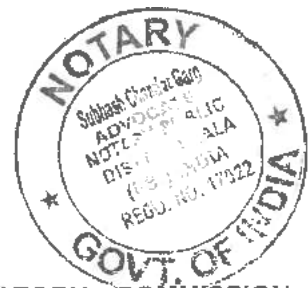


**PETITION FOR TRUE UP OF
FY 2019-20, ANNUAL
PERFORMANCE REVIEW OF
FY 2020-21 AND REVISED
ARR AND TARIFF FOR FY
2021-22**

Submitted by





BEFORE THE PUNJAB STATE ELECTRICITY REGULATORY COMMISSION,
CHANDIGARH

PETITION NO.

Case No.....

IN THE MATTER OF: Filing of the Petition for the approval of True-up of ARR for FY 2019-20, True up of Capital Expenditure for 1st MYT Control Period from FY 2017-18 to FY 2019-20 for Transmission Business and SLDC, under Section 62, 64 and 86 of the Electricity Act, 2003 read with the Regulation 9, 12 and 13 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2014 as amended from time to time and; approval of Annual Performance Review for FY 2020-21 and Revised forecast of ARR for FY 2021-22 for Transmission Business and SLDC and determination of Tariff for Transmission Business and SLDC for FY 2021-22 u/s Section 62, 64 and 86 of the Electricity Act, 2003 read with Regulation 11 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019.

AND

IN THE MATTER OF: Punjab State Transmission Corporation Limited
Regd. Office: PSEB Head Office, The Mall, Patiala -147001

MOST RESPECTFULLY SHOWETH:

I, Jatinder Tajeja, son of Sh. Radhe Sham aged 44 residing at Patiala do hereby solemnly affirms and state as follows:

I am the Chief Accounts Officer (Finance & Audit) of Punjab State Transmission Corporation Limited, the petitioner in the above matter and am duly authorized by the Corporation to make this affidavit on its behalf.

The statement made in sections 1 to 7 of the petition are based on the information collected from the concerned offices of the PSTCL and believe them to be true to my knowledge and belief and nothing material has been concealed there from.

There is no case pending in any court of law with regards to the subject matter of the petition.

Jatinder Tajeja
DEPONENT
(Jatinder Tajeja)

I, the deponent named above do hereby verify that the content of my above affidavit are true to my knowledge and belief and nothing material has been concealed there from.

Jatinder Tajeja
DEPONENT
(Jatinder Tajeja)

Verified at Patiala on the date. 25 NOV 2020

I identify the deponent/Person to whom I Know Personally.

Attested As Identified
Ag
NOTARY PUBLIC
PATIALA INDIA

The Contents of this affidavit document have been read over to the deponent He/She has accepted the true & correct.

This Documents has been registered at Serial No. 91 Page 20 this day of 25th Nov 2020

(Vijay Dev)
7329 2243 1453

25 NOV 2020

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

Case No. __ of 2020

IN THE MATTER OF: Filing of Petition for the approval of True-up of ARR for FY 2019-20 for Transmission Business and SLDC, under Section 62, 64 and 86 of the Electricity Act, 2003 read with Regulation 12 and 13 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2014 as amended from time to time and; Annual Performance Review for FY 2020-21 and approval of revised ARR forecast and determination of Tariff for Transmission Business and SLDC for FY 2021-22 under Section 62, 64 and 86 of the Electricity Act, 2003 read with Regulation 11 of PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019

AND

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

The Petitioner respectfully submits as under: -

1 INTRODUCTION

1.1 Background

The Punjab State Transmission Corporation Limited (hereinafter referred to as PSTCL or the Petitioner) is a Transmission Licensee for transmission of electricity in the areas as notified by the Government of Punjab vide Notification No. 1/9/08-EB(PR) 196 dated April 16, 2010. PSTCL is vested with the function of intra-State transmission of electricity in the State of Punjab and the operation of State Load Despatch Centre (SLDC). Further, in terms of Section 39 of the Electricity Act, 2003 (Act), the Government of Punjab notified PSTCL as the State Transmission Utility (STU).

1.2 Submission of True-up Petition

The Hon'ble Punjab State Electricity Regulatory Commission ("the Commission" or "PSERC") has notified the PSERC (Terms and Conditions of Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2014 (hereinafter referred to as "PSERC MYT Regulations, 2014"). The Hon'ble Commission also notified two (2) amendments to PSERC MYT Regulations, 2014 on February 3, 2016 and on August 8, 2018, respectively. As per Hon'ble Commission's notification dated May 28, 2015, the effective date of enforcement of these Regulations was April 1, 2017 and three-year Multi Year Tariff ("MYT") Control Period is from FY 2017-18 to FY 2019-20.

PSTCL filed Petition No. 29 of 2019 for Annual Performance Review for 2019-20 and Annual Revenue Requirement for the second Control Period from FY 2020-21 to FY 2022-23 and determination of Tariff for FY 2020-21 on November 27, 2019. The Hon'ble Commission issued the Order on June 1, 2020 on the said Petition and approved Tariff for FY 2020-21, along with APR of FY 2019-20.

Regulation 12 of PSERC MYT Regulations, 2014 specifies for submission of True-up Petition for previous year for which audited accounts are available. In line with

these provisions of the PSERC MYT Regulations, 2014, PSTCL is filing for True-up of ARR for FY 2019-20.

PSTCL further submits that submissions made in the present Petition are without prejudice to any appeals pending before Higher Courts and/or APTEL.

1.3 Submission of Annual Performance Review of FY 2020-21 and Revision of Annual Revenue Requirement of FY 2021-22

The Hon'ble Commission notified the PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019 (herein after referred as "PSERC MYT Regulations, 2019") on May 29, 2019. These Regulations came into force from April 1, 2020 and the three-year Multi Year Tariff ("MYT") Control Period is from FY 2020-21 to FY 2022-23.

PSTCL submits that, in accordance with Regulation 9 and 10 of the PSERC MYT Regulations, 2019, it had filed Petition for approval of Capital Investment Plan and Business Plan (Petition No. 19 of 2019) for the Control Period from FY 2020-21 to FY 2022-23 on August 30, 2019. The Hon'ble Commission had issued the Order on this Petition on December 03, 2019.

Regulation 11 and Regulation 58 of PSERC MYT Regulations, 2019 provides for submission of Annual Performance Review (APR) of current year and revised ARR and Tariff for ensuing year. In line with these provisions of PSERC MYT Regulations, 2019, PSTCL is filing for Annual Performance Review for FY 2020-21 and for approval of revised ARR estimates and determination of tariff for FY 2021-22.

1.4 Contents of the Petition

The present Petition consists of the following Chapters:

Chapter 1 - Introduction (present Chapter)

Chapter 2 - True-up of Capital Expenditure for First Control Period: In this Chapter, the Petitioner submits the actual Capital Expenditure for First Control Period i.e. FY 2017-18 to FY 2019-20 with respect to approved and has accordingly claimed the differential capital expenditure along with carrying cost in ARR of FY 2021-22.

Chapter 3 - True-up for FY 2019-20: In this Chapter, the Petitioner submits the ARR for Transmission Business and SLDC, based on the actual expenses as per the audited annual accounts for FY 2019-20. In this Chapter, the Petitioner has also presented its submissions regarding certain critical aspects influencing the true-up of expenses for FY 2019-20.

Chapter 4 - Annual Performance Review for FY 2020-21 and Revised ARR for FY 2021-22: In this Chapter, the Petitioner has estimated the APR for FY 2020-21 for Transmission Business and SLDC. Also, the revised ARR for FY 2021-22 for Transmission Business and SLDC has been projected based on the PSERC MYT Regulations, 2019. In this Chapter, the Petitioner has also presented its submissions regarding certain critical aspects influencing the determination of APR and ARR for FY 2020-21 and FY 2021-22, respectively.

Chapter 5 - Proposed Tariff for FY 2021-22: In this Chapter, the Petitioner submits the proposed Tariff for Transmission Business and SLDC for FY 2021-22 considering the revised ARR for FY 2021-22 and revenue gaps of previous years.

Chapter 6 - Directives: This Chapter includes the status and compliance of directives issued by the Hon'ble Commission in the past Tariff Orders.

Chapter 7 - Prayers: This Chapter details the prayers made by PSTCL in the present Petition.

2 Truing-up of Capital Expenditure for the First Control Period

2.1 Approval of Capital Expenditure for First Control Period

PSTCL filed the Petition no. 44 of 2016 with the Hon'ble Commission for approval of Capital Investment Plan for MYT Control Period (FY 2017-18 to FY 2019-20) on May 27, 2016. Hon'ble Commission issued its Order for the First Control Period i.e. FY 2017-18 to FY 2019-20 on October 23, 2017. The Hon'ble Commission had provisionally approved the following Capital Expenditure for the first Control Period as under.

Table 1: Capital Expenditure for FY 2017-18 to FY 2019-20 (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20
Transmission Business	328.29	248.01	202.64
SLDC Business	10.00	10.00	10.00
TOTAL	338.29	258.01	212.64

In its petition, PSTCL submitted the complete list of works that were to be undertaken for Transmission and SLDC Business during First Control Period. As the projections were to be made in 2016 for the next three years, the assessment of the ongoing works was made and the works likely to be spilled were also estimated. Accordingly, the estimated amount of works likely to be spilled was projected in first control period.

PSTCL did not include the ongoing works which were estimated to be completed in FY 2016-17 itself. A list of 190 works for Transmission and SLDC Business. (182 works for Transmission and 8 works for SLDC) was provided to Hon'ble Commission and the Hon'ble Commission approved the same Capital Expenditure for the Control Period in its Order dated October 23, 2017.

The Commission continued to approve the same Capital Expenditure at the time of determination of APR of FY 2017-18 and revised ARR of FY 2018-19 vide Tariff Order dated April 19, 2018.

2.2 Approval of Capital Expenditure at the time of Truing-up

At the time of Truing-up of FY 2017-18, PSTCL submitted Capital Expenditure of Rs. 352.51 Crore for Transmission Business and Rs. 1.59 Crore for SLDC Business. The Hon'ble Commission provisionally approved Capital Expenditure of Rs. 321.48 Crore for Transmission Business and Rs. 1.59 Crore for SLDC Business.

Further, in the same Tariff Order, Hon'ble Commission had considered the works with Sr. No. 140, 155, 175, 137, 152, 172 and 182 as approved treating them as "Addition of Bays/System Strengthening", "Augmentation/Strengthening of Bus Bars" and "Unforeseen emergency works" under one category as "Urgent/ Unforeseen/ feasibility related works" and defined as Category 1. The Hon'ble Commission provisionally approved Rs. 17.39 Crore and Rs. 31.83 Crore for FY 2018-19 and FY 2019-20 respectively for this Category as against approved amount of Rs. 14.00 Crore each for both years vide Order on Petition No. 44 of 2016.

The Hon'ble Commission had approved these amounts under Urgent/ Unforeseen/ feasibility related works in line with the Regulations 9.9 (Capital Investment Plan) of the PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2014, which provides that the emergency works can be treated as part of the approved capital expenditure provided that the emergency nature of the scheme has been approved by its Board of Directors.

After revision of aforesaid amounts in Urgent/ Unforeseen/ feasibility related works, the Hon'ble Commission approved Capital Expenditure of Rs. 251.40 Crore for FY 2018-19 and Rs. 220.47 Crore for FY 2019-20 for Transmission Business. The Hon'ble Commission further approved an additional expenditure of Rs. 6.81 Crore in Capex of FY 2019-20 as difference of approved and actual Capital expenditure of FY 2017-18. Accordingly, the approved Capital Expenditure for FY 2019-20 was revised as Rs. 227.28 Crore (Rs. 220.47 Crore + Rs. 6.81 Crore). Hon'ble Commission,

in the same Order provisionally approved Rs. 6.79 Crore for FY 2018-19 and Rs. 10 Crore for FY 2019-20 for SLDC Business.

PSTCL had further filed a Petition seeking approval for system improvement initiatives to be taken up for 400 KV Transmission Network for the FY 2019-20 vide Petition No. 14 of 2019. Following are the list of works additionally claimed in this Petition

- a. 400 kV Substation Rajpura
- b. 400 kV Substation Nakodar
- c. 400 kV Substation Dhanansu

The Hon'ble Commission based on the approval of Board of Directors and after considering these works as emergent works under Regulation 9.9 of PSERC Tariff Regulations, 2014, approved amount of Rs. 24.5 Crore for 400 kV Rajpura and Rs. 15 Crore for 400 kV Nakodar to be carried out in FY 2019-20 and FY 2020-21 and amount of Rs. 127.87 Crore for 400 kV Dhanansu to be carried out in FY 2019-20 to FY 2021-22. As no expenditure was incurred against these works, these works have been spilled over in the next MYT Control Period.

At the time of Truing-up of FY 2018-19, PSTCL submitted Capital Expenditure of Rs. 257.28 Crore for Transmission Business (including Contributory works and PSDF works) and Rs. 4.46 Crore for SLDC Business. Since the actual amounts excluding Contributory works and prior period works were lower than the approved Capital Expenditure, the Hon'ble Commission provisionally approved Capital Expenditure of Rs. 257.29 Crore for Transmission Business and Rs. 4.45 Crore for SLDC Business as submitted by PSTCL.

Hon'ble Commission provisionally approved Rs. 224.02 Crore for FY 2019-20 for Transmission Business and Rs. 3.47 Crore for SLDC Business in APR for FY 2019-20. Based on the actual capex and submission for additional capex, the Hon'ble Commission revised the capex as under: -

Table 2: Revised Capital Expenditure for FY 2017-18 to FY 2019-20 (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20
Transmission Business	321.48	232.67	224.02
SLDC Business	1.59	4.45	3.47
TOTAL	323.07	237.12	227.49

2.3 Approved v/s Actual Capital Expenditure

The Hon'ble Commission had approved Capital Expenditure in Truing-up of FY 2017-18 and FY 2018-19 and APR of FY 2019-20 and had ruled in respective Tariff Order that the Capital Expenditure shall be finally approved at the end of the First Control Period. Accordingly, PSTCL is now submitting the Capital Expenditure for the First Control Period in line with the Audited Accounts of respective year for FY 2017-18, FY 2018-19 and FY 2019-20 respectively.

PSTCL would like to submit that the approved list of 182 works of Transmission Business of PSTCL also includes works under PSDF Scheme. The Capital Expenditure incurred against these projects is partly funded by Government Grant and partly funded by Loan taken by PSTCL. The Capital Expenditure incurred; net of Grant received by PSTCL during the First Control Period against these works is as shown in the Table below. The combined effect of Capital Expenditure on PSDF works, net of Grant received for the First Control Period is considered in True-up of FY 2019-20.

PSTCL would like to submit that the part of Capital Expenditure under PSDF scheme which is not funded through Government Grant is considered by PSTCL in funding of Capital Expenditure. Out of the amount of expenditure on PSDF works of Rs. 11.95 crore, PSTCL has not considered the Capital Expenditure to the extent of Rs. 5.40 crore as the same has been received as grant from PSDF. The balance amount of Rs. 6.55 crore has been considered for funding purposes. PSTCL has accordingly claimed the actual Capital Expenditure as shown in the Table below:

Table 3: Capital Expenditure Approved v/s Actual for FY 2017-18 to FY 2019-20 (Rs. Crore)

Particulars	FY 2017-18		FY 2018-19		FY 2019-20	
	Approved	Actual	Approved	Actual	Approved	Actual
Capital Expenditure						
Capital Expenditure (Transmission Business inclusive of directly added assets)		375.28		258.47		239.55
Less Contribution and PSDF Works	-	44.99	24.62	31.52	-	58.66
Capex For funding	321.48	330.29	232.67	226.95	224.02	180.89
Capital Expenditure (SLDC Business)	1.59	1.59	4.45	5.82*	3.47	0.38

**In the True-up of FY 2018-19, inadvertently the works of Rs. 1.37 Crore related to SLDC was claimed in STU which has now been rectified*

PSTCL has revised its submission for Capital Expenditure of FY 2017-18 in this Petition on account of expenditure incurred on contributory works and request the Hon'ble Commission to kindly approve Capital Expenditure of Rs. 330.29 Crore for Transmission Business and Rs. 1.59 Crore for SLDC Business for FY 2017-18.

As seen from the Table above, there has been a slight increase in actual Capital Expenditure of FY 2017-18 as compared to the approved Capital Expenditure. However, in case of FY 2018-19 and FY 2019-20, the actual Capital Expenditure has been lower than the amounts approved by the Hon'ble Commission.

PSTCL has submitted the scheme wise and year wise approved and actual Capital Expenditure for the First Control Period as Annexure I. PSTCL has also provided the justification against each Schemes.

The following Table shows the reconciliation of Capital expenditure with Annual Accounts.

Table 4: Re-conciliation of Capital Expenditure with Audited Accounts (Rs. Crore)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20
Transmission	375.28	258.47	239.55
SLDC	1.59	5.82	0.38
Total Capex	376.87	264.29	239.93
Less assets directly transferred to GFA	25.86	2.55	13.45
Transmission	25.86	2.55	13.43
SLDC	-	-	0.02
Capex as per Accounts	351.01	261.74	226.48

Main reasons for deviations as compared to approved numbers are mainly due to the following parameters.

- a. PSTCL had filed for approval of Capital Investment Plan for the First Control Period (FY 2017-18 to FY 2019-20) on May 27, 2016. Since the Petition was filed in early period of FY 2016-17, PSTCL expected that majority of the ongoing schemes shall be completed in FY 2016-17 and therefore such schemes were not included in the proposal for Capital Investment Plan for First Control Period. However, these schemes got spill over in First Control Period due to reasons beyond control of PSTCL. Secondly, PSTCL expected major expenditure during FY 2016-17 but due to various reasons could not incur the same in the year and later on incurred the expenditure in first control period. Accordingly, the increase in Capital Expenditure is mainly on account of such schemes which were not included in the CIP for First Control Period and therefore were approved by the Hon'ble Commission in the respective Tariff Orders.
- b. PSTCL at the time of approval of CIP vide Petition No. 44 of 2016 had submitted only the Hard Cost against each of the Schemes. These schemes were not including IEDC and IDC cost which are also to be capitalised along with the Hard Cost. Hence, the Hon'ble Commission at the time of approval only approved the Hard Cost against each of the 190 works. Exclusion of IEDC and IDC in approved cost against each of the scheme lead to an

increase in individual scheme cost at the time of submission of actual cost. PSTCL submits that the increase in actual cost as compared to approved against each of the 190 works is mainly due to exclusion of IEDC and IDC cost component.

PSTCL hence prays to the Hon'ble Commission to kindly approve the Capital Expenditure of Rs. 330.29 Crore for FY 2017-18, Rs. 226.95 Crore for FY 2018-19 and Rs. 180.89 Crore for FY 2019-20 for Transmission Business, after excluding Contributory Works and Government Grants received for PSDF works for the First Control Period.

PSTCL further request the Hon'ble Commission to kindly approve the Capital Expenditure of Rs. 1.59 Crore for FY 2017-18, Rs. 5.82 Crore for FY 2018-19 and Rs. 0.38 Crore for FY 2019-20 for SLDC Business for the First Control Period.

2.4 Funding of Capital Expenditure

PSTCL submits that the deviation in Capital Expenditure for the First Control Period as compared to approved Capital Expenditure is observed in Transmission Business and SLDC Business in First Control Period. PSTCL has hence forth claimed the impact of Truing-up of Capital Expenditure for the First Control Period. For the purpose of funding PSTCL has claimed Net Capital Expenditure for Transmission Business after excluding Contributory Works and Government Grant received for PSDF works in line with the methodology adopted by the Hon'ble Commission in past Tariff Orders.

PSTCL has considered the funding of Capital Expenditure through Loan and Equity for FY 2017-18 and entirely through Loans for FY 2018-19 and FY 2019-20 as per the approach adopted by Hon'ble Commission in Truing-up of FY 2017-18 and FY 2018-19 and in APR of FY 2019-20 for Transmission Business. Since the impact of funding for SLDC Business is to be worked out from FY 2018-19 onwards, PSTCL has considered the funding of Capital Expenditure entirely through loan in line with the Hon'ble Commission's methodology adopted in Truing-up of FY 2018-19.

The following Table shows the deviation in Capital Expenditure approved for funding through Equity and Loans in Truing-up of First Control Period for FY 2017-18 and FY 2018-19 and APR of FY 2019-20 for Transmission Business.

Table 5: Deviation in Capital Expenditure for FY 2017-18 to FY 2019-20 for Transmission Business (Rs. Crore)

Particulars	FY 2017-18			FY 2018-19			FY 2019-20	
	Approved	Actual	Deviation	Approved	Actual	Deviation	Approved	Actual
Net Capital Expenditure for Transmission	321.48	330.29	8.81	232.67	226.95	(5.72)	224.02	180.89
Funding through Loan (70%)	225.04	231.20	6.17	232.67	226.95	(5.72)	224.02	180.89
Funding through Equity (30%)	96.92	99.09	2.16	-	-	-	-	-

The following Table shows the deviation in Capital Expenditure approved for funding through Loans in Truing-up of FY 2018-19 and APR of FY 2019-20 for SLDC Business.

Table 6: Deviation in Capital Expenditure for FY 2018-19 to FY 2019-20 for SLDC Business (Rs. Crore)

Particulars	FY 2018-19			FY 2019-20	
	Approved	Actual	Deviation	Approved	Actual
Net Capital Expenditure for Transmission	4.45	5.82	1.37	3.47	0.38
Funding through Loan (100%)	4.45	5.82	1.37	3.47	0.38

PSTCL has accordingly computed the impact of actual Capital Expenditure as per Audited Accounts as compared to the Capital Expenditure approved in Truing-up of FY 2017-18 and FY 2018-19 for Transmission Business. For this computation, PSTCL has considered the Opening balance of Loans and Equity in line with the approved amounts outstanding as on 01.04.2017.

PSTCL would like to submit that the opening balance of loan outstanding as on 01.04.2017 approved by the Hon'ble Commission is derived after deducting Rs. 22.78 Crores of Contributory Works. The relevant extracts are provided in Section 2.9.8 of Tariff Order dated May 27, 2019. Since the Contributory works of Rs. 22.78 Crore is already deducted from funding of Capital Expenditure during FY 2017-18 as shown in the above Tables, further reducing the same amount from the opening balance of loans will result in dual reduction of the same amount. Accordingly, PSTCL has increased the approved amount of opening balance of loans as on 01.04.2017 by Rs. 22.78 Crore. Following Table shows the impact of lower/higher disallowance of Loan and Equity in Truing-up of FY 2017-18 and FY 2018-19.

Table 7: Impact on Loans and Equity in Truing-up of FY 2017-18 for Transmission Business (Rs. Crore)

Particulars	Loan			Equity		
	Approved	Claimed	Difference	Approved	Claimed	Difference
Opening Balance	3717.19	3739.97	22.78	605.88	605.88	-
Addition during the year	225.04	231.20	6.17	96.92	99.09	2.16
Repayment during the year	281.78	281.78	-	-	-	-
Closing Balance	3660.45	3689.39	28.95	702.80	704.97	2.16
Average Balance	3688.82	3714.68	25.86	654.34	655.42	1.08
Applicable Rate	10.59%	10.59%	-	15.50%	15.50%	-
Amount	390.62	393.36	2.74	101.42	101.59	0.17

As seen from the above Table, PSTCL has computed a total impact of Rs. 2.91 Crore (Rs. 2.74 Crore + Rs. 0.17 Crore) for Transmission Business to be passed on in Tariff of FY 2021-22 with respect to the Actual Capital Expenditure of FY 2017-18.

Table 8: Impact on Loans and Equity in Truing-up of FY 2018-19 for Transmission Business (Rs. Crore)

Particulars	Loan			Equity		
	Approved	Claimed	Difference	Approved	Claimed	Difference
Opening Balance	3660.45	3689.39	28.95	702.80	704.97	2.16
Addition during the year	232.67	226.95	(5.72)	-	-	-
Repayment during the year	297.49	297.49	-	-	-	-
Closing Balance	3595.63	3618.85	23.23	702.80	704.97	2.16
Average Balance	3628.04	3654.12	26.09	702.80	704.97	2.16
Applicable Rate	10.00%	10.00%		15.50%	15.50%	
Amount	362.86	365.47	2.61	108.93	109.27	0.34

As seen from the above Table, PSTCL has computed a total impact of Rs. 2.94 Crore (Rs. 2.61 Crore + Rs. 0.34 Crore) for Transmission Business to be passed on in Tariff of FY 2021-22 with respect to the Actual Capital Expenditure of FY 2018-19.

PSTCL has further computed the impact of actual Capital Expenditure as per Audited Accounts as compared to the Capital Expenditure approved in Truing-up of FY 2018-19 for SLDC Business. For this computation, PSTCL has considered the Opening balance of Loans in line with the approved amounts outstanding as on 01.04.2018.

Table 9: Impact on Loans in Truing-up of FY 2018-19 for SLDC Business (Rs. Crore)

Particulars	Loan		
	Approved	Claimed	Difference
Opening Balance	6.74	6.74	-
Addition during the year	4.45	5.82	1.37
Repayment during the year	0.33	0.33	-
Closing Balance	10.86	12.23	1.37
Average Balance	8.80	9.49	0.68
Applicable Rate	10.33%	10.33%	-
Amount	0.91	0.98	0.07

As seen from the above Table, PSTCL has computed a total impact of Rs. 0.07 Crore for SLDC Business to be passed on in Tariff of FY 2021-22 with respect to the Actual Capital Expenditure of FY 2018-19.

The Hon'ble Commission had approved APR of FY 2019-20 in Tariff Order dated June 01, 2020 and the True-up of FY 2019-20 is yet to be undertaken. Therefore, PSTCL has not computed any impact of Truing-up of Capital Expenditure of FY 2019-20 for Transmission and SLDC Business. PSTCL has claimed Loan and Equity of FY 2019-20 in relevant section of the Truing-up Chapter in line with the approach adopted by Hon'ble Commission in past Tariff Orders.

