5,87,27,91,724	6,00,83,41,510
2	Contracts in progress :				
i	400 KV Rajpura Project	15.102	1,01,29,75,888	1,05,94,55,677	91,97,61,646
ii	400 KV Talwandi Sabo Project	15.103	21,14,42,742	68,05,97,249	42,60,58,086
3	Materials issued to Suppliers/ Contractors for capital works	25	28,65,836	36,48,337	1,63,70,544
	Total		6,65,19,87,924	7,61,64,92,987	7,37,05,31,786

(Amount in Rupees)

Note 4.1 : Details of capital work in progress

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Opening Capital work in progress	7,61,64,92,987	7,37,05,31,786	16,57,55,47,898
Add Addition during the year including capitalization of interest, employee cost & other expenses	4,00,19,80,034	4,15,54,36,530	5,68,54,31,399
Ind AS Adjustment *	0	2,65,94,067	(2,65,94,067)
Less Transferred to Fixed Assets/ICT during the year	4,96,64,85,097	3,93,60,69,396	14,86,38,53,444
Closing Capital work in progress at the end of the year	6,65,19,87,924	7,61,64,92,987	7,37,05,31,786

* Under IGAAP, R&M expenses pertaining to the period before April 16, 2010 wrongly booked under CWIP was corrected in FY 2015-16. Now under Ind AS adjustment, the same has been adjusted/restated in opening balance sheet of April 01, 2015.

Note 4.2 : Capital work in progress

The Capital work in progress and Contract in progress includes capitalisation of interest and finance charges on money borrowed and utilised for construction of the transmission projects amounting to Rs.61,81,87,295, establishment cost of Rs.43,43,09,897, R&M expenses of Rs.50,00,710, A&G expenses of Rs.5,12,82,750 and Depreciation of Rs.28,75,283 during FY 2016-17.

(Amount in Rupees)

Note 5 : Capital Stores

Sr.No	Particulars	Account code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Stores & Spares				
	Stock of materials at stores	22.601 to 22.619	1,30,54,57,201	1,12,16,39,831	1,38,12,01,277
	Materials at site	22.640	1,70,06,791	2,90,67,606	5,31,70,976
	Material stock (excess)/shortage	22.8	0	0	(6,29,029)
	Total (A)		1,32,24,63,992	1,15,07,07,437	1,43,37,43,224
2	Less: Provisions for				
i	Value of obsolete items	22.905	(5,78,65,864)	(3,12,95,432)	(3,32,57,373)
ii	Value of unservicable items	22.906	(58,73,025)	(1,27,22,554)	(18,68,225)
	Total Provisions (B)		(6,37,38,889)	(4,40,17,986)	(3,51,25,598)
	Net Amount (A-B)		1,25,87,25,103	1,10,66,89,451	1,39,86,17,626

Note 5.1 :

- Physical verification of the Store have been carried out at the unit level on 31.03.2017 and no discrepancies have been reported.
- Provision for obsolete items of Rs.3,12,95,432/- made during previous year increased to Rs.5,78,65,864/- during current year.
- Provision for unservicable items of Rs.1,27,22,554/- made during previous year reduced to Rs.58,73,025/- during current year.

Gross Amount of Capital work in progress & capital stores (Note 4+5)	7,91,07,13,027	8,72,31,82,438	8,76,91,49,412
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PUNJAB STATE TRANSMISSION CORPORATION LIMITED

(Amount in Rupees)

Note 6 : Other Non Current Financial Assets

Sr.No	Particulars	Account code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Amount recoverable from staff	28.2 & 28.3 except 28.320	1,93,283	6,45,355	5,86,598
2	Other receivables	28.868 & 28.870	3,95,85,833	3,88,97,996	9,47,98,608
i	Less : Provision for bad & doubtful debts	28.950	0	0	(4,44,52,413)
ii	Less : Provision for losses under investigation	28.951	(3,88,397)	(3,88,397)	(6,21,209)
	Net Other receivables		3,91,97,436	3,85,09,599	4,97,24,986
	Total (1+2)		3,93,90,719	3,91,54,954	5,03,11,584

(Amount in Rupees)

Note 7 : Other Non Current Assets

Sr.No	Particulars	Account code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Unsecured considered Good				
	Deposits/Securities	28.914 & 28.919	21,15,785	63,91,002	48,30,237
2	Inter Unit Transfer prior to 16.04.2010				
i	Inter Unit Transfer (prior to 16.04.2010)	30-37	1,72,41,808	3,19,91,352	3,98,12,620
ii	Inter Unit Transfer (prior to 01.04.1986)	39.100	0	11,18,149	34,36,237
iii	Blank U Cheque (prior to 16.04.2010)	39000	54,67,39,176	54,67,39,176	54,67,39,176
	Grand Total		56,60,96,769	58,62,39,679	59,48,18,270

(Amount in Rupees)

Note 7.1 : Details of Inter Unit Transfer (prior to 16.04.2010)

Particulars		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Opening Inter Unit Transfer (prior to 16.04.2010)	3,19,91,352	3,98,12,620	6,07,76,952
Add	Addition during the year	0	0	0
	Ind AS Adjustment *	0	2,09,64,332	(2,09,64,332)
Less	Disposed during the year	1,47,49,544	2,87,85,600	
	Closing Inter Unit Transfer (prior to 16.04.2010) at the end of the year	1,72,41,808	3,19,91,352	3,98,12,620

* Under IGAAP, R&M expenses pertaining to the period before April 16, 2010 wrongly booked under Inter Unit Transfer (prior to 16.04.2010) was corrected in FY 2015-16. Now under Ind AS adjustment, the same has been adjusted/restated in opening balance sheet of April 01, 2015.

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PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Note 8 : Inventories

(Amount in Rupees)

Sr.No	Particulars	Account code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Stores & Spares (O&M)				
1	Stock of materials at stores	22.621 to 22.639	19,74,01,863	23,16,84,706	20,91,97,949
2	Materials at site	22.650	61,54,310	87,87,852	49,21,329
	Total		20,35,56,173	24,04,72,558	21,41,19,278
3	Less: Provisions for				
i	Difference in value of stock & spares	22.901	(1,66,55,828)	(1,66,55,828)	(1,66,55,828)
ii	Value of obsolete items	22.902	(31,24,944)	(40,08,410)	(35,78,254)
iii	Value of unservicable items	22.903	(38,62,539)	(46,58,142)	(45,63,472)
	Total Provisions		(2,36,43,311)	(2,53,22,380)	(2,47,97,554)
	Net		17,99,12,862	21,51,50,178	18,93,21,724

Note 8.1 :

- i Physical verification of the Store have been carried out at the unit level on 31.03.2017 and no discrepancies have been reported.
- ii Provision for difference in value of stock & spares (prior to 16.04.2010) of Rs.1,66,55,828/-made during previous years remains unchanged.
- iii Provision for obsolete items of Rs.40,08,410/-made during previous year reduced to Rs.31,24,944/- during current year.
- iv Provision for unservicable items of Rs.46,58,142/- made during previous year reduced to Rs.38,62,539/- during current year.



(Amount in Rupees)

Note 9 : Trade Receivables

Sr. No	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Sundry debtors for transmission charges Unsecured considered Good	23.8			
	i Exceeding Six months		24,53,32,246	39,09,33,034	2,39,972
	ii Others		5,59,87,86,147	3,41,98,34,003	1,85,45,42,521
	Total		5,84,41,18,393	3,81,07,67,037	1,85,47,82,493

Note 9.1: In the opinion of Company, trade receivables are the value as stated in the accounts and will be realized in the ordinary course of Business.

Note 9.2: The detailed breakup of trade receivable as at March 31, 2017 are as under:

S.No.	Particulars	Account Code	Exceeding 6 Months	Others	Total
i	From Open Access customers	23.801	4,32,246	86,71,147	91,03,393
ii	From PSPCL - Transmission charges	23.831	0	5,52,17,15,000	5,52,17,15,000
iii	From PSPCL - SLDC charges	23.832	0	6,84,00,000	6,84,00,000
iv	From Government of Punjab	23.833	24,49,00,000	0	24,49,00,000
	Total		24,53,32,246	5,59,87,86,147	5,84,41,18,393

Note 10 : Cash & Cash equivalents

(Amount in Rupees)

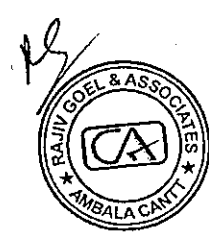
Sr. No	Particulars	Account code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Cash at Bank	24.130 & 24.401	14,88,630	69,85,917	1,42,16,953
2	Postage stamps in hand	24.120	39,462	47,077	47,150
3	Imprest with staff	24.2	0	0	17,387
	Total		15,28,092	70,32,994	1,42,81,490

Note 11 : Others Current Financial Assets

(Amount in Rupees)

Sr.No	Particulars	Account code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Advances to Suppliers/ Contractors (O&M)	26.1 to 26.8	59,773	0	0
2	Bank Deposits against LC	20	0	0	22,00,000
3	Interest accrued but not due on bank deposit against LC	28.320	0	0	1,89,601
4	Receivables from PGCIL	28.1	5,98,33,707	4,37,64,125	75,76,337
5	Amount recoverable from employees	28.4	89,65,732	1,21,12,808	92,84,067
6	Miscellaneous receivables	28.8 except 28.820, 28.868 & 28.870	24,79,555	36,22,882	38,11,218
	Total		7,13,38,767	5,94,99,815	2,30,61,223

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(Amount in Rupees)

Note 12 : Current Tax Assets (Net)

Sr. No.	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Advance Income tax/Tax deducted at source	27.4	39,87,59,336	1,43,28,77,525	1,63,74,79,420
2	Less: Provision for Income Tax	46.800	(1,02,63,800)	(1,06,59,44,090)	(1,48,73,84,230)
	Total		38,84,95,536	36,69,33,435	15,00,95,190

Note 12.1 : Detail of current tax & liabilities

Financial Year	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
2010-11	TDS	0	36,721	36,721
	less: Less: Provision for Income Tax	0	0	0
	Current tax Assets (A)	0	36,721	36,721
2011-12	TDS	0	78,478	78,478
	less: Less: Provision for Income Tax	0	0	0
	Current Tax Assets (B)	0	78,478	78,478
2012-13	TDS	0	0	1,92,086
	Advance Income tax	0	0	37,20,32,680
	Self Assessment tax paid in FY 2013-14	0	0	4,52,50,000
	Self Assessment tax paid in FY 2014-15	0	0	8,52,000
	Total Tax paid	0	0	41,83,26,766
	less: Provision for income tax	0	0	42,14,40,140
	Current Tax Liability (C)	0	0	(31,13,374)
2013-14	TDS	0	24,76,55,421	24,76,55,421
	Advance income tax	0	63,50,59,570	63,50,59,570
	Self assessment tax paid in FY 2014-15	0	16,29,58,000	16,29,58,000
	Self assessment tax paid in FY 2015-16	0	2,19,47,500	0
	Total Tax paid	0	1,06,76,20,491	1,04,56,72,991
	less: Provision for income tax	0	1,06,59,44,090	1,06,59,44,090
	Current Tax Liability (D)	0	16,76,401	(2,02,71,099)
2014-15	TDS	0	17,33,64,464	17,33,64,464
	less: Provision for income tax	0	0	0
	Current Tax Assets (E)	0	17,33,64,464	17,33,64,464
2015-16	TDS/TCS	19,17,77,371	19,17,77,371	
	Total Tax paid	19,17,77,371	19,17,77,371	
	less: Provision for income tax	0	0	
	Current Tax Assets (F)	19,17,77,371	19,17,77,371	
2016-17	TDS/TCS (AY 2017-18)	20,69,81,965		
	less: Provision for income tax	1,02,63,800		
	Current Tax Assets (G)	19,67,18,165		
	Total Current Tax Assets (Net) (A+B+C+D+E+F+G)	38,84,95,536	36,69,33,435	15,00,95,190

Note 12.2 :

- During FY 2015-16, Income tax assessment for the FY 2012-13 (AY 2013-14) completed and excess provision of Rs. 31,13,374/- withdrawn after adjusting TDS, Advance income tax and self assessment tax already paid, on the basis of Assessment order issued on 28.03.2016 by ACIT.
- During FY 2016-17, Income tax assessment for the FY 2013-14 (AY 2014-15) completed and short provision of Rs.16,76,401/- created after adjusting TDS, Advance income tax and self assessment tax already paid, on the basis of Assessment order issued on 09.12.2016 by ACIT.

Note 13 : Other Current Assets

(Amount in Rupees)

Sr. No	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Prepaid expenses	28.820	4,30,70,600	17,95,961	12,88,471
2	Advances to Staff	27.1 to 27.2	20,07,301	9,67,904	14,23,007
	Total		4,50,77,901	27,63,865	27,11,478



Note 14 : Equity share capital

Sr. No.	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a)	Authorised shares 3,00,00,00,000 Equity shares of Rs. 10/- each		30,00,00,00,000	30,00,00,00,000	30,00,00,00,000
	Total		30,00,00,00,000	30,00,00,00,000	30,00,00,00,000
(b)	Issued, subscribed and fully paid-up shares 60,58,83,465 equity shares of Rs. 10/- each fully paid up	54.5	6,05,88,34,650	6,05,88,34,650	6,05,88,34,650
	Total		6,05,88,34,650	6,05,88,34,650	6,05,88,34,650

The company has one class of equity shares having a par value of Rs.10/- each per share. Each holder of equity share is entitled to one vote per share. Company has no preference shares.

(Amount in Rupees)

Note 14.1 : Reconciliation of Shares outstanding

Sr. No.	Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Number	Amount	Number	Amount	Number	Amount
1	Shares outstanding at the beginning of the year	60,58,83,465	6,05,88,34,650	60,58,83,465	6,05,88,34,650	60,58,83,465	6,05,88,34,650
2	Shares issued during the year	0	0	0	0	0	0
3	Shares bought back during the year	0	0	0	0	0	0
	Shares outstanding at the end of the year	60,58,83,465	6,05,88,34,650	60,58,83,465	6,05,88,34,650	60,58,83,465	6,05,88,34,650

Note 14.2 : Share holders holding more than 5% equity shares of the company

Sr. No.	Name of Shareholder	Class of Share	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
			No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
1	Governer of Punjab	Equity	60,58,33,465	99.99	60,58,33,465	99.99	60,58,33,465	99.99
	Total		60,58,33,465	99.99	60,58,33,465	99.99	60,58,33,465	99.99

Note 14.3 : Details of other Share holdings

Sr. No.	Name of Shareholder	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
		No. of Shares	No. of Shares	No. of Shares
1	Sh. Karan Avtar Singh, IAS	5,000	0	0
2	Sh. Satish Chandra, IAS	5,000	0	0
3	Sh. A. Venu Prasad, IAS	5,000	5,000	0
4	Sh. Daljit Singh Mangat, IAS	5,000	0	0
5	Sh. Krishan Kumar, IAS	5,000	0	0
6	Sh. Vivek Pratap Singh, IAS	5,000	0	0
7	Sh. A. Venu Prasad, IAS, CMD, PSTCL	5,000	5,000	5,000
8	Er. Karan Deep Chaudhri, CMD, PSPCL	5,000	5,000	5,000
9	Sh. Umakanta Panda, Director/F&C, PSTCL	5,000	5,000	5,000
10	Sh. Subash Chand Arora, Director/Fin., PSPCL	0	5,000	0
11	Sh. Sarvesh Kaushal, IAS	0	5,000	0
12	Sh. D.P. Reddy, IAS	0	5,000	5,000
13	Sh. Arun Sekhri, IAS	0	5,000	5,000
14	Sh. Jaspal Singh, IAS	0	5,000	0
15	Sh. Anurag Verma, IAS	0	5,000	5,000
16	Sh. Umakanta Panda, CMD, PSTCL	0	0	5,000
17	Ms Vini Mahajan, IAS	0	0	5,000
18	Sh. Anirudh Tewari, IAS	0	0	5,000
19	Sh. Anurag Agarwal, IAS	0	0	5,000
20	Sh. Narinder Singh Brar, IAS	0	0	5,000
	Total	50,000	50,000	50,000

All the above share holders are nominees of Punjab Government.



Note 15 : Other Equity

(Amount in Rupees)

Sr. No.	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	General Reserves				
	Opening Balance	56.1	2,00,05,121	2,00,05,121	2,00,05,121
	Add : Addition during the year		0	0	0
	Less : Utilized/transferred during the year		0	0	0
	Closing balance (A)		2,00,05,121	2,00,05,121	2,00,05,121
2	Capital Reserves				
	Opening Balance	56.2	18,62,10,78,408	18,45,82,07,825	18,45,82,07,825
	Add : Addition during the year		0	16,28,70,583	0
	Less : Utilized/transferred during the year		0	0	0
	Closing balance (B)		18,62,10,78,408	18,62,10,78,408	18,45,82,07,825
3	Other Reserves				
	Reserve for Material Cost Variance Account				
	Opening Balance	56.6	0	16,28,70,583	14,70,37,480
	Add : Addition during the year		0	0	1,58,33,103
	Less : Utilized/transferred during the year		0	16,28,70,583	0
	Closing balance (C)		0	0	16,28,70,583
4	Profit & Loss Account (Surplus Account)				
	Opening Balance as per Profit & Loss Account		3,86,00,68,520	3,74,22,92,922	4,60,41,83,031
	Add :Net Profit/(Loss) after tax for the current year		4,93,89,799	11,77,40,137	(62,71,10,328)
	Add: Other Comprehensive Income directly recognised in surplus balance- Remeasurement of Acturial		(15,90,832)	35,461	
	Ind AS Adjustment Account *		0	0	(23,47,79,781)
	Closing balance (D)		3,90,78,67,487	3,86,00,68,520	3,74,22,92,922
	Total (A+B+C+D)		22,54,89,51,016	22,50,11,52,049	22,38,33,76,451

* Detail of Ind AS adjustment is shown in statement of changes in Equity.



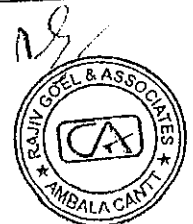
PUNJAB STATE TRANSMISSION CORPORATION LIMITED



(Amount in Rupees)

Note 16 : Borrowings

Sr. No.	Particulars	Date of Availment of Loan	Date of Maturity of Loan	Account Code	Non Current Liabilities as at 31st March, 2017	Non Current Liabilities as at 31st March, 2016	Non Current Liabilities as at 1st April, 2015
A	<u>Secured</u>						
1	Term Loans from Life Insurance Corp. of India						
i	11% (Fixed) payable annually secured against Punjab Government Guarantee, Hypothecation of assets & Default Escrow	16.04.2010	15.07.2017	52.501	0	11,70,00,000	23,40,00,000
ii	11% (Fixed) payable annually secured against Hypothecation of assets & Default Escrow	16.04.2010	15.07.2018	52.501	11,13,33,000	22,26,66,000	33,39,99,000
	Total				.11,13,33,000	33,96,66,000	56,79,99,000
2	Term Loans from Rural Electrification Corporation						
i	8% to 12.25% p.a. secured against Punjab State Government Guarantee & Default Escrow	16.04.2010	31.12.2017 to 31.03.2019	53.301	2,39,19,066	5,90,45,416	9,79,07,519
ii	11.25% to 12.25% p.a. secured against Punjab State Government Guarantee, Hypothecation of assets & Default Escrow	16.04.2010	15.02.2020 to 15.02.2021	53.301	72,66,32,693	1,00,38,63,979	1,28,10,95,262
iii	11.25% to 12.25% p.a. secured against Hypothecation of assets & Default Escrow	16.04.2010	15.06.2022 to 15.08.2022	53.301	38,98,50,334	46,78,20,400	54,57,90,466
iv	10.50% to 12.25% p.a. secured against Hypothecation of assets & Default Escrow	07.09.2010 to 31.03.2017	15.09.2028 to 15.03.2035	53.301	25,71,45,74,811	25,72,26,33,699	24,79,50,28,401
v	12.25% secured against Punjab Govt. Guarantee & Default Escrow	24.09.2014	30.09.2017	53.301	0	50,00,00,000	1,50,00,00,000
vi	12.25% secured against Punjab Govt. Guarantee & Default Escrow	18.06.2015	30.06.2018	53.301	24,99,99,998	1,25,00,00,000	0
vii	10.50% to 11.00% secured against Punjab Govt. Guarantee & Default Escrow	09.09.2016	15.09.2026	53.301	2,00,00,00,000	0	0
viii	11% to 12.25% p.a. secured against Hypothecation of assets & Default Escrow (SLDC)	20.02.2013 to 31.03.2017	15.02.2031 to 15.03.2035	53.301	6,34,74,249	3,48,07,016	1,43,05,900
	Total				29,16,84,51,151	29,03,81,70,510	28,23,41,27,548
3	Term Loan from NABARD						
	10.25% to 11.00% p.a. secured against Hypothecation of assets & Default Escrow	11.02.2015 to 31.03.2017	01.04.2018 to 31.03.2032	53.400	1,97,58,55,000	1,27,77,45,000	43,51,28,000
4	Term Loan from PFC						
	10.00% to 10.25% net of rebate secured against Punjab Govt. Guarantee & Default Escrow	10.10.2016	15.04.2027	53.801	3,00,00,00,000	0	0
5	Term Loan from State Bank of Patiala						
i	Base Rate + 1.50% Medium Term secured against Punjab Govt. Guarantee & Default Escrow	27.09.2011	26.09.2016	53.501	0	0	5,55,97,446
ii	Base Rate/MCLR + 1.50% Medium Term secured against Punjab Govt. Guarantee, stock & Default Escrow	05.01.2015	31.10.2019	53.501	27,99,34,989	43,99,69,195	59,99,98,072
	Total				27,99,34,989	43,99,69,195	65,55,95,518
6	Long Term Loan from Bank of India						
i	Base Rate + 2%/MCLR + 1.90% secured against Punjab Govt. Guarantee & Default Escrow	30.12.2014	31.12.2024	53.510	81,24,96,261	96,87,50,000	1,00,00,00,000
ii	Base Rate + 2%/MCLR + 1.90% secured against Punjab Govt. Guarantee & Default Escrow	30.12.2015	31.12.2025	53.510	2,34,37,40,859	2,00,00,00,000	0
	Total				3,15,62,37,120	2,96,87,50,000	1,00,00,00,000
	Total Secured				37,69,18,11,260	34,06,43,00,705	30,89,28,50,066





PUNJAB STATE TRANSMISSION CORPORATION LIMITED

(Amount in Rupees)

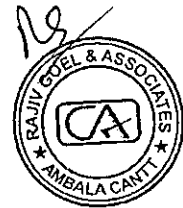
Sr. No.	Particulars	Date of Availment of Loan	Date of Maturity of Loan	Account Code	Non Current Liabilities as at 31st March, 2017	Non Current Liabilities as at 31st March, 2016	Non Current Liabilities as at 1st April, 2015
B	<u>Unsecured</u>						
1	Term Loans from Oriental Bank of Commerce						
i	SBI PLR-2% p.a. term loan from Oriental Bank of Commerce secured against Default Escrow	16.04.2010	12.10.2016	53.505	0	0	13,96,69,822
ii	SBI PLR-2.25% p.a. term loan from Oriental Bank of Commerce secured against Default Escrow	16.04.2010	13.10.2016	53.505	0	0	26,13,61,167
	Total				0	0	40,10,30,989
2	Term Loan from PSPCL						
i	PNB Base Rate + 1.50% p.a.	23.03.2011	31.03.2026	53.811	4,95,57,45,100	4,95,57,45,100	4,95,57,45,100
ii	Interest free (11KV VCB)	31.03.2017	31.03.2027	53.811	2,71,06,617	0	0
	Total				4,98,28,51,717	4,95,57,45,100	4,95,57,45,100
3	Term Loan from GPF Trust						
	Total	16.04.2010	31.03.2023	57.120	1,09,77,43,039	1,31,72,91,655	1,53,68,40,271
	Total				6,08,05,94,756	6,27,30,36,755	6,89,36,16,360
	Grand Total (A + B)				43,77,24,06,016	40,33,73,37,460	37,78,64,66,426

Note 16.1 : Loan from PSPCL (11KV VCB)

Interest free loan received from PSPCL (11KV VCB) amounting to Rs.7,59,28,898/- . This loan is shown at its fair value of Rs. 2,71,06,617/- and remaining amount of Rs. 4,88,22,281/- shown as Deferred Income/liability under non current liabilities (Note no. 18).

Note 16.2 : Term Loan from GPF Trust

The employees of the Company transferred under the Transfer Scheme 2010 are on deputation/secondment from PSPCL. Employees who joined before 01.01.2004 are covered under General Provident Fund Scheme. As per provisions of clause "10-B" of Punjab Power Sector Reforms Transfer (First Amendment) Scheme, 2012, PSTCL shall be liable to pay interest for the period 16.04.2010 to 31.03.2013, as applicable to General Provident Fund from time to time, on GPF liability of Rs. 1,73,24,60,209/- (apportioned) as on 16.04.2010 payable to the GPF Trust which will be funded over a period of 10 years commencing from 1st April, 2013 alongwith interest as applicable. So, the amount apportioned together with interest aggregating Rs.1,09,77,43,039/- is payable towards General Provident Fund liability as on 31.03.2017 (Rs.1,31,72,91,655/- as on 31.03.2016).



(Amount in Rupees)

Note 17 : Provisions

Sr. No.	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Provision for Gratuity	44.161	2,41,07,272	1,52,78,552	93,94,812
2	Provision for Leave encashment	44.162	6,97,14,108	3,15,57,768	1,87,23,761
	Total		9,38,21,380	4,68,36,320	2,81,18,573

Note 17.1 : As per Ind AS-19 provision towards gratuity and leave encashment in respect of the employees directly recruited by the company has been made during the year as per the valuation report of actuary.

(Amount in Rupees)

Note 17.2 : Details of Provision for Gratuity

Particulars		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Add	Opening balance of provision for Gratuity	1,52,78,552	93,94,812	90,92,652
	Addition during the year	81,48,193	68,66,427	
	Ind AS Adjustment to Transition date		(3,02,160)	3,02,160
	Ind AS Adjustment	6,80,527	(6,80,527)	
	Closing balance of provision for Gratuity	2,41,07,272	1,52,78,552	93,94,812

(Amount in Rupees)

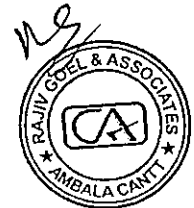
Note 17.3 : Details of Provision for Leave Encashment

Particulars		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Add	Opening balance of provision for Leave Encashment	3,15,57,768	1,87,23,761	1,87,23,761
	Addition during the year	3,81,56,340	1,28,34,007	0
	Ind AS Adjustment			0
	Closing balance of provision for Leave Encashment	6,97,14,108	3,15,57,768	1,87,23,761

(Amount in Rupees)

Note 18 : Other non current liabilities

Sr. No.	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Deposits for :-				
i	Deposit works	47.305	50,92,18,198	61,60,35,038	64,38,90,952
ii	Contribution works	47.309	77,09,70,797	57,88,62,533	54,47,44,660
2	Deferred income/liability - loan adjustment	53.861	4,88,22,281	0	0
	Total		1,32,90,11,276	1,19,48,97,571	1,18,86,35,612



PUNJAB STATE TRANSMISSION CORPORATION LIMITED



(Amount in Rupees)

Note 19 : Short term Borrowings

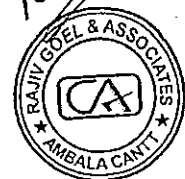
Sr. No.	Particulars	Date of Availment of Loan	Date of Maturity of Loan	Account code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Secured Cash credits from SBOP Cash credits limit Rs. 200 crores, Base Rate/MCLR + 2.25% secured against Stock/Debtors & Default Escrow	29.09.2015	Renewable Annually	50.1	1,08,80,94,943	1,53,82,66,111	1,77,06,56,178
2	Loan from PFC 11.00% to 11.25% net of rebate, secured against default Escrow	09.06.2016	02.06.2017	53.801	1,00,00,00,000	1,00,00,00,000	0
	Total				2,08,80,94,943	2,53,82,66,111	1,77,06,56,178