The following Table shows the approved Closing balance of Loan and Equity for FY 2018-19 with respect to the Closing Balance derived after Truing-up of Capital Expenditure as discussed in the above paragraphs.

Table 10: Closing Balance of Loan and Equity of FY 2018-19 for Transmission Business (Rs. Crore)

Particulars	Approved	Claimed	Difference
Closing Balance of Loan for FY 2018-19	3595.63	3618.85	23.23
Closing Balance of Equity for FY 2018-19	702.80	704.97	2.16

Table 11: Closing Balance of Loan of FY 2018-19 for SLDC Business (Rs. Crore)

Particulars	Approved	Claimed	Difference
Closing Balance of Loan for FY 2018-19	10.86	12.23	1.37

PSTCL has passed on the difference in Closing Balance of Loan and Equity of FY 2018-19, as shown in the above Tables, in Opening Balances of FY 2019-20 of Transmission and SLDC Business respectively. Accordingly, the opening balances of loan and equity for FY 2019-20 are revised in Truing-up as compared to the approved closing balance of FY 2018-19, to the extent as shown in the above Table.

PSTCL has computed the carrying cost on the impact of Rs. 2.91 Crore for FY 2017-18 and Rs. 2.94 Crore for FY 2018-19 on account of Truing-up of Capital Expenditure for Transmission Business and Rs. 0.07 Crore for FY 2018-19 for SLDC Business. PSTCL has considered the rate of interest on working capital as approved by the Hon'ble Commission in Truing-up Orders of FY 2017-18 and FY 2018-19. For FY 2019-20 and onwards, PSTCL has considered the rate in line with the rate of Interest on Working Capital considered in Truing-up Petition for FY 2019-20. Following Tables shows the impact of Capital expenditure of FY 2017-18 and FY 2018-19 along with carrying cost computed till FY 2021-22 for Transmission Business and impact of Capital expenditure of FY 2018-19 along with carrying cost computed till FY 2021-22 for SLDC Business.

Table 12: Impact of Capital Expenditure of FY 2017-18 and FY 2018-19 along with carrying cost for Transmission Business

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Opening Balance	-	3.06	6.46	7.12	7.84
Addition during the year	2.91	2.94	-	-	-
Closing Balance	2.91	6.00	6.46	7.12	7.84
Average Balance	1.45	4.53	6.46	7.12	7.84
Rate of Interest	10.59%	10.00%	10.19%	10.19%	10.19%
Carrying Cost	0.15	0.45	0.66	0.72	0.80
Closing balance with Carrying Cost	3.06	6.46	7.12	7.84	8.64

Table 13: Impact of Capital Expenditure of FY 2018-19 along with carrying cost for SLDC Business

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Opening Balance	-	0.07	0.08	0.09
Addition during the year	0.07	-	-	-
Closing Balance	0.07	0.07	0.08	0.09
Average Balance	0.04	0.07	0.08	0.09
Rate of Interest	10.00%	10.19%	10.19%	10.19%
Carrying Cost	0.00	0.01	0.01	0.01
Closing balance with Carrying Cost	0.07	0.08	0.09	0.10

PSTCL request the Hon'ble Commission to pass the revenue gap of Rs. 8.64 Crore along with carrying cost in revised ARR of FY 2021-22 for Transmission Business and Rs. 0.10 Crore including carrying cost in revised ARR of FY 2021-22 for SLDC Business, computed after Truing-up of Capital Expenditure for First Control Period.

3 TRUE UP OF ARR FOR FY 2019-20

3.1 Background

The Hon'ble Commission vide Order dated June 1, 2020, had approved the Annual Performance Review of Rs. 1,335.60 Crore after adjustment of carrying cost. Out of this, Rs. 16.57 Crore was approved for SLDC for FY 2019-20.

Regulation 12 of PSERC MYT Regulations, 2014, as amended from time to time, specifies as under:

"12. TRUE UP

12.1. Truing up of the ARR of the previous year shall be carried out along with the Annual Performance Review and will be adjusted in the ARR of the next year of the control period.

12.2. Truing up of uncontrollable items and normative items shall be carried out at the end of each year of the control period.

12.3. Truing up of controllable items would be done in accordance with regulation 8.

12.4. Truing-up exercise will be undertaken only when audited accounts for the year(s) under consideration have been made available. The approved aggregate gain or loss for each business on account of controllable items will be subject to provisions of regulation 30.

12.5. In case of any change in the approved amounts (positive or negative) during the Trueup exercise, the Commission shall consider the approved carrying cost as a separate item of expense.

12.6. The Commission may allow/recover the carrying cost for the trued up amount at the interest rate mentioned in regulation 25.1:

Provided that no carrying cost shall be permitted for the period of delay in filing of true up on account of non submission of audited accounts due to the fault of the utility:

Provided that if the Commission determines an over recovery by the licensee during the True-up, carrying cost for such trued up amount shall be recovered from the Applicant."

In the present Petition, the Petitioner has submitted the True-up for FY 2019-20 based on the audited accounts for FY 2019-20. The Petitioner also submits its rationale for the key heads of expenditure, which critically impact its overall

financial health. PSTCL has submitted a copy of Audited Accounts of FY 2019-20 as Annexure II along with this Petition.

3.2 Description of the Transmission System

The details of the transmission system of PSTCL as on April 1, 2019 to March 31, 2020 are tabulated below:

Table 14: Transmission System of PSTCL during FY 2019-20

Sr. No.	Particulars	Opening (As on 1 st April 2019)	Addition during the year	Retirement during the year	Closing (As on 31 st March 2020)
Transmission Lines (Circuit-kms)					
1	400 kV	1,599.75	-	-	1,599.75
2	220 kV	7,141.88	500.25	-	7,642.13
3	132 kV	3,135.64	-	-	3,135.64
	Total	11,877.27	500.25	-	12,377.52
Substations (Nos.)					
1	400 kV	5	-	-	5
2	220 kV	100	1	-	101
3	132 kV	66	-	1	65
	Total	171	1	1	171
Transmission Bays (Nos.)					
1	400 kV	62	10	-	72
2	220 kV	669	34	-	703
3	132 kV	505	-	-	505
	Total	1,236	44	-	1,280
Substation Capacity (MVA)					
1	Substation Capacity	36,489.67	1,235.00	16.00	37,708.67

3.3 Transmission System Availability

The Petitioner submits that the overall Transmission System Availability achieved by PSTCL for FY 2019-20, as certified by Chief Engineer SLDC, (copy attached as per Annexure III) is 99.9741%. The following table provides the transmission system availability for each month of FY 2019-20:

Table 15: Transmission System Availability for FY 2019-20

Sr. No.	Month	Transmission System Availability (%)
1	Apr-19	99.9749%
2	May-19	99.9711%
3	Jun-19	99.9584%
4	Jul-19	99.9817%
5	Aug-19	99.9788%
6	Sep-19	99.9823%
7	Oct-19	99.9885%
8	Nov-19	99.9520%
9	Dec-19	99.9820%
10	Jan-20	99.9809%
11	Feb-20	99.9741%
12	Mar-20	99.9637%
	TOTAL	99.9741%

The actual Transmission System Availability for FY 2019-20 is higher than the Normative Target Availability Factor i.e. 99%. The incentive on account of over-achievement of Transmission System Availability is discussed subsequently in this Chapter.

3.4 Transmission Losses

Actual transmission loss of PSTCL during FY 2019-20 is 2.217% as compared to the fixed transmission loss of 2.50% in APR of FY 2019-20, vide Tariff Order dated June 01, 2020. The details of energy input and energy output wheeled through the transmission system of PSTCL during FY 2019-20 are as under:

Table 16: Actual Transmission Loss for FY 2019-20

Sr. No.	Particulars	FY 2019-20
1	Energy Input (MU)	62463.77
2	Energy Output (MU)	61078.82
3	Transmission Loss (MU)	1384.95
4	Transmission Loss (%)	2.217%

3.5 Investment and Capital Expenditure

The Petitioner submits that Opening Capital Work in Progress for FY 2019-20 as per audited accounts is Rs. 344.88 Crore. The Petitioner had incurred Capital Expenditure of Rs. 226.48 Crore during FY 2019-20. An amount of Rs. 288.67 Crore has been capitalised and transferred to Fixed Assets. The remaining capital investment of Rs. 282.70 Crore is carried over as Capital Work in Progress to the next year.

Out of the Total Capital Expenditure of Rs. 226.48 Crore incurred during FY 2019-20, Rs. 65.21 Crore is the amount of expenditure on Contributory Works (Rs. 53.26 crore) and works under PSDF scheme (Rs. 11.95 crore) in FY 2019-20. Out of the amount of expenditure on PSDF works of Rs. 11.95 crore, PSTCL has not considered the Capital Expenditure to the extent of Rs. 5.40 crore as the same has been received as grant from PSDF. The balance amount of Rs. 6.55 crore has been considered for funding purposes. The detail of Rs. 6.55 Crore is provided in Chapter for Truing-up of Capital Expenditure for the First Control Period.

However, PSTCL has incurred capital expenditure of Rs. 13.45 Crore which have been directly transferred to GFA and do not form part of CWIP Account. The works given below at sr. No. 1 and 2 are approved works as per the Capital Investment Plan approved for 1st Control Period. PSTCL has considered the amount to be funded through Loans. The detail break-up of these assets is shown in the Table below.

Table 17: Assets directly transferred to GFA during FY 2019-20

Sr. No.	Particulars	FY 2019-20
1	Land and Land Rights (Sr. No. 136)	9.52
2	Vehicles (Sr. No. 63)	3.43
3	Furniture Fixtures and other items	0.50
	Total Assets directly transferred to GFA	13.45

The Hon'ble Commission had provisionally approved Capital Expenditure of Rs. 227.49 Crore (Rs. 224.02 Crore for Transmission Business and Rs. 3.47 Crore for SLDC Business) in APR for FY 2019-20. Actual Capital Expenditure of PSTCL is Rs.

181.27 Crore (Rs. 180.89 Crore for Transmission Business and Rs. 0.38 Crore for SLDC Business), after excluding capex towards Contributory works and part of asset funded through Government Grant under PSDF works and after including assets directly transferred to GFA. The details of Capital Investment for Transmission Business and SLDC Business are shown in the following Table:

Table 18: Capital Investment for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Opening Capital work in progress	333.60	11.28	344.88
2a	Add: Amount of Capital Expenditure in FY 2019-20 (including assets added directly to GFA)	180.89	0.38	181.27
2b	Add: Contributory works and works under PSDF Scheme (Rs. 65.21 Crore - Rs. 6.55 Crore)	58.66	-	58.66
2c	Less: Assets directly transferred to GFA	13.43	0.02	13.45
2	Total Addition of Capital Expenditure during the year	226.12	0.36	226.48
3	Less: Transferred to fixed assets during the year	282.35	6.31	288.67
4	Closing Capital Works in progress	277.37	5.33	282.70

3.6 O&M Expenses

The Hon'ble Commission has been allowing normative O&M expenses in past Tariff Orders in line with the provisions of PSERC MYT Regulations, 2014. Regulation 26.1 provides for methodology for computation of normative O&M expenses. The relevant extracts of the first Amendment of PSERC MYT Regulations, 2014 specifies as under:

"Clause 26.1 of regulation 26 shall be substituted as under:

26.1. The O&M expenses for the nth year of the Control Period shall be approved based on the formula shown below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1 - X_n)$$

Where,

...

(ii) $EMP_n = (EMP_{n-1}) * (INDEX_n / INDEX_{n-1})$

- $INDEX_n$ - 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 n th year and shall be calculated as under:-

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

' WPI_n ' means the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year for the n th year.

' CPI_n ' means the average rate (on monthly basis) of Consumer Price Index (Industrial workers) over the year for the n th year.

...

Note 4: Terminal Liabilities such as death-cum-retirement gratuity, pension, commuted pension, leave encashment, LTC, medical reimbursement including fixed medical allowance in respect of pensioners will be approved as per the actuals paid by the Applicant.

Note 5: O&M expenses made on account of extraordinary situations (if any) shall be submitted to Commission for its approval. Such expenses shall be filed separately and will not be subjected to provisions of Regulation 30. The approved amount by the Commission shall be tried up in the Annual Performance Review.

Note 6: Exceptional increase in employee cost on account of pay revision etc. will be considered separately by the Commission.

Note 7: Any expenditure on account of license fee, initial or renewal, fee for determination of tariff and audit fee shall be allowed on actual basis, over and above the A&G expenses approved by the Commission.

..."

Accordingly, normative O&M expenses are calculated as under

3.6.1 Computation of Normative Employee Cost

The Petitioner has considered the normative expenses calculated by Hon'ble Commission for allowing Net Other Employee Cost of Rs. 189.47 Crore for Transmission Business and Rs. 6.69 Crore for SLDC Business for FY 2018-19.

PSTCL has thereafter applied the weighted average escalation of CPI and WPI indices escalation of 4.60% for FY 2019-20.

PSTCL has also paid Rs. 1.28 Crore on account of Terminal Benefits relating to FY 2018-19 during FY 2019-20 which have been shown in restated audited accounts of FY 2018-19.

Further, Terminal Liabilities on the basis of actual has been considered. The following table shows the actual amount of Terminal Benefits.

Table 19: Calculation of Normative Terminal Benefits Cost of FY 2019-20

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Share of Pension Gratuity and Medical	283.17	-	283.17
2	Share of Leave Encashment	19.58	-	19.58
3	NPS, CPE, PF, LWF	5.18	0.22	5.40
4	Miscellaneous - P.F inspection fees, solatium, Memento etc.	0.45	0.00	0.45
5	Prior Period Adjustment related to Terminal Benefits	1.28	-	1.28
	Total Terminal Liabilities claimed in Normative Employee Cost	309.66	0.22	309.88

The above amount is excluding the amount of provisions made for gratuity and leave encashment during FY 2019-20.

Without prejudice to the outcome of appeals filed by PSTCL with APTEL, the petitioner has considered the computation of Normative Employee cost on the basis of net amount after adjustment of expenses capitalised instead of gross amount in line with the approach adopted by the Hon'ble Commission. However, since PSTCL has already approached the Hon'ble APTEL on this issue to consider the Normative Employee Expenses on the basis of Gross amount instead of Net amount. The effect of the same may be considered by the Hon'ble Commission if the matter is ruled in

favour of PSTCL. The Petitioner has computed the Normative Employee Costs for FY 2019-20 as shown in the following table:

Table 20: Computation of Normative Employee Costs for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Net Other Employee Cost for FY 2018-19	189.47	6.69	196.16
2	Escalation Factor (CPI: WPI: 50:50)	4.60%	4.60%	4.60%
3	Net Other Employee Cost for FY 2019-20	198.19	7.00	205.19
4	Terminal Benefits	309.66	0.22	309.88
5	Normative Employee Cost	507.85	7.22	515.07

3.6.2 Computation of Normative R&M and A&G Expenses

Hon'ble Commission, while undertaking True-up for FY 2018-19 had approved K-factor of 0.496% for Transmission Business and 7.293% for SLDC Business. PSTCL has considered the same K-factor for computing the normative R&M and A&G Expenses of FY 2019-20.

Further, PSTCL submits that assets worth Rs. 0.29 Crore funded through Contributory Works and worth Rs. 6.25 Crore funded through Government Grant under PSDF Scheme were added in Fixed Assets of FY 2019-20. These assets are operated and maintained by PSTCL. Therefore, PSTCL has considered the impact of these assets in Gross Fixed Assets of FY 2019-20 for the purpose of computing normative R&M expenses and A&G Expenses. Accordingly, PSTCL has computed the combined Normative R&M expenses and A&G expenses for Transmission and SLDC Business as under:

Table 21: Normative R&M Expenses and A&G Expenses for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
	Transmission Business			
1	Opening GFA	9778.83	17.43	9796.26
2	Additions to GFA			
a	Transferred from CWIP Account	282.35	6.31	288.67
b	Directly Transferred to GFA	13.43	0.02	13.45
	Total Additions to GFA	295.78	6.33	302.12

Sr. No.	Particulars	Transmission	SLDC	PSTCL
3	Retirements to GFA	(21.80)	0.00	(21.80)
4	Closing GFA	10096.42	23.77	10120.19
5	Average GFA	9937.62	20.60	9958.22
6	Escalation Factor (Increase in WPI Index)	1.68%	1.68%	1.68%
7	k-factor	0.496%	7.293%	-
8	R&M Expenses and A&G Expenses	50.12	1.53	51.64
9	Add: Audit Fee	0.06	-	0.06
10	Add: Licence Fee and ARR Fee	0.50	-	0.50
11	Grand Total	50.68	1.53	52.21

3.6.3 Actual Employee Costs

PSTCL submitted revised estimates for Employee Cost as Rs 512.78 Crore for Transmission Business and Rs 7.00 Crore for SLDC business in APR for FY 2019-20. However, the Hon'ble Commission had approved the Employee Costs as Rs 505.98 Crore for Transmission and Rs 7.00 Crore for SLDC for FY 2019-20.

The Petitioner submits the actual Employee Costs as per Audited Accounts of FY 2019-20 is Rs. 514.36 Crore (Rs. 506.66 Crore for Transmission Business and Rs. 7.70 Crore for SLDC Business). The actual expenses include the Terminal Benefits of Rs. 316.44 Crore (Rs. 316.22 Crore for Transmission Business and Rs. 0.22 Crore for SLDC Business).

PSTCL has worked out the actual Employee Costs including the terminal benefit of past year i.e. Rs. 1.28 Crore and excluding the provision for gratuity and leave encashment in this Petition as Rs. 507.80 Crore (Rs. 500.10 Crore for Transmission Business and Rs. 7.70 Crore for SLDC Business).

Table 22: Actual Employee Cost in FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Employee Cost as per Audited Accounts	506.66	7.70	514.36
2	Less: Provision for gratuity and leave encashment for employees of PSTCL	7.84	-	7.84

Sr. No.	Particulars	Transmission	SLDC	PSTCL
3	Add: Prior Period Adjustment related to Terminal Benefits	1.28	-	1.28
	Actual Employee Cost claimed in True-up	500.10	7.70	507.80

3.6.4 Actual R&M and A&G Expenses

The Petitioner had submitted revised estimates for R&M expenses and A&G expenses as Rs. 51.21 Crore for Transmission business and Rs. 1.30 Crore for SLDC business in the APR for FY 2019-20. As against this, the Hon'ble Commission approved R&M expenses and A&G expenses of Rs. 50.86Crore for Transmission Business and Rs. 1.36Crore for SLDC Business. The actual R&M expenses and A&G expenses incurred, as per the Audited Annual Accounts of FY 2019-20, are as under:

Table 23: R&M Expenses and A&G Expenses of FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	R&M Expenses	30.14	0.50	30.64
2	A&G Expenses	25.54	0.78	26.32
3	R&M and A&G Expenses	55.68	1.28	56.96

PSTCL would like to submit that during FY 2019-20, an amount of Rs. 0.46 Crore was incurred as extraordinary expense on disc washing and payments towards hot line maintenance to improve the transmission availability factor which was not part of the base Normative R&M and A&G expenses approved by the Hon'ble Commission.

As discussed in the above paragraphs, following Table shows the comparison of Normative and Actual O&M Expenses for FY 2019-20.

Table 24: Normative and Actual O&M Expenses for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Normative	Actual
1	Employee Expenses	515.07	507.80
2	R&M Expenses	52.21	30.64
3	A&G Expenses		26.32

Sr. No.	Particulars	Normative	Actual
4	Extra Ordinary Expenses	0.46	-
	Total O&M Expenses	567.74	564.76

The normative O&M Expenses are computed as Rs. 567.74Crore for FY 2019-20. As against this, the actual O&M Expenses are Rs. 564.76 Crore (Employee Cost of Rs. 507.80 Crore and R&M expenses and A&G expenses of Rs. 56.96 Crore) for FY 2019-20 as per Audited Accounts.

Since the actual O&M expenses as reflecting in Audited Accounts of FY 2019-20 are lower than the Normative O&M Expenses computed in line with the PSERC MYT Regulations, 2014, PSTCL therefore request the Hon'ble Commission to kindly approve the actual O&M expenses for FY 2019-20.

3.7 Funding of Capital Expenditure

The Petitioner submits that during FY 2019-20, it has incurred Capital Expenditure of Rs. 226.48 Crore as reflecting in Audited Accounts under CWIP which also includes Capital Expenditure of Rs. 65.21Crore for Contributory Works and works under PSDF Scheme.

Out of the Total Capital Expenditure of Rs. 226.48 Crore incurred during FY 2019-20, Rs. 65.21 Crore is the amount of expenditure on Contributory Works (Rs. 53.26 crore) and works under PSDF scheme (Rs. 11.95 crore) in FY 2019-20. Out of the amount of expenditure on PSDF works of Rs. 11.95 crore, PSTCL has not considered the Capital Expenditure to the extent of Rs. 5.40 crore as the same has been received as grant from PSDF. The balance amount of Rs. 6.55 crore has been considered for funding purposes. The detail of Rs. 6.55 Crore is provided in Chapter for Truing-up of Capital Expenditure for the First Control Period. Further, PSTCL has considered the amount of Rs. 13.45 Crore which is directly incurred on creation of assets as per the Audited Accounts. The details of the same has already been explained in Table 17 of this Petition. Following Table shows the Capital Expenditure claimed by PSTCL for funding through Loans for FY 2019-20.

Table 25: Funding of Capital Expenditure for 2019-20 (Rs. Crore)

Sr. No.	Particulars	PSTCL
1	Capital Expenditure as per audited CWIP Account	226.48
2	Less: Contributory works and works under PSDF Scheme (Rs. 65.21 Crore - Rs. 6.55 Crore)	58.66
3	Add: Assets directly transferred to GFA	13.45
4	Total Capital expenditure to be considered for Funding	181.27

As shown in the above Table, PSTCL has considered the Capital Expenditure of Rs. 181.27 Crore for the purpose of funding. In view of absence of actual Equity/retained earnings in the books of accounts of PSTCL, Hon'ble Commission in previous Tariff Order had considered entire funding of Capital Expenditure through Loans. Accordingly, PSTCL has adopted a similar approach and considered entire amount of Capital Expenditure of Rs. 181.27 Crore to be funded through loans.

3.8 Depreciation

Regulation 21 of the PSERC MYT Regulations, 2014, as amended on February 3, 2016 and August 8, 2018, provides for computation of depreciation for each year of the Control Period.

PSTCL revised the projected depreciation charges as Rs. 292.21 Crore for Transmission and Rs. 0.43 Crore for SLDC in APR of FY 2019-20. As against this, Hon'ble Commission approved the Depreciation charges of Rs. 289.63 Crore for Transmission business and Rs. 0.43 Crore for SLDC in APR for FY 2019-20.

PSTCL has been charging depreciation in audited accounts of FY 2019-20 in line with the methodology specified in Regulation 21 of the PSERC MYT Regulations, 2014, as amended from time to time. PSTCL has not considered depreciation on the amount of Rs. 6.53 Crore on asset capitalized during FY 2019-20, as these assets were funded through Contributory Work and works under PSDF scheme. PSTCL has hence claimed Depreciation in line with the amounts reflecting in Audited Accounts of FY 2019-20, after excluding depreciation towards impairment loss.

Table 26: Depreciation for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Opening GFA (net of land and land rights)	6,856.77	12.68	6,869.45
2	Addition of GFA	279.73	6.33	286.07
3	Retirement of GFA	(21.80)	-	(21.80)
4	Closing GFA	7,158.31	19.02	7,177.33
5	Depreciation	290.42	1.24	291.66

PSTCL requests the Hon'ble Commission to approve the Depreciation as per the Table above, based on the Audited Accounts of FY 2019-20.

3.9 Interest Charges

Regulation 24 of the PSERC MYT Regulations, 2014, specifies as under:

“24. INTEREST ON LOAN CAPITAL

24.1. For existing loan capital, interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the actual rate of interest and the schedule of repayment as per the terms and conditions of relevant agreements. The rate of interest shall be the actual rate of interest paid/payable (other than working capital loans) on loans by the licensee or the State Bank of India Advance Rate as on April 1 of the relevant year, whichever is less.

24.2. Interest and finance charges on the actual loan capital for new investments shall be computed on the loans, duly taking into account the actual rate of interest and the schedule of repayment as per the terms and conditions of relevant agreements. The rate of interest shall be the actual rate of interest paid/payable (other than working capital loans) on loans by the licensee or the State Bank of India Advance Rate as on April 1 of the relevant year, whichever is less.

24.3. The repayment for each year of the tariff period shall be deemed to be equal to the depreciation allowed for the corresponding year. In case of de-capitalisation of assets, the repayment shall be adjusted by taking into account cumulative depreciation made to the extent of de-capitalisation.

24.4. The Commission shall allow obligatory taxes on interest, finance charges (including guarantee fee payable to the Government) and any exchange rate difference arising from foreign currency borrowings, as finance cost.

24.5. The interest on excess equity treated as loan shall be serviced at the weighted average interest rate of actual loan taken from the lenders."

PSTCL had revised the projected Interest Charges as Rs. 360.42 Crore for Transmission Business and Rs. 0.82 Crore for SLDC in APR of FY 2019-20. As against this, the Hon'ble Commission has approved the Interest Charges of Rs. 356.10 Crore for Transmission business and Rs. 1.28 Crore for SLDC for FY 2019-20.

PSTCL submits that the Hon'ble Commission has been disallowing loans with respect to approved Capital Expenditure since Truing-up of FY 2014-15. The opening loan as on 01.04.2019 stands at Rs. 3,606.49 Crore as approved in APR of FY 2019-20 after disallowance made by the Hon'ble Commission.

PSTCL had filed Review Petition before the Hon'ble Commission against such disallowances. Hon'ble Commission vide Order dated October 15, 2020 disposed of the Review Petition and did not consider the disallowed loans as prayed by PSTCL in view of the pending appeal before APTEL. Accordingly, PSTCL has claimed Opening balance of Loans for FY 2019-20 in line with the Closing balance of loans approved by the Hon'ble Commission in Truing-up of FY 2018-19.