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Note 20 : Other Current Financial Liabilities

Sr. No.	Particulars	Date of Availment of Loan	Date of Maturity of Loan	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A Secured							
Current Maturity of Long term borrowings							
1	Term Loans from Life Insurance Corp. of India						
i	11% (Fixed) payable annually secured against Hypothecation of assets & Default Escrow	16.04.2010	15.07.2015	52.501	0	0	8,33,33,338
ii	11% (Fixed) payable annually secured against Hypothecation of assets & Default Escrow	16.04.2010	15.01.2016	52.501	0	0	9,75,00,000
iii	11% (Fixed) payable annually secured against Punjab Government Guarantee, Hypothecation of assets & Default Escrow	16.04.2010	15.07.2017	52.501	11,70,00,000	11,70,00,000	11,70,00,000
iv	11% (Fixed) payable annually secured against Hypothecation of assets & Default Escrow	16.04.2010	15.07.2018	52.501	11,13,33,000	11,13,33,000	11,13,33,000
Total					22,83,33,000	22,83,33,000	40,91,66,338
2	Term Loans from Rural Electrification Corporation						
i	8% to 12.25% p.a. secured against Punjab State Government Guarantee & Default Escrow	16.04.2010	31.12.2017 to 31.03.2019	53.301	3,51,26,350	3,88,62,102	9,35,03,954
ii	11.25% to 12.25% p.a. secured against Punjab State Government Guarantee, Hypothecation of assets & Default Escrow	16.04.2010	15.02.2020 to 15.02.2021	53.301	27,72,31,285	27,72,31,284	27,72,31,285
iii	11.25% to 12.25% p.a. secured against Hypothecation of assets & Default Escrow	16.04.2010	15.06.2022 to 15.08.2022	53.301	7,79,70,066	7,79,70,066	7,79,70,066
iv	10.50% to 12.25% p.a. secured against Hypothecation of assets & Default Escrow	07.09.2010 to 31.03.2017	15.09.2028 to 15.03.2035	53.301	2,03,00,00,000	1,60,06,79,998	1,28,18,73,126
v	12.25% secured against Punjab Govt. Guarantee & Default Escrow	24.09.2014	30.09.2017	53.301	49,99,99,995	1,00,00,00,000	0
vi	12.25% secured against Punjab Govt. Guarantee & Default Escrow	18.06.2015	30.06.2018	53.301	1,00,00,00,000	25,00,00,000	0
vii	11% to 12.25% p.a. secured against Hypothecation of assets & Default Escrow (SLDC)	20.02.2013 to 31.03.2017	15.02.2031 to 15.03.2035	53.301	35,00,000	24,86,215	0
Total					3,92,38,27,696	3,24,72,29,665	1,73,05,78,431
3	Term Loan from State Bank of Patiala						
i	Base Rate + 1.50% Medium Term secured against Punjab Govt. Guarantee & Default Escrow	27.09.2011	26.09.2016	53.501	0	5,56,01,972	11,11,20,000
ii	Base Rate/MCLR + 1.50% Medium Term secured against Punjab Govt. Guarantee, stock & Default Escrow	05.01.2015	31.10.2019	53.501	16,00,00,000	16,00,00,000	0
Total					16,00,00,000	21,56,01,972	11,11,20,000
4	Long Term Loan from Bank of India						
i	Base Rate + 2%/MCLR + 1.90% secured against Punjab Govt. Guarantee & Default Escrow	30.12.2014	31.12.2024	53.510	12,50,00,000	3,12,50,000	0
ii	Base Rate + 2%/MCLR + 1.90% secured against Punjab Govt. Guarantee & Default Escrow	30.12.2015	31.12.2025	53.510	15,62,50,000	0	0
Total					28,12,50,000	3,12,50,000	0
Total Secured Loans (A)					4,59,34,10,696	3,72,24,14,637	2,25,08,64,769
B Unsecured							
1	Term Loans from Oriental Bank of Commerce						
i	SBI PLR-2% p.a. term loan from Oriental Bank of Commerce secured against Default Escrow	16.04.2010	12.10.2016	53.505	0	13,96,55,591	14,32,00,000
ii	SBI PLR-2.25% p.a. term loan from Oriental Bank of Commerce secured against Default Escrow	16.04.2010	13.10.2016	53.505	0	26,13,36,289	14,28,00,000
Total					0	40,09,91,880	28,60,00,000
2	Loan from PSPCL						
	PNB Base Rate + 1.50% p.a. loan from PSPCL	23.03.2011	31.03.2026	53.811	0	0	99,11,49,020
		16.04.2010	31.03.2023	57.120	21,95,48,616	21,95,48,616	21,95,48,616
3	Term Loan from GPF Trust						
					21,95,48,616	62,05,40,496	1,49,66,97,636
Total Unsecured Loans (B)					4,81,29,59,312	4,34,29,55,133	3,74,75,62,405
Total current maturity of long term borrowings (A + B)							

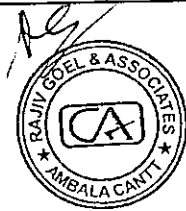


Sr. No.	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
C	Others				
1	Liability for Capital supplies/works	42	23,90,85,888	49,15,35,806	59,75,19,044
2	Liability for O&M supplies/works	43	4,09,38,080	7,11,76,683	5,06,14,926
3	Staff related liabilities	44.2 & 3 and balance heads of 44.4	15,82,14,377	12,10,52,919	12,36,70,863
4	Deposit & retention money from suppliers & contractors*	46.1	32,23,15,772	34,24,92,375	33,21,11,010
5	Liability for expenses	46.4	38,67,17,560	40,66,28,629	34,59,02,604
6	Interest accrued but not due on borrowings - LIC, REC, Comm. banks & PFC	46.7	16,11,94,895	10,56,33,121	10,42,62,054
7	Interest accrued & due - commercial banks	51.211	0	0	1,03,61,645
8	ICT- Payables to PSPCL	46.946 to 46.952	47,70,24,581	33,84,72,301	69,60,80,813
9	Miscellaneous Liabilities	46.910,911,912,920 ,926,927,929,930,9 31,936,939,940,951 ,957,958	11,65,60,212	11,71,12,582	14,86,58,857
	Total Others (C)		1,90,20,51,365	1,99,41,04,416	2,40,91,81,816
	Grand Total (A + B + C)		6,71,50,10,677	6,33,70,59,549	6,15,67,44,221

* This includes permanent earnest money deposits of Rs. 6,78,00,000 as at March 31, 2017, Rs. 6,38,00,000 as at March 31, 2016 and Rs. 6,08,00,000 as at April 01, 2015 which is payable on demand.

Note 20.1 : Detail of Staff related liabilities:

Particulars	As at 1st April, 2015
As per IGAAP balance sheet	12,39,44,198
Ind AS Adjustment - prior period excess overtime payment recovered in FY 2015-16 relating to prior period (Transition date) (Note - 24.3)	(2,73,335)
Closing balance of staff related liabilities	12,36,70,863



2

(Amount in Rupees)

Note 21 : Other Current Liabilities

Sr. No.	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Liabilities for statutory dues - TDS, Service tax, VAT etc.	46.921, 922, 923, 934, 935, 937, 938, 941, 943 & 953	1,81,78,310	6,34,71,224	17,40,55,589
2	Liabilities towards payment of NPS:				
i	for employees on deputation/secondment from PSPCL.	57.160, 161, 165 & 166	1,40,620	12,71,942	11,68,124
ii	for employees recruited by PSTCL	57.170, 171, 175 & 176	8,53,414	47,21,346	44,02,808
3	Liabilities towards GPF Trust	57.126 & 57.127	2,31,16,235	3,58,986	16,25,61,524
4	Employee related payables	44.401, 403, 405, 406, 407, 427, 428, 429, 500	75,94,140	58,60,883	50,35,220
	Total		4,98,82,719	7,56,84,381	34,72,23,265

(Amount in Rupees)

Note 22 : Provisions

Sr. No.	Particulars	Account Code	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Provision for Gratuity	44.161	53,818	33,070	20,905
2	Provision for Leave encashment	44.162	7,50,116	4,96,090	3,12,988
	Total		8,03,934	5,29,160	3,33,893

Note 22.1 : As per Ind AS-19 provision towards gratuity and leave encashment in respect of the employees directly recruited by the company has been made during the year as per the valuation report of actuary.

(Amount in Rupees)

Note 22.2 : Details of Provision for Gratuity

Particulars		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Add	Opening balance of provision for Gratuity	33,070	20,905	20,528
	Addition during the year	20,712	12,578	
	Ind AS Adjustment to Transition date		(377)	377
	Ind AS Adjustment	36	(36)	
	Closing balance of provision for Gratuity at the end of the year	53,818	33,070	20,905

(Amount in Rupees)

Note 22.3 : Details of Provision for Leave Encashment

Particulars		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Add	Opening balance of provision for Leave Encashment	4,96,090	3,12,988	3,12,988
	Addition during the year	2,54,026	1,83,102	0
	Ind AS Adjustment	0	0	0
	Closing balance of provision for Leave Encashment at the end of the year	7,50,116	4,96,090	3,12,988



Note 23 : Revenue from Operations

(Amount in Rupees)

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Transmission Charges from PSPCL	61.831	12,14,53,00,000	11,07,32,00,000
2	Transmission Charges from Open Access Customers	61.830	19,94,18,992	38,92,30,854
3	Transmission Charges from others	61.833	(14,56,00,000)	0
4	SLDC Charges from PSPCL	61.832	19,91,00,000	24,40,00,000
5	Operating charges from open access customers	62.810	3,33,59,572	6,53,96,000
	Total		12,43,15,78,564	11,77,18,26,854

Note 23.1 :

- i During FY 2016-17, total revenue of Rs. 1234.44 crores has been recognised based on the review of FY 2016-17 and true-ups of FY 2014-15 & 2015-16 as per tariff order issued by PSERC for FY 2017-18. This comprises of Rs. 1214.53 crores for transmission charges and Rs. 19.91 crores of SLDC charges from PSPCL.
- ii As per Tariff order 2017-18 issued by PSERC, Rs. 20.31 crore has to be recovered from Government of Punjab on account of carrying cost of revenue gap for the FY 2014-15, 2015-16 & 2016-17. However Rs. 34.87 crore has to be paid to the Government of Punjab, based on True up of FY 2012-13 & FY 2013-14 as per tariff order of FY 2016-17 recoverable from PSTCL. Thus Net receivable from Government of Punjab is Rs. (14.56) crore.



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(Amount in Rupees)

Note 24 : Other income

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Interest on bank deposits	62.280	0	2,16,992
2	Income from sale of scrap	62.340 79.572	75,04,777	2,09,16,737
3	Income from sale of fixed assets	62.4, 77.730 & 77.735	50,26,874	5,37,78,418
4	Income from staff welfare activities	62.6	82,065	1,10,152
5	Rental for staff quarters	62.901	41,97,737	42,90,970
6	Sale of tender forms	62.903	8,62,853	16,38,267
7	Sundry Credit balances written back	62.912	16,70,16,382	6,29,23,972
8	NOC charges from Open access customers	62.922	1,28,25,000	2,16,50,000
9	Security deposits/EMD forfeited	62.931	11,20,730	10,56,228
10	Rebate on early payment to NRLDC	62.973	20,07,567	28,26,796
11	Income from O&M of bays of PGCIL	62.974	5,75,81,000	3,92,49,200
12	Miscellaneous Income	Bal 62.9	3,95,51,932	8,81,70,515
	Total (A)		29,77,76,917	29,68,28,247
13	Interest received on refund of Income tax	62.211	1,37,46,337	0
14	Provision withdrawn on unserviceable/obsolete items & losses under investigation	65.8	85,28,598	21,94,753
	Total (B)		2,22,74,935	21,94,753
	Total (A + B)		32,00,51,852	29,90,23,000

Note 24.1 : Detail of Income from sale of fixed assets :

(Amount in Rupees)

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Net income from sale of fixed assets (after adjusting loss) (as per TB)	62.4, 77.730 & 77.735	50,26,874	4,70,89,222
	Ind AS adjustment : Loss on sale of fixed assets - assets not in use damaged/unrepairable reversed as same has already been taken as impairment loss to Transition date April 01, 2015 (see note no. 3)		0	66,89,196
	Balance at the end of the year		50,26,874	5,37,78,418

Note 24.2 : Detail of Provision withdrawn on obsolete/losses under investigation items :

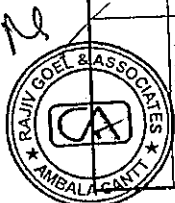
(Amount in Rupees)

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Provision withdrawn on obsolete/losses under investigation items (as per TB)	65.8	0	17,64,597
	Ind AS adjustment : Provision withdrawn on obsolete items of capital stores - Due to reclassification of inventory into capital and O&M		0	4,30,156
	Balance at the end of the year		0	21,94,753

Note 24.3: Detail of Prior period income

(Amount in Rupees)

Sr. No	Particulars	Account code	For the year ended 31st March, 2016
	As per IGAAP balance sheet	65.9	2,73,335
	Ind AS Adjustment - prior period excess overtime payment recovered in FY 2015-16 relating to prior period (Transition date) (Note - 20.1)		(2,73,335)
	Balance at the end of the year		0



Note 25 : Employee benefits expenses

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Salaries	75.1 except 75.190	80,49,56,757	82,97,70,924
2	Expenses for engagement of manpower through outsourcing agencies	75.190	22,16,26,502	18,57,49,304
3	Overtime	75.2	4,21,56,463	4,61,86,924
4	Dearness Allowance	75.3	95,26,88,271	88,66,39,578
5	Other Allowances	75.4	16,51,50,476	17,18,74,736
6	Bonus	75.5	14,73,138	0
	Total (A)		2,18,80,51,607	2,12,02,21,466
7	Medical expenses reimbursement	75.641-653	1,67,84,345	1,27,12,482
8	Leave Travel Assistance/Concession	75.612, 613 & 616	12,94,443	18,08,701
9	Payment under Workmen Compensation Act	75.629	0	5,56,520
10	Contribution paid for employees:			
i	NPS, CPF, PF, LWF	75.810, 815, 820, 825, 835, 840	3,65,53,878	3,23,30,630
ii	Miscellaneous - P.F inspection fees, solatium, Momento etc.	75.850, 851, 870, 871, 872	38,38,351	51,26,780
	Total (B)		5,84,71,017	5,25,35,113
11	Staff Welfare Expenses			
i	Electricity Concession to Employees	75.761	1,68,92,219	1,58,40,135
ii	Staff Welfare Expenses	Bal. 75.7	17,27,075	30,51,233
	Total (C)		1,86,19,294	1,88,91,368
12	Terminal Benefits			
i	Share of Pension, Gratuity & Medical	75.8	2,32,30,08,962	2,09,19,07,352
ii	Share of Leave Encashment	75.617 & 618	22,01,03,875	20,21,27,764
	Total share @ 11.36% as per transfer scheme (D)		2,54,31,12,837	2,29,40,35,116
13	Provision for gratuity and leave encashment for employees recruited by PSTCL	75.881	4,56,69,002	1,89,48,475
	Total (E)		4,56,69,002	1,89,48,475
	Grand Total(A+B+C+D+E)		4,85,39,23,757	4,50,46,31,538
14	Less: Employee costs capitalized	Bal. 75.9	43,43,09,897	46,58,65,691
	Net Total		4,41,96,13,860	4,03,87,65,847

Note 25.1 : Details of provision for Gratuity and leave encashment

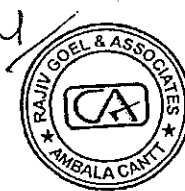
Particulars	2017	2016
Amount debited as per IGAAP (as per Trial Balance)	4,65,79,271	1,98,96,114
Ind AS adjustment to Transition date - Acturial Valuation	0	(3,02,537)
Ind AS adjustment - Acturial Valuation	6,80,563	(6,80,563)
Transferred to OCI as income (Note No. 33)	(15,90,832)	35,461
Balance at the end of the year	4,56,69,002	1,89,48,475

Note 25.2 : Employee benefits expenses - Electricity Concession to PSTCL Employees working on deputation from PSPCL

The employees working in the Company who are on deputation from PSPCL under the provisions of the Transfer Scheme, 2010 are entitled to electricity concession for electricity consumption in their residential accommodations. PSPCL has been allowing such concession to all such employees in their monthly electricity payments. As agreed with PSPCL, the total concession availed by the employees of both PSPCL and PSTCL have been apportioned between the two companies in the ratio of average number of employees during the period under report.

Note 25.3 : Employee benefits expenses - Terminal benefits

The employees working in PSTCL covered under the Pension Scheme are on deputation/ secondment from PSPCL. Pursuant to the Punjab Power Sector Reforms Transfer (First Amendment) Scheme 2012, the Terminal Benefit Trust in respect of pension, gratuity and leave encashment shall be progressively funded by Powercom and Transco respectively, as decided by the Punjab State Electricity Regulatory Commission (PSERC) in the ratio of 88.64 : 11.36, over a period of 15 financial years commencing from 1st April, 2014. PSERC is not allowing progressive funding to PSTCL on the ground that the tariff regulations of PSERC provides for payment of terminal liabilities on the principle of "Pay as you go" basis. Therefore, the amount of Rs. 2,54,31,12,837/- being 11.36% of total amount as intimated by PSPCL has been taken into account. Further, no provision has been made in the books of accounts to the extent of PSTCL's share of progressive funding i.e. 11.36% of actuarial liability on account of total terminal liability as the employees for which progressive funding was required to be provided as per Punjab Power Sector Reforms Transfer (First Amendment) Scheme 2012 are not the employees of PSTCL. So, Ind AS-19 is not applicable in respect of employees working in PSTCL on deputation/secondment from PSPCL.



Note 26 : Finance Costs
(Amount in Rupees)

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Interest on Loans from :			
1	Life Insurance Corporation	78.501	4,46,59,011	8,11,10,113
2	Rural Electrification Corporation	78.531	3,84,09,13,134	3,86,41,64,511
3	NABARD	78.541	18,08,59,347	8,68,49,110
4	Commercial Banks	78.551	47,54,38,106	29,85,28,173
5	PFC	78.582	12,11,23,289	0
6	PSPCL	78.596	53,07,81,551	63,29,71,673
7	Short Term borrowings	78.700	27,92,12,475	25,69,52,663
8	GPF Trust	78.852	11,55,92,922	14,39,60,575
	Total (A)		5,58,85,79,835	5,36,45,36,818
	Other interest & finance charges:			
9	Interest to GPF Trust	78.852	0	1,12,73,174
10	Guarantee charges	78.884	10,00,00,000	6,50,00,000
11	Miscellaneous interest/finance charges	Bal. 78	36,03,658	35,40,132
	Total (B)		10,36,03,658	7,98,13,306
	Total (A+B)		5,69,21,83,493	5,44,43,50,124
12	Less : Interest capitalized	78.9	61,81,87,295	67,97,32,356
	Net Total		5,07,39,96,198	4,76,46,17,768

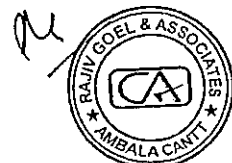
The Company is regular in making the payment of Principal and Interest thereon to the Banks, Financial Institutions & other lenders.

Note 27 : Depreciation, Amortization & Impairment Expenses
(Amount in Rupees)

Sr. No	Particulars	Account Code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Depreciation on :			
1	Buildings	77.120	4,22,30,295	3,67,83,187
2	Civil Works	77.140	12,53,488	11,46,011
3	Plant & Machinery	77.150	1,30,97,84,037	1,26,67,68,014
4	Lines & Cables	77.160	1,25,03,92,228	1,18,79,15,555
5	Vehicles	77.170 to 77.173	12,91,376	13,49,629
6	Furniture & Fixtures	77.180	20,91,686	21,28,158
7	Office Equipment	77.190	95,75,266	1,00,77,141
8	Impairment loss	77.755	0	1,04,30,265
	Total		2,61,66,18,376	2,51,65,97,960
9	Less : Depreciation capitalized	77.9	28,75,283	27,55,459
	Net Total		2,61,37,43,093	2,51,38,42,501

Note 27.1 : Detail of Depreciation, Amortization & Impairment Expenses
(Amount in Rupees)

Sr. No	Particulars	Account Code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Depreciation (as per Trial Balance)	77.1 & 77.9	2,61,37,43,093	2,46,44,17,204
2	Prior period Depreciation (as per Trial Balance)	83.6 & 65.6	7,90,19,517	9,20,44,049
3	Prior period Depreciation adjustment due to Ind AS :			
	- Charged to FY 2015-16		(3,89,95,032)	3,89,95,032
	- Charged to Transition date April 01, 2015		(4,00,24,485)	(9,20,44,049)
4	Impairment loss adjustment due to Ind AS (as per TB)	77.755	5,88,64,715	
	- Impairment loss charged to Transition date		(4,84,34,450)	
	- Impairment loss charged to FY 2015-16		(1,04,30,265)	1,04,30,265
	Balance at the end of the year		2,61,37,43,093	2,51,38,42,501





PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Note 28 : Repairs & Maintenance

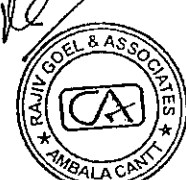
(Amount in Rupees)

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Plant and Machinery	74.1	23,54,47,664	30,42,64,528
2	Buildings	74.2	1,26,57,037	1,23,01,927
3	Civil Works	74.3	66,15,305	85,61,800
4	Lines and cable net works	74.5	55,50,794	1,14,43,096
5	Vehicles	74.6	49,81,206	64,54,293
6	Furniture and Fixtures	74.7	63,126	2,800
7	Office Equipment	74.8	2,63,852	75,839
	Total		26,55,78,984	34,31,04,283
8	Less: R&M expenses capitalized	Bal. 74.9	50,00,710	50,81,911
	Net Total		26,05,78,274	33,80,22,372

Note 28.1 : Detail of Repairs & Maintenance

(Amount in Rupees)

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Repair & Maintenance (as per Trial Balance)	74	26,05,78,274	33,80,22,372
2	Prior period (as per Trial Balance)	83.3	0	4,75,58,399
	Total		26,05,78,274	38,55,80,771
3	Prior period R&M adjustment due to Ind AS : - Charged to Transition date April 01, 2015		0	(4,75,58,399)
	Balance at the end of the year		26,05,78,274	33,80,22,372



Note 29 : Administration & General Expenses

(Amount in Rupees)

Sr.No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Rent, Rates & Taxes including lease rental	76.101, 102 & 78.584	1,34,96,664	1,46,28,168
2	Insurance	76.104	2,86,029	3,22,465
3	Telephone, Postage, Telegramme and Telex	76.112 - 116	59,51,870	68,43,521
4	Legal Charges	76.121	42,46,630	29,12,271
5	Audit Fees	76.122	27,68,214	28,08,487
6	Consultancy/Technical Charges	76.123 & 76.124	20,05,341	29,30,734
7	Conveyance & Travel Charges	76.131-143	6,89,74,291	7,46,10,221
8	Fees & Subscription	76.129 & 76.151	53,08,731	51,17,893
9	Books & Periodicals	76.152	48,960	49,518
10	Printing & Stationery	76.153	24,17,836	23,27,173
11	Advertisement/Publicity expenses	76.155 & 76.183	26,80,815	40,83,237
12	Electricity/Water Charges	76.158 & 76.160	8,03,45,917	5,93,57,389
13	Expenses on Training	76.167	9,45,519	64,915
14	Hospitality	76.180-181 & 76.189	5,28,470	5,63,998
15	Conference Expenses	76.182	0	30,605
16	Contingency Expenses	76.190	1,82,81,728	1,67,32,419
17	Other expenses	Bal. 76.1	17,23,881	26,85,508
18	Material related expenses	76.2	2,10,62,137	3,12,51,280
	Total		23,10,73,033	22,73,19,802
19	Less: A&G expenses capitalized	76.9	5,12,82,750	6,03,94,553
	Net Total		17,97,90,283	16,69,25,249

Note 29.1 : Administration & General Expenses - Details of remuneration to Statutory Auditors (excluding S.Tax)

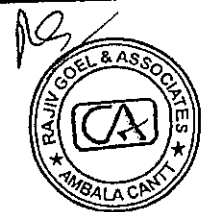
(Amount in Rupees)

Sr. No.	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	As an Auditor		
i	Tax Audit Fee	90,000	90,000
ii	Statutory Audit Fees	3,00,000	3,00,000
iii	Out of Pocket Expenses	67,804	71,040

Note 30 : ULDC Charges

(Amount in Rupees)

Sr. No	Particulars	Account Code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	ULDC Charges - SLDC own share	70.501	5,68,16,535	9,03,17,311
2	ULDC Charges - BBMB share	70.502	1,58,46,004	1,81,82,561
3	ULDC Charges - Central Sector share	70.503	33,14,822	0
4	NRLDC fees and charges	70.504	2,33,45,069	90,65,685
	Total		9,93,22,430	11,75,65,557



Note 31 : Other Expenses/Debits
(Amount in Rupees)

Sr. No	Particulars	Account Code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Provision for value of obsolete stores	79.471	2,65,70,432	4,30,156
2	Provision for Value of unserviceable stores	79.472	0	1,09,48,999
3	Miscellaneous losses & write off	Bal 79	1,66,85,846	51,04,642
	Total		4,32,56,278	1,64,83,797

Note 31.1 : Detail of Provision for value of obsolete stores :
(Amount in Rupees)

Sr. No	Particulars	Account Code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Provision for value of obsolete stores (as per TB)	79.471		0
	Ind AS adjustment : Provision created on obsolete items of O&M stores - Due to reclassification of inventory into capital and O&M			4,30,156
	Balance at the end of the year		0	4,30,156

Note 31.2 : Miscellaneous losses & write off pertains to :-

- i Rs.1,47,49,544/- on account of balance of IUT GH - 36.100 relating to the period 2005-06 to 2009-10 wrongly booked to GH - 36.100 is now written off with the approval of Board of Directors.
- ii Rs.11,18,149/- on account of un-reconciled balance of IUT GH - 39.100 standing under different divisions relating to the period prior to 01.04.1986 written off with the approval of Board of Directors.
- iii Rs.8,18,153/- on account of expenditure incurred against survey work of 220KV lines, written off due to amendment in the planning list with the approval of Whole Time Directors.

Note 32 : Tax Expense- Current tax
(Amount in Rupees)

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Provision for income tax	81.110	1,02,63,800	
2	Provision of income tax withdrawn for FY 2012-13 on the basis of final assessment order	65.5		(31,13,374)
3	Short provision of income tax for the FY 2013-14 on the basis of final assessment order	83.850	16,76,401	
	Total		1,19,40,201	(31,13,374)

Note 32.1 :

- i During FY 2015-16, Income tax assessment for the FY 2012-13 (AY 2013-14) completed and excess provision of Rs. 31,13,374/- withdrawn after adjusting TDS, Advance income tax and self assessment tax already paid, on the basis of Assessment order issued on 28.03.2016 by ACIT.
- ii During FY 2016-17, Income tax assessment for the FY 2013-14 (AY 2014-15) completed and short provision of Rs.16,76,401/- created after adjusting TDS, Advance income tax and self assessment tax already paid, on the basis of Assessment order issued on 09.12.2016 by ACIT.

Note 33 : Other Comprehensive Income
(Amount in Rupees)

Sr. No	Particulars	Account code	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Items that will not be reclassified to Profit or Loss - Remeasurement of Actuarial	75.881	(15,90,832)	35,461
	Total		(15,90,832)	35,461




Notes to Accounts:

34 First time adoption of Ind AS

Transition from IGAAP to IND AS

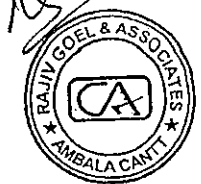
These financial statements, for the year ended March 31, 2017, are first financial statements prepared by company in accordance with Ind AS. For years upto and including the year ended March 31, 2016, the company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

In preparing these financial statements, the company has prepared opening Ind AS balance sheet as at 1st April, 2015 the company's date of transition to Ind AS in accordance with requirement of Ind AS 101, "First time Adoption of Indian Accounting Standards". The principal adjustments made by the company in restating/reclassify/ regrouped/merged its IGAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016 are quantified and explained in detail in note no 56. However the basic approach adopted is again summarized hereunder:

- 1 All assets and liabilities have been classified into current and non-current financial assets/liabilities & non-financial assets/liabilities.
- 2 In accordance with Ind AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to Ind AS.
- 3 The estimates as at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with IGAAP (after adjustment to reflect differences in accounting policies, if any)
- 4 Ind AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions as per IND AS 101:
 - a) **Deemed Cost for Property, Plant & Equipment:** The company has availed exemption under para D7AA of appendix D to Ind AS 101 which permits a first time adopter to continue with the carrying values for its PPE as at date of transition to Ind AS measured as per previous GAAP.
 - b) **Fair value measurement of financial assets or financial liabilities at initial recognition:** Para D20 of Ind AS 101, the financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to Ind AS. In addition, the exemption permits prospective application of requirements of Ind AS 109 to transactions entered into on or after date of transition.