3.9.1 Methodology adopted in Truing-up of FY 2018-19

In Truing-up of FY 2018-19, the Hon'ble Commission has changed its stand completely by allowing entire capital expenditure approved for FY 2018-19 in the form of loan. The Commission has therefore not considered any equity additions with respect to capital expenditure amount considering there was no infusion of equity. The approach adopted by Hon'ble Commission in Truing-up of FY 2018-19 is different from the approach adopted in Truing-up of FY 2017-18, with the same applicable Regulations. This has been severely resulting into disallowance of huge amounts to PSTCL.

3.9.2 Approach of PSTCL in Truing-up of FY 2019-20

For the purpose of True-up for FY 2019-20, PSTCL has considered the opening balance of loan for FY 2019-20 equal to closing balance of loan for FY 2018-19 as

approved in Truing-up of FY 2018-19, without prejudice to the outcome of Appeals filed in APTEL. PSTCL has considered the outstanding long-term loans as approved in Table 23 and Table 28 of Tariff Order dated June 01, 2020, for calculation of weighted average interest rate for Transmission and SLDC business respectively.

As discussed in the funding section of this Chapter, PSTCL has funded entire Capital Expenditure during FY 2019-20 through loans availed during the year. The loan repayments considered against these approved loans are actual repayments made during the year.

PSTCL has considered the following as long-term loans for calculation of weighted average interest rate for Transmission and SLDC Business.

Table 27: Source-wise Loan for computation of Interest rate for FY 2019-20 (Rs. Crore)

Sr. No.	Name of Source	Opening Balance as on April 1, 2019	Loan Received	Loan Repaid	Closing Balance as on March 31, 2020	Interest Charges
1	REC	2730.00	58.82	257.49	2531.33	270.03
2	State Bank of India	58.00	119.03	11.90	165.13	11.22
3	NABARD	203.56	3.04	18.67	187.93	19.83
4	PSPCL	7.59	-	-	7.59	-
5	PFC-2	495.57	-	-	495.57	48.20
	Total Loans for Transmission	3494.72	180.89	288.06	3387.55	349.28
6	Loan for SLDC	7.29	0.38	0.33	7.34	0.75
	Total Loan of PSTCL	3502.01	181.27	288.39	3394.89	350.03
	Weighted Average Interest Rate (Transmission)					10.10%
	Weighted Average Interest Rate (SLDC)					10.21%

As seen from the above Table, PSTCL has worked out weighted average interest rate of 10.10% for Transmission and 10.21% for SLDC on the basis of loans outstanding as on 01.04.2019 as approved by the Hon'ble Commission and actual repayment made and actual interest paid against these loans during FY 2019-20.

Further, PSTCL has considered the revision in opening balance of loan on account of True-up of Capital Expenditure for the First Control Period. The details of the revision in opening balances is already discussed in the Chapter for Truing-up of Capital Expenditure for the First Control Period.

PSTCL has also considered GPF liability outstanding as on 01.04.2019. The repayments made and interest amount considered in the Petition is the actual repayment and interest incurred during the year on GPF liability.

According, PSTCL has claimed the interest amount for FY 2019-20. PSTCL has adjusted interest capitalised on the basis of actual. Also, other finance charges, lease charges and guarantee charges are also claimed as reflecting in audited accounts of FY 2019-20.

Table 28: Interest on Loans for PSTCL for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	FY 2019-20		
		Transmission	SLDC	PSTCL
1a	Opening Balance (as per closing balance approved in Table 24 and 28 of Tariff Order)	3595.63	10.86	3606.49
1b	Add: Loan adjustment due to True-up of Capex for First Control Period	23.23	1.37	24.60
1	Revised Opening Balance excluding GPF	3618.86	12.23	3631.09
2	GPF	87.82	-	87.82
3	Revised Opening Balance including GPF	3706.68	12.23	3718.91
4	Loan addition during year	180.89	0.38	181.27
5	Loan Repayment during year	303.28	0.33	303.61
6	Closing Balance	3584.29	12.28	3596.57
7	Interest Rate	10.10%	10.21%	10.10%
8	Interest Charges	368.05	1.25	369.30
9	Add: Miscellaneous Interest and Finance Charges	0.60	-	0.60
10	Add: Lease charges	0.81	-	0.81
11	Add: Guarantee Charges	5.00	-	5.00
12	Less: Interest Capitalised	21.01	-	21.01
13	Interest & Finance Charges	353.45	1.25	354.70

The Petitioner prays to the Hon'ble Commission to approve the Interest Charges of Rs. 353.45 Crore for Transmission Business and Rs. 1.25 Crore for SLDC for FY 2019-20 after True-up.

3.10 Return on Equity

Regulation 20 of the PSERC MYT Regulations, 2014, specifies as under:

"20. RETURN ON EQUITY

Return on Equity shall be computed at the rate of 15.5% on the paid up equity capital determined in accordance with regulation 19:

Provided that assets funded by consumer contributions, capital subsidies/Govt. grants shall not form part of the capital base for the purpose of calculation of Return on Equity."

The Petitioner claimed Return on Equity of Rs. 128.94 Crore for Transmission Business in APR of FY 2019-20. Against this, Hon'ble Commission has approved the Return on Equity of Rs. 108.93 Crore for PSTCL in APR for FY 2019-20.

The Hon'ble Commission while Trueing-up of FY 2018-19 had considered the entire amount of capital expenditure to be funded through Loan and hence, had not considered any Equity additions during the year. This has resulted into a difference in amount of closing balance of FY 2018-19 as claimed by PSTCL and as approved by the Hon'ble Commission in last Tariff Order.

PSTCL has considered the opening balance of Equity of FY 2019-20 equal to the closing balance of Equity of FY 2018-19 as approved in Trueing-up of FY 2018-19. In addition to the above, PSTCL has considered the revision in opening balance of equity on account of True-up of Capital Expenditure for the First Control Period. The detail of the revised opening balance is discussed in the Chapter for Trueing-up of Capital Expenditure for the First Control Period.

PSTCL submits that it has considered the funding of capital expenditure through 100% of Loan in line with the approach adopted by Hon'ble Commission in Tariff

Order dated June 01,2020. Accordingly, PSTCL has not considered any Equity additions during FY 2019-20. The approach adopted by PSTCL for consideration of opening equity and addition of equity in FY 2019-20 is without prejudice to the appeal pending before Hon'ble APTEL. Hon'ble Commission is requested to pass on the effect in opening balance of Return on Equity of FY 2019-20 and for additions during the year in case the matter is ruled in favour of PSTCL.

For the purpose of calculating Return on Equity for FY 2019-20 on normative basis, PSTCL has considered the RoE at the rate of 15.50% in accordance with the PSERC MYT Regulations, 2014, as shown below:

Table 29: Normative Return on Equity for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	PSTCL
1	Opening Balance - Equity Capital	
1a	Equity at the opening of FY 2019-20 as closing of FY 2018-19	702.80
1b	Equity addition due to True-up of Capex for First Control Period	2.16
	Total Opening Balance	704.97
2	Addition of equity during the year	-
3	Equity at the closing of FY 2019-20	704.97
4	Rate of Return (%)	15.50%
5	Return on Equity	109.27

Therefore, PSTCL prays to the Hon'ble Commission to approve the RoE of Rs. 109.27 Crore for FY 2019-20.

3.11 Interest on Working Capital

Regulation 54 of the PSERC MYT Regulations, 2014, specifies as under:

"54. INTEREST ON WORKING CAPITAL

54.1 Components of Working Capital

The Working Capital shall cover the following:

- i. O&M Expenses for 1 month;*
- ii. Maintenance spares @ 15% of the O&M expenses;*

iii. *Receivables equivalent to two (2) months of fixed cost calculated on normative target availability.*

54.2 Rate of Interest

The rate of interest on working capital shall be as per regulation 25.1.

PSTCL projected Interest on Working Capital as Rs. 38.66 Crore for Transmission business and Rs. 0.57 Crore for SLDC in APR of FY 2019-20. As against this, the Hon'ble Commission, in APR of FY 2019-20, has approved the Interest on Working Capital of Rs. 34.89 Crore for Transmission business and Rs. 0.49 Crore for SLDC.

For the purpose of True-up, the Petitioner has computed the Interest on Working Capital as per the provisions of PSERC MYT Regulations, 2014. The Petitioner has considered the actual weighted average rate of interest for Working Capital loans for Transmission business and SLDC, as the actual interest rate is lower than the SBAR, i.e., Prime Lending Rate of State Bank of India, as on 1st April of the year. The computation of Interest on Working Capital is submitted in the following table:

Table 30: Interest on Working Capital for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC
1	Receivables equivalent to two months of fixed cost	231.38	3.47
2	Maintenance spares @ 15% of O&M expenses	83.37	1.35
3	Operation and Maintenance expenses for one month	46.32	0.75
4	Total Working Capital (Normative)	361.07	5.56
5	Rate of Interest applied	10.19%	10.19%
6	Interest on Working Capital	36.78	0.57

The Petitioner prays to the Hon'ble Commission to approve the Interest on Working Capital as shown in the Table above for Transmission Business and SLDC for FY 2019-20 after True-up.

3.12 ULDC Charges

The Hon'ble Commission, in Tariff Order for FY 2019-20, had approved the ULDC charges of Rs. 10.73 Crore for FY 2019-20 for SLDC. Further, the Petitioner, in APR of FY 2019-20, revised the projected ULDC Charges as Rs. 10.73 Crore for SLDC. As

against this, the Hon'ble Commission, in APR of FY 2019-20, has approved ULDC Charges as Rs. 7.68 Crore for SLDC. For the purpose of True-up for FY 2019-20, the Petitioner submits the actual ULDC Charges based on Audited Accounts as shown in the following Table:

Table 31: ULDC Charges for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	ULDC Charges - SLDC own share	-	4.26	4.26
2	ULDC Charges - BBMB share	-	1.14	1.14
3	ULDC Charges - Central Sector share	-	0.00	0.00
4	NRLDC Charges	-	4.13	4.13
5	Total	-	9.53	9.53

The Petitioner prays to the Hon'ble Commission to approve the actual ULDC charges of Rs. 9.53 Crore for FY 2019-20 after True-up.

3.13 Non-Tariff Income

Regulation 28 of the PSERC MYT Regulations, 2014, specifies as under:

"28. NON TARIFF INCOME

28.1. Following components of income shall be treated as non tariff income for the generation, transmission and distribution business, as applicable:

- a. Meter/metering equipment/service line rentals;*
- b. Service charges;*
- c. Customer charges;*
- d. Net revenue from late payment surcharge (late payment surcharge less financing cost of late payment surcharge);*
- e. Miscellaneous charges (except PLEC charges);*
- f. Incentives from CGSs;*
- g. Miscellaneous receipts;*
- h. Interest on advances to suppliers/contractors;*
- i. Interest on staff loans and advances;*
- j. Income from trading;*
- k. Income from staff welfare activities;*
- l. Excess found on physical verification;*
- m. Interest on investments, fixed and call deposits and bank balances;*

- n. Net recovery from penalty on coal liaison agents;
- o. Prior period income;
- p. Income from open access charges i.e. application fee, cross subsidy surcharge, additional surcharge, transmission and/or wheeling charges, scheduling charges etc.;
- q. Any other income not included above. Provided that only 50% of the „rebate for timely payment of power purchase“ received by the licensee shall be considered as non -tariff income.

28.2. The Applicant shall submit full details of its forecast of non-tariff income to the Commission as a part of ARR filing

28.3. The amount received by the Applicant on account of non-tariff Income shall be deducted from the aggregate revenue requirement in calculating the net aggregate revenue requirement of Applicant's business."

PSTCL had projected Non-Tariff Income of Rs. 17.75 Crore for Transmission Business and Rs. 0.76 Crore for SLDC in APR of FY 2019-20. As against this, the Hon'ble Commission, in APR for FY 2019-20, has approved the Non-Tariff Income of Rs. 23.59 Crore for Transmission and Rs. 1.67 Crore for SLDC.

For the purpose of True-up for FY 2019-20, the Petitioner has considered the Non-Tariff income as indicated in Note 30 of the audited accounts. The Petitioner has not considered the income towards certain heads wherein expenses were not allowed by the Hon'ble Commission in previous Tariff Orders viz.:

- (a) Income of Rs. 4.34 Crore towards interest received on refund of Income Tax has not been considered because the Hon'ble Commission neither allowed expenses under the head of Income Tax nor interest on amount deducted as TDS.
- (b) Income of Rs. 3.29 Crore towards reversal of excess provision of impairment loss has not been considered, as impairment loss was not allowed in previous year.
- (c) Income of Rs. 0.05 Crore towards provision withdrawn on unserviceable / obsolete items and losses under investigation.
- (d) PSTCL has considered the 50% of income of Rs. 0.13 Crore towards rebate on early payment to NRLDC, as per the provisions of Regulation 28 of PSERC MYT Regulations, 2014

PSTCL has also adjusted the amount of Rs. 0.03 Crore for Transmission Business and Rs. 0.02 Crore for SLDC Business earned against Interest on Fixed Deposits reflecting in Audited Accounts under Non-Tariff Income. PSTCL would like to submit that the income from Fixed Deposits are not actually earnings made on surplus amounts available with PSTCL, whereas these are Fixed Deposits made so as to issue Letter of Credit for availing Cash Credit facility and the cost of funds is more than the interest earned.

Further, PSTCL has also considered the adjustment in financing cost on Late Payment Surcharge of Rs. 9.00 Crore for Transmission Business and Rs. 0.03 Crore for SLDC. The financing cost is computed after considering the monthly gross payment amount and the delay in number of days from the due date and then applied Working Capital Interest rate on this amount in line with the second amendment notified by the Hon'ble Commission to Regulation 28.1 of PSERC MYT Regulations 2014. In view of the above, the Petitioner submits Non-Tariff Income for FY 2019-20 as shown in the following table:

Table 32: Non-Tariff Income for FY 2019-20 (Rs. Crore)

S. No.	Particulars	FY 2019-20		
		Transmission	SEDC	Total
1	Gain on Sale of Land - Additional Compensation	0.13	-	0.13
2	Gain on Sale of Fixed Assets	3.67	-	3.67
3	Income/Fee/Collection against Staff Welfare Activities	0.01	-	0.01
4	Rental for staff quarters	0.32	0.04	0.36
5	NOC charges from open access customers	-	0.17	0.17
6	Credit balance written back:			
a	-Sundry creditors	0.07	-	0.07
b	- Other sundry credit balance	1.53		1.53
c	-Security Deposits/EMD	1.35	-	1.35
7	Rebate on early payment to NRLDC	-	0.07	0.07
8	Income from O&M of bays of PGCIL	2.67	-	2.67
9	Miscellaneous income	6.93	0.23	7.17
10	Delayed Payment Charges from Consumers	4.25	0.02	4.27
11	Penalty imposed on suppliers/contractors	2.23	-	2.23
12	Income from Other Business - Sale of Scrap	2.76	-	2.76
	Total	25.94	0.52	26.46

Accordingly, the Petitioner prays to the Hon'ble Commission to approve the Non-Tariff Income as shown in the above table for FY 2019-20 for True-up.

3.14 Revenue from Open Access Consumers

PSTCL has claimed a receipt of Transmission charges of Rs. 1.39 Crore and SLDC charges of Rs. 0.27 Crore from Open Access Consumers based on the Audited Accounts of FY 2019-20. The amount of revenue from open access consumers is over and above the transmission charges approved by the Hon'ble Commission. Accordingly, PSTCL prays to the Hon'ble Commission to kindly consider adjustment of Revenue from Open Access Consumers in Truing-up of FY 2019-20.

3.15 Other Expenses

Regulation 49 of the PSERC MYT Regulations, 2014, specifies as under:

"49. BAD AND DOUBTFUL DEBTS AND OTHER DEBITS

49.1 Bad and doubtful debts ...

49.2 Other debits including miscellaneous losses and write offs, sundry debts, material cost variance, losses on account of flood, cyclone, fire etc. shall be considered by the Commission. "

PSTCL would like to submit that the balance sheet of erstwhile Punjab State Electricity Board (PSEB) as on 16.04.2010, contained assets and liabilities that were not clearly identified. These unidentified assets and liabilities have been continued to stand in the books of erstwhile PSEB before the Transfer Scheme notification and at the time of re-structuring, some of these assets and liabilities got parked with the newly formed entities (i.e. PSPCL and PSTCL).

PSTCL started re-conciliating these assets and liabilities which were part of the books of erstwhile PSEB. Accordingly, PSTCL started writing off such assets and liabilities in respective accounting years as and when it was identified.

PSTCL has in the past years writtenback sundry creditors reflecting in its balance sheet. Hon'ble Commission has considered the amount of sundry creditors written back reflecting in the Audited Accounts under Non-Tariff Income and accordingly has reduced the ARR of PSTCL to that extent.

During FY 2019-20 PSTCL has written off Rs. 56.40 Crore outstanding balance of sundry debtors as on 16.04.2010. In view of the above methodology adopted by the Hon'ble Commission, PSTCL therefore requests to allow the above said amount while Truing-up of FY 2019-20.

3.16 Incentive on account of Transmission System Availability

In accordance with PSERC MYT Regulations, 2014, the Petitioner is eligible for incentive for overachieving the targets for transmission system availability, which has been verified and certified by SLDC. As per PSERC MYT Regulations, 2014, the Normative Annual Transmission System Availability Factor (NATAF) for incentive computation has been considered as 99%. The net transmission charges inclusive of incentive based on fixed charges for Transmission and computation of incentive are given as per the table below:

Table 33: Incentive on account of Transmission System Availability for FY 2019-20 (Rs. Crore)

S. No.	Month	Transmission Availability (%)	Monthly Transmission Charges	Transmission charges inclusive incentive	Incentive
1	Apr-19	99.9749%	113.00	114.11	1.11
2	May-19	99.9711%	116.76	117.91	1.15
3	Jun-19	99.9584%	113.00	114.09	1.09
4	Jul-19	99.9817%	116.76	117.92	1.16
5	Aug-19	99.9788%	116.76	117.92	1.15
6	Sep-19	99.9823%	113.00	114.12	1.12
7	Oct-19	99.9885%	116.76	117.93	1.17
8	Nov-19	99.9520%	113.00	114.08	1.09
9	Dec-19	99.9820%	116.76	117.92	1.16

S. No.	Month	Transmission Availability (%)	Monthly Transmission Charges	Transmission charges inclusive incentive	Incentive
10	Jan-20	99.9809%	116.76	117.92	1.16
11	Feb-20	99.9741%	105.46	106.50	1.04
12	Mar-20	99.9637%	116.76	117.90	1.14
	Total	99.9741%	1374.77	1388.30	13.53

The Petitioner submits to the Hon'ble Commission to approve the incentive for transmission system availability as determined in the Table above for FY 2019-20.

3.17 Aggregate Revenue Requirement

After considering the expenses claimed for various components of Aggregate Revenue Requirement, Net ARR for Transmission and SLDC is summarised in the following Table:

Table 34: Net ARR for Transmission and SLDC for FY2019-20(Rs. Crore)

Sr. No.	Particulars	Transmission Business			SLDC			Transmission Business and SLDC		
		MYT Order	APR Order	True-up	MYT Order	APR Order	True-up	MYT Order	APR Order	True-up
1	Net Employee costs	498.86	505.98	500.10	6.77	7.00	7.70	505.63	512.98	507.80
2	Net R&M and A&G Expenses	53.34	50.86	55.68	2.53	1.36	1.28	55.87	52.22	56.96
3	Depreciation	291.67	289.63	290.42	1.66	0.43	1.24	293.33	290.06	291.66
4	Interest charges	324.48	356.10	353.45	1.36	1.28	1.25	325.84	357.38	354.70
5	Interest on Working Capital	35.26	34.89	36.78	0.60	0.49	0.57	35.86	35.38	37.34
6	ULDC Charges	-	-	-	10.73	7.68	9.53	10.73	7.68	9.53
7	Return on Equity	126.46	108.93	109.27	-	-	-	126.46	108.93	109.27
8	Other expenses	-	-	56.40	-	-	-	-	-	56.40
9	Total Revenue Requirement	1330.07	1346.39	1,402.09	23.65	18.24	21.57	1353.72	1364.63	1423.67
10	Less: Non-tariff Income	18.94	23.59	25.94	1.41	1.67	0.52	20.35	25.26	26.46
11	Add: Incentive	-	-	13.53	-	-	-	-	-	13.53
12	Less: Revenue from Open Access	-	-	1.39	-	-	0.27	-	-	1.66
13	Net ARR	1311.13	1322.80	1,388.30	22.24	16.57	20.79	1333.37	1339.37	1409.09
14	Past Revenue Gap	(3.77)	(3.77)	(3.77)	-	-	-	(3.77)	(3.77)	(3.77)
15	Net ARR	1,307.36	1,319.03	1,384.53	22.24	16.57	20.79	1,329.60	1,335.60	1,405.32

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4 APR of FY 2020-21 and Revised ARR of FY 2021-22

4.1 Background

In this Chapter, the Petitioner submits the Annual Performance Review (APR) for FY 2020-21 and Revised ARR for FY 2021-22. The Hon'ble Commission in its MYT Order dated June 01, 2020 approved the Net ARR of Rs. 1345.28 Crore for FY 2020-21 and Rs. 1349.40 Crore for FY 2021-22, including Net ARR of Rs. 16.90 Crore and Rs. 17.78 Crore, respectively, for SLDC.

The Petitioner has computed the estimates in APR of FY 2020-21 and projected the revised ARR of FY 2021-22 in accordance with the provisions of PSERC MYT Regulations, 2019. The deviations/relaxations sought from the PSERC MYT Regulations, 2019, if any, have been specifically mentioned with the rationale and the deviation/relaxation that has been sought under specific provisions.

4.2 Description of the Transmission System

PSTCL has projected the addition in the transmission system based on the Capital Investment Plan submitted to Hon'ble Commission for FY 2020-21 and FY 2021-22. The details of actual addition during H1 of FY 2020-21, estimated addition during H2 of FY 2020-21, and projected addition during FY 2021-22 to the transmission system of PSTCL are tabulated below:

Table 35: Transmission System of PSTCL for FY 2020-21

Sr. No.	Particulars	Opening (As on 1 st April 2020)	Addition during H1	Estimated during H2	Closing (As on 31 st March 2021)
Transmission Lines (Circuit kms)					
1	400 kV	1,599.75	-	33.00	1,632.75
2	220 kV	7,642.13	71.28	35.72	7,749.13
3	132 kV	3,135.64	-	45.00	3,180.64
4	Total	12,377.52	71.28	113.72	12,562.52
Substations (Nos.)					
1	400 kV	5	-	1	6

Sr. No.	Particulars	Opening (As on 1 st April 2020)	Addition during H1	Estimated during H2	Closing (As on 31 st March 2021)
2	220 kV	101	-	1	102
3	132 kV	65	-	(1)	64
4	Total	171	-	1	172
Transmission Bays (Nos.)					
1	400 kV	72	-	2	74
2	220 kV	703	2	6	711
3	132 kV	505	3	-	508
4	Total	1,280	5	8	1,293
Substation Capacity (MVA)					
1	Substation Capacity	37,708.67	606.50	543.50	38,858.67

Table 36: Transmission System of PSTCL for FY 2021-22

Sr. No.	Particulars	Opening (As on 1 st April 2021)	Addition during FY 2021-22	Closing (As on 31 st March 2022)
Transmission Lines (Circuit kms)				
1	400 kV	1,632.75	5.00	1,637.75
2	220 kV	7,749.13	168.09	7,917.22
3	132 kV	3,180.64	59.38	3,240.02
4	Total	12,562.52	232.47	12,794.99
Substations (Nos.)				
1	400 kV	6	1	7
2	220 kV	102	1	103
3	132 kV	64	-	64
4	Total	172	2	174
Transmission Bays (Nos.)				
1	400 kV	74	-	74
2	220 kV	711	6	717
3	132 kV	508	-	508
4	Total	1,293	6	1,299
Substation Capacity (MVA)				
1	Substation Capacity	38,858.67	2,360	41,218.67

4.3 Transmission Losses

The Hon'ble Commission, in the MYT Order for the 2nd Control Period, approved the Transmission Loss of 2.48% and 2.46% provisionally for FY 2020-21 and FY 2021-22, respectively. The actual transmission loss for the period from April 2020 to September 2020 is as shown in the following Table:

Table 37: Actual Transmission Loss for FY 2020-21 (H1)

Sr. No.	Month	Transmission Loss (%)
1	Apr-20	1.83%
2	May-20	2.03%
3	Jun-20	2.10%
4	Jul-20	2.19%
5	Aug-20	2.16%
6	Sep-20	2.30%
	Cumulative Loss of H1	2.14%

PSTCL submits that the actual transmission loss of H1 of FY 2020-21 is lower than the transmission loss approved by the Hon'ble Commission for FY 2020-21. PSTCL therefore, requests the Hon'ble Commission to retain the loss level of 2.48% for FY 2020-21 as approved in the MYT Order. The actual transmission loss of FY 2020-21 shall be submitted at the time of Truing-up of FY 2020-21.

Similarly, PSTCL request the Hon'ble Commission to approve transmission loss of 2.46% for FY 2021-22 as approved in the MYT Order dated June 01, 2020.

4.4 Transmission Availability

Regulation 52.1 of the PSERC MYT Regulations, 2019 specifies as under:

"52.1. Normative Annual Transmission System Availability Factor (NATAF)

(a) For recovery of Annual Fixed Cost, NATAF shall be as 98.5% for AC system:

(b) For Incentive, NATAF shall be more than 99% for AC system:

Provided that no Incentive shall be payable for availability beyond 99.75%:

Provided further that for AC system, actual outage hours shall be considered for computation of availability upto two tripping per year. After two trippings in a year, for every tripping, additional 12 hours outage shall be considered in addition to the actual outage hours:

Provided also that in case of outage of a transmission element affecting evacuation of power from a generating station, outage hours shall be multiplied by a factor of 2."