The company has availed the following Mandatory exceptions from retrospective application of Ind AS.

- a) **Impairment of financial assets:** The company has applied para B8D of Appendix B which permits the first time adopter to apply the impairment requirement of Ind AS 109 prospectively on or after the date of transition to Ind ASs.
- b) **Derecognition of financial assets and financial liabilities:** The company has applied para B2 which permit first-time adopter to apply derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs.
- c) **Classification and measurement of financial assets :** The company has applied para B8C of Appendix B the fair value of financial assets and financial liability at the date of transition to Ind AS assumed to be the new gross carrying amount of the that financial assets or the new amortized cost of that liability at the date of transition to Ind AS.



35 Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

Provisions

(Amount in Rupees)

S. No.	Particulars	Opening balance as at April 1, 2016	Additions/ Transfers during the year	Utilization during the year	Written-back during the year	Closing balance as at March 31, 2017
i	Provision for Leave Encashment	3,20,53,858	3,84,10,366	-	-	7,04,64,224
ii	Provision for Gratuity	1,53,11,622	88,49,468	-	-	2,41,61,090
iii	Provision for obsolete items (O&M)	40,08,410	-	-	8,83,466	31,24,944
iv	Provision for obsolete items (Capital)	3,12,95,432	2,65,70,432	-	-	5,78,65,864
v	Provision for unservicable items (O&M)	46,58,142	-	-	7,95,603	38,62,539
vi	Provision for unservicable items (Capital)	1,27,22,554	-	-	68,49,529	58,73,025
vii	Provision for losses under investigation	3,88,397	-	-	-	3,88,397
viii	Provision for difference in value of stock/spares (O&M)	1,66,55,828	-	-	-	1,66,55,828
	Total	11,70,94,243	7,38,30,266	-	85,28,598	18,23,95,911

(Amount in Rupees)

S. No.	Particulars	Opening balance as at April 1, 2015	Additions/ Transfers during the year	Utilization during the year	Written-back during the year	Closing balance as at March 31, 2016
i	Provision for Leave Encashment	1,90,36,749	1,30,17,109	-	-	3,20,53,858
ii	Provision for Gratuity	94,15,717	58,95,905	-	-	1,53,11,622
iii	Provision for obsolete items (O&M)	35,78,254	4,30,156	-	-	40,08,410
iv	Provision for obsolete items (Capital)	3,32,57,373	-	-	19,61,941	3,12,95,432
v	Provision for unservicable items (O&M)	45,63,472	94,670	-	-	46,58,142
vi	Provision for unservicable items (Capital)	18,68,225	1,08,54,329	-	-	1,27,22,554
vii	Provision for bad & doubtful debts	4,44,52,413	-	4,44,52,413	-	-
viii	Provision for losses under investigation	6,21,209	-	-	2,32,812	3,88,397
ix	Provision for difference in value of stock/spares (O&M)	1,66,55,828	-	-	-	1,66,55,828
	Total	13,34,49,240	3,02,92,169	4,44,52,413	21,94,753	11,70,94,243

Contingent Liabilities:

(Amount in Rupees)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Court cases pending on account of land acquisition for setting up transmission lines & Sub Station etc.		11,40,546	11,40,546
Pending court cases - Others	27,96,474	29,04,944	81,47,545
Service Matter cases	2,59,531	5,47,408	6,44,432
Entry Tax & sales Tax	38,16,93,333	38,16,93,333	38,16,93,333
Total	38,47,49,358	38,62,86,231	39,16,25,856

Contingent Assets: No contingent assets reported as on balance sheet date.

36 Capital Commitments

- Capital Commitments: Estimated amount of contracts remaining to be executed on capital account is INR 166.62 Crores on March 31, 2017.
- Capital Commitments: Estimated amount of contracts remaining to be executed on capital account is INR 210.23 Crores on March 31, 2016.
- Capital Commitments: Estimated amount of contracts remaining to be executed on capital account is INR 214.18 Crores on April 01, 2015.



37 Disclosure of Prior Period Error
37.1 Extract from Balance Sheet

(Amount in Rupees)

Particulars	March 31, 2017 Ind AS Figures	March 31, 2016 Ind AS Figures	March 31, 2016 Ind AS Figures before Prior Period Errors Adjustment*	April 01, 2015 Ind AS Figures	April 01, 2015 Ind AS Figures before Prior Period Errors Adjustment*
PPE	67,61,01,44,545	65,27,98,72,856	65,32,92,98,153	64,07,18,56,405	64,25,90,48,585
CWIP	7,91,07,13,027	8,72,31,82,438	8,72,31,82,438	8,76,91,49,412	8,79,57,43,479
Other Assets	7,13,59,59,039	5,08,75,41,957	5,08,75,41,957	2,87,93,83,452	2,90,03,47,784
Total Assets	82,65,68,16,611	79,09,05,97,251	79,14,00,22,548	75,72,03,89,269	75,95,51,39,848
Retained Earning	3,90,78,67,487	3,86,00,68,520	3,90,94,93,817	3,74,22,92,922	3,97,70,43,501
Other Equity Balance	24,69,99,18,179	24,69,99,18,179	24,69,99,18,179	24,69,99,18,179	24,69,99,18,179
Total Equity	28,60,77,85,666	28,55,99,86,699	28,60,94,11,996	28,44,22,11,101	28,67,69,61,680
Other Liability	54,04,90,30,945	50,53,06,10,552	50,53,06,10,552	47,27,81,78,168	47,27,81,78,168
Total Equity and Liability	82,65,68,16,611	79,09,05,97,251	79,14,00,22,548	75,72,03,89,269	75,95,51,39,848

* The above figures have been reclassified to conform to Ind AS presentation requirements.

37.2 Extract from the Statement of Profit & Loss

(Amount in Rupees)

Particulars	March 31, 2017 Ind AS Figures	March 31, 2017 Ind AS Figures before Prior Period Errors Adjustment*	March 31, 2016 Ind AS Figures	March 31, 2016 Ind AS Figures before Prior Period Errors Adjustment*
Revenue from Operation	12,43,15,78,564	12,43,15,78,564	11,77,18,26,854	11,77,18,26,854
Other Income	32,00,51,852	32,00,51,852	29,90,23,000	29,92,96,335
Repair & Maintenance	26,05,78,274	26,05,78,274	33,80,22,372	38,55,80,771
Depreciation	2,61,37,43,093	2,53,47,23,576	2,51,38,42,501	2,56,68,91,518
All Other expenses	9,81,59,79,049	9,81,59,79,049	9,10,43,58,218	9,10,06,17,149
Profit before Tax	6,13,30,000	14,03,49,517	11,46,26,763	1,80,33,751
Tax	1,19,40,201	1,19,40,201	(31,13,374)	(31,13,374)
Profit after tax	4,93,89,799	12,84,09,316	11,77,40,137	2,11,47,125
OCI	(15,90,832)	(15,90,832)	35,461	35,461
Total Income	4,77,98,967	12,68,18,484	11,77,75,598	2,11,82,586
EPS	0.08	0.21	0.19	0.03

* The above figures have been reclassified to conform to Ind AS presentation requirements.

37.3 Prior Period Error Adjustment

(Amount in Rupees)

Particular	April 01, 2015	March 31, 2016	March 31, 2017
Depreciation - 2015-16	9,20,44,049	-	-
Depreciation - 2016-17	4,00,24,485	3,89,95,032	-
Repair and Maintenance 2015-16	4,75,58,399	-	-
Prior Period Income - 2015-16	(2,73,335)	-	-
Impairment Loss	4,84,34,450	16,75,763	-
Impairment Loss	66,89,196	87,54,502	-
Total	23,44,77,244	4,94,25,297	-

37.4 Year wise details of Prior Period Error

(Amount in Rupees)

Particular	April 01, 2015	March 31, 2016	March 31, 2017
Depreciation	-	9,20,44,049	7,90,19,517
Repair & Maintenance from CWIP	-	2,65,94,067	-
Repair & Maintenance from IUT	-	2,09,64,332	-
Loss on Sale of Fixed Asstes	-	66,89,196	-
Prior Period Income	-	(2,73,335)	-
Total	-	14,60,18,309	7,90,19,517



38 Disclosures in respect of Ind AS 107 - Financial Instruments
Financial Instruments by Categories

The carrying value and fair value of financial instruments by categories were as follows:

(Amount in Rupees)

Particulars	Total carrying value as at March 31, 2017	Financial assets/liabilities at FVTPL as at March 31, 2017	Financial assets/liabilities at fair value through OCI as at March 31, 2017	Amortized cost as at March 31, 2017	Total fair value as at March 31, 2017
Financial Assets:					
Amount recoverable from staff	1,93,283			1,93,283	1,93,283
Other receivables	3,91,97,436			3,91,97,436	3,91,97,436
Sundry debtors for transmission charges	5,84,41,18,393			5,84,41,18,393	5,84,41,18,393
Cash and cash equivalents	15,28,092			15,28,092	15,28,092
Advances to Suppliers/Contractors (O&M)	59,773			59,773	59,773
Amount recoverable from employees	89,65,732			89,65,732	89,65,732
Receivables from PGCIL	5,98,33,707			5,98,33,707	5,98,33,707
Miscellaneous receivables	24,79,555			24,79,555	24,79,555
Total	5,95,63,75,971	-	-	5,95,63,75,971	5,95,63,75,971
Financial Liabilities:					
Long term borrowings	43,82,12,28,297			43,82,12,28,297	43,77,24,06,016
Short term borrowings	2,08,80,94,943			2,08,80,94,943	2,08,80,94,943
Liability for Capital supplies/works	23,90,85,888			23,90,85,888	23,90,85,888
Liability for supply of Material - O&M	4,09,38,080			4,09,38,080	4,09,38,080
Deposit & retention money from suppliers & contractors	32,23,15,772			32,23,15,772	32,23,15,772
Liability for expenses	38,67,17,560			38,67,17,560	38,67,17,560
ICT- Payables to PSPCL	47,70,24,581			47,70,24,581	47,70,24,581
Current maturities of long term loan	4,81,29,59,312			4,81,29,59,312	4,81,29,59,312
Interest accrued but not due on borrowings - LIC & REC	16,11,94,895			16,11,94,895	16,11,94,895
Miscellaneous liabilities	11,65,60,212			11,65,60,212	11,65,60,212
Staff related liabilities	15,82,14,377			15,82,14,377	15,82,14,377
Total	52,62,43,33,917	-	-	52,62,43,33,917	52,57,55,11,636



(Amount in Rupees)

Particulars	Total carrying value as at March 31, 2016	Financial assets/liabilities at FVTPL as at March 31, 2016	Financial assets/liabilities at fair value through OCI as at March 31, 2016	Amortized cost as at March 31, 2016	Total fair value as at March 31, 2016
Financial Assets:					
Amount recoverable from staff	6,45,355	-	-	6,45,355	6,45,355
Other receivables	3,85,09,599	-	-	3,85,09,599	3,85,09,599
Sundry debtors for transmission charges	3,81,07,67,037	-	-	3,81,07,67,037	3,81,07,67,037
Cash and cash equivalents	70,32,994	-	-	70,32,994	70,32,994
Amount recoverable from employees	1,21,12,808	-	-	1,21,12,808	1,21,12,808
Receivables from PGCIL	4,37,64,125	-	-	4,37,64,125	4,37,64,125
Miscellaneous receivables	36,22,882	-	-	36,22,882	36,22,882
Total	3,91,64,54,800	-	-	3,91,64,54,800	3,91,64,54,800
Financial Liabilities:					
Long term borrowings	40,33,73,37,460	-	-	40,33,73,37,460	40,33,73,37,460
Short term borrowings	2,53,82,66,111	-	-	2,53,82,66,111	2,53,82,66,111
Liability for Capital supplies/works	49,15,35,806	-	-	49,15,35,806	49,15,35,806
Liability for supply of Material - O&M	7,11,76,683	-	-	7,11,76,683	7,11,76,683
Deposit & retention money from suppliers & contractors	34,24,92,375	-	-	34,24,92,375	34,24,92,375
Liability for expenses	40,66,28,629	-	-	40,66,28,629	40,66,28,629
ICT- Payables to PSPCL	33,84,72,301	-	-	33,84,72,301	33,84,72,301
Current maturities of long term loan	4,34,29,55,133	-	-	4,34,29,55,133	4,34,29,55,133
Interest accrued but not due on borrowings - LIC & REC	10,56,33,121	-	-	10,56,33,121	10,56,33,121
Miscellaneous liabilities	11,71,12,582	-	-	11,71,12,582	11,71,12,582
Staff related liabilities	12,10,52,919	-	-	12,10,52,919	12,10,52,919
Total	49,21,26,63,120	-	-	49,21,26,63,120	49,21,26,63,120



Particulars	Total carrying value as at April 01, 2015	Financial assets/liabilities at FVTPL as at April 01, 2015	Financial assets/liabilities at fair value through OCI as at April 01, 2015	Amortized cost as at April 01, 2015	Total fair value as at April 01, 2015
Financial Assets:					
Amount recoverable from staff	5,86,598	-	-	5,86,598	5,86,598
Other receivables	4,97,24,986	-	-	4,97,24,986	4,97,24,986
Sundry debtors for transmission charges	1,85,47,82,493	-	-	1,85,47,82,493	1,85,47,82,493
Cash and cash equivalents	1,42,81,490	-	-	1,42,81,490	1,42,81,490
Bank deposits against LC	22,00,000	-	-	22,00,000	22,00,000
Amount recoverable from employees	92,84,067	-	-	92,84,067	92,84,067
Receivables from PGCIL	75,76,337	-	-	75,76,337	75,76,337
Miscellaneous receivables	38,11,218	-	-	38,11,218	38,11,218
Interest accrued but not due on bank deposit against LC	1,89,601	-	-	1,89,601	1,89,601
Total	1,94,24,36,790	-	-	1,94,24,36,790	1,94,24,36,790
Financial Liabilities:					
Long term borrowings	37,78,64,66,426	-	-	37,78,64,66,426	37,78,64,66,426
Short term borrowings	1,77,06,56,178	-	-	1,77,06,56,178	1,77,06,56,178
Liability for Capital supplies/works	59,75,19,044	-	-	59,75,19,044	59,75,19,044
Liability for supply of Material - O&M	5,06,14,926	-	-	5,06,14,926	5,06,14,926
Deposit & retention money from suppliers & contractors	33,21,11,010	-	-	33,21,11,010	33,21,11,010
Liability for expenses	34,59,02,604	-	-	34,59,02,604	34,59,02,604
ICT- Payables to PSPCL	69,60,80,813	-	-	69,60,80,813	69,60,80,813
Current maturities of long term loan	3,74,75,62,405	-	-	3,74,75,62,405	3,74,75,62,405
Interest accrued on borrowing	11,46,23,699	-	-	11,46,23,699	11,46,23,699
Other Liability	14,86,58,857	-	-	14,86,58,857	14,86,58,857
Staff related liabilities	12,36,70,863	-	-	12,36,70,863	12,36,70,863
Total	45,71,38,66,825	-	-	45,71,38,66,825	45,71,38,66,825



39 Fair Value Hierarchy

- Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table present fair value hierarchy of assets and liabilities measured at fair value

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	(Amount in Rupees)
						Significant unobservable inputs
As at March 31, 2017						
Financial liabilities at fair values:						
Loan from PSPCL (11KV_VCB)	-	-	2,71,06,617	2,71,06,617	DCF	Interest rate of similar loan (i.e. 10.85%)
Total	-	-	2,71,06,617	2,71,06,617		
As at March 31, 2016						
Financial liabilities at fair values:						
Total	-	-	-	-		
As at April 1, 2015						
Financial liabilities at fair values:						
Total	-	-	-	-		

* Interest free loan received from PSPCL. Loan is shown at its fair value and remaining amount appeared in Deferred Income under non current liabilities.



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40 Fair value of financial assets and financial liabilities measured at amortized cost

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets:						
Non-current:						
Amount recoverable from staff *	1,93,283	1,93,283	6,45,355	6,45,355	5,86,598	5,86,598
Other receivables *	3,91,97,436	3,91,97,436	3,85,09,599	3,85,09,599	4,97,24,986	4,97,24,986
Current :						
Sundry debtors for transmission charges	5,84,41,18,393	5,84,41,18,393	3,81,07,67,037	3,81,07,67,037	1,85,47,82,493	1,85,47,82,493
Cash and cash equivalents	15,28,092	15,28,092	70,32,994	70,32,994	1,42,81,490	1,42,81,490
Bank deposits against LC	-	-	-	-	22,00,000	22,00,000
Advances to Suppliers/ Contractors (O&M)	59,773	59,773	-	-	-	-
Amount recoverable from employees	89,65,732	89,65,732	1,21,12,808	1,21,12,808	92,84,067	92,84,067
Receivables from PGCIL	5,98,33,707	5,98,33,707	4,37,64,125	4,37,64,125	75,76,337	75,76,337
Miscellaneous receivables	24,79,555	24,79,555	36,22,882	36,22,882	38,11,218	38,11,218
Interest accrued but not due on bank deposit against LC	-	-	-	-	1,89,601	1,89,601
Total Financial Assets	5,95,63,75,971	5,95,63,75,971	3,91,64,54,800	3,91,64,54,800	1,94,24,36,790	1,94,24,36,790
Non-current:						
Long term borrowings	43,82,12,28,297	43,77,24,06,016	40,33,73,37,460	40,33,73,37,460	37,78,64,66,426	37,78,64,66,426
Current:						
Short term borrowings	2,08,80,94,943	2,08,80,94,943	2,53,82,66,111	2,53,82,66,111	1,77,06,56,178	1,77,06,56,178
Liability for Capital supplies/works	23,90,85,888	23,90,85,888	49,15,35,806	49,15,35,806	59,75,19,044	59,75,19,044
Liability for supply of Material - O&M	4,09,38,080	4,09,38,080	7,11,76,683	7,11,76,683	5,06,14,926	5,06,14,926
Deposit & retention money from suppliers & contractors	32,23,15,772	32,23,15,772	34,24,92,375	34,24,92,375	33,21,11,010	33,21,11,010
Liability for expenses	38,67,17,560	38,67,17,560	40,66,28,629	40,66,28,629	34,59,02,604	34,59,02,604
ICT- Payables to PSPCL	47,70,24,581	47,70,24,581	33,84,72,301	33,84,72,301	69,60,80,813	69,60,80,813
Current maturities of long term loan	4,81,29,59,312	4,81,29,59,312	4,34,29,55,133	4,34,29,55,133	3,74,75,62,405	3,74,75,62,405
Interest accrued but not due on borrowings - LIC & REC	16,11,94,895	16,11,94,895	10,56,33,121	10,56,33,121	11,46,23,699	11,46,23,699
Miscellaneous liabilities	11,65,60,212	11,65,60,212	11,71,12,582	11,71,12,582	14,86,58,857	14,86,58,857
Staff related liabilities	15,82,14,377	15,82,14,377	12,10,52,919	12,10,52,919	12,36,70,863	12,36,70,863
Total	52,62,43,33,917	52,57,55,11,636	49,21,26,63,120	49,21,26,63,120	45,71,38,66,825	45,71,38,66,825

40.1 (i) The carrying amount of current financial instruments such as trade receivables, other assets, cash and cash equivalents and other liabilities are considered to be the same as their fair values, due to their short-term nature.

(ii) *As no recovery period/ schedule is defined for these recoveries. No discounting is done, in respect of amount recoverable from staff and other receivables reflected under non current financial assets.

(iii) The carrying amount of non-current financial liabilities i.e. long term borrowings except loan from PSPCL (11KV-VCB) are financed at competitive interest rate. Hence carrying value are considered to be the same as their fair values.

41 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Risk	Exposure arising from	Measurement	Remarks
Market risk- Interest rate	Long term borrowings at variable rate of interest	Sensitivity analysis	The Company has not taken any measure to avoid risk arising from interest rate. Since company is able to obtain finance at competitive interest rate
Credit risk	Cash and cash equivalent, trade receivables, financial instruments.	Ageing analysis Credit rating	Majority of receivable are on account of government undertaking. They are unsecured but considered good.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Maintaining adequate cash and cash equivalent



a) Market Risk

Interest rate risk

The company's main interest rate risk arise from long term borrowings with variable rates, which expose the company to cash flow interest rate risk. Company's borrowings are denominated in INR currency during March 31, 2017 and March 31, 2016.

The exposure of company's borrowings to interest rate changes at the end of reporting period are as follows:

(Amount in Rupees)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	10,17,75,65,481	10,14,81,56,538	9,46,99,98,525
Fixed rate borrowings	9,06,55,20,993	5,24,67,35,880	3,59,93,24,327
Total borrowings	19,24,30,86,474	15,39,48,92,418	13,06,93,22,852

* The above table covers all variable rate borrowing except REC loan. The Company has estimated that it is impracticable for them to figured out variable portion attached in the REC Loan.

Sensitivity

Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarizes the impact of increase/decrease in interest rates on Profit or loss.

(Amount in Rupees)

Particulars	Impact on profit after tax	
	March 31, 2017	March 31, 2016
Interest rates- increase by 50 Bsc Pts	(20,91,69,147)	(20,60,16,060)
Interest rates- decrease by 50 Bsc Pts	20,91,69,147	20,60,16,060

b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables and unbilled revenue. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

i) Trade Receivables

The company has outstanding trade receivables amounting to Rs.584.41 Crores (March 31, 2017), Rs.381.07 Crores (March 31, 2016) and Rs.185.47 Crores as at (April 1, 2015). Trade receivables are typically unsecured and are derived from revenue earned from customers.

Credit risk exposure

An analysis of age of trade receivables at each reporting date is summarized as follows:

(Amount in Rupees)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Gross Amount	Impairment	Gross Amount	Impairment	Gross Amount	Impairment
Not due	79,89,94,000	-	1,55,06,54,000	-	1,41,40,32,000	-
Past due less than six months	4,79,97,92,147	-	1,86,91,80,003	-	44,05,10,521	-
Past due more than six months	24,53,32,246	-	39,09,33,034	-	2,39,972	-
Total	5,84,41,18,393	-	3,81,07,67,037	-	1,85,47,82,493	-

Trade receivables are impaired when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired and past due for each reporting dates under review are of good credit quality.

The company does not hold any collateral or other enhancements to cover its credit risks associated with its financial assets.

ii) Other financial assets

The Company held cash and cash equivalents of INR 15,28,092 March 31, 2017, INR 70,32,994 March 31, 2016 and INR 1,42,81,490 April 01, 2015). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

c) Liquidity Risk

The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations.

Company manages its liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, other payable arising during the normal course of business as at each reporting date. Company maintains a sufficient balance in cash and cash equivalents to meet its short term liquidity requirements.

Company assess long term liquidity requirements on a periodical basis and manage them through internal accruals.



The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The amount disclosed in the table is the contractual undiscounted cash flows. The table includes both principal & interest cash flows. (Amount in Rupees)

Particulars	Less than 6 months	6 months to 1 year	1-5 years	More than 5 years	Total
As at March 31, 2017					2,08,80,94,943
Short Term Borrowing	1,00,00,00,000	1,08,80,94,943	-	-	48,63,41,87,609
Long Term Borrowing	2,70,14,08,000	2,11,15,51,312	17,11,33,26,000	26,70,79,02,297	32,23,15,772
Security Deposit	11,92,10,957	20,31,04,815	-	-	1,57,97,35,593
Other financial liability	-	1,57,97,35,593	-	-	52,62,43,33,917
Total	3,82,06,18,957	4,98,24,86,663	17,11,33,26,000	26,70,79,02,297	
As at March 31, 2016					2,53,82,66,111
Short Term Borrowing	1,00,00,00,000	1,53,82,66,111	-	-	44,68,02,92,593
Long Term Borrowing	2,40,84,34,000	1,93,45,21,133	16,74,76,15,000	23,58,97,22,460	34,24,92,375
Security Deposit	4,60,09,278	29,64,83,097	-	-	1,65,16,12,041
Other financial liability	-	1,65,16,12,041	-	-	49,21,26,63,120
Total	3,45,44,43,278	5,42,08,82,382	16,74,76,15,000	23,58,97,22,460	
As at April 1, 2015					1,77,06,56,178
Short Term Borrowing	-	1,77,06,56,178	-	-	41,53,40,28,831
Long Term Borrowing	1,95,15,93,000	1,79,59,69,405	18,97,90,29,000	18,80,74,37,426	33,21,11,010
Security Deposit	5,77,32,795	27,43,78,215	-	-	2,07,70,70,806
Other financial liability	-	2,07,70,70,806	-	-	45,71,38,66,825
Total	2,00,93,25,795	5,91,80,74,604	18,97,90,29,000	18,80,74,37,426	

*The above figures are shown at their original carrying amount excluding Ind AS Adjustent

42 Capital Management

Risk Management:

The Company's objectives when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits to other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of following ratio:

Net Debt (Total Borrowings) divided by
Total 'Equity' as shown in the Balance Sheet

The debt-equity ratio of the Company is as follows :

(Amount in Rupees)

Particulars	As at March 31, 2017	As at March 31, 2016
Long term debt	48,58,53,65,328	44,68,02,92,593
Equity (including Capital Reserve)	28,60,77,85,666	28,55,99,86,699
Debt-Equity Ratio	1.70	1.56



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- 43 Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"
The amount capitalized with Property, Plant & Equipment's as borrowing cost is INR 61,81,87,295 & INR 67,97,32,356/- for the year ended March 31, 2017 & March 31, 2016 respectively as per policy of borrowing cost as mentioned in significant accounting policies.
- 44 Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"
The company has assessed there is no impairment of Fixed Assets being classified under major heads such as Land, Building, Plant and Machinery, Lines & Cables. In case of Assets not in use - Damaged/ Unrepairable, impairment loss of INR 1,04,30,265 and INR 5,51,23,646 has recognised in March 31, 2016 and April 01, 2015 respectively.
- 45 Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"
General description of various defined employee's benefits schemes are as under:
Employees recruited by PSTCL covered under the NPS scheme.

- a) Gratuity:
Provision towards Gratuity in respect of employees recruited by the company is made based on actuarial valuation using the projected unit credit method.
- b) Leave Encashment:
Provision towards Leave Encashment in respect of employees recruited by the company is made based on actuarial valuation using the projected unit credit method.