As stated in the above extracts, normative Annual Transmission Availability Factor shall be 98.5% for recovery of Annual Fixed Charges and 99% for incentive on account of higher Transmission Availability. The average transmission system availability from April to September 2020 (H1), calculated based on month-wise system availability up to September 2020, is as shown in the Table below:

Table 38: Transmission System Availability for FY 2020-21 (H1)

Sr. No.	Month	Transmission System Availability (%)
1	April-2020	99.8843%
2	May-2020	99.4672%
3	June-2020	99.8743%
4	July-2020	99.8284%
5	August-2020	99.9342%
6	September-2020	99.9568%

The Petitioner submits that it has maintained the Transmission System Availability well above the normative Annual Transmission Availability Factor of 98.5% up to September 2020, as mandated by PSERC Tariff Regulations, 2019. PSTCL has therefore, considered entire Annual Fixed Charges for FY 2020-21 as computed in this Petition, for computation of Revenue Gap of FY 2020-21. Similarly, PSTCL has considered entire Annual Fixed Charges of FY 2021-22 for determination of Tariff of FY 2021-22.

PSTCL shall be claiming incentive on Transmission System Availability at the time of Truing-up of FY 2020-21 and FY 2021-22 on the basis of actual Transmission System Availability of respective years.

4.5 Capital Expenditure and Capitalisation

PSTCL submits that in accordance with Regulation 9 and 10 of PSERC MYT Regulations, 2019, it had filed Petition for approval of Capital Investment Plan (CIP) for the Control Period from FY 2020-21 to FY 2022-23 (Petition No. 19 of 2019), which was approved by the Hon'ble Commission on December 03, 2019. The Hon'ble Commission had approved the following list of works for PSTCL in this Order:

1. Capital Investment for Schemes approved in 1st Control Period
2. Capital Investment for Schemes approved by Board in FY 2019-20 outside 1st Control Period
3. Capital Investment for Schemes already planned for FY 2020-23
4. Capital Investment for New Schemes planned for FY 2020-23
5. Capital Investment for P&M Works for 2nd Control Period
6. Capital Investment for SLDC for 2nd Control Period

The Hon'ble Commission based on the submission of PSTCL, revised the Capital Expenditure and Capitalization approved for the 2nd Control Period in the MYT Order dated June 01, 2020, with respect to the CIP approved in the Order dated December 03, 2019.

PSTCL submits that it has claimed the Capital Expenditure and Capitalization for FY 2020-21 and FY 2021-22 in line with the amounts approved by the Hon'ble Commission in the MYT Order dated June 01, 2020. Accordingly, the Capital Expenditure and Capitalisation proposed for FY 2020-21 and FY 2021-22 are shown in the following Table:

Table 39: Capital Expenditure and Capitalisation for FY 2020-21 and FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		FY 2021-22	
		MYT Order	APR	MYT Order	ARR
	Transmission				
1	Opening WIP	168.56	277.37	403.16	511.97
2	Capital Expenditure	374.78	374.78	382.20	382.20
a	Spill over Schemes	246.00	246.00	132.51	132.51
b	New Schemes	128.78	128.78	249.69	249.69

3	Capitalisation	140.18	140.18	166.14	166.14
a	Spill over Schemes	126.04	126.04	107.96	107.96
b	New Schemes	14.14	14.14	58.18	58.18
4	Closing WIP	403.16	511.97	619.23	728.03
	SLDC				
5	Opening WIP	13.36	5.33	30.71	22.68
6	Capital Expenditure	25.22	25.22	17.80	17.80
a	Spill over Schemes	2.19	2.19	0.21	0.21
b	New Schemes	23.03	23.03	17.59	17.59
7	Capitalisation	7.87	7.87	1.93	1.93
a	Spill over Schemes	7.87	7.87	-	-
b	New Schemes	-	-	1.93	1.93
8	Closing WIP	30.71	22.68	46.58	38.55

4.6 Funding of Capital Investment

The Hon'ble Commission, vide Tariff Order dated June 01, 2020, had worked out the Financing Plan considering the Capital Expenditure approved for Schemes, which are spill-over from the 1st Control Period to the 2nd Control Period, and Capitalisation of New Schemes approved in the 2nd Control Period. The Hon'ble Commission had adopted this approach to avoid funding of the Spill-over Schemes twice, since in the 1st Control Period, funding was approved in line with Capital Expenditure incurred during the year rather than Capitalisation.

PSTCL has adopted the same approach while computing Funding of Capital Investment for FY 2020-21 and FY 2021-22. PSTCL has considered the Capital Expenditure from Spill-over Schemes and Capitalisation of New Schemes for computation of funding of FY 2020-21 and FY 2021-22 and has claimed the same in line with the amounts approved by the Hon'ble Commission in the MYT Order dated June 01, 2020.

Hon'ble Commission in previous Tariff Order had considered the entire amount of funding of Capital Expenditure through Loans and hence disallowed Equity additions during each year of Control Period. PSTCL submits that it has considered

the funding of entire Capital Expenditure through Loan in line with the approach adopted by Hon'ble Commission in Tariff Order dated June 01,2020. Accordingly, PSTCL has not considered any Equity additions during FY 2020-21 and FY 2021-22. The approach adopted by PSTCL for consideration of Opening Equity and addition of equity during FY 2020-21 and FY 2021-22 is without prejudice to the appeal pending before Hon'bleAPTEL. Hon'ble Commission is therefore requested to pass on the effect in opening balance of Return on Equity of FY 2020-21 and FY 2021-22 and for additions during the year in case the matter is ruled in favour of PSTCL. The funding of Capital Expenditure and Capitalization as proposed for FY 2020-21and FY 2021-22 is shown in the following Table:

Table 40: Funding of Capital Expenditure and Capitalization for FY 2020-21and FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		FY 2021-22	
		MYT Order	APR	MYT Order	ARR
A	Transmission				
1	Capex of Spill over Schemes	246.00	246.00	132.51	132.51
2	Capitalization of New Schemes	14.14	14.14	58.18	58.18
3	Total Capex for Funding	260.14	260.14	190.69	190.69
4	Funding through Equity	-	-	-	-
5	Funding through Loan	260.14	260.14	190.69	190.69
B	SLDC				
1	Capex of Spill over Schemes	2.19	2.19	0.21	0.21
2	Capitalization of New Schemes	-	-	1.93	1.93
3	Total Capex for Funding	2.19	2.19	2.14	2.14
4	Funding through Equity	-	-	-	-
5	Funding through Loan	2.19	2.19	2.14	2.14

PSTCL has considered the funding of loan and equity as shown in the above Table for computation of Interest on Loan and Return on Equity for FY 2020-21 and FY 2021-22.

4.7 O&M Expenses

Regulation 26 of the PSERC MYT Regulations, 2019, specifies the computation of normative O&M Expenses for the Control Period from FY 2020-21 to FY 2022-23, as under:

"26.1. The O&M expenses for the nth year of the Control Period shall be approved based on the formula shown below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1 - X_n)$$

Where,

R&M_n –Repair and Maintenance Costs of the Applicant for the nth year;

EMP_n –Employee Cost of the Applicant for the nth year;

A&G_n –Administrative and General Costs of the Applicant for the nth year;

It should be ensured that all such expenses capitalized should not form a part of the O&M expenses being specified here."

In accordance with the above Regulation, PSTCL makes its submission for Employee Costs, R&M Expenses and A&G Expenses as under:

Inflation factor

Since, WPI and CPI are available till August 2020, the escalation index has been computed as per provisions of the PSERC MYT Regulations, 2019. The month-on-month increase in CPI for the period from FY 2020-21(till August) over FY 2019-20, works out to 4.60% and month-on-month increase in WPI for the same period works out to -1.84%. For computation of Employee and A&G Expenses, the weightage of 50:50 as specified in the above Regulations; works out as 1.38%.

PSTCL would like to submit that the WPI and CPI indices are provided in the Regulation as a deciding factor for escalating O&M expenses since they are an indication of the prevailing prices in the Industry. However, the escalation on WPI index for FY 2020-21 over FY 2019-20 is coming out to be negative, which indicates decrease in prices as compared to last year. PSTCL would like to submit that under actual conditions, the O&M expenses of H1 of FY 2020-21 has not witnessed any decrease in expenses as compared to H1 of FY 2019-20. Following table shows the

O&M expenses of H1 of FY 2020-21 for Transmission and SLDC Business as compared to H1 of FY 2019-20.

Table 41: Actual O&M Expenses for H1 of FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	H1 of FY 2020-21	H1 of FY 2019-20	% Increase
Other Employee Expenses	266.70	252.20	5.75%
A&G Expenses	14.92	14.49	2.97%
R&M Expenses	14.76	16.23	-9.06%
Total O&M Expense excluding terminal benefits	296.38	282.92	4.76%

As seen from the above Table, the overall O&M expenses from H1 of FY 2020-21 to H1 of FY 2019-20 has increased by 4.76%.

Regulation 64 and 65 of PSERC MYT Regulations, 2019 provides the Hon'ble Commission powers to relax and powers to waive provisions of these Regulations, if the Hon'ble Commission is satisfied that it is impracticable or inexpedient to proceed as per these Regulations. PSTCL request the Hon'ble Commission to kindly relax the provisions of PSERC MYT Regulations, 2019 by not considering WPI Index in computation of O&M expenses for FY 2020-21 and FY 2021-22 as the escalation is coming out to be negative.

PSTCL hence for the computation of O&M expenses for FY 2020-21 and FY 2021-22 has considered 0% increase in WPI Index instead of negative and therefore the escalation worked out for computation of Employee and A&G expenses is the increase in CPI Indices with 50% weightage (i.e. 2.30%).

The Regulations considers only WPI Index for escalation in R&M Expenses. PSTCL has hence considered 0% increase in R&M expenses for FY 2020-21 and FY 2021-22 as compared to FY 2019-20.

4.7.1 Employee Costs and A&G Expenses

4.7.1.1 Employee Costs

The Hon'ble Commission, in its MYT Order dated June 01, 2020, approved the Employee cost of Rs. 516.77 Crore for FY 2020-21 and Rs. 532.53 Crore for FY 2021-22 as against Rs. 545.83 Crore for FY 2020-21 and Rs. 563.71 Crore for FY 2021-22 claimed by PSTCL.

The PSERC MYT Regulations, 2019 specifies the computation of normative Employee Costs and A&G Expenses as under:

"26.1 ...

$$(ii) EMP_{n+1} + A\&G_{n+1} = (EMP_{n-1} + A\&G_{n-1}) * (INDEX_n / INDEX_{n-1})$$

INDEX_n - Inflation Factor to be used for indexing the Employee Cost and Administrative and General Costs for nth year. 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: -

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

'WPI_n' means the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year for the nth year.

'CPI_n' means the average rate (on monthly basis) of Consumer Price Index (Industrial workers) over the year for the nth year."

As per PSERC MYT Regulations, 2019, the Other Employee Cost worked out in Truing-up of FY 2019-20 has been taken as the base for computing normative Other Employee Cost for FY 2020-21. Further, the base value of FY 2020-21 is considered for computation of Other Employee Expenses for FY 2021-22.

As discussed in the earlier Chapter, PSTCL has adopted the approach of considering Net Other Employee Cost as baseline for projection purposes. PSTCL has therefore, not considered any employee expenses capitalised for FY 2020-21 and FY 2021-22.

Terminal Benefits

Regulation 26 of the PSERC MYT Regulations, 2019 specifies that Terminal Benefits such as death-cum-retirement gratuity, Ex-Gratia, Pension including family pension, commuted pension, leave encashment, LTC, medical reimbursement including fixed medical allowance in respect of pensioners, etc., shall be allowed as per actual paid by PSTCL. In this regard, PSTCL submits that the actual pay-out on account of Terminal Benefits in respect of pensioners shall be as per Punjab Power Sector Reforms Transfer Scheme approved by the Government of Punjab. PSTCL shall submit the Terminal Benefits actually paid for FY 2020-21 and FY 2021-22 at the time of True-up of respective years. For the purpose of the present Petition, the PSTCL has considered the Terminal Benefits of Rs. 322.65 Crore for FY 2020-21 and Rs. 328.96 Crore for FY 2021-22, as approved by the Hon'ble Commission vide MYT Order dated June 01, 2020.

Accordingly, PSTCL has calculated Total Normative Employee Cost for FY 2020-21 and FY 2021-22, after computing Net Other Employee Cost on the basis of CPI and WPI and Terminal Benefits as approved for respective years, as shown in the Table below:

Table 42: Total Employee Costs for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		
		Transmission	SLDC	PSTCL
1	Other Employee Cost - Baseline (FY 2019-20)	198.19	7.00	205.19
2	Inflation Factor	2.30%	2.30%	
3	Net Other Employee Cost	202.75	7.16	209.91
4	Terminal Benefits approved in MYT Order	322.65	-	322.65
5	Total Employee Cost	525.40	7.16	532.56

Table 43: Total Employee Costs for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
1	Other Employee Cost - Baseline (FY 2020-21)	202.75	7.16	209.91
2	Inflation Factor	2.30%	2.30%	
3	Net Other Employee Cost	207.41	7.32	214.73
4	Terminal Benefits approved in MYT Order	328.96	-	328.96

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
5	Total Employee Cost	536.37	7.32	543.69

PSTCL requests the Hon'ble Commission to approve the Normative Employee Costs as projected by PSTCL in the Table above for FY 2020-21 and FY 2021-22.

4.7.1.2 A&G Expenses

The Hon'ble Commission in its MYT Order dated June 1, 2020, approved A&G Expenses of Rs. 28.39 Crore for FY 2020-21 and Rs. 29.74 Crore for FY 2021-22, as against Rs.28.98 Crore and Rs. 30.29 Crore claimed by PSTCL for FY 2020-21 and FY 2021-22, respectively.

As discussed earlier, PSTCL has sought relaxation in Regulation 26.1 of the PSERC MYT Regulations, 2019 and accordingly has claimed A&G expenses for FY 2020-21 and FY 2021-22 by not considering WPI Index escalation in normative calculation. The normative escalation hence has worked out to be 2.30% computed on the basis of CPI Index taken at 50% weightage. Similarly, considering the base A&G expenses of FY 2020-21, PSTCL has computed A&G expenses for FY 2021-22.

As per the methodology adopted by the Hon'ble Commission in previous Tariff Orders, PSTCL has additionally claimed Licence Fee and Audit Fee in line with the amounts approved by the Hon'ble Commission for FY 2020-21 and FY 2021-22 in the MYT Order dated June 01, 2020. Hon'ble Commission vide Order dated October 29, 2020 has temporarily relaxed the quantum of fee on applications/petitions/review petitions as prescribed under Regulation 3 of PSERC (Fee) Regulations 2005 to 50% of the chargeable fee till 31.03.2021. Accordingly, PSTCL has reduced its claim for Tariff Determination fee for FY 2020-21. However, the claim for FY 2021-22 is kept same as the amounts approved in MYT Order dated June 01, 2020. The normative A&G expenses for FY 2020-21 and FY 2021-22 claimed by PSTCL are as shown in the Tables below:

Table 44: Normative A&G Expenses for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		
		Transmission	SLDC	PSTCL

Sr. No.	Particulars	FY 2020-21		
		Transmission	SLDC	PSTCL
1	A&G Expenses - Baseline (FY 2019-20)	25.54	0.78	26.32
2	Escalation Factor	2.30%	2.30%	
3	A&G Expenses	26.13	0.80	26.92
4	Add: License and Tariff Determination Fee	0.38	-	0.38
5	Add: Audit Fee	0.17	-	0.17
6	Total	26.68	0.80	27.48

Table 45: Normative A&G Expenses for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
1	A&G Expenses - Baseline (FY 2020-21)	26.13	0.80	26.92
2	Escalation Factor	2.30%	2.30%	
3	A&G Expenses	26.73	0.81	27.54
4	Add: License and Tariff Determination Fee	0.50	-	0.50
5	Add: Audit Fee	0.17	-	0.17
6	Total	27.40	0.81	28.22

PSTCL requests the Hon'ble Commission to approve the Normative A&G Expenses as projected by PSTCL in the Table above for FY 2020-21 and FY 2021-22.

4.7.2 R&M Expenses

The Hon'ble Commission, in its MYT Order dated June 1, 2020, approved R&M Expenses of Rs. 38.89 Crore for FY 2020-21 and Rs. 41.33 Crore for FY 2021-22 as against Rs. 36.98 Crore and Rs. 37.98 Crore claimed by PSTCL for FY 2020-21 and FY 2021-22, respectively.

As per Regulation 26.1 of PSERC MYT Regulations 2019, the R&M expenses are to be determined as under:

$$(i) R\&M_n = K * GFA * WPI_n / WPI_{n-1}$$

Where,

'k' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) for the nth year. The value of 'K' will be specified by the Commission in the MYT order.

'GFA' is the average value of the gross fixed assets of the nth year.

WPI_n means the average rate (on monthly basis) of Wholesale Price Index (all commodities) over the year for the nth year."

PSTCL has claimed R&M expenses in line with the submission of Capital Expenditure and Capitalization claimed in this Petition. K-factor has been considered same as approved in the MYT Order dated June 01, 2020 for FY 2020-21 and FY 2021-22, as specified in PSERC MYT Regulations, 2019. As specified in the above Regulations, WPI is to be considered for computation of R&M Expenses. As discussed in the above paragraphs, PSTCL has claimed relaxation in considering the WPI index for normative calculation as increase in WPI Index is coming out to be negative. Hence, PSTCL has considered 0% increase instead of negative for computation of R&M Expenses for FY 2020-21 and FY 2021-22. Accordingly, PSTCL has claimed R&M expenses for Transmission Business and SLDC for FY 2020-21 and FY 2021-22 as under:

Table 46: R&M Expenses for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		
		Transmission	SLDC	PSTCL
1	Opening GFA	10096.42	23.77	10120.19
2	Addition to GFA	140.18	7.87	148.05
3	Retirement during the year	-	-	-
4	Closing GFA	10236.60	31.64	10268.24
5	K-factor	0.344%	2.327%	
6	Inflation factor	0.00%	0.00%	
7	R&M Expenses	34.97	0.64	35.62

Table 47: R&M Expenses for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
1	Opening GFA	10236.60	31.64	10268.24
2	Addition to GFA	166.14	1.93	168.07
3	Retirement during the year	-	-	-
4	Closing GFA	10402.74	33.57	10436.31

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
5	K-factor	0.344%	2.327%	
6	Inflation factor	0.00%	0.00%	
7	R&M Expenses	35.50	0.76	36.26

PSTCL requests the Hon'ble Commission to approve normative R&M Expenses as computed above for FY 2020-21 and FY 2021-22.

The following Table shows the total Operation and Maintenance Expenses claimed by PSTCL in APR for FY 2020-21 and ARR for FY 2021-22.

Table 48: O&M Expenses for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		
		Transmission	SLDC	PSTCL
1	Employee Expenses	525.40	7.16	532.56
2	A&G Expenses	26.68	0.80	27.48
3	R&M Expenses	34.97	0.64	35.62
	Total O&M Expenses	587.05	8.60	595.65

Table 49: O&M Expenses for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
1	Employee Expenses	536.37	7.32	543.69
2	A&G Expenses	27.40	0.81	28.22
3	R&M Expenses	35.50	0.76	36.26
	Total O&M Expenses	599.27	8.90	608.17

PSTCL requests the Hon'ble Commission to approve normative O&M Expenses as computed above for FY 2020-21 and FY 2021-22.

4.8 Depreciation

The Hon'ble Commission, in its MYT Order dated June1, 2020, approved the Depreciation of Rs. 300.85 Crore for FY2020-21 and Rs. 307.38 Crore for FY 2021-22, as against Rs. 308.84 Crore for FY 2020-21 and Rs. 319.32 Crore for FY 2021-22 claimed by PSTCL.

Regulation 21 of the PSERC MYT Regulations, 2019 specifies as under:

“21.1. The value base for the purpose of depreciation shall be the capital cost of the assets admitted by the Commission:

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:

Provided that the land, other than the land held under lease and land for reservoir in case of hydro generating station, shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets:

Provided further that Government. grants and consumer contribution shall also be recognized as defined under Indian Accounting Standard 20 (IND AS 20) notified by the Ministry of Corporate Affairs.

21.2. The residual/salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of historical capital cost of the asset:

Provided that I.T. Equipment and Software shall be depreciated 100% with zero salvage value.

21.3. The Cost of the asset shall include additional capitalization.

21.4. The Generating Company, Transmission and Distribution Licensee shall provide the list of assets added during each Year of the Control Period and the list of assets completing 90% of depreciation in the Year along with Petition for Annual Performance Review, true-up and tariff determination for ensuing Year.

21.5. Depreciation for Distribution, generation and transmission assets shall be calculated annually as per straight line method over the useful life of the asset at the PSERC – Tariff Order FY 2020-21 for PSTCL 88

rate of depreciation specified by the Central Electricity Regulatory Commission from time to time:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation/ put in use of the asset shall be spread over the balance useful life of the assets:

Provided further that in case of hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the asset.

21.6. Depreciation shall be chargeable from the first year of commercial operation/asset is put in use. In case of commercial operation of the asset/put in use of asset for part of the year, depreciation shall be charged on pro rata basis."

PSTCL has considered the closing GFA (Net of land and land rights) as on March 31, 2020 as claimed in this Petition for True-up for FY 2019-20, as the opening GFA of FY 2020-21. PSTCL has considered addition to GFA equivalent to net Capitalisation transferred from CWIP account as stated in Capital Expenditure and Capitalisation section of this Chapter for FY 2020-21 and FY 2021-22. PSTCL has not considered any retirement of asset during the year for FY 2020-21 and FY 2021-22. Retirement of assets during the year, if any, shall be claimed at actuals at the time of truing up for the respective years.

PSTCL has computed the weighted average depreciation rate of 4.14% for Transmission Business and 7.83% for SLDC on the basis of Audited accounts of FY 2019-20. The depreciation rate has been applied on average GFA of FY 2020-21 and FY 2021-22. Accordingly, PSTCL claims the depreciation for FY 2020-21 and FY 2021-22 as shown in the Table below:

Table 50: Depreciation for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		
		Transmission	SEDC	PSTCL
1	Opening GFA (Net of Land and Land Rights)	7,158.31	19.02	7177.33
2	Asset addition during the Year	140.18	7.87	148.05
3	Asset replacement/retirement	-	-	-
4	Closing GFA	7,298.49	26.89	7,325.38
5	Wt. Avg. Rate of Depreciation	4.14%	7.83%	
6	Depreciation	299.57	1.80	301.37

Table 51: Depreciation for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
1	Opening GFA (Net of Land and Land Rights)	7,298.49	26.89	7,325.38
2	Asset addition during the Year	166.14	1.93	168.07
3	Asset replacement/retirement	-	-	-

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
4	Closing GFA	7,464.63	28.82	7,493.45
5	Wt. Avg. Rate of Depreciation	4.14%	7.83%	
6	Depreciation	305.92	2.18	308.10

PSTCL requests the Hon'ble Commission to approve Depreciation as computed in the Tables above for FY 2020-21 and FY 2021-22.

4.9 Interest and Finance Charges on Loan Capital

The Hon'ble Commission, in its MYT Order dated June 1, 2020 approved the Interest and Finance Charges of Rs. 334.11 Crore for FY 2020-21 and Rs. 310.63 Crore for FY 2021-22, as against Rs. 364.70 Crore for FY 2020-21 and Rs. 338.44 Crore claimed by PSTCL.

As explained in the previous Chapter, the Hon'ble Commission, in its earlier Tariff Orders of PSTCL, has disallowed the funding of Capital Expenditure through loans that are not long-term in nature, even though such loans were used for funding of Capital Expenditure. However, for the purpose of the present Petition, PSTCL has considered the closing balance of loans for FY 2019-20 as submitted in the True-up Chapter, as the opening loan as on April 1, 2020.

The outstanding existing loans include loans from REC, Commercial Banks, Loan from PSPCL and GPF Liability. The loan addition considered during FY 2020-21 and FY 2021-22 is as per the addition of loan computed in the section on Funding of Capital Investment. PSTCL has considered the loan repayment in line with the actual/expected repayments payable on corresponding loans during FY 2020-21 and FY 2021-22. PSTCL has proposed new loans for the proposed investments for FY 2020-21 and FY 2021-22 mainly from Banks/Financial Institutions. PSTCL has claimed interest capitalised for FY 2020-21 and FY 2021-22 computed on the basis of opening and closing CWIP and applicable interest rate during the respective years.

PSTCL has considered the actual interest rate applicable on loans of FY 2019-20 taken from respective Banks/Financial Institutions for computation of interest for FY 2020-21 and FY 2021-22. PSTCL has considered Guarantee Charges for FY 2020-21 and FY 2021-22 in line with the amount approved in the MYT Order dated June 01, 2020.

Accordingly, interest on loan capital for FY 2020-21 and FY 2021-22 for PSTCL has been submitted as under:

Table 52: Interest on Loan capital for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		
		Transmission	SLDC	PSTCL
1a	Opening Balance excluding GPF	3511.11	12.28	3523.39
1b	GPF	73.18	-	73.18
1	Opening Balance including GPF	3584.29	12.28	3596.57
2	Loan addition during year	260.14	2.19	262.33
3	Loan Repayment during year	298.49	1.80	300.29
4	Closing Balance	3545.94	12.67	3558.62
5	Interest Rate	10.05%	10.16%	10.05%
6	Interest Charges	358.14	1.27	359.41
7	Add: Guarantee Charges	5.51	-	5.51
8	Less: Interest Capitalised	34.32	-	34.32
9	Interest & Finance Charges	329.33	1.27	330.60

Table 53: Interest on Loan capital for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
1a	Opening Balance excluding GPF	3502.04	12.67	3514.72
1b	GPF	43.90	-	43.90
1	Opening Balance including GPF	3545.94	12.67	3558.62
2	Loan addition during year	190.69	2.14	192.83
3	Loan Repayment during year	306.92	2.18	309.10
4	Closing Balance	3429.71	12.63	3442.35
5	Interest Rate	10.05%	10.13%	10.05%
6	Interest Charges	350.57	1.28	351.85

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
7	Add: Guarantee Charges	4.04	-	4.04
8	Less: Interest Capitalised	41.14	-	41.14
9	Interest & Finance Charges	313.47	1.28	314.75

PSTCL requests the Hon'ble Commission to approve Interest and Finance Charges as computed above for FY 2020-21 and FY 2021-22.

4.10 Return on Equity

The Hon'ble Commission, in its MYT Order dated June 1, 2020 approved the Return on Equity (RoE) of Rs. 108.93 Crore for FY 2020-21 and FY 2021-22, as against Rs. 154.50 Crore for FY 2020-21 and Rs. 188.85 Crore for FY 2021-22 claimed by PSTCL.

PSTCL has computed the RoE in accordance with Regulation 20 of the PSERC MYT Regulations, 2019, as reproduced below:

"20. Return on equity

Return on equity shall be computed at the base rate of 15.5% for thermal generating stations, Transmission Licensee, SLDC and run of the river hydro generating stations and at the base rate of 16.5% for the storage type hydro generating stations and run of river generating stations with pondage and 16% for Distribution Licensee on the paid up equity capital determined in accordance with Regulation 19:

Provided that Equity invested in foreign currency shall be converted to rupee currency based on the exchange rate prevailing on the date(s) it is subscribed:

Provided further that assets funded by consumer contributions, capital subsidies/Government. grants shall not form part of the capital base for the purpose of calculation of Return on Equity."

PSTCL submits that it has considered the funding of capital expenditure through 100% of Loan in line with the approach adopted by Hon'ble Commission in Tariff Order dated June 01, 2020. Accordingly, PSTCL has not considered any Equity additions during FY 2020-21 and FY 2021-22. The approach adopted by PSTCL for consideration of opening equity and addition of equity in FY 2020-21 and FY 2021-22

is without prejudice to the appeal pending before Hon'ble APTEL. Hon'ble Commission to pass on the effect in opening balance of Return on Equity of FY 2020-21 and for additions during the year in case the matter is ruled in favour of PSTCL. Accordingly, PSTCL has considered the closing equity of FY 2019-20 as submitted in the Truing-up Chapter, as opening equity for FY 2020-21.

PSTCL has considered rate of RoE for FY 2020-21 and FY 2021-22 in accordance with Regulation 20 of the PSERC MYT Regulations, 2019. The RoE computed for FY 2020-21 and FY 2021-22 is as shown in the Table below:

Table 54: Return on Equity for FY 2020-21 and FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21	FY 2021-22
		PSTCL	PSTCL
1	Opening Balance-Equity Capital	704.97	704.97
2	Equity addition during the year	-	-
3	Closing balance-Equity Capital	704.97	704.97
4	Rate of Return on Equity (%)	15.50%	15.50%
5	Return on Equity	109.27	109.27

PSTCL requests the Hon'ble Commission to approve Return on Equity as computed above for FY 2020-21 and FY 2021-22.

4.11 Interest on Working Capital

The Hon'ble Commission, in the MYT Order dated June 1, 2020, approved the Interest on Working Capital (IoWC) for FY 2020-21 as Rs. 35.93 Crore and for FY 2021-22 as Rs. 36.44 Crore, as against IoWC of Rs. 42.26 Crore and Rs. 43.59 Crore for FY 2020-21 and FY 2021-22, respectively, claimed by PSTCL.

PSTCL has computed the working capital requirement in accordance with Regulation 51.1 of the PSERC MYT Regulations, 2019, which specifies as under:

"51.1. Components of Working Capital

The Working Capital shall cover the following:

(a) O&M Expenses for 1 month;

- (b) Maintenance spares @ 15% of the O&M expenses;
- (c) Receivables equivalent to two(2) months of fixed cost calculated on normative target availability.

51.2. Rate of Interest

The rate of interest on working capital shall be as per Regulation 25.1."

Regulation 25.1 of the PSERC MYT Regulations, 2019 specifies as under:

"25.1. The rate of interest on working capital shall be equal to the actual rate of interest paid on working capital loans by the Licensee/Generating Company/SLDC or the one (1) Year State Bank of India(SBI) MCLR / any replacement thereof as notified by RBI as may be applicable as on 1st April of the relevant year plus 350 basis points, whichever is lower. The interest on working capital shall be payable on normative basis notwithstanding that the Licensee/Generating Company/SLDC has not taken working capital loan from any outside agency or has exceeded the working capital loan amount worked out on the normative figures."

PSTCL has computed Interest on Working Capital (IoWC) for FY 2020-21 and FY 2021-22 in line with the provisions of Regulation 51.1 and Regulation 25.1 of the PSERC MYT Regulations, 2019 as stated above. The rate of interest to be considered is either the weighted average rate of interest paid/payable on loans by the Licensee/SLDC or the State Bank of India MCLR plus 350 basis points as on April 1 of the relevant year, whichever is less.

Since, the actual weighted average rate of IoWC loans for FY 2019-20 is coming out to be lower than SBI MCLR plus 350 basis points, PSTCL has considered the actual weighted average rate of interest on working capital loans of FY 2019-20, for computation of IoWC for FY 2020-21 and FY 2021-22. The computation of IoWC for FY 2020-21 and FY 2021-22 is as shown in the following Table:

Table 55: Interest on Working Capital for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21		
		Transmission	SLDC	PSTCL
1	Receivables equivalent to two months of fixed cost	220.30	3.50	223.80
2	Maintenance spares @ 15% of O&M	88.06	1.29	89.35

Sr. No.	Particulars	FY 2020-21		
		Transmission	SLDC	PSTCL
	expenses			
3	Operation and Maintenance expenses for one month	48.92	0.72	49.64
4	Total Working Capital Requirement	357.28	5.50	362.78
5	Rate of Interest	10.19%	10.19%	10.19%
6	Interest on Working Capital	36.39	0.56	36.95

Table 56: Interest on Working Capital Expenses for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2021-22		
		Transmission	SLDC	PSTCL
1	Receivables equivalent to two months of fixed cost	221.98	3.62	225.60
2	Maintenance spares @ 15% of O&M expenses	89.89	1.33	91.23
3	Operation and Maintenance expenses for one month	49.94	0.74	50.68
4	Total Working Capital Requirement	361.81	5.69	367.50
5	Rate of Interest	10.19%	10.19%	10.19%
6	Interest on Working Capital	36.85	0.58	37.43

PSTCL requests the Hon'ble Commission to approve Interest on Working Capital as computed above for FY 2020-21 and FY 2021-22.

4.12 ULDC Charges

The Hon'ble Commission in MYT Order dated June 1, 2020 approved the ULDC Charges at Rs. 7.68 Crore for FY 2020-21 and FY 2021-22, as against Rs. 9.67 Crore claimed by PSTCL for FY 2020-21 and FY 2021-22.

For the purpose of APR of FY 2020-21 and revised ARR of FY 2021-22, PSTCL has claimed ULDC Charges of Rs. 9.53 Crore, in line with the actual ULDC charges of

FY 2019-20, as claimed in Truing-up chapter. The actual ULDC Charges shall be submitted at the time of true-up for FY 2020-21 and FY 2021-22, respectively.

4.13 Non-Tariff Income

The Hon'ble Commission, in the MYT Order dated June01, 2020, approved Non-Tariff Income (NTI) of Rs.25.26 Crore for FY2020-21and FY 2021-22 as against Rs. 18.51 Crore claimed by PSTCLfor FY 2020-21and FY 2021-22.

PSTCL would like to submit that it expects additional income from Contribution works to be carried out during FY 2020-21 compared to the income received during FY 2019-20. Accordingly, PSTCL has considered Non-Tariff Income of Rs. 39.81Crore for Transmission Business of FY 2020-21. PSTCL has retained the Non-Tariff Income of Rs. 0.78 Crore for SLDC Business same as that claimed in Truing-up of FY 2019-20.

PSTCL has estimated the Non-Tariff Income for FY 2021-22 for Transmission Business as Rs. 32.90 Crore and Non-Tariff Income of Rs. 0.78 Crore for SLDC Business.

4.14 Summary of ARR for FY 2020-21

The summary of ARR for Transmission Business and SLDC for FY 2020-21is shown in the Table below:

Table 57: Net ARR for Transmission Business and SLDC for FY2020-21(Rs. Crore)

Sr. No.	Particulars	Transmission Business		SLDC		Transmission Business and SLDC	
		MMT Order	ARR	MMT Order	ARR	MMT Order	ARR
1a	Net Employee costs	510.04	525.40	6.73	7.16	516.77	532.56
1b	Net R&M expenses	38.33	34.97	1.02	0.64	39.35	35.62
1c	Net A&G expenses	27.37	26.68	0.56	0.80	27.93	27.48
1	Total O&M Expenses	575.74	587.05	8.31	8.60	584.05	595.65
2	Depreciation	300.29	299.57	0.56	1.80	300.85	301.37
3	Interest charges	332.58	329.33	1.53	1.27	334.11	330.60
4	Interest on Working Capital	35.44	36.39	0.49	0.56	35.93	36.95
5	ULDC Charges	-	-	7.68	9.53	7.68	9.53
6	Return on Equity	108.93	109.27	-	-	108.93	109.27
7	Total Revenue Requirement	1,352.98	1,361.62	18.57	21.76	1,371.55	1,383.38
8	Less: Non-Tariff Income	23.59	39.81	1.67	0.78	25.26	40.59
9	Aggregate Revenue Requirement	1,329.39	1,321.81	16.90	20.98	1,346.29	1,342.78
10	Past Revenue Gap/(Surplus)	(1.01)	(1.01)	-	-	(1.01)	(1.01)
11	Net ARR	1,328.38	1,320.80	16.90	20.98	1,345.28	1,341.77

4.15 Revenue Gap and Carrying Cost for FY 2019-20

The Hon'ble Commission approved the ARR of Rs. 1,335.60 Crore in the APR for FY 2019-20 vide the MYT Order dated June 01, 2020. As against the approved ARR of Rs. 1,335.60 Crore, PSTCL has claimed ARR of Rs. 1,405.32 Crore in Truing-up of FY 2019-20. PSTCL has claimed carrying cost in line with the PSERC MYT Regulations, 2014 for the differential amount of ARR claimed in Truing-up of FY 2019-20.

The following Table shows the Revenue Gap claimed by PSTCL in Truing-up of FY 2019-20 along with the carrying cost. The interest rate considered for computing Carrying Cost of FY 2019-20 is in line with the interest rate considered in computation of IoWC for FY 2019-20.

Table 58: Revenue Gap and Carrying Cost for Truing-up of FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	ARR approved in APR of FY 2019-20 vide MYT Order dated June 01, 2020	1,319.03	16.57	1,335.60
2	ARR claimed after Truing-up of FY 2019-20 in this Petition	1,384.53	20.79	1,405.32
3	Total Revenue Gap (1-2)	65.50	4.22	69.72
4	Carrying Cost on half year of FY 2019-20 (@ 10.19%)	3.34	0.21	3.55
5	Carrying Cost on full year of FY 2020-21 (@ 10.19%)	6.67	0.43	7.10
6	Carrying Cost on half year of FY 2021-22 (@ 10.19%)	3.34	0.21	3.55
7	Total Revenue Gap with Carrying Cost to be claimed in Tariff for FY 2021-22	78.85	5.08	83.93

PSTCL requests the Hon'ble Commission to kindly approve the Revenue Gap along with carrying cost of Rs. 78.85 Crore for Transmission and Rs. 5.08 Crore for SLDC after Truing-up of FY 2019-20.

4.16 Revenue Gap/(Surplus) for FY 2020-21

The Hon'ble Commission in the MYT Order dated June1, 2020 has approved ARR and Tariff of Rs. 1328.38 Crore for Transmission Business and Rs. 16.90 Crore for SLDC. Accordingly, the Revenue Gap/(Surplus) for FY 2020-21 on account of Annual Performance Review has been computed as shown in the following Table:

Table 59: Revenue Gap for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Transmission	SLDC	PSTCL
1	Net ARR claimed in APR	1,320.80	20.98	1,341.77
2	ARR approved in Tariff Order	1,328.38	16.90	1,345.28
3	Revenue Gap/(Surplus)	(7.58)	4.08	(3.51)

PSTCL has considered the interest rate for computing carrying cost in line with the rate considered for computation of IoWC for FY 2020-21. The carrying cost on Revenue Gap/(Surplus) for FY 2020-21 has been computed as shown in the following Table:

Table 60: Computation of Carrying/Holding Cost for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Rate of Interest	Transmission	SLDC	PSTCL
1	Revenue Gap for FY 2020-21		(7.58)	4.08	(3.51)
2	Carrying cost for FY 2020-21 (half year)	10.19%	(0.39)	0.21	(0.18)
3	Carrying cost for FY 2021-22 (half year)	10.19%	(0.39)	0.21	(0.18)
4	Total Carrying cost for recovery		(0.77)	0.42	(0.36)
5	Net Revenue Gap/(Surplus) after APR including carrying cost		(8.36)	4.49	(3.86)

The total Revenue Gap/(Surplus) along with carrying/holding cost of FY 2020-21 works out to Rs. (8.36) Crore for Transmission and Rs. 4.49 Crore for SLDC Business. The Petitioner prays to the Hon'ble Commission to approve this Revenue Gap/(surplus) arising out of Annual Performance Review of FY 2020-21.

4.17 Impact of Review Order dated October 15, 2020

The Hon'ble Commission had ruled the following with respect to Non-Tariff Income of FY 2018-19 in Review Order dated October 15, 2020.

"The Commission while determining the Non-tariff income for FY 2018-19 had inadvertently considered the income of Rs. 6.68 Crore instead of Rs. 6.53 Crore towards credit balance written back. The Commission will consider the impact of Rs.0.15 Crore along with carrying cost in the subsequent Tariff Order of PSTCL"

Accordingly, PSTCL has claimed the impact of Non-Tariff Income which was inadvertently considered by Hon'ble Commission in Truing-up of FY 2018-19. PSTCL has claimed the amount of Rs. 0.15 Crore in Truing-up of FY 2019-20 along with carrying cost. Since the Non-Tariff Income pertains to Transmission Business of PSTCL, the impact has been passed on in Transmission Tariff of FY 2021-22

PSTCL has computed the impact of Review Order along with carrying cost in the following Table. PSTCL has considered the interest rate for computing carrying cost as considered by Hon'ble Commission in Truing-up of FY 2018-19. For FY 2019-20 and onwards, PSTCL has considered the interest rate in line with the interest on working capital claimed in respective years.

Table 61: Carrying Cost of Impact of Review Order computed till FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	FY 2019-20
1	Opening Balance	-
2	Impact of Non-Tariff Income inadvertently considered by Commission	0.15
3	Carrying Cost on half year of FY 2018-19 (@10.00%)	0.01
4	Carrying Cost for FY 2019-20 (@10.20%)	0.02
5	Carrying Cost for FY 2020-21 (@10.20%)	0.02
6	Carrying Cost on half year of FY 2021-22 (@10.20%)	0.01
7	Impact of Review Order along with Carrying Cost considered in Tariff of FY 2021-22	0.20

PSTCL proposes to recover all past Revenue Gaps of FY 2019-20 and FY 2020-21 along with their Carrying Costs and subsequent adjustments as discussed in the

above paragraphs from the Tariff of Transmission Business and SLDC Business for FY 2021-22 respectively.

4.18 Summary of ARR for FY 2021-22

The summary of ARR for Transmission Business and SLDC for FY 2021-22 is shown in the Table below.

Table 62: Net ARR for Transmission Business and SLDC for FY2021-22(Rs. Crore)

Sr. No.	Particulars	Transmission Business		SLDC		Transmission Business and SLDC	
		MYT Order	ARR	MYT Order	ARR	MYT Order	ARR
1a	Net Employee costs	525.47	536.37	7.06	7.32	532.53	543.69
1b	Net R&M expenses	40.61	35.50	1.07	0.76	41.68	36.26
1c	Net A&G expenses	28.67	27.40	0.72	0.81	29.39	28.22
1	Total O&M Expenses	594.75	599.27	8.85	8.90	603.60	608.17
2	Depreciation	306.66	305.92	0.72	2.18	307.38	308.10
3	Interest charges	308.95	313.47	1.68	1.28	310.63	314.75
4	Interest on Working Capital	35.92	36.85	0.52	0.58	36.44	37.43
5	ULDC Charges	-	-	7.68	9.53	7.68	9.53
6	Return on Equity	108.93	109.27	-	-	108.93	109.27
7	Total Revenue Requirement	1,355.21	1,364.78	19.45	22.47	1,374.66	1,387.25
8	Less: Non-Tariff Income	23.59	32.90	1.67	0.78	25.26	33.68
9	Aggregate Revenue Requirement	1,331.62	1,331.88	17.78	21.69	1,349.40	1,353.57
10	Revenue Gap and carrying cost of FY 2019-20	-	78.85	-	5.08	-	83.93
11	Revenue Gap and carrying cost of FY 2020-21	-	(8.36)	-	4.49	-	(3.86)
12	Impact of Truing-up of Capital Expenditure for First Control Period	-	8.64	-	0.10	-	8.74
13	Impact of Review Order	-	0.20	-	-	-	0.20
14	Net ARR	1,331.62	1,411.21	17.78	31.36	1,349.40	1,442.57

5 Proposed Tariff for FY 2021-22

5.1 Proposed Tariff for FY 2021-22

PSTCL submits that since there is only one Distribution Licensee (PSPCL) in the State, the total Annual Fixed Charges for Transmission Business and SLDC shall be borne by PSPCL through the tariff for FY 2021-22.

PSTCL has considered Transmission System Capacity of 12876.33 MW as estimated for FY 2021-22. Further, the energy input required at transmission boundary for sale in the State is considered same as approved by Hon'ble Commission in Table 11 of Chapter 4 of PSPCL MYT Tariff Order dated June 01, 2020 for FY 2021-22.

The PSERC MYT Regulations, 2019 specify that Transmission Tariff will have the following components:

1. SLDC Charges or System Operation Charge
2. Reactive Energy Charges
3. Transmission Charges or Network Usage Charges

SLDC Charges or System Operation Charges: PSTCL has computed the ARR of Rs. 31.36 Crore for SLDC for FY 2021-22, along with carrying cost in the previous Chapter. Accordingly, PSTCL has determined the SLDC Charges or System Operation Charge as under:

Table 63: SLDC Charges or System Operation Charges for FY 2021-22

Sr. No.	Particulars	FY 2021-22
1	Annual Fixed Charges for SLDC Business (Rs. Crore)	31.36
2	Monthly SLDC Charges (Rs. Crore/month)	2.61
3	SLDC Charges for LTA/MTA (Rs. /MW/Month)	2029.78

Reactive Energy Charges: The reactive energy charges, if any, raised by NRLDC on PSTCL will be recoverable from PSPCL directly, by PSTCL.

Transmission Charges or Network Usage Charges: PSTCL has computed the ARR of Rs. 1409.24 Crore for Transmission Business of FY 2021-22, along with carrying cost and other adjustments as discussed in the previous Chapter. Accordingly, PSTCL has determined the Transmission Charges or Network Usage Charge as shown in the following Table:

Table 64: Proposed Transmission Charges for FY 2021-22

Sr. No.	Particulars	FY 2021-22
1	Annual Fixed Charges for Transmission Tariff	1411.21
2	Transmission System Capacity (Net) (MW)	12,876.33
3	Transmission Charges per month (Rs. Crore per month)	117.60
4	Transmission Charges (Rs./MW/month)	91,330.97
5	Energy at Transmission Boundary for sale in State (MU)	58,991.00
6	Transmission Charges (paise/kWh)	23.92

PSTCL humbly prays to the Hon'ble Commission to approve the Transmission Charges and SLDC Charges along with past Revenue Gaps as submitted above.

6 Compliance to Directives

PSTCL submits the following compliances to directives of Hon'ble Commission vide Tariff Order dated June 01, 2020.

Sr. No.	Issues	PSERC Comments & Directive	PSTCL's Reply																
5.1	Boundary metering, Energy Audit and Reduction in Transmission Losses	<p>PSTCL is directed to supply the Transmission Losses for the month of February 2020 and March 2020 within one month of the issue of the Tariff Order. The Commission reiterates its directive to submit voltage wise transmission losses with the commissioning of SAMAST scheme and share the quarterly progress on implementation of reactive compensation to stabilize the losses.</p>	<p>As per the direction of Hon'ble PSERC, the tender for implementation of SAMAST scheme in Punjab has been floated by PSTCL through which voltage wise losses transmission losses of Punjab transmission network could be calculated. The due date of opening of tender is 09.11.2020.</p> <p>The total estimated cost of the project is Rs.24.44 Crores, out of which PSDF shall provide funds amounting to Rs.12.22 Crores and the remaining funds i.e. Rs.12.22 Cr. are already approved in MYT.</p> <p>The Transmission losses from April to September 2020 are as below:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>PSTCL Transmission losses (%age)</th> </tr> </thead> <tbody> <tr> <td>April, 2020</td> <td>1.83%</td> </tr> <tr> <td>May, 2020</td> <td>2.03%</td> </tr> <tr> <td>June, 2020</td> <td>2.10%</td> </tr> <tr> <td>July, 2020</td> <td>2.19%</td> </tr> <tr> <td>August, 2020</td> <td>2.16%</td> </tr> <tr> <td>September, 2020</td> <td>2.30%</td> </tr> <tr> <td>PSTCL Transmission losses (April-2020 to September 2020)</td> <td>2.14%</td> </tr> </tbody> </table>	Month	PSTCL Transmission losses (%age)	April, 2020	1.83%	May, 2020	2.03%	June, 2020	2.10%	July, 2020	2.19%	August, 2020	2.16%	September, 2020	2.30%	PSTCL Transmission losses (April-2020 to September 2020)	2.14%
Month	PSTCL Transmission losses (%age)																		
April, 2020	1.83%																		
May, 2020	2.03%																		
June, 2020	2.10%																		
July, 2020	2.19%																		
August, 2020	2.16%																		
September, 2020	2.30%																		
PSTCL Transmission losses (April-2020 to September 2020)	2.14%																		

Sr. No.	Issues	PSERC Comments & Directive	PSTCL's Reply
5.2	Unmanned Sub-stations:	The Commission desired to share the operational, experience with unmanned Sub-Stations including benefits accrued should be shared on a quarterly basis.	It is submitted that the pilot automation of 5 No. Sub Station in PSTCL namely Mohali-1, Mohali-2, Kharar, Derabassi and Lalru is done successfully. PSTCL has acquired automation knowledge for future projects and its completion has improved the quality and operation of these sub stations. Due to automation, PSTCL had withheld one number post of SSA at each of the sub stations i.e. Mohali-II, Kharar, Derabassi and Lalru, which are now under consideration for abolition. PSTCL never envisaged the pilot project as fully unmanned because of control of 11 KV feeders at these sub stations, which has already been brought to the notice of Hon'ble Commission. Further benefiting from this scope of automation, 1 No. post of SSE(AE) out of 5 No. sanctioned at these substations is also under consideration for abolition.
5.3	Loading Status of PSTCL Transmission lines and Substations:	Commission directs PSTCL that the action taken to deload all the overloaded lines should be shared on a quarterly basis with the Commission.	Loading Status of PSTCL Transmission lines and Substations is attached as Annexure-A.
5.4	Maintenance of category wise details of fixed assets:	PSTCL is directed to supply the voltage wise updated information on quarterly basis.	To comply with the directive of the Hon'ble Commission, PSTCL has approved to procure the software to prepare the voltage wise Fixed Assets Register.
5.5	Reactive Compensation	As discussed during the	In the 44 th TCC & 47 th NRPC meeting held on 10 th and 11 th December 2019 has discussed the

Sr. No.	Issues	PSERC Comments & Directive	PSTCL's Reply
		<p>meeting with PSTCL management on 28.11.2019, the action taken by NRPC in their meeting on 10th December 2019 may be shared with the Commission. The status of CPRI report on reactive compensation of the transmission system of PSTCL and funding thereof by PSDF should be shared with the Commission within two months of issue of the Tariff Order.</p>	<p>decision taken in 43rd NRPC meeting in respect of "System study for Capacitor requirement in NR for the year 2019-20" and deliberated as under:</p> <p>"NRPC agreed with the advice of TCC for carrying out the study simultaneously for all the states so as to reduce the elapsed time. Further, NRPC directed that extreme efforts shall be made so as to complete the system study for capacitor requirement in NR for the year 2019-20 by 31st March 2020 itself."</p> <p>Subsequently, NRPC in its 48th meeting held on 02-09-2020 decided that the system study for reactive compensation will be finalized and the states shall continue to manage the requirement of reactive compensation at their own level. Minutes for the NRPC report are still awaited. Hence the decision for funding of addition of reactive compensation by PSTCL or through PSDF shall be taken accordingly.</p>
5.6	Preventive maintenance of transmission lines.	<p>Commission pointed that out in most of the cases of trippings/ breakdowns, the report mentioned "nothing found". This defies logic. All breakdowns</p>	<p>In Compliance to the directive, it is submitted that each and every tripping & breakdown has been analyzed at the level of CE/P&M & his team. Total number of trippings for the period ending September 2020 are attached as Annexure-B for reference of Hon'ble Commission. Effective maintenance of transmission lines and other elements of substations during April 2020 to September 2020 has been carried out as per the maintenance schedule attached as Annexure-C.</p>