Actuarial Assumptions

Method used	Projected unit credit method		
Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Financial			
Discount rate	7.00%	7.75%	8.25%
Estimated rate of increase in salary	5.00%	5.00%	5.00%
Demographic			
Mortality basis for regular & active employees	IALM (2006-08) Ult 1% <=50 years of age; 2% >50 years of age	IALM (2006-08) Ult 1% <=50 years of age; 2% >50 years of age	IALM (2006-08) Ult 1% <=50 years of age; 2% >50 years of age
Attrition			
Disability	No explicit allowance	No explicit allowance	No explicit allowance

Summary of Membership Data

Particulars	March 31, 2017	March 31, 2016
Average Weighted duration of liabilities - Gratuity	16.45 Years	17.33 Years
Average Weighted duration of liabilities - Leave Encashment	13.56 Years	10.70 Years
No. of regular Employees	560	568
Total Monthly Salary (Rs.)	2,21,58,314	1,99,61,761
Average age of regular employees (years)	31	30
Average past services (years)	3.82	2.83
Expected future working life decerment adjusted	22.51	23.27
Average accumulated leave per employees (days)	87	65

The summarized position of various defined benefits recognized in the Balance Sheet, Statement of Profit & Loss, Other Comprehensive Income (OCI) and other disclosures are as under:

Change in Present Value of Obligation (Defined Benefit Obligation)

(Amount in Rupees)

Particulars	Gratuity (Non Funded) March 31, 2017	Leave (Non Funded) March 31, 2017	Gratuity (Non Funded) March 31, 2016	Leave (Non Funded) March 31, 2016	Gratuity (Non Funded) April 1, 2015	Leave (Non Funded) April 1, 2015
Defined benefit obligation - Beginning of the year	1,53,11,622	3,20,53,858	94,15,717	1,90,36,749	47,42,938	97,32,747
Interest Cost	10,71,814	22,43,770	7,29,718	14,75,348	3,91,292	8,02,952
Current service cost	61,86,822	2,33,11,655	52,01,648	1,39,50,809	46,95,454	1,19,32,446
Past Service Cost (Vested/ Non-Vested)	-	-	-	-	-	-
Liability assumed/extinguished	-	-	-	-	-	-
Benefits Paid directly by employer	-	-	-	-	-	-
Benefits Paid directly by trust	-	-	12,36,451	-	(6,06,221)	-
Actuarial loss/(gain) on obligations due to change in financial assumptions	31,12,856	-	-	-	-	-
Actuarial loss/(gain) on obligations due to change in demographic assumptions	-	-	(12,71,912)	-	1,92,254	-
Actuarial loss/(gain) - Due to experience variance	(15,22,024)	-	-	-	-	-
Actuarial loss/(gain) on obligations	-	1,28,54,941	-	(24,09,048)	-	(34,31,396)
Defined benefit obligation - End of the year	2,41,61,090	7,04,64,224	1,53,11,622	3,20,53,858	94,15,717	1,90,36,749

Amount Recognized in Financial Statements

(Amount in Rupees)

Amount recognized in Balance Sheet

Particulars	Gratuity (Non Funded) March 31, 2017	Leave (Non Funded) March 31, 2017	Gratuity (Non Funded) March 31, 2016	Leave (Non Funded) March 31, 2016	Gratuity (Non Funded) April 1, 2015	Leave (Non Funded) April 1, 2015
Present value of DBO/LTEB	2,41,61,090	7,04,64,224	1,53,11,622	3,20,53,858	94,15,717	1,90,36,749
FV of Plan Assets	-	-	-	-	-	-
Unrecognised past service cost (Non Vested)	-	-	-	-	-	-
Net Assets/(Liabilities) recognise in Balance Sheet	2,41,61,090	7,04,64,224	1,53,11,622	3,20,53,858	94,15,717	1,90,36,749

Expense recognized in Statement of Profit and Loss

(Amount in Rupees)

Particulars	Gratuity (Non Funded) March 31, 2017	Leave (Non Funded) March 31, 2017	Gratuity (Non Funded) March 31, 2016	Leave (Non Funded) March 31, 2016	Gratuity (Non Funded) April 1, 2015	Leave (Non Funded) April 1, 2015
Current service cost	61,86,822	2,33,11,655	52,01,648	1,39,50,809	46,95,454	1,19,32,446
Net Interest cost	10,71,814	22,43,770	7,29,718	14,75,348	3,91,292	8,02,952
Expected return on plan assets	-	-	-	-	-	-
Past Service Cost (Vested/Non- Vested)	-	-	-	-	-	-
Actuarial (gain)/loss on obligations	-	1,28,54,941	-	(24,09,048)	-	(34,31,396)
Total expense recognized in P&L	72,58,636	3,84,10,366	59,31,366	1,30,17,109	50,86,746	93,04,002

Amount recognized in Other Comprehensive Income (OCI)

(Amount in Rupees)

Particulars	Gratuity (Non Funded) March 31, 2017	Leave (Non Funded) March 31, 2017	Gratuity (Non Funded) March 31, 2016	Leave (Non Funded) March 31, 2016	Gratuity (Non Funded) April 1, 2015	Leave (Non Funded) April 1, 2015
Actuarial (gain)/loss due to change in Financial Assumptions	31,12,856	-	12,36,451	-	(6,06,221)	-
Actuarial (gain)/loss due to changes in demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss due to experience variance	(15,22,024)	-	(12,71,912)	-	1,92,254	-
Return on Plan assets other than amounts included in net interest cost	-	-	-	-	-	-
Remeasurement arising from change in assets ceiling	-	-	-	-	-	-
Net (income)/expense for the period recognized in OCI	15,90,832	-	(35,461)	-	(4,13,967)	-

Total expense recognized

Particulars	Gratuity March 31, 2017	Leave March 31, 2017	Gratuity March 31, 2016	Leave March 31, 2016
Total expense recognized in P&L statement	72,58,636	3,84,10,366	59,31,366	1,30,17,109
Net (income)/expenses for the period recognized in OCI	15,90,832	-	(35,461)	-
Total expense recognized	88,49,468	3,84,10,366	58,95,905	1,30,17,109

Reconciliation Statement

Reconciliation of net opening liability with net closing liability

Particulars	Gratuity (Non Funded) March 31, 2017	Leave (Non Funded) March 31, 2017	Gratuity (Non Funded) March 31, 2016	Leave (Non Funded) March 31, 2016	Gratuity (Non Funded) April 1, 2015	Leave (Non Funded) April 1, 2015
Net Opening Liability / (asset)	1,53,11,622	3,20,53,858	94,15,717	1,90,36,749	47,42,938	97,32,747
Expense recognise in P&L account	72,58,636	3,84,10,366	59,31,366	1,30,17,109	50,86,746	93,04,002
Remeasurements	15,90,832	-	(35,461)	-	(4,13,967)	-
Benefits Paid	-	-	-	-	-	-
Net Closing Liability/(asset)	2,41,61,090	7,04,64,224	1,53,11,622	3,20,53,858	94,15,717	1,90,36,749

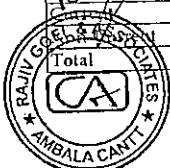
Maturity profile of (Discounted) Plan Liability

Winding-up/Discontinuance liability

The winding-up/discontinuance liability is Rs. 439.38 lacs in case of gratuity and Rs. 668.69 lacs in case of leave as at March 31, 2017. and Rs. 287.73 lacs in case of gratuity and Rs. 444.17 lac in case of leave as at March 31, 2016.

Current and Non-current liabilities

Particulars	Gratuity (Non Funded) March 31, 2017	Leave (Non Funded) March 31, 2017	Gratuity (Non Funded) March 31, 2016	Leave (Non Funded) March 31, 2016	Gratuity (Non Funded) April 1, 2015	Leave (Non Funded) April 1, 2015
	53,818	7,50,116	33,070	4,96,090	20,905	3,12,988
	2,41,07,272	6,97,14,108	1,52,78,552	3,15,57,768	93,94,812	1,87,23,761
Total	2,41,61,090	7,04,64,224	1,53,11,622	3,20,53,858	94,15,717	1,90,36,749



2

Sensitivity Analysis

Assumption	Change in Assumption	Gratuity (Non Funded) March 31, 2017	Leave (Non Funded) March 31, 2017	Gratuity (Non Funded) March 31, 2016	Leave (Non Funded) March 31, 2016
Discount rate	1.00%	2,06,29,388	6,18,61,664	1,29,76,718	2,90,05,135
	-1.00%	2,85,76,998	8,09,68,241	1,82,82,484	3,58,63,436
Salary growth rate	1.00%	2,85,51,564	8,08,96,179	1,83,27,400	3,59,51,544
	-1.00%	2,06,84,551	6,20,27,082	1,29,44,916	2,89,34,051

46 Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"
Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business. The company is primarily engaged in single segment business of Transmission of Power and SLDC functions.

46.1 Entity-Wide Disclosures-

1. Information about major customers

(Amount in Rupees)

Customer Name	Segment 1	
	Year ended March 31, 2017	Year ended March 31, 2016
Punjab State Power Corporation Limited	12,34,44,00,000	11,31,72,00,000

There is only one customer which contribute more than 10% of entity revenue.

2. Geographical Information

Revenue from external customers by location of operations and information about its non current assets* by location of assets are as follow

(Amount in Rupees)

Particulars	Revenue from external customers		Non current Assets*	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
India (Punjab)	12,43,15,78,564	11,77,18,26,854	75,52,08,57,572	74,00,30,55,294
Total	12,43,15,78,564	11,77,18,26,854	75,52,08,57,572	74,00,30,55,294

* Non-current assets for this purpose consists of Property, Plant & Equipment and Capital work in progress.

3. Revenue from major products

Revenue from external customers for each product and service are as follow:-

(Amount in Rupees)

Particulars	March 31, 2017	March 31, 2016
Punjab State Power Corporation Limited (Transmission of Power)	12,34,44,00,000	11,31,72,00,000
Total	12,34,44,00,000	11,31,72,00,000



47 Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"
Disclosures for Other than Govt. Related Entities

a List of key management personnel

Name	Designation
Sh. A. Venu Prasad - IAS	CMD
Sh. Umakanta Panda	Director/F&C/CMD
Sh. Niraj Hit Abhilashi Tayal	Director/ Administration
Smt. Shashi Prabha	Director/Technical
Sh. Jasvir Singh	Company Secretary
Sh. Surinder Kumar Beri	Chief Financial Officer

b Compensation of key management personnel

(Amount in Rupees)

Particulars	Sh. A. Venu Prasad		Sh. Umakanta Panda		Sh. Niraj Hit Abhilashi Tayal	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
Short-term benefits	-	-	21,86,281	20,03,056	21,92,931	19,75,280
Post-employment benefits	-	-	-	-	-	-
Other long-term benefits	-	-	-	-	-	-
Termination benefits	-	-	-	-	-	-
Total	-	-	21,86,281	20,03,056	21,92,931	19,75,280

Particulars	Smt. Shashi Prabha		Sh. Jasvir Singh		Sh. Surinder Kumar Beri	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
Short-term benefits	19,53,109	18,07,461	16,42,147	13,22,539	20,26,724	17,57,555
Post-employment benefits	-	-	-	-	-	-
Other long-term benefits	-	-	-	-	-	-
Termination benefits	-	-	-	-	-	-
Total	19,53,109	18,07,461	16,42,147	13,22,539	20,26,724	17,57,555

Sh. Umakanta Panda, Director/F&C assumed the additional charge of CMD, PSTCL on 03.06.2015 and continued upto 16.05.2016. Thereafter, Sh. A.Venu Prasad, IAS assumed the additional charge of CMD PSTCL from 16.05.2016. So no remuneration was paid to him by PSTCL during the FY 2016-17.

c Disclosure for transactions entered with Govt. and Govt. Entities and other entities

Particulars	Nature of Relationship
Govt. of Punjab	Major Shareholder
PSPCL	Major customer

(Amount in Rupees)

Related Party	Nature of Transaction	Transaction During 2017	Transaction During 2016	Balance as on March 31, 2017	Balance as on March 31, 2016	Balance as on April 1, 2015
PSPCL	Interest on Loan	53,07,81,551	63,29,71,673	-	-	-
	Loan Balance	-	-	5,03,16,73,998	4,95,57,45,100	5,94,68,94,120
	Trade Receivable	-	-	5,59,01,15,000	3,41,98,34,003	1,46,37,32,001
	Revenue	12,34,44,00,000	11,31,72,00,000	-	-	-
Government of Punjab	ICT	-	-	47,70,24,581	33,84,72,301	69,60,80,813
	Carrying Cost - Revenue*	(14,56,00,000)	-	-	-	-
	Carrying Cost - Receivable	-	-	24,49,00,000	39,05,00,000	39,05,00,000
	Guarantee Fee	10,00,00,000	6,50,00,000	-	-	-
	Guarantee Fee - Accrued	-	-	4,00,00,000	-	-

*Refer Note no 23 and Company has availed exemption mention in para 25 of Ind AS 24 "Related Party Transaction"





PUNJAB STATE TRANSMISSION CORPORATION LIMITED

48 Disclosure in respect of Indian Accounting standard (Ind AS) 17 "Leases"

- As lessee
Operating Lease
- Future minimum lease payments under non-cancellable operating leases

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	As at April 1, 2015
Not later than 1 year	63,40,476	63,40,476	57,64,069
Later than 1 year and not later than 5 years	3,49,36,024	3,36,04,524	3,29,70,476
More Than 5 Years	21,06,84,075	21,83,56,051	22,53,30,575

49 Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

i) Basic EPS

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the entity by the weighted average number of Equity shares outstanding during the year.