Sr. No.	Issues	PSERC Comments & Directive	PSTCL's Reply
		<p>in the transmission lines need to be investigated and reported to the Commission.</p> <p>The Commission reiterates its directive to carry out special drives for maintaining all transmission lines to avoid trippings/ breakdowns.</p> <p>The quarterly status report of trippings/ breakdowns should be shared with the Commission.</p>	<p>Washing of disk insulators of 400KV transmission lines has been carried out in the last year. As a result, no breakdown of 400kV transmission lines happened during this paddy season & last foggy season. Also, the extensive maintenance of transmission lines such as tightening of jumpers, tree cutting, cleaning of discs at strategic points and live hotline maintenance are being carried out to curb these trippings& breakdowns.</p>
5.7	Strengthening of the State Load Despatch Centre (SLDC)	<p>The Commission will notify Intra-State DSM Regulations shortly. SLDC is directed to ensure that the requisite trained manpower, hardware, software and other logistics are in place to</p>	<p>Power scheduling function has been started by SLDC independently, the requisite manpower for which the requirement has been provided. The CABIL report for implementing and functioning of SLDCs is being studied and is under consideration for implementation to strengthen the SLDC.</p>

Sr. No.	Issues	PSERC Comments & Directive	PSTCL's Reply
		implement these regulations.	
5.8	Employee Training Need Assessment	PSTCL is directed to prepare a detailed Training Need Assessment (Technical, IT, Soft Skills, Finance etc.) for the employees at various level including the new recruits and submit the same for the approval of the Commission within 9 months from the date of issuance of the order.	Regarding Training Need Assessment online training courses (Technical, IT, Soft Skills, Finance etc.) through SWAYAM (https://swayam.gov.in) a program initiative by MHRD, Govt. of India for the employees at various levels (including new recruits) to fulfil the gaps between current performance level and department/organizational objectives with the approval of worthy CMD/PSTCL has already been submitted with Hon'ble Commission vide memo No. 2658 dated 29.10.2020.(Annexure-D)
5.9	Capital Expenditure of 1st MYT Control Period	PSTCL is directed to submit the details of Capital Expenditure incurred scheme wise in the 1 st MYT Control Period by 31.07.2020.	The desired information is submitted as Annexure I along with this Petition
5.10	Capital Expenditure and Capitalisation	PSTCL is directed to submit the quarterly details of Capital Expenditure and Capitalization with clear break up between Spill	It is submitted that although capital expenditure is incurred during the entire year, yet, booking of expenditure in accounts through settlement of transactions between various accounting units involved such as store, grid construction, civil works etc takes substantial time. Further, the booking of interest, establishment and other charges to works is carried out at the end of the

Sr. No.	Issues	PSERC Comments & Directive	PSTCL's Reply
		<p>Over Schemes and New Schemes approved for the next MYT Period after submission of details for 1st control period.</p>	<p>year only. As such, to give a true picture of the expenditure incurred on works, the detail can only be submitted at the end of the year as is being done already. Hon'ble Commission may please review the directive in view of the submissions above and issue appropriate directions.</p>

7 PRAYERS

The Petitioner respectfully prays to the Hon'ble Commission:

- a) To admit the Petition seeking approval of True-up of Capital Expenditure for First Control Period and for FY 2019-20 in accordance with the PSERC MYT Regulations, 2014, as amended from time to time and approval of Annual Performance Review for FY 2020-21 and revised Aggregate Revenue Requirement and Tariff for FY 2021-22 for Transmission Business and SLDC in accordance with the PSERC MYT Regulations, 2019;
- b) To approve Revenue Gap arising on account of True-up of FY 2019-20 and Annual Performance Review for FY 2020-21 along their carrying cost and allow their recovery through Tariff of FY 2021-22, as computed in this Petition;
- c) To approve the ARR forecast and Tariff for FY 2021-22 for Transmission Business and SLDC Business;
- d) To invoke its power under Regulation 64 in order to allow the deviations from PSERC MYT Regulations, 2019, wherever sought in this Petition;
- e) To allow additions/alterations/modifications/changes to the Petition at a future date;
- f) To allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued;
- g) To condone any error/ omission and to give opportunity to rectify the same;

BY THE APPLICANT THROUGH



Chief Accounts Officer/Finance and Audit,
Punjab State Transmission Corporation Limited, Patiala

LIST OF ANNEXURES

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ANNEXURE. NO. I
CAPITAL EXPENDITURE FOR FIRST CONTROL PERIOD

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Table with columns: ID, Agency, Project Title, Description, Start Date, End Date, Status, Budget, etc. The table contains multiple rows of project data, including details on funding, reporting, and project completion.

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I CONTRIBUTORY WORKS (PART I)		
Sr. no.	Name of the Work	FY 2017-18 (Rs. Crore)
1	Raising of 132KV Jamalpur Goraya Philour lines in land of Sabzi Mandi Ldh	0.09
2	Raising of 132 KV Ropar Kharar Line at NH 21 Km 39.150	0.12
3	Shifting 132KV Ropar Kharar Line Due to const. of Bye Pass Ropar near power colony	0.11
4	Raising of 132 KV ASRON to M/S Ranbaxy & DSM due to const. of 4 Laning NWSSR Bangan Section	0.16
5	132 KV line from Astron to M/s Swaraj Majda	1.01
6	Raising of 132 KV Ropar Ghulal line from the site of Theme Park at Chamkaur Sahib	0.12
7	Survey of Shif of 220 KV at Ghaggar Rly. Station on Dapper Chd. (Ambala)	0.50
8	Shifting & rerouting of 220 KV RTP-Mohali line from the land of Gamada near Vill. Ballo Majra.	0.63
9	Shifting & rerouting of 220 KV Mohali Derabassi line Aerocity Gamada	2.65
10	Shif. Of 220 KV Mohali Derabassi line due to crossing of New Rly. Ludhiana Chandigarh line near.vill. Chilla	0.43
11	Shif. Of 220 KV line passing th approved Super Mega Mixed use integrated industrial park sector-66 A, 82 & 83 Mohali 220 kv Janta Land & Promoters Ltd	0.49
12	Shifting & rerouting of 220 KV Mohali Derabassi line from road NH 64 & 22	0.18
13	Raising of TL-41 of 220KV Lalton-Pakhowal Line	0.04
14	Shif. Of 220 KV Rajpura Lalru from Peninsula Township Dev. Sec-9C Chd.	0.52
15	Shifting of 220KV Mohali Rajpura Line from premises of TDI Mohali	0.60
16	220 kv WWICS Estates Pvt. Ltd. A-12 Ph-6 mohali (rajpura Mohali shifting)	0.07
17	Raising of 220KV Mohali Rajpura Line RLY DW	0.44
18	Shifting of 220 KV RTP-GBR ckt 3&4 at Mandi G.Gah Km 56.145	0.27
19	Raising of 220 KV Ganguwal Gobindgarh Morinda Ludhiana Section Km. 57.350	0.27
20	Shifting of 220KV RTP-GBR Ckt No.1 & 2 for M/s Dedicated frieght corridor corp. Of India Ltd. Ambala Canit	0.56
	TOTAL	9.27
II CONTRIBUTORY WORKS (PART II)		
Sr. no.	Name of the Work	FY 2017-18 (Rs. Crore)
274	Shifting of 220KV RTP-GBR Ckt No.1 & 2 for M/s Dedicated frieght corridor corp. Of India Ltd. Ambala Canit	0.56
275	HAMIR REAL ESTATE BAY AT PHASE-7 Mohali	0.35

276	BAJWA DEVELOPERS BAY AT PHASE -7 Mohali		0.04
277	Denim (Oswal) bay at Lalru		0.30
278	Ansal Plaza bay at Kharar		0.06
279	Guru Gobind Singh Refinery bay at Mansa		1.44
280	Madhav Alloys bay at Amlloh		0.21
281	khalsa Heritage bay at Anandpur Sahib		0.12
282	Kudos Chemicals bay at DeraBassi		0.34
283	swrag Engine bay at Sec 80 Mohali		0.23
284	2 No. 22KV Bays for Airport at Banur		0.53
	TOTAL		4.18
III CONTRIBUTORY WORKS (PART III)			
Sr. no.	Name of the Work		FY 2017-18 (Rs. Crore)
285	132KV PIMS		2.14
286	66/132KV Science City		1.70
287	2 No. Bays at Dasuya		0.43
288	Mahavir Spinning Mill at 132KV Hoshiarpur		0.17
289	66KV Bay for ITC at 220KV Kanjli		0.26
290	220KV Sarna Bay at 220KV Dasuya		0.37
291	66KV GNA AXLE LIMITED at Rehana - Jattan		0.47
292	66KV Bay for ITC at Kanjli		0.00
	TOTAL		5.54
IV CONTRIBUTORY WORKS (PART IV)			
Sr. no.	Name of the Work		FY 2017-18 (Rs. Crore)
293	66kV for Bhiwani Cotton Mills at 132kV S/S Abohar		0.06
294	66kV Bay for Malwa Cotton Mills at 220kV S/S Barnala		0.10
295	66kV Bay for Varinder Agro Chemicals at 220kV S/S Barnala		0.07
296	66kV Bay for MES Fzr. At 220kV S/S Ferozpur		0.06
297	66kV Bay for Vardhman Polytax at 132kV IGC Bathinda		0.19
298	33/66kV Bay for FSL at 132kV S/S Moga		0.15
299	Northern Railway Track at 220kV S/S Sahnewal		2.06
300	66kV Bay for Malerkotla Steel Mills at 220kV S/S Malerkotla		0.08
301	132kV Bay for Universal Bio-Mass Energy Ltd. Channu at 132kV S/S Gidderbaha		0.29
302	1no. O/G Bay for Railway Traction S/S Maisar Khana at 220kV Talwandi Sabo		0.71
	TOTAL		3.79

V CONTRIBUTORY WORKS (PART V)		
Sr. no.	Name of the Work	FY 2017-18 (Rs. Crore)
303	Shifting of 400KV Makhu Amritsar Line	5.55
304	Shifting of 132KV Dhilwan-Butari Line at NH	0.08
305	Lilo of 132KV Jalandhar-Kapurthala line at PIMS Jalandhar	0.24
306	Modification of 220KV Verpal-Patti Line T. NO. 44 to 46 at KM 44.530	0.22
307	Shifting of 132KV Jalandhar-Butari Line From NH at KM 423.100, Shifting of 132KV Butari-Tarn Taran Line from NH at KM 44.100 AND Shifting of 220KV Verpal-Wadala Granthian Line from NH at KM 455.900	0.22
308	Shifting of 132KV SC Line from 220KV Civil Lines Amritsar to 132KV S/S Power colony Amritsar at KM 460.882	0.15
309	Shifting of 132KV Nakodar-Kotla Janga Line at NH 71 T. No. 89-92	0.36
310	Shifting of 132KV Batala-Verka 132KV Verka Jandiala and 132KV Verka Mall Mandi Line	1.48
311	Shifting of 132KV Verpal Naraingarh Line form War Memorial Meusium Amritsar	1.55
312	Shifting of 132KV Line from Mahalpur-Hoshiarpur Line T. No. 55 in the Land of Sh. Onkar Nath	0.15
313	Shifting of 132KV Butari-Tarn Taran Line from Amritsar Naushera Bye Pass at KM 124.400	0.22
314	132 KV Khera Mandir to RCF	0.91
315	Shifting of 220KV Verpal Patti Line from Amritsar Naushera Bye Pass at KM 126.600	0.39
316	Shifting of 220KV Nakodar Rehana Jattan Line in the land of Sh. Nasib Chand	0.12
317	220KV Sarma - Sujjanpur Line	8.95
318	Shifting of 132KV Civil Lines Amritsar to Naraingarh Line in the land of M/S Elite Country Developer	0.07
319	Shifting of L/LO of 220KV Jamsher-Sultanpur at Badshahpur Line in the Land of Sh. Harjit Singh	0.25
320	Providing clearance to Bye Pass Road Gurdaspur between T. No. 85,86 & 87 of 220KV Sarma-Wadala Granthian Line	0.08
321	Shifting of 132KV Bhogpur-Hoshiarpur Line T. No. 6&7	0.09
322	Shifting of 132KV Sultanpur Patti Line T. No. 89 to 92 from Amritsar Bathinda Sec.	0.29
TOTAL		21.36
TOTAL CONTRIBUTORY WORKS (I+II+III+IV+V)		44.13

CONTRIBUTORY WORKS OF CIVIL CIRCLE		
Sr. no.	Name of the Work	FY 2018-19 (Rs. Crore)
1	Const. of 66 KV Ranbaxy Bart Bay at, 220 KV S/S Astron	0.03
2	Const. of 66 KV Bay for Bhabat 220 KV S/S Banur.	-0.00
3	Const. of 66 KV Ansal Plaza and Airport Bay at, 220 KV S/S Banur	0.04
4	Const. of 66 KV Winsone Yam at, 220 KV S/S Derabassi.	0.04
5	Const. of 66 KV Kuddo Bay at, 220 KV S/S Derabassi.	0.07
6	2 No. 66 KV Bays at 220 KV S/S Gaunsgarh.	-
7	2 No Bays for PSEIC 220 KV S/S Gaunsgarh	-
8	Const. of 66 KV Malwa Industries Bay at, 220 KV S/S Ghulal	0.04
9	Const. of IISR Bay at 220 KV Kharar	0.02
10	Const. of Aasal Plaza at 220 KV Kharar	0.01
11	Const. of PTL Bayat 220 KV Kharar	0.01
12	const of 66kv Bay for Chaunta at 220kv Kohara	-
13	Const. of 66 KV Maha Laxmi Steel Bay at, 220 KV S/S Kohara	0.02
14	Const. of 66 KV Oswal Denim Bay at, 220 KV S/S Lalru	0.14
15	Const. of 66 KV Hammir, Bajwa and sawraj Bay at, 220 KV S/S Mohali	0.06
16	Const. 66 KV JIT Bay, 132 KV S/S Ropar.	0.02
17	Const. of 66 KV Mahaveer spring Bay at, 220 KV S/S Malerkotla	0.00
	TOTAL CIVIL CIRCLE	0.50

CONTRIBUTORY & OTHER WORKS OF TLSC CIRCLE		
Sr. No.	Name of Work	FY 2018-19 (Rs. Crore)
	PLANNED WORK other/R&M	
1	132 kv Dharamkot-Dhaleke	0.19
2	Lalton Doraha	0.04
	TOTAL A	0.23
	CONTRIBUTORY WORK	
1	132 KV Mega Badhni Kalan	0.31
2	220 KV RTP Jeadla	0.06
3	KOTLA ROPAR	0.20
4	220 kv humbran ferozpur NHAI	0.55
5	220 kv humbran ferozpur Mega food park	0.61

6	Restoration/shifting of existing 220 KV DC Mohali Derabassi line from site reserved for administrative complex sector 76 to Sec.80 Mohali. E-844	0.24
7	Raising/shifting of 220 KV Mohali-Dera Bassi and Mohali-2(Sec 80)-Lalru DC line in the land of IISER Mohali.	0.00
8	Raising/shifting of 220KV RTP-Kharar-Mohali DC line due to construction of Elevated structure by NHAI at Ropar Section NH-21 at KM 9+500 E-924	0.00
9	Raising of 220KV SC line on DC towers from 220 KV S/Stn Ferezeptur road Ludhiana due to const. of Elevated road by NHAI NH-95 passing through Ludhiana city.E-922 Near Verka Chowk	0.00
10	Shifting/Modification of 132KV Moga Badhmi Kalan Line at 800KV S/S Moga PGCIL Work E 928	-0.00
11	Shifting/Modification of 220KV LILO of FZR RD LDH-Humbran at Ladhowal NHAI deposit work E-936	-0.00
12	Shifting/Modification of 220KV LILO of FZR RD LDH-Humbran at Ladhowal Punjab Agro Foods E-934	-0.00
13	Raising of 220KV Bhakra-Jamalpur and 132 KV Anandpur Sahib Nawansharar due to 4 laning of Ropar-Phagwara Section NH-344A at KM 40+700 and 40+650 E-933	0.00
14	Raising of RTP-Gobindgarh ckt 1&2 due to 4 laning of Ropar-Phagwara section NH 344A at RD 79+040	0.00
15	Raising of 132 KV Bangar-Nawansharar S/C line due to construction of 4-laning of Ropar-Phagwara road RD. 37.800 Km	0.00
16	Raising of 220 KV line from Sahnewal-Lalton kalan due to modification of railway track.(Km 10/1-2 R.V.N.L.) & Dhandhari Kalan to Lalton Kalan due to modification of railway track.(Km 9/4-5 R.V.N.L.) E-921	0.91
17	Raising of 132 KV S/C Ghulal-Shamashpur line due to 4/6 laning of Kharar-Ludhiana section of NH-95 from Kharar Km 10+185 to Samrala Chowk Ludhiana Km 86+199 in the state of Punjab on Hybrid Annuity ModeE-938	0.00
18	Raising of 132 KV S/C Ghulal-Gobindgarh G-1 line due to 4/6 laning of Kharar-Ludhiana section of NH-95 from Kharar Km 10+185 to Samrala Chowk Ludhiana Km 86+199 in the state of Punjab on Hybrid Annuity ModeE-938	0.00
19	Construction of 220 KV SC line on DC towers for connecting Unit no.1 of Bhakra Left Bank Power House to 220 KV Bus of Bhakra Right Bank Power House E-916	0.00
20	Sant kirpal Vidyak Mission	0.00
21	22 Kv Lalton Doraha line	-0.02
22	132 KV Ropar Kotla TL 105	-0.00
	TOTAL B	2.86
	TOTAL A+B	3.09

OTHER CONTRIBUTORY WORKS		
Sr No.	Name of work	FY 2018-19 (Rs. Crore)
	Contributory/R&M work of Jal	
1	220KV Sama-Sujanpur	0.02
2	220KV line from 400KV PGCIL Jal to Kanjli (Kpt.)	0.01
3	LILO of 220KV Sama to Wadala Granthian at Gurdaspur	0.01
4	220KV Tibba-Sohal	0.01
5	400KV Nakodar-Makhu	0.46
6	LILO of 220KV RSD-Sama line at Shahpur Kandi	0.00
7	220KV RSD-Sama Ckt 5&6	-

8	220KV Khassa-Balachak		0.13
9	Break down of 220KV Balachak-Khassa T no. 57-65		0.01
10	Shifting of 220KV Verpal-Patti line from ASR Bye pass at 126.600 Km.		0.02
11	Shifting of 400KV Makhu-ASR line.		0.00
12	Raising of 132KV Phagwara-BBMB Jal line at NH-344A at Km. 2.400, 3.350 and 5.010		0.96
13	R/o cond. 132KV Batala-Verka		0.04
14	Break down of T no. 79 of 132KV Mahilpur-HSP line		0.00
15	Strgenting of 132KV Verpal-Tarn Taran line		0.00
16	132KV Verpal-Mall Mandi line		0.00
17	Raising of 132KV Phagwara-Banga line at NH-344A at Km. 8.250		0.11
18	Shifting of 132KV Buttari-Tarn Taran line at Noushra Bye pass at Km. 124.400		0.09
19	Shifting of 132KV Nakodar-Kotla Jangan line at NH-71 at Jal-Barnal Section		0.06
20	Shifting of 132KV Civil line ASR-Power colony line		0.02
21	Break down of 132KV Verpal-Hakima Gate		0.02
22	Shifting of 132KV Verpal-Naraingarh line at War memorial meusum		-0.01
23	132KV Mahilpur-HSP line		-
24	Shifting of 132KV Batala-Verka, Verka-Mall Mandi and Verka-Jandiala line		0.01
25	Shifting of 132KV Sultanpur-Patti line T no. 89 to 92 at ASR-Bathinda road		0.00
Total			1.97

CONTRIBUTARY WORKS OF TLSC DIV. PATIALA			
IV	Sr No.	Name of work	FY 2018-19 (Rs. Crore)
	1	RAISING OF HEIGHT OF 132 KV KOTAK PUR TO PANJGHRAIA DUE TO CONST.OF ROB AT LEVEL CROSSING NO. S-26 FOR PWD	0.33
	2	220 KV LINE FROM 220 KV S/S SANDHOR TO KUPKALAN RAILWAY S/S FOR RAILWAY	1.41
	3	132 KV LINE FROM IGC BATHINDA TO GHARJ BHAGI RAILWAY S/S	0.01
	4	RAISING OF HEIGHT OF 132 KV BATHINDA IGC 132 KV LINE BATHINDA MES ON COMMON TOWER	0.00
	5	RAISING OF HEIGHT OF 220 KV KV BATHINDA TO LEHRA MOHABBAT BBMB	0.00
		TRANSFERRED WORK	
	14	RAISING OF HEIGHT OF 220 KV PATIALA TO PATRA DUE TO MODIFICATION OF RPI-DUI-LHM SECTION	0.72
	15	RAISING OF HEIGHT OF 220 KV PATIALA TO PATRA DUE TO CONST.OF 66 KV LINE PASSIAN TO GAJUMAJARA LINE FOR PSPCL	0.14
	16	RAISING OF HEIGHT OF 220 KV PATIALA TO PATRA DUE TO WIDENING OF SOUTHERN BYPASS PTA.TL.NO 25-27	0.11
	17	RAISING OF HEIGHT OF 132 KV MOGA SWADI KALAN AND MOGA JAMALPUR LINE DUE TO FOUR LANEING OF JAL-BRNL ROAD FOR PWD	0.13
	18	SHIFRING OF 132 KV LINE TALWANDI BHAI-MOGA AND 220 KV TALWANDI BHAI-DHARAMKOT LINE FOR BPASS	1.60
	19	132 KV MOGA-BADHANI KALAN LINE DUE FOUR LANEING OF MH 71 ON REQUT. OF CWD, PWD B&R JAL	2.22
	20	RAISING OF HIEGHT OF 132 KV MUKTSAR MALOUT RP LINE FOR SH. MANINDER SINGH	0.18

21	RAISING OF HEIGHT OF 132 KV KOTAK PUR TO PANIGHRAIA DUE TO CONST. OF ROB AT LEVEL CROSSING NO. S-26 FOR PWD	0.37
22	RAISING OF HEIGHT OF 132 KV KOTAK PUR TO BAGHAPURAN DUE TO CONST. OF BYPASS	0.35
23	RAISING OF HEIGHT OF 132 KV MUKTSAR MALOUT ON REQUEST OF SETIA MILL MUKTSAR	0.24
24	RAISING OF HEIGHT OF 132 KV BATHINDA IGC 132 KV LINE BATHINDA FROM PREMISES OF MES AREA AMUNJATION DEPUT BATHINDA	1.21
25	220 KV TALWANDI SABHO TO MESSAR KHANNA RAILWA SUB STAT. FOR RAILWAY	7.98
	TOTAL OF CONTRIBUTORY/R&M WORK	17.01
V	OTHER CONTRIBUTORY WORKS	2.04
	TOTAL OF CONTRIBUTORY/R&M WORK (I+II+III+IV+V)	24.62

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CONTRIBUTORY WORKS OF CIVIL CIRCLE		
Sr. no.	Name of the Work	FY 2019-20 (Rs. Crore)
1	Const of Addl. SGF for ongoing line bay for 66 kv s/s Thapar university at 220 kv s/s Ablowal	0.04
2	Const. of Imo. 2 Phase 132kv line bay for Railways 132 KV S/S IGC Bathinda	0.00
3	Const. of 66KV TC Spinning Bay at 220KV S/S Lahu	0.00
4	Const. of 1 no. 66 kv Line bay for HMEIL, Phulo khieri at 220 KV s/s Talwandi Sabo	0.00
5	Const. of Civil works for 1 no. 220 KV Railway bay at 220 Kv S/S Tibber	0.16
6	Extension to SHFB at 220 Kv S/Stn., Verpal	0.05
7	Const. of ASGF for 132KV Line Bay for Northern Railways Bikaner, Gehri Bhangi at 132 KV /S Bathinda (Deposit Works)	0.02
8	Const. of Civil works for 1 no. 220 KV Railway bay at 220 Kv S/S Verpal	0.03
9	Earth filling as per specification at 400KV S/S Village Behaman, Jassa Singh, Tehsil Talwandi Sabo (Bathinda)	0.54
10	Const of 400 KV AIS Switching station with 4 nos. 400 KV Line bays at S/Stn.,vill. Behman jassa Singh, Teh. Talwandi Saboo (Bathinda)	1.29
11	Const of work of earthfilling, as per specifications of 400 KV S/Stn.,vill. Behman jassa Singh, Teh. Talwandi Saboo (Bathinda)	0.05
12	Const. OF 400KV AIS Switching station with 4no.s 400KV line bays 4no.s Tie Bays & 4No.s extended Tie Bays (for connecting bus-1 & Bus-11 at village Behman Jassa singh on Turnke Basis)	1.14
13	CONTRIBUTORY WORKS HEML LTD	1.08
	TOTAL CIVIL CIRCLE	4.40

CONTRIBUTORY WORKS OF TLSC CIRCLE		
Sr. No.	Name of Work	FY 2019-20 (Rs. Crore)
1	I.L.O of 220KV Humbran Ferozepur Road at Ladowal DC Tower Line	-0.05
2	Raising of 220 kv line from Sahnewal- Lalton Kalan Dhandari Line R/VNL	2.71
3	220 KV SANDHAOUR TO KOOP KALAN	0.40
4	132kv Kotakpura to Panigaraiyan	2.68
5	132kv IGC Bathinda to Ghcri Bhangi	0.00
6	RAISING OF 132 KV RTP ASRON TO ROPAR LINE	0.00
7	220 KV TIBBER TO RAILWAY S/S SAHOL	0.00
8	Raising of 132 KV Baniga-Navanshahar S/C line due to construction of 4-laning of Ropar-Phagwara road RD 37.800 Km	0.06
9	RAISING OF 220 KV RTP JADLA JAMSHER DC LINE DEPOSIT WORK RD 39.753 NHAI	0.20
10	Raising of RTP-Gobindgarh ckt 1&2 due to 4 laning of Ropar-Phagwara section NH 344A at RD 79+040	0.15
11	SHIFTING OF 132 KV JALANDHAR TO ALA WALPUR LINE (TL-11,12) IN THE LAND OF AYTAAR SINGH	0.00
12	SHIFTING OF MOHALI DERABASSI LINE admin complex sec 76 to 80 GAMADA Work	0.82
13	RAISING OF 132 KV ANANDPUR SAHIB NAWASHER DC LINE NHAI (RD.40) DEPOSIT WORK	0.59
14	Shifting/Modification of 132KV Moga Badhmi Kalan at 800KV S/S Moga PGCIL Work E 928	-0.03
15	220 KV LINE TALWANDI SABO TO MESSAR KHANA RLY	0.05
16	Raising of 132 kv Phagwara Baniga Line at NH 344 A At 8.250 KM	-0.03
17	Raising of Height of 220 Kv lline Bathinda to Lehnan Mohabatten BBMB Line For Railway	0.03
18	132 KV Ropar-Kotla TL 1105	-
19	Raising of Height of 132 Kv lline Bathinda IGC 132 KV line Bathinda MES on Common tower	-
20	CONNECTION UNIT 1 OF BHAKRA POWER HOUSE TO 720 KV BUS OF BHAKRA RIGHT BANK SWITCHYARD INSTEAD OF 66 KV BUS BAR AT BHAKRA LEFT BANK POWER HOUSE FOR EVACUATION OF POWER FROM UNIT NO 1 BHAKRA DAM NANGAL (DEPOSIT WORK)	0.33
21	220 KV BARNALA TO HANDAYA RLY TS DEPOSIT WORK	0.00
22	220 KV PASSIANA TO DHABLAN RAILWAY TS	0.01

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23	RAISINIG OF 220 KV NALAGARH MOHALI DC LINE DUE TO CONST OF ELEVATED NH 21	0.10
24	RAISING /SHIFTING OF 220 KV SC LINE FRM 220 KV S/S FRAZPR RD LDH TO LAL TO HMBRAN FRZPUR RD AT VERKA CHOWK NH 1	0.52
25	RAISING OF 220 KV RTP MOHALI DC LINE DUE TO CONST OF ELEVATED N.H 21	0.11
26	SURVEY OF 220 KV JALANDHAR BADHERI LINE TOWER NO 139 TO 140 ON RLY TRACK BEAS GOINDWAL SAHIB	0.00
27	Shifting/Modification of 220 kv LILO of FZR RD LDH -Humberan at Ladowal Punjab Agro food	-
28	Shifting of 220 kv RTP GBR ckt.384 due to construction of DFCCIL work	0.06
29	Bhakra Jamalpur dc line at 132 kv Anandpur sahib NHAI work at R.D-40 thw-p-13	0.10
30	220 kv RTP Kharar mohali NHAI Work	0.10
31	Raising of 220 kv RTP Salnewal D/C line due to Ropar Phagwara road NHAI (RD 69)	0.26
32	Shifting of 220 kv RTP GBR ckt.1 & 2 dc line in the land of IIT Ropar PB	0.00
33	SURVEY WORK OF 132 KV GHULAL TO MANDI GOBINDGARH hybrid annuity model	0.00
34	SURVEY WORK 220 KV MOHALI DERA BASSI DC LINE (NOW 220 KV MOHALI 1 TO LALRU 220 KV MOHALI	0.00
35	220 KV VERPAL TO RAILWAY S/S DUKHNIWARAN	0.01
36	4 laning of Ropar Nawanshahr Banga Phagwara section of NH-344A in the state of Punjab on Hybrid Annuity Mode at Km 40+700(132 KV at Nawanshahr bypass)	0.01
37	survey work for shifting of 220 kv dc line from 220 kv s/s bhari to 220 kv s/s proprietor DAHRU DFCCIL TRACTION	0.01
38	Shifting of 132 kv Verpal Naraingarh Line at War Memorial Amritsar	-
39	Shifting of 132 KV Batala Verka - Jadiaala at Verka Mall Mandi Line	-
40	RAISING OF 220 KV RTP JADLA JAMSHER DC LINE DEPOSIT WORK RD 42 NHAI	0.29
41	400 KV DC LINE TALWANDI SABO NAKODAR LILO AT 400 KV SWITCHING STATION AT VILLAGE BEHAMAN JASSA SINGH	25.32
	TOTAL TLSC CIRCLE	34.84

CONTRIBUTORY WORKS OF GRID CIRCLE		
Sr No.	Name of work	FY 2019-20 (Rs. Crore)
1	66 kv bay for ITC At 220 KV S/S Kanjli	-
2	220 KV Bay for railway traction at 220 KV S/S Tibber	0.36
3	66 KV bay for Ansal Palaza at 220 KV S/S Kharar	-
4	66 KV bay for IIT Ropar at 132 KV S/S Ropar	-
5	66 KV bay for IISER Lud. At 220 KV S/S Mohali-2	-
6	66 KV bay for Chd. Edu. Trust Gharuan at 220 KV S/S Kharar	-
7	66 KV bay for Purba Apartment at 220 KV S/S Sec-80, Mohali	-
8	66 KV Aerocity Bay At 220 Kv S/S Banur	0.24
9	220 KV line Bay for Northern Railway At 220 Kv S/S Sandhaur	0.25
10	1 No. 132 KV Bay for Railway Bay Gheri Bhaggi At 132 S/S IGC bathinda	0.36
11	220 KV Line For Ambala Cant Railway At 220 KV S/S Handiaya Barnala	0.22
12	Prov. 220 KV Bay For Railway At 220 KV S/S Chajji	0.00
13	Prov. 220 KV Bay For Railway At 220 KV S/S Verpal	0.32
14	66KV bay for HIMEL at 220KV S/S Talwandi Sabo	0.05
15	220KV Railway Traction Bay at 220KV Talwandi Sabo	0.00
16	1 No 66 KV O/G Bay for 2ND CKT PTI Mohali 220KV S/S Kharar	-0.07
17	Construction of 400KV AIS Switching station with 4 no 400KV line bays 4 no T.ie bays and 4 no extended Tie bays for connecting bus bar HIMEL at 400KV S/S Bahman Jassa Singh	12.29
	TOTAL GRID CIRCLE	14.02

TOTAL OF CONTRIBUTORY WORK (I+II+III)	53.26
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ANNEXURE. NO. II
AUDITED ACCOUNTS FY 2019-20

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**Annual
Financial Statements
FY 2019-20**

**Punjab State Transmission Corporation Limited
The Mall, Patiala**

2

Balance Sheet As at March 31, 2020

(Rupees in Lacs)

Sr. No.	Particulars	Note No.	Figures As at March 31, 2020	Figures As at March 31, 2019 (Restated)
I	ASSETS			
	1. Non current assets			
	(a) Property, Plant and Equipment	3	7,15,229.59	7,14,212.72
	(b) Intangible Assets	4	11.97	9.61
	(c) Assets held for sale	5	286.86	647.63
	(d) Capital work in progress	6 & 7	34,868.93	41,731.95
	(e) Financial Assets			
	(i) Others	8	186.04	189.70
	(f) Other non current assets	9	90.03	5,694.60
	Total (3+4+ 5+6&7+8+9)	A	7,50,673.42	7,62,486.22
	2. Current assets			
	(a) Inventories	10	2,333.85	2,592.91
	(b) Financial assets			
	(i) Trade receivables	11	30,180.88	25,856.37
	(ii) Cash and cash equivalents	12	1,116.22	609.87
	(iii) Bank balance other than (ii) above	13	-	25.54
	(iv) Others	14	666.17	216.41
	(c) Current tax assets (Net)	15	8,139.49	5,622.36
	(d) Other current assets	16	1,034.03	33.46
	Total (10+11+12+13+14+15+16)	B	43,470.65	34,956.91
	Grand Total (A+B)		7,94,144.07	7,97,443.13
II	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	17	60,588.35	60,588.35
	(b) Other equity	18	2,21,211.80	2,24,708.12
	Total (17+18)	A	2,81,800.15	2,85,296.47
	LIABILITIES			
	1. Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	19	4,04,450.81	4,26,595.19
	(ii) Lease Liabilities	20	700.26	-
	(b) Provisions	21	2,433.07	1,522.69
	(c) Other non current liabilities	22	16,464.93	7,466.68
	Total (19+20+21+22)	B	4,24,049.06	4,35,584.56
	2. Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	23	7,770.92	3,199.87
	(ii) Lease Liabilities	24	69.48	-
	(iii) Other financial liabilities (other than those specified in item (c))	25	71,369.29	65,353.58
	(b) Other current liabilities	26	1,380.01	854.83
	(c) Provisions	27	55.70	43.32
	Total (23+24+25+26+27)	C	80,645.39	69,451.59
	3. Deferred revenue	28	7,649.46	7,110.50
	Total	D	7,649.46	7,110.50
	Grand Total (A+B+C+D)		7,94,144.07	7,97,443.13
	Significant accounting policies	2		

The accompanied Notes 1 to 66 form an integral part of these financial statements

As per our report of even date attached

For and on behalf of the Board

For B D Bansal & Co.
Chartered Accountants
FRN 000621N

(Kanika Mehra)
Partner
M.No. 514757
Place: Patiala
Date: 6/10/2020



(Vinod Kumar Bansal)
Director/F&C

(Anurag Agarwal)
Chairman-cum-Managing
Director

(Parveen Kumar Singla)
Chief Financial Officer




PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Statement of Profit & Loss for the year ended March 31, 2020

(Rupees in Lacs)


Sr. No.	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019 (Restated)
I	Income			
	(a) Revenue from operations	29	1,32,106.63	1,24,538.63
	(b) Other Income	30	4,328.42	3,583.25
	Total Income	A	1,36,435.05	1,28,121.89
II	Expenses			
	(a) Employee benefits expense	31	51,435.90	47,388.86
	(b) Finance costs	32	46,438.84	46,678.75
	(c) Depreciation, amortization & impairment expenses	33	29,364.45	27,703.43
	(d) Other expenses			
	(i) Repairs & maintenance	34	3,063.99	3,353.01
	(ii) Administration & General expenses	35	2,631.84	2,587.94
	(iii) ULDC charges	36	953.46	767.69
	(iv) Others expenses/debits	37	5,903.75	459.10
	Total expenses	B	1,39,792.23	1,28,938.78
III	Profit/(Loss) before tax (A-B)	C	(3,357.18)	(816.90)
	Tax expense			
	- Current tax		-	-
	Total Tax Expense	D	-	-
IV	Profit/(Loss) for the period (C-D)	E	(3,357.18)	(816.90)
V	Other Comprehensive Income			
	(a) Items that will not be reclassified to profit or loss			
	- Actuarial Gain/(Loss) on Gratuity	38	(139.14)	(6.71)
	Other Comprehensive Income	F	(139.14)	(6.71)
VI	Total Comprehensive Income for the period (E + F)		(3,496.32)	(823.61)
	Earnings per equity share			
	Basic & Diluted (₹)	53	(0.55)	(0.13)


As per our report of even date attached
For B D Bansal & Co.
Chartered Accountants
FRN 000621N


(Kanika Mehra)
Partner
M.No. 514757
Place: Patiala
Date: 6/10/2020



For and on behalf of the Board


(Vinod Kumar Bansal)
Director/F&C


(Anurag Agarwal)
Chairman-cum-Managing
Director


(Parveen Kumar Singla)
Chief Financial Officer

Cash Flow Statement for the period ended March 31, 2020

(Rupees in Lacs)

Sr. No.	PARTICULARS	For the year ended	
		March 31, 2020	March 31, 2019 (Restated)
(A)	Cash Flow from Operating Activities		
	Net Profit/(Loss) before tax		(816.90)
	Adjustment for:-		
	i Income/Loss from sale of fixed assets	(380.64)	366.36
	ii Interest on Bank deposits	(5.05)	(15.45)
	iii Provision withdrawn on unserviceable items - Capital	-	(18.61)
	iv Provision withdrawn on unserviceable/obsolete items - O&M	-	(28.39)
	v Provision withdrawn on losses under investigation	-	(0.71)
	vi Provision for obsolete items - Capital	184.43	7.40
	vii Provision for doubtful due from consumers	4.32	-
	viii Provision withdrawn for obsolete items - Capital	(4.77)	-
	ix Provision for losses under investigation	74.75	80.48
	x Provision for obsolete items - O&M	0.25	-
	xi Finance cost	46,438.84	46,678.75
	xii Depreciation, Amortization & Impairment Expenses	29,364.45	27,703.43
	xiii Reversal of excess provision of impairment loss	(328.94)	(566.36)
	Operating Profit/(Loss) before working capital changes	71,990.47	73,390.01
	Adjustment for working capital changes:		
	(Increase)/Decrease in :-		
	i Trade receivables	(4,328.84)	6,459.46
	ii Inventories	258.81	(844.90)
	iii Other non current financial assets (excluding provision)	(71.08)	(34.85)
	iv Other non current assets	5,604.57	18.41
	v Bank balance other than cash & cash equivalent	25.54	(25.54)
	vi Other current financial assets	(449.76)	394.14
	vii Other current assets	(1,000.57)	18.17
	Increase/(Decrease) in		
	viii Non current provisions (including OCI)	771.23	395.86
	ix Current provisions	12.38	10.77
	x Other non current liabilities	8,998.25	4,273.15
	xi Other current financial liabilities (excluding interest accrued & borrowings)	1,375.03	1,204.92
	xii Other current liabilities	525.18	338.15
	Net working capital change	11,720.74	12,207.73
	Cash generated from operations	83,711.20	85,597.74
	Income tax (paid)/TDS/Refund (Net)	(2,517.13)	(720.38)
	Net Cash from operating activities	81,194.07	84,877.36
(B)	Cash Flow from investing activities		
	i (Increase)/Decrease in :-		
	a PPE (Net carrying amount + Depreciation excluding capitalized)	(30,586.70)	(35,876.53)
	Intangible assets (Net carrying amount + Amortization)	(4.55)	(10.03)
	Assets held for sale (Net carrying amount + Impairment - reversal)	524.06	333.75
	b Capital work in progress including capital stores(excluding provisions)	6,683.35	12,986.20
	ii Income/Loss from sale of fixed assets	380.64	(366.36)
	iii Interest on Bank deposits	5.05	15.45
	Net Cash used in investing activities	(22,998.14)	(22,917.51)
(C)	Cash Flow from financing activities		
	i Finance cost paid after adjustment of interest accrued on loans and lease liabilities	(46,271.02)	(45,329.07)
	ii Proceeds from long term borrowings (including current maturities)	31,253.27	30,222.24
	iii Repayments of long term borrowings (including current maturities)	(48,924.79)	(43,417.92)
	iv Proceeds from short term borrowings	4,571.05	3,135.20
	v Repayments of short term borrowings	-	(10,000.00)
	vi Proceeds from Lease liabilities	785.38	-
	vii Repayments of lease liabilities	(15.65)	-
	viii Consumer contribution for creating fixed assets	28.57	2,029.28
	ix Government grants received towards cost of capital assets - yet to be utilized	258.94	732.13
	x Government grants received towards cost of capital assets - utilized	624.66	336.00
	Net Cash from financing activities	(57,689.58)	(62,292.14)
(D)	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	506.35	(332.30)
(E)	Cash and cash equivalents at the beginning of the year	609.87	942.17
(F)	Cash and cash equivalents at the end of the year (Refer Note No.12)	1,116.22	609.87

As per our report of even date attached
For B D Bansal & Co.
Chartered Accountants
FRCN 000621N

(Kantika Mehra)
Partner
M.No. 514757
Place: Patiala
Date: 6/10/2020



For and on behalf of the Board

(Vinod Kumar Bansal)
Director/F&C

(Anurag Agarwal)
Chairman-cum-Managing
Director

(Parveen Kumar Singla)
Chief Financial Officer

PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Statement of Changes in Equity for the period ended March 31, 2020

A. Equity Share Capital (Rupees in Lacs)

Balance as at March 31, 2018	60,588.35
Changes in equity share capital during the year	-
Balance as at March 31, 2019	60,588.35
Changes in equity share capital during the year	-
Balance as at March 31, 2020	60,588.35

B. Other Equity


Particulars	Reserves & Surplus			Total
	General Reserve	Capital Reserve	Retained Earnings (Surplus Account)	
Balance at the end of reporting period March 31, 2019	200.05	1,86,210.78	38,425.30	2,24,836.13
Changes in profit/(loss) after Prior period adjustment made in Books 2019-20 relating to the period 2018-19. (Amount of terminal benefits relating to FY 2018-19 intimated by PSPCL after finalization of Balance Sheet of FY 2018-19) shown in 2019-20 as per Ind AS 8	-	-	(128.01)	(128.01)
Balance at the end of reporting period March 31, 2019 (Restated)	200.05	1,86,210.78	38,297.29	2,24,708.12
Profit during the year	-	-	(3,357.18)	(3,357.18)
Other comprehensive income	-	-	(139.14)	(139.14)
Total Comprehensive income	-	-	(3,496.32)	(3,496.32)
Balance at the end of the reporting period March 31, 2020	200.05	1,86,210.78	34,800.97	2,21,211.80

Note: (i) General Reserve will be utilized for distribution of dividend/ meeting future losses (if any).

(ii) Capital Reserve includes amount of Rs. 1,84,582.08 lacs parked/received as opening balance through transfer scheme notified by Punjab Government on 24.12.2012 and amount of Rs. 1628.71 lacs pertaining to the period 16.04.2010 to 31.03.2015 transferred in FY 2015-16 from "Reserve for Material cost variance".

As per our report of even date attached
For B D Bansal & Co.

Chartered Accountants
FRN 000621N



(Kanika Mehra)
Partner

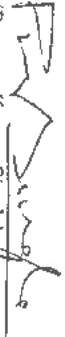
M.No. 514757
Place: Patiala
Date: 6/10/2020.



For and on behalf of the Board


(Vinod Kumar Bansal)
Director/F&C


(Anurag Agarwal)
Chairman-cum-Managing Director


(Parveen Kumar Singla)
Chief Financial Officer



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

1 General Information

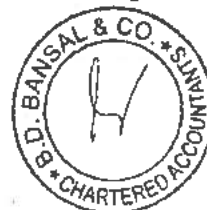
- Punjab State Transmission Corporation Limited (PSTCL) was incorporated on April 16, 2010 under the Companies Act, 1956. The Certificate of commencement of Business was received on the same date from Registrar of Companies, Chandigarh.
- The Government of Punjab restructured the Punjab State Electricity 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



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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.

ii) Basis of Measurement

- The financial statements are prepared on the accrual basis of accounting under Historical cost convention except specifically mentioned in relevant accounting policies.

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 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, 2017, depreciation is provided as per PSERC (Terms & Conditions for determination of Generation, Transmission, Wheeling and Retail supply Tariff) Regulations, 2014 as amended from time to time. In accordance with PSERC Regulations depreciation has been provided on the straight line method over the useful life of the asset at the rates of depreciation specified in Appendix II of the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2014 as amended from time to time.
- 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.
Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation/put in use of the asset shall be spread over the balance useful life of the assets as per PSERC Regulations 2014 as amended from time to time.
- 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 and other tangible assets for which useful life is not determined by CERC/PSERC, are amortised/depreciated on straight line method at rates specified in Appendix II of Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2014 as amended from time to time till PSERC notifies the same.
- 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.



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

- Leasehold assets (including "Right-of-use" (ROU) Assets) are depreciated/ amortized over the period of lease, including the optional period of lease, as per terms of lease agreements.

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.



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- At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any 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

- On the commencement of a Lease, the "Right-of-use" (ROU) Asset is recognized under Property, Plant & Equipment (PPE) and measured at cost. The corresponding lease liability is also recognized and measured at the present value of the lease payments/lease rental obligations that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.
- Subsequently, the "Right-of-use" Asset is carried at its cost less accumulated depreciation/amortization and accumulated impairment losses, if any. The lease liability is measured over the lease term by increasing the carrying amount to - reflect interest on lease liability and reducing the carrying amount to reflect the lease payments made during the period and is included in borrowings or other financial liabilities as appropriate.
- The carrying amount of lease liability will be remeasured/reassessed on modifications in lease agreement or revision in-substance fixed lease payments of a lease (if any) along with the adjustment for the same in the "Right-of-use" Asset.
- 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.
- "Right-of-use" Asset shall also be fully depreciated/amortized over the period of lease as per the lease agreement.
- Lease payments, associated with short-term leases or leases for which the underlying asset is of low value, are charged to the profit or loss as an expense 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.
- 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) Capitalization 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/Delayed Payment Surcharges (DPS) on Transmission Charges is accounted for on accrual basis, where clause for levy of such type of surcharges (DPS) exists in Transmission/other agreements.
- Other 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



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

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 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.
- Provisions 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.
- Re-measurement, 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 payment basis.
- 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.





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

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.
- 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.



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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



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

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 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, 2020

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Gross carrying value as at March 31, 2019 (Restated)	Assets transferred to Damaged transformers	Addition during the FY 2019-20 *	Assets transferred from Assets not in use i.e. Re-used during FY 2019-20	Assets transferred to Assets not in use/ Assets held for sale during FY 2019-20	Assets sold during FY 2019-20	Gross carrying value as at March 31, 2020	Net Book
1	Land and land rights	10.1	2,92,680.28	-	951.60	-	-	-	2,93,631.88	2,92,680.28
2	Right-of-use (ROU) - Land	10.101	-	-	803.42	-	-	-	803.42	14,130.91
3	Buildings	10.2	22,562.89	-	1,310.92	-	-	-	23,873.81	438.85
4	Other civil works	10.4	581.81	-	98.66	-	-	-	680.47	2,00,821.69
5	Plant and Machinery	10.5	3,52,516.49	-	16,629.52	-	(950.49)	-	3,71,379.13	2,00,048.21
6	Line and cable net works	10.6	3,09,279.15	-	10,855.95	-	-	-	3,20,135.10	1,77.80
7	Vehicles	10.7	725.45	-	349.33	-	(50.67)	-	1,024.11	237.61
8	Furniture and fixture	10.8	462.08	-	14.80	-	(0.28)	-	476.60	206.08
9	Office Equipment	10.9	797.75	-	2.13	-	-	(1.70)	798.17	1,471.10
Total (A)			9,29,615.69	-	31,010.34	-	(941.16)	(1.98)	10,12,806.49	7,12,741.62
Assets not in use - Idle/repairable			3,431.49	(307.86)	-	(3,123.61)	-	-	-	1,497.10
Total (B)			3,431.49	(307.86)	-	(3,123.61)	-	-	-	1,497.10
Gross Total (A + B)			9,33,047.18	(307.86)	31,010.34	-	(941.16)	(1.98)	10,12,806.49	7,14,238.72

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Accumulated depreciation as at March 31, 2019 (Restated)	Accumulated Depreciation on Assets transferred to Damaged transformers	Depreciation charged during the FY 2019-20	Accumulated Depreciation on Assets transferred from Assets not in use i.e. Re-used during FY 2019-20	Accumulated Depreciation on Assets transferred to Assets not in use/ Assets held for sale during FY 2019-20	Accumulated Depreciation on Assets sold during FY 2019-20	Accumulated depreciation as at March 31, 2020	Net Carrying value as at March 31, 2020	Net Carrying value as at March 31, 2019 (Restated)
1	Land and land rights	12.1	-	-	33.09	-	-	-	33.09	2,94,402.30	2,92,680.28
2	Buildings	12.2	8,431.77	-	629.02	-	-	-	9,060.80	14,812.82	14,130.91
3	Other civil works	12.4	14,296	-	21.38	-	-	-	14,317.38	516.13	438.85
4	Plant and Machinery	12.5	1,51,694.80	-	14,812.78	1,683.30	(531.16)	-	1,67,659.73	2,03,719.40	2,00,821.69
5	Line and cable net works	12.6	1,05,220.95	-	14,006.22	-	(45.48)	-	1,19,229.17	2,00,897.94	2,00,048.21
6	Vehicles	12.7	557.64	-	36.37	-	-	(0.24)	594.53	479.57	477.80
7	Furniture and fixture	12.8	224.27	-	25.87	-	-	(1.52)	249.70	226.99	237.61
8	Office Equipment	12.9	591.67	-	33.29	-	-	-	624.96	174.63	206.08
Total (A)			2,66,878.07	-	29,597.93	1,683.30	(576.63)	(1.76)	2,97,576.90	7,15,229.59	7,12,741.62
Assets not in use - Idle/repairable			1,960.39	(277.09)	-	(1,683.30)	-	-	(0.00)	0.00	1,497.10
Total (B)			1,960.39	(277.09)	-	(1,683.30)	-	-	(0.00)	0.00	1,497.10
Gross Total (A + B)			2,68,838.46	(277.09)	29,597.93	(1,683.30)	(576.63)	(1.76)	2,97,576.90	7,15,229.59	7,14,238.72

* Detail of Additions during the year 2019-20:

1 Through CWIP	Particulars	2019-20	2018-19
(i) Contributory Works	28.57	951.60	11.41
(ii) Government Grant (90%)	624.66	(0.00)	0.00
(iii) Others	28,215.27	-	-
2 Directly Purchased	28,856.50	-	-
3 Right-of-use (ROU) - Land (re-organized leased held assets)	803.42	-	-
Total	33,870.34	951.60	11.41



Property, Plant and Equipment for the year ended March 31, 2019

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Gross Block										Gross carrying value as at March 31, 2019 (Restated)	
			4	5	6	7	8	9	10	11	12	13		
1	Land and land rights	10.1	2,92,668.87	-	-	1,141	-	-	-	-	-	-	2,92,668.87	2,92,668.87
2	Buildings	10.2	20,949.01	-	-	1,613.68	-	-	-	-	-	-	22,562.69	13,076.08
3	Other civil works	10.4	465.10	-	-	116.71	-	-	-	-	-	-	581.81	340.29
4	Plant and Machinery	10.5	3,42,908.19	-	-	12,677.01	1,438.46	-	-	-	-	-	3,52,516.49	2,03,601.85
5	Line and cable net works	10.6	2,87,253.90	-	-	21,925.25	-	-	-	-	-	-	3,09,279.15	1,95,167.85
6	Vehicles	10.7	818.99	-	-	29.57	-	-	-	-	-	-	725.45	208.87
7	Furniture and fixture	10.8	435.97	-	-	109.92	-	-	-	-	-	-	462.08	225.67
8	Office Equipment	10.9	689.60	-	-	36,483.54	-	-	-	-	-	-	797.25	168.51
Total (A)			9,46,281.57	-	-	1,438.46	-	-	-	-	-	-	9,79,615.69	2,05,467.88
Assets not in use - Idle/repairable			1,716.54	-	-	-	-	-	-	-	-	-	3,431.49	785.90
Total (B)			1,716.54	-	-	-	-	-	-	-	-	-	3,431.49	785.90
Gross Total (A + B)			9,47,998.11	-	-	1,438.46	-	-	-	-	-	-	9,83,047.18	2,06,253.88

Sr. No.	Particulars	Account Code	Accumulated Depreciation										Net Carrying value as at March 31, 2019 (Restated)	Net Carrying value as at March 31, 2018	
			4	5	6	7	8	9	10	11	12	13			
1	Land and land rights	12.1	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Buildings	12.2	7,872.93	-	-	558.84	-	-	-	-	-	-	8,431.77	2,92,668.87	
3	Other civil works	12.4	124.81	-	-	18.15	-	-	-	-	-	-	142.96	438.85	
4	Plant and Machinery	12.5	1,39,298.34	-	-	14,207.66	803.37	-	-	-	-	-	1,51,694.80	2,00,821.69	
5	Line and cable net works	12.6	92,186.05	-	-	13,844.90	-	-	-	-	-	-	1,05,230.95	2,04,048.21	
6	Vehicles	12.7	610.06	-	-	21.49	-	-	-	-	-	-	557.64	177.80	
7	Furniture and fixture	12.8	200.30	-	-	24.33	-	-	-	-	-	-	224.27	237.81	
8	Office Equipment	12.9	521.09	-	-	72.03	-	-	-	-	-	-	591.67	206.08	
Total (A)			2,40,813.59	-	-	27,947.39	803.37	-	-	-	-	-	2,68,874.07	2,12,241.62	
Assets not in use - Idle/repairable			930.64	-	-	179.13	-	-	-	-	-	-	1,967.30	1,671.10	
Total (B)			930.64	-	-	179.13	-	-	-	-	-	-	1,967.30	1,671.10	
Gross Total (A + B)			2,41,744.22	-	-	27,947.39	803.37	-	-	-	-	-	2,68,834.46	2,13,912.72	

1. 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. (Title deeds are with the Estate office of erstwhile PSEB is functioning under PSPCL). The company has details/allotment letters/deeds in respect of land procured after 16.04.2010.

ii. The accounting units of the Company are maintaining Fixed Asset Registers. The Fixed Asset Register category wise and value wise has also been prepared at Corporate Level. However, preparation of Fixed Assets Register indicating the exact location & value of each assets is under progress.

iii. Physical verification of the Fixed Assets have been carried out at the accounting unit level in FY 2020-21 due to Covid - 19 situation before finalizing the Annual accounts of FY 2019-20 and no discrepancies have been noticed.

iv. To implement Ind AS 116 - Leases, Right-of-use Assets has been recognized w.e.f. 01.04.2019 for existing 5 Nos. Leasehold lands with Lease liabilities along with adjustment of prepaid rentals of Rs. 18.04 lacs these leases approved as of 01.04.2019 (Refer Note No. 20 & 24) - (which were previously classified upto 31.03.2019 as operating lease).