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit (loss) for the year, attributable to the owners of the company	4,93,89,799	11,77,40,137
Earnings used in calculation of basic earnings per share(A)	4,93,89,799	11,77,40,137
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	60,58,83,465	60,58,83,465
Basic EPS(A/B)	0.08	0.19

ii) Diluted EPS

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the entity (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit (loss) for the year, attributable to the owners of the company	4,93,89,799	11,77,40,137
Earnings used in calculation of basic earnings per share	4,93,89,799	11,77,40,137
Profit attributable to equity holders of the owner adjusted for the effect of dilution (A)	4,93,89,799	11,77,40,137
Weighted average number of ordinary shares for the purpose of basic earnings per share	60,58,83,465	60,58,83,465
Weighted average number of Equity shares adjusted for the effect of dilution (B)	60,58,83,465	60,58,83,465
Diluted EPS(A/B)	0.08	0.19

50 Assets hypothecated as security

The carrying amount of assets hypothecated as security for current & non current borrowings are:

(Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	As at 1st April 2015
Current			
Financial Assets			
First Charge (Hypothecation)	6,02,40,31,255	4,02,59,17,215	2,04,41,04,217
Non-Financial Assets			
Hypothecation			
Total Current assets	6,02,40,31,255	4,02,59,17,215	2,04,41,04,217
Non Current			
Hypothecation	36,25,69,11,800	35,44,57,19,596	34,20,94,56,726
Total Non Current assets	36,25,69,11,800	35,44,57,19,596	34,20,94,56,726



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	Particulars	Explanatory note no 56 **	Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
			Indian GAAP *	Adjustments	Ind AS	Indian GAAP *	Adjustments	Ind AS
1	ASSETS							
1	Non current assets							
	(a) Property, Plant and Equipment***	1	64,25,90,48,585	(18,71,92,180)	64,07,18,56,405	65,41,77,57,088	(13,78,84,232)	65,27,98,72,856
	(b) Capital work-in-progress***	1 & 3	7,39,71,25,853	1,37,20,23,559	8,76,91,49,412	7,61,64,92,987	1,10,66,89,451	8,72,31,82,438
	(c) Financial Assets							
	(i) Others Financial Assets		5,03,11,584	-	5,03,11,584	3,91,54,954	-	3,91,54,954
	(d) Other non current assets ***	1	61,57,82,602	(2,09,64,332)	59,48,18,270	58,62,39,679	-	58,62,39,679
2	Current assets							
	(a) Inventories***	3	1,58,79,39,350	(1,39,86,17,626)	18,93,21,724	1,32,18,39,629	(1,10,66,89,451)	21,51,50,178
	(b) Financial Assets							
	(i) Trade receivables		1,85,47,82,493	-	1,85,47,82,493	3,81,07,67,037	-	3,81,07,67,037
	(ii) Cash and cash equivalents	1	1,42,81,490	-	1,42,81,490	70,32,994	-	70,32,994
	(iii) Others		2,30,61,223	-	2,30,61,223	5,94,99,815	-	5,94,99,815
	(c) Current tax Assets (net)		15,00,95,190	-	15,00,95,190	36,69,33,435	-	36,69,33,435
	(d) Other current assets		27,11,478	-	27,11,478	27,63,865	-	27,63,865
	Total		75,95,51,39,848	(23,47,50,579)	75,72,03,89,269	79,22,84,81,483	(13,78,84,232)	79,09,05,97,251
1.	EQUITY AND LIABILITIES							
	Equity							
	(a) Equity Share capital		6,05,88,34,650	-	6,05,88,34,650	6,05,88,34,650	-	6,05,88,34,650
	(b) Other Equity	4	22,61,81,56,232	(23,47,79,781)	22,38,33,76,451	22,63,83,55,718	(13,72,03,669)	22,50,11,52,049
	LIABILITIES							
1	Non- current liabilities							
	(a) Financial Liabilities							
	(i) Borrowings		37,78,64,66,426	-	37,78,64,66,426	40,33,73,37,460	-	40,33,73,37,460
	(b) Provisions	2	2,78,16,413	3,02,160	2,81,18,573	4,75,16,847	(6,80,527)	4,68,36,320
	(c) Other non-current liabilities		1,18,86,35,612	-	1,18,86,35,612	1,19,48,97,571	-	1,19,48,97,571
2	Current liabilities							
	(a) Financial Liabilities							
	(i) Borrowings		1,77,06,56,178	-	1,77,06,56,178	2,53,82,66,111	-	2,53,82,66,111
	(ii) Other financial liabilities (other than those specified in item c****)	1	6,15,70,17,556	(2,73,335)	6,15,67,44,221	6,33,70,59,549	-	6,33,70,59,549
	(b) Other current liabilities***	1	34,72,23,265	-	34,72,23,265	7,56,84,381	-	7,56,84,381
	(c) Provisions	2	3,33,516	377	3,33,893	5,29,196	(36)	5,29,160
	Total		75,95,51,39,848	(23,47,50,579)	75,72,03,89,269	79,22,84,81,483	(13,78,84,232)	79,09,05,97,251

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**Explanation shall be given for adjustment under Ind AS

*** The above adjustment is on account of prior period error



52 Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

(Amount in Rupees)

Particulars	Explanatory note no 56 **	Indian Gaap *	Adjustments	Ind AS
Income				
Revenue From Operations		11,77,18,26,854	-	11,77,18,26,854
Other Income	1	29,26,07,139	64,15,861	29,90,23,000
Total Income		12,06,44,33,993	64,15,861	12,07,08,49,854
Expenses				
Employees Benefit Expenses	2	4,03,97,13,486	(9,47,639)	4,03,87,65,847
Finance Cost		4,76,46,17,768	-	4,76,46,17,768
Depreciation & Amortization Expenses	1	2,55,64,61,253	(4,26,18,752)	2,51,38,42,501
Other Expenses				
(i) Repairs & maintenance	1	38,55,80,771	(4,75,58,399)	33,80,22,372
(ii) Administration & General expenses		16,69,25,249	-	16,69,25,249
(iii) ULDC charges		11,75,65,557	-	11,75,65,557
(iv) Others debits	1	1,64,83,797	-	1,64,83,797
Total expenses		12,04,73,47,881	(9,11,24,790)	11,95,62,23,091
Profit Before Tax		1,70,86,112	9,75,40,651	11,46,26,763
Tax expense:				
(i) Current tax		(31,13,374)	-	(31,13,374)
Total Tax Expense		(31,13,374)	-	(31,13,374)
Profit/(loss) for the period from continuing operations		2,01,99,486	9,75,40,651	11,77,40,137
I Profit/(loss) for the Period		2,01,99,486	9,75,40,651	11,77,40,137
II Other Comprehensive Income				
i) Items that will not be reclassified to profit or loss	2	-	35,461	35,461
ii) Items that will be reclassified to profit or loss		-	-	-
Other Comprehensive Income		-	35,461	35,461
Total Comprehensive Income for the period		-	35,461	11,77,75,598

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**Explanation shall be given for adjustment under Ind AS

53 Reconciliation of total Equity as at March 31, 2016 and April 1, 2015

(Amount in Rupees)

Particulars	Explanatory note no 56 **	March 31, 2016	April 1, 2015
Total Equity (Shareholders fund as per IGAAP)		28,69,71,90,368	28,67,69,90,882
Adjustments:			
Prior period errors (Depreciation) discovered in FY 15-16	1	9,20,44,049	(9,20,44,049)
Prior period errors (R&M Cost)	1	4,75,58,399	(4,75,58,399)
Actuarial Gain or Loss	2	35,461	(3,02,537)
Prior period error (Impairment)	1	(1,04,30,265)	(5,51,23,646)
Prior period error (Depreciation) discovered in FY 16-17	1	-	(4,00,24,485)
Prior period error of depreciation adjusted discovered in FY 16-17	1	(3,89,95,032)	-
Re-measurement adjustment by actuarial	2	9,47,639	-
Error of excess overtime payment discovered in FY 16-17	1	(2,73,335)	2,73,335
Other Income - Loss on sale of Fixed Assets	1	66,89,196	-
Ind-AS Adjustment of April 1,2015		(23,47,79,781)	-
Total Adjustments		(13,72,03,669)	(23,47,79,781)
Total Equity as per Ind AS (Shareholders fund)		28,55,99,86,699	28,44,22,11,101



54 Reconciliation of total comprehensive income for the year ended March 31, 2016

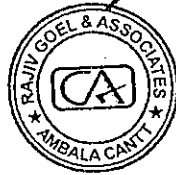
(Amount in Rupees)

Particulars	Explanatory note no 56 **	Year Ended March 31, 2016
Profit after tax as per previous GAAP		2,01,99,486
Adjustments		
Prior Period Adjustment		
Other Income - Prior Period Income	1	(2,73,335)
Other Income - Loss on sale of Fixed Assets	1	66,89,196
(i) Depreciation	1	5,30,49,017
(ii) Repair & Maintenance cost	1	4,75,58,399
(iii) Impairment Loss	1	(1,04,30,265)
Re-measurement adjustment by actuarial	2	9,47,639
Total Adjustments		9,75,40,651
Profit after tax as per Ind AS		11,77,40,137
Other comprehensive income-Actuarial Gain & Loss	2	35,461
Total comprehensive income as per Ind AS		11,77,75,598

55 Impact on Cash flow statement on adoption of Ind AS as on March 31, 2016.

(Amount in Rupees)

Particulars	Indian GAAP	Adjustments	Ind AS
Net cash flow from operating activities	4,78,83,87,559	(30,53,02,049)	4,48,30,85,510
Net cash flow from Investing activities	(3,93,45,36,890)	30,39,37,535	(3,63,05,99,355)
Net cash flow from financing activities	(86,10,99,165)	13,64,514	(85,97,34,651)
Net Increase/(Decrease) in cash and cash equivalent	(72,48,496)	-	(72,48,496)
Cash and cash equivalent as on April 1, 2015	1,42,81,490	-	1,42,81,490
Cash and cash equivalent as on March 31, 2016	70,32,994	-	70,32,994



[Handwritten signature]

56 Explanations for Reconciliation of Balance Sheet and Statement of Profit and Loss as previously reported under IGAAP to IND AS

Note 1 :

Under Ind AS, an entity shall correct material prior period errors retrospectively in the first set of financial statements approved for issue after their discovery by:

a) restating the opening balances of assets, liabilities and equity for the earliest prior period presented, if the error occurred before the earliest prior period presented.

The impact of changes in Capital work in progress, PPE and other non-current assets is on account of prior period error and is taken under respective heads of assets, liability and equity as on transition date.

Note 2 :

Under Ind AS, remeasurement i.e. actuarial gains and losses on net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

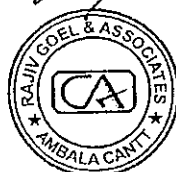
Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact on total equity as at 31 March, 2016.

Note 3 :

The materials/equipment's procured for capital projects are capital in nature and, therefore, has been shown as capital stores under head non-current assets

Note 4 :

Retained Earning as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.



- 57 In pursuance to memo no. 01/15/2010-EB(PR)/396 dated 29.11.2011 from Department of Power, Government of Punjab, Chandigarh, certain units of PSTCL were ordered to be transferred to PSPCL on account of transfer of 66 KV works to PSPCL. The balances of units which have been identified further during current year were transferred to PSPCL through inter corporation transactions. However certain balances which are un-identified on account of either opening balances or non-availability of details thereof have been kept as is where is basis and these will be transferred to PSPCL in future when identified.
- 58 There are some unidentifiable receivables and payables which pertain to erstwhile PSEB period and are very old which are being examined in detail and will be reconciled in due course of time for effecting the required corrections, adjustments and set offs as the case may be.
- 59 Some of the assets as allocated to the Company vide Notification dated 24.12.2012 by the Govt. of Punjab are being utilized by Punjab State Power Corporation Ltd. (PSPCL). Similarly, the Company is also using some of the assets of PSPCL. The accounting of rentals payable/receivable to/from PSPCL has not been made in the accounts of Company in the absence of any agreement between the two Companies for use of such assets.
- 60 As per Ind AS-12, the deferred tax assets (the deferred tax benefits) should be recognized only when there is certainty for the income generation in future which can be utilized for setting off the said deferred tax assets. Considering the accumulated unabsorbed losses, it is not probable that the same can be set off with the future income within the allowable period specified in the Income Tax Act 1961. In view of the said uncertainty, it is considered prudent not to recognize the deferred tax asset in the current financial year 2016-17.
- 61 The balances of trade receivables, advances to suppliers/contractors, loans & advances and other parties shown in the accounts as at 31.03.2017 are subject to confirmation.
- 62 The balance under Inter Corporate Transaction (ICT) payable to PSPCL as shown in Note 20 amounting to INR 47,70,24,581/- as on 31.03.2017 is subject to confirmation.
- 63 Dues to Micro, Small and Medium Enterprises
Based on the information available with the company, there are no outstanding balances of parties covered under Micro, Small and Medium Enterprises Development Act, 2006.
- Principal amount remaining unpaid at the end of the year to Micro, Small & Medium enterprise; - NIL
 - Interest accrued & remaining unpaid at the end of the year to Micro, Small & Medium enterprise for the current year; - NIL
 - Amount of interest paid during the year along with the payment of principal amount made beyond the appointed day; - NIL
 - Amount of interest carried forward from last accounting year with interest for the current year on such interest; - NIL
- 64 As per paragraph 49 of framework for preparation and presentation of financial statement and Guidance Note on MAT credit issued by ICAI:
"An asset is a resource controlled by the enterprise as a result of past events from which future economic benefits are expected to flow to the enterprise". For the purpose of consideration of the probability of expected future economic benefits in respect of MAT credit, the fact that a company is paying MAT and not the normal income tax, provides a prima facie evidence that normal income tax liability may not arise within the specified period to avail MAT credit. In view of this, MAT credit should be recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Since as per income tax return PSTCL has unabsorbed brought forward depreciation of 709.83 crores as on March 31, 2016. Hence, management has estimated that no future economic benefit derive from MAT credit will flow to the entity. Hence, MAT credit is not recognised in the books of account.



65 The books of account of Civil Works Division, Jalandhar include completed assets of Plant & Machinery which has not been transferred to the respective P&M Divisions. Pending transfer of completed assets which relates to erstwhile PSEB period, to the concerned P&M divisions, depreciation on all such completed assets of Rs. 1,64,50,080/- in respect of Civil Work division Jalandhar has been provided in the concerned construction division as charge to P&L account.

66 Disclosure on Specified Bank Notes (SBNs)

The details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 is as follow in the table below:-

(Amount in Rupees)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,01,000	1,94,936	2,95,936
(+) Permitted receipts	-	14,88,048	14,88,048
(-) Permitted payments	-	15,06,901	15,06,901
(-) Amount deposited in Banks	1,01,000	1,10,163	2,11,163
Closing cash in hand as on 30.12.2016	-	65,920	65,920

67 Standards issued but not yet effective

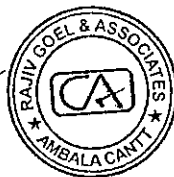
In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. This amendmend is effective from April 01, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 'Statement of cash flows' requires the entities to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements.

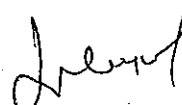
68 The previous year's figures have been reclassified/regrouped/merged for the purpose of comparison with the current year's figures in the Balance Sheet, Statement of Profit & Loss and Notes to accounts, wherever necessary.

As per our report of even date attached
For Rajiv Goel & Associates
Chartered Accountants
FRN 011106N

(Rohit Goel)
Partner
M.No 091756
Place: Patiala
Date: 23-1-2018

For and on behalf of the Board



(Jatinder Goyal)
Director/F & C



(A. Venk Prasad)
Chairman-cum-Managing
Director



(Vinod Bansal)
Chief Financial Officer



(Jasvir Singh)
Company Secretary