Note 3.2: Out of the total assets, assets amounting to Rs. 2,87,286.38 lacs are hypothecated as security to Financial Institutions.

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Note 4 : Intangible Assets for the year ended March 31, 2020

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Gross Block			Accumulated amount of Amortization			Net Block	
			Gross carrying value as at March 31, 2019	Additions during the FY 2019-20	Gross carrying value as at March 31, 2020 (4+5)	Accumulated amount of Amortization as at March 31, 2019	Additions during the FY 2019-20	Accumulated amount of Amortization as at March 31, 2020 (7+8)	Net Carrying value as at March 31, 2020 (6-9)	Net Carrying value as at March 31, 2019 (4-7)
1	2	3	4	5	6	7	8	9	10	11
	Software	18.3	10.03	4.55	14.58	0.42	2.19	2.61	11.97	9.61
	Total		10.03	4.55	14.58	0.42	2.19	2.61	11.97	9.61

Intangible Assets for the year ended March 31, 2019

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Gross Block			Accumulated amount of Amortization			Net Block	
			Gross carrying value as at March 31, 2018	Additions during the FY 2018-19	Gross carrying value as at March 31, 2019 (4+5)	Accumulated amount of Amortization as at March 31, 2018	Additions during the FY 2018-19	Accumulated amount of Amortization as at March 31, 2019 (7+8)	Net Carrying value as at March 31, 2019 (6-9)	Net Carrying value as at March 31, 2018 (4-7)
1	2	3	4	5	6	7	8	9	10	11
	Software	18.3	-	10.03	10.03	-	0.42	0.42	9.61	-
	Total		-	10.03	10.03	-	0.42	0.42	9.61	-



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Note 5 : Assets held for sale for the year ended March 31, 2020

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Gross Block					Gross carrying value as at March 31, 2020
			Gross carrying value as at March 31, 2019)	Assets transferred from Idle/ Repairable	Assets transferred from Assets in use during FY 2019-20	Assets sold during FY 2019-20		
1	Damaged Transformer	16.611	2,895.91	307.88	890.49	(2,624.79)	1,469.49	
2	Other Assets	16.631	65.65	-	50.67	(85.35)	30.98	
	Total		2,961.57	307.88	941.16	(2,710.14)	1,500.47	

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Accumulated Depreciation and Impairment							
			Accumulated depreciation and impairment as at March 31, 2019	Accumulated depreciation on Assets transferred from Idle/ Repairable	Accumulated Depreciation on Assets transferred from Assets in use during FY 2019-20	Accumulated Depreciation on Assets sold during FY 2019-20	Net Impairment during FY 2019-20	Accumulated depreciation and impairment as at March 31, 2020	Net Carrying value as at March 31, 2020	Net Carrying value as at March 31, 2019
1	Damaged Transformer	16.621/ 16.755	2,256.58	277.09	531.16	(1,714.22)	(163.29)	1,187.32	282.17	639.33
2	Other Assets	16.641	57.35	-	45.48	(76.55)	-	26.29	4.70	8.31
	Total		2,313.93	277.09	576.63	(1,790.76)	(163.29)	1,213.61	286.86	647.63

Details of Impairment Loss included in the Accumulated Depreciation as on 31.03.2020:

(Rupees in Lacs)

Sr. No.	Particulars	Amount
1	Opening balance of impairment loss as on 01.04.2019	384.45
2	Add: Impairment loss booked during the year	165.65
3	Less: Reversal of Impairment loss during the year	(328.94)
4	Total Impairment loss booked as on 31.03.2020	221.15



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PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Assets held for sale for the year ended March 31, 2019

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Gross Block					
			Gross carrying value as at March 31, 2018	Assets transferred from Idle/Repairable	Assets transferred to Idle/Repairable	Assets transferred from Assets in use during FY 2018-19	Assets sold during FY 2018-19	Gross carrying value as at March 31, 2019
1	2	3	4	5	6	7	8	9
1	Damaged Transformer	16.611	2,869.98	211.24	(237.05)	876.29	(824.55)	2,895.91
2	Other Assets	16.631	41.04	-	52.66	(28.04)	(852.59)	65.66
	Total		2,911.02	211.24	(237.05)	928.95	(852.59)	2,961.57

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Accumulated Depreciation and Impairment											
			Accumulated depreciation and impairment as at March 31, 2018	Accumulated depreciation on Assets transferred from Idle/Repairable	Accumulated depreciation on Assets transferred to Idle/Repairable	Accumulated Depreciation on Assets transferred from Assets in use during FY 2018-19	Accumulated Depreciation on Assets sold during FY 2018-19	Impairment during FY 2018-19	Accumulated depreciation and impairment as at March 31, 2019	Net Carrying value as at March 31, 2019	Net Carrying value as at March 31, 2018			
1	2	3	4	5	6	7	8	9	10	11	12			
1	Damaged Transformer	16.621/16.755	2,375.45	82.99	(179.13)	628.76	(176.37)	(475.12)	2,256.58	639.33	494.53			
2	Other Assets	16.641	29.31	82.99	(179.13)	46.44	(18.39)	-	57.35	8.31	11.73			
	Total		2,404.75	82.99	(179.13)	675.20	(194.76)	(475.12)	2,313.93	647.63	506.26			

Details of Impairment Loss included in the Accumulated Depreciation as on 31.03.2019:

(Rupees in Lacs)

Sr. No.	Particulars	Amount
1	Opening balance of impairment loss as on 01.04.2018	859.56
2	Add: Impairment loss booked during the year	91.24
3	Less: Reversal of Impairment loss during the year	(566.36)
4	Total Impairment loss booked as on 31.03.2019	384.45



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Note 6 : Capital Work in Progress

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019 (Restated)
1	Capital works in progress	14	23,282.19	32,442.47
2	Capital works in progress - 400KV & above	15.1	4,785.06	1,908.66
3	Materials/Advance issued to Suppliers/Contractors	25	202.42	136.93
	Total		28,269.67	34,488.06

Note 6.1 : Details of capital work in progress

(Rupees in Lacs)

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019 (Restated)
	Opening Capital work in progress	34,488.06	45,180.07
Add	Additions during the year including capitalization of interest, employee cost & other expenses *	22,648.11	26,174.26
Less	Transferred to Fixed Assets during the year		
	i) from Contributory Works	28.57	2,029.28
	ii) from Government Grant under PSDF Scheme (90%)	624.66	336.00
	iii) from Others	28,213.27	33,873.50
Less	Adjustment relating to PSPCL	-	627.50
	Closing capital work in progress	28,269.67	34,488.06

* The addition in Capital work in progress and Contract in progress includes capitalisation of interest of Rs. 2100.99 lacs (on amount borrowed and utilised for construction of the transmission projects), establishment cost of Rs. 2905.48 lacs, R&M expenses of Rs. 18.75 lacs, A&G expenses of Rs.394.97 lacs and Depreciation of Rs.28.10 lacs during FY 2019-20.

Note 6.2 : Detail of CWIP (Contribution works, Government Grants under PSDF Scheme and Others)

(Rupees in Lacs)

Sr. No.	Particulars	Opening balance of WIP	Addition	Total	Transfer to Fixed Assets	Closing balance of WIP
1	Contributory Works	290.11	5,326.33	5,616.45	28.57	5,587.87
2	Government Grant under PSDF Scheme (90%)	142.87	1,194.51	1,337.39	624.66	712.73
3	Others	34,055.07	16,127.27	50,182.34	28,213.27	21,969.06
	Total	34,488.06	22,648.11	57,136.17	28,866.50	28,269.67

Note 6.3 :

The amount of Rs. 21,969.06 lacs closing balance of CWIP is hypothecated as security to the Financial Institutions.

Note 7 : Capital Stores

(Rupees in Lacs)

Sr. No.	Particulars	Account code	As at 31st March, 2020	As at 31st March, 2019
1	Stores & Spares			
	i Materials at stores	22.601 to 22.619	6,676.62	7,226.37
	ii Materials at site	22.640	111.36	26.57
	Total Stores (A)		6,787.98	7,252.94
2	Less: Provisions for			
	i Obsolete items	22.905	(188.71)	(9.05)
	Total Provisions (B)		(188.71)	(9.05)
	Net Stores (A-B)		6,599.26	7,243.89

Note 7.1 :

Physical verification of the Stores have been carried through out the whole year on regular basis at the unit level and shortage of Rs.88.38 lacs during the year has been found for which provision has been made & shown in Note No. 8.

Note 7.2 :

The above amount of Capital Stores is hypothecated to State Bank of India against cash credit facility as a security.

Gross Amount of Capital work in progress & capital stores (Note 6+7)	34,868.93	41,731.95
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Note 8 : Other Non Current Financial Assets

(Rupees in Lacs)

Sr. No.	Particulars	Account code	As at 31st March, 2020	As at 31st March, 2019
1	Amount recoverable from staff	28.360	0.98	1.27
2	Other Receivables	28.868	185.06	188.44
3	Amount under investigation for losses	28.870	671.36	671.24
4	Material stock excess pending investigation	22.810	(13.76)	-
5	Material stock shortage pending investigation	22.830	166.41	78.03
	Total A		1,010.05	938.97
6	Less : Provision for losses under investigation & Stock shortage(Net of Excess/shortage)	28.951	(824.02)	(749.27)
	Net (A-B)		186.04	189.70

Note 8.1

- i Provision for Material stock shortage increased by Rs. 88.38 lacs during FY 2019-20.

Note 9 : Other Non Current Assets

(Rupees in Lacs)

Sr. No.	Particulars	Account code	As at 31st March, 2020	As at 31st March, 2019
	Unsecured considered Good			
1	Securities	28.914	0.79	0.67
2	Deposits - against works, in courts etc.	28.919	89.24	54.12
3	Inter Unit Transfer prior to 16.04.2010			
i	Inter Unit Transfer (prior to 16.04.2010)	30-37	-	68.97
ii	Blank U Cheque (prior to 16.04.2010)	39000	-	5,570.84
	Grand Total		90.03	5,694.60

Note 9.1:

Inter Unit Transfer (prior to 16.04.2010) amounting to Rs. 68.97 lacs and Blank U Cheque (prior to 16.04.2010) Rs. 5570.84 lacs has been written off during the year as approved by BOD in its 60th meeting.

Note 10 : Inventories

(Rupees in Lacs)

Sr. No.	Particulars	Account code	As at 31st March, 2020	As at 31st March, 2019
	Stores & Spares (O&M)			
1	Materials at stores	22.621 to 22.639	2,171.53	2,456.08
2	Materials at site	22.650	162.89	137.15
	Total Stock & Spares (A)		2,334.43	2,593.24
3	Less: Provisions for			
i	Obsolete items	22.902	(0.58)	(0.33)
	Total Provisions (B)		(0.58)	(0.33)
	Net Stores & Spares (A-B)		2,333.85	2,592.91

Note 10.1 :

Physical verification of the Stores have been carried through out the whole year at the unit level and no discrepancy has been reported.

Note 10.2 :

The above amount of Inventory is hypothecated to State Bank of India against cash credit facility as a security.



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Note 11 : Trade Receivables

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019
1	Sundry debtors	23.8		
i	Unsecured and considered Good Exceeding Six months		2,453.32	2,453.32
ii	Others		27,731.88	23,403.04
	Total A		30,185.21	25,856.37
	Less : Provision for doubtful dues from consumers	23.9	(4.32)	-
	Net (A-B)		30,180.88	25,856.37

Note 11.1 : In the opinion of Company, trade receivables as stated in the accounts will be realized in the ordinary course of Business.

Note 11.2 : Sundry debtors are hypothecated to State Bank of India against cash credit facility as a security (first charge).

Note 11.3 : The age wise breakup of trade receivables as at March 31, 2020 are as under:

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Exceeding 6 Months	Others	Total
i	PSPCL - Transmission charges	23.831	-	27,115.57	27,115.57
ii	PSPCL - SLDC charges	23.832	-	580.20	580.20
iii	Open Access Customers	23.801	4.32	36.12	40.45
iv	Government of Punjab (GOP)*	23.833	2,449.00	-	2,449.00
	Total		2,453.32	27,731.88	30,185.21

Note 11.4 : The detailed breakup of trade receivables as at March 31, 2020 are as under:

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Considered Good - Secured	Considered Good	Trade Receivable which have significant increase in credit risk	Credit Impaired	Total
1	2	3	4	5	6	7	8
i	PSPCL - Transmission charges	23.831	-	27,115.57	-	-	27,115.57
ii	PSPCL - SLDC charges	23.832	-	580.20	-	-	580.20
iii	Open Access Customers	23.801	-	36.12	4.32	-	40.45
iv	Government of Punjab (GOP)*	23.833	-	2,449.00	-	-	2,449.00
	Total		-	30,180.88	4.32	-	30,185.21

* The amount recoverable from GOP is on account of carrying cost as decided by PSERC in different tariff orders.

Note 12 : Cash & Cash equivalents

(Rupees in Lacs)

Sr. No.	Particulars	Account code	As at 31st March, 2020	As at 31st March, 2019
1	Cash in hand/at Bank	24.110, 130 & 24.401	1,114.17	609.44
2	Cash imprest with staff	24.2	1.71	-
3	Postage stamps in hand	24.120	0.34	0.43
	Total		1,116.22	609.87

Note 12.1 : Disclosure in respect of Changes in financial liabilities arising from cash and non-cash changes are as under:

(Rupees in Lacs)

Sr. No.	Particulars	As on 31.03.2019	Received			Repayment			As on 31.03.2020
			Cash	Non Cash	Total	Cash	Non Cash	Total	
1	Borrowings including current maturities (Refer Note No. 19 & 25)	4,76,177.07	31,217.13	36.14	31,253.27	48,924.79	-	48,924.79	4,58,305.55
2	Borrowings - CC Limit & short term (Refer Note No. 23)	3,199.87	4,571.05	-	4,571.05	0.00	-	-	7,770.92
3	Lease Liability (Refer Note No. 20 & 24)	-	-	785.38	785.38	15.65	-	15.65	769.73
4	Deferred income/liability - PSPCL Loan (Refer Note No. 22)	426.21	-	-	0.00	-	36.14	36.14	390.07
	Total	4,79,803.14	35,788.18	821.52	36,609.70	48,940.43	36.14	48,976.57	4,67,436.27

Note 13 : Bank balance other than Cash & Cash equivalents

(Rupees in Lacs)

Sr. No.	Particulars	Account code	As at 31st March, 2020	As at 31st March, 2019
	Fixed Deposit	20	-	25.54
	Total		-	25.54

Note 14 : Other Current Financial Assets

(Rupees in Lacs)

Sr. No.	Particulars	Account code	As at 31st March, 2020	As at 31st March, 2019
1	Advances to Suppliers/ Contractors (O&M)	26.1 to 26.8	1.03	0.90
2	Interest accrued on fixed deposits	28.320	-	0.26
3	Sundry Debtor - for other income	28.1	110.71	85.19
4	Income accrued and due - interest on refund of income tax	28.290	434.36	-
5	Amount recoverable from Employees	28.4	97.67	98.53
6	Amount recoverable from Suppliers	28.810	22.40	31.52
	Total		666.17	216.41

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PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Note 15 : Current Tax Assets (Net)

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019
	Advance Income tax/Tax deducted at source after netting off provision for income tax	27.4/46.8	8,139.49	5,622.36
	Total		8,139.49	5,622.36

Note 15.1 : Detail of current tax & liabilities

(Rupees in Lacs)

Financial Year	Particulars	As at 31st March, 2020	As at 31st March, 2019
2015-16	TDS/TCS	1.34	1.34
2016-17	TDS/TCS	2.28	2.28
2017-18	TDS/TCS	2,933.46	2,933.46
2018-19	TDS/TCS	2,685.28	2,685.28
2019-20	TDS/TCS	2,517.13	-
	Total Current Tax Assets (Net)	8,139.49	5,622.36

Note 15.2 :

Out of the outstanding TDS/TCS amount pertaining to FY 2017-18 Rs. 2732.43 lacs and FY 2018-19 have been received back Rs. 2685.28 lacs on 24.08.2020 and 28.07.2020 respectively.

Note 16 : Other Current Assets

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019
1	Prepaid expenses	28.820	1.99	28.49
2	TA/Medical Advances	27.202 & 27.207	7.19	4.97
3	GST Deposited on Advance	27.6	1,024.85	-
	Total		1,034.03	33.46

Note 16.1 :

GST deposited on advance received against contribution work of PSPCL (M/s HMEL).



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PUNJAB STATE TRANSMISSION CORPORATION LIMITED

Note 17.1 : Equity share capital

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019
(a)	Authorised			
	3,00,00,00,000 Equity shares of Rs. 10/- each			
	Total		3,00,000.00	3,00,000.00
(b)	Issued, subscribed and fully paid-up			
	60,58,83,465 equity shares of Rs. 10/- each fully paid up	54.5		
	Total		60,588.35	60,588.35
			60,588.35	60,588.35

Note 17.1 : The company has only one class of shares i.e. equity shares having a par value of Rs.10/- each per share. Each holder of equity share is entitled to one vote per share.

Note 17.2 : Reconciliation of Shares outstanding

(Rupees in Lacs)

Sr. No.	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Number	Rupees	Number	Rupees
1	Shares outstanding at the beginning of the year	60,58,83,465	60,588.35	60,58,83,465	60,588.35
2	Shares issued during the year	-	-	-	-
3	Shares bought back during the year	-	-	-	-
4	Shares outstanding at the end of the year	60,58,83,465	60,588.35	60,58,83,465	60,588.35

Note 17.3 : Share holders holding more than 5% equity shares of the company

Sr. No.	Name of Shareholder	Class of Share	As at 31st March, 2020		As at 31st March, 2019	
			No. of Shares	Percentage	No. of Shares	Percentage
1	Governor of Punjab	Equity	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

Note 17.4 : Details of other Share holdings

Sr. No.	Name of Shareholder	As at 31st March, 2020	As at 31st March, 2019
		No. of Shares	No. of Shares
1	Sh. Karan Avtar Singh, IAS	5,000	5,000
2	Sh. Anirudh Tewari, IAS	5,000	5,000
3	Ms. Ravneet Kaur, IAS, Addl. Chief Secy/Power	5,000	-
4	Ms. Ravneet Kaur, IAS, CMD, PSTCL	5,000	-
5	Sh. Vivek Pratap Singh, IAS	2,500	2,500
6	Sh. Vijay Namdeorao Zade, IAS	5,000	5,000
7	Sh. Ravinder Kumar Kaushik, IAS	5,000	5,000
8	Sh. Baldev Singh, CMD, PSPCL	5,000	5,000
9	Sh. Kumar Amit, IAS	2,500	2,500
10	Ms. Poonamdeep Kaur, IAS	2,500	-
11	Sh. Dipinder Singh, IAS	2,500	2,500
12	Sh. Jatinder Kumar Goyal, Director/Finance, PSPCL	2,500	2,500
13	Sh. Vinod Kumar Bansal, Director/F&C, PSTCL	2,500	-
14	Sh. A. Venu Prasad, IAS, Principal Secy/Power	-	5,000
15	Sh. A. Venu Prasad, IAS, CMD, PSTCL	-	5,000
16	Sh. Gurpreet Singh Khaira, Municipal Commissioner	-	2,500
17	Sh. Jatinder Kumar Goyal	-	2,500
	Total	50,000	50,000

All the above share holders are nominees of Punjab Government.



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Note 18 : Other Equity

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019 (Restated)
1	General Reserve			
	Opening Balance	56.1	200.05	200.05
	Add : Addition during the year		-	-
	Less : Utilized/ transferred during the year		-	-
	Closing balance	A	200.05	200.05
2	Capital Reserve			
	Opening Balance	56.2	1,86,210.78	1,86,210.78
	Add : Addition during the year		-	-
	Less : Utilized/ transferred during the year		-	-
	Closing balance	B	1,86,210.78	1,86,210.78
3	Profit & Loss Account (Surplus Account)			
	Opening Balance as per Profit & Loss Account		38,297.29	39,120.90
	Add : Profit/(Loss) after tax for the current year		(3,357.18)	(688.89)
	- Prior period adjustment as per Ind AS 8		-	(128.01)
	Net Profit/(Loss) after tax for the current year		(3,357.18)	(816.90)
	Add: Other Comprehensive Income directly recognised in surplus balance- Remeasurement of Actuarial		(139.14)	(6.71)
	Closing balance of Profit & Loss Account	C	34,800.97	38,297.29
	Total (A+B+C)		2,21,211.80	2,24,708.12

Note:

(i) General Reserve will be utilized for distribution of dividend/meeting future losses (if any).

(ii) Capital Reserve includes amount of Rs. 1,84,582.08 lacs parked/received as opening balance through transfer scheme notified by Punjab Government on 24.12.2012 and amount of Rs. 1628.71 lacs pertaining to the period 16.04.2010 to 31.03.2015 transferred in FY 2015-16 from "Reserve for Material cost variance".



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Note 19 : Borrowings

(Rupees in Lacs)

Sr. No.	Particulars	Date of Availment of Loan	Date of Maturity of Loan	Account Code	Non Current Liabilities as at 31st March, 2020	Non Current Liabilities as at 31st March, 2019
A	Secured					
1	Term Loans from Rural Electrification Corporation					
i	10.25% p.a. with 3 year reset clause secured against Punjab State Government Guarantee, Hypothecation of future assets & Default Escrow	16.04.2010	02/2021	53.301	-	1,721.70
ii	10.25% p.a. with 3 year reset clause secured against Hypothecation of future assets & Default Escrow	16.04.2010	08/2022	53.301	1,559.40	2,339.10
iii	10.25% to 10.75% p.a. with 3 year reset clause secured against Hypothecation of future assets & Default Escrow	07.09.2010 to 31.03.2019	08/2036	53.301	2,25,815.66	2,43,190.42
iv	10.25% p.a. secured against Punjab Govt. Guarantee & Default Escrow	09.09.2016	09/2026	53.301	15,714.29	18,571.43
v	10.25% to 10.75% p.a. with 3 year reset clause. secured against Hypothecation of future assets & Default Escrow (SLDC)	20.02.2013 to 31.03.2019	02/2031	53.301	691.86	696.64
	Total				2,43,781.20	2,66,519.29
2	Term Loans from State Bank of India					
i	MCLR + 0.35% secured against Punjab Govt. Guarantee & Default Escrow	30.03.2019	03/2024	53.501	24,963.61	4,374.94
	Total				24,963.61	4,374.94
3	Term Loan from NABARD					
i	10.00% p.a. with 5 year reset clause secured against Hypothecation of future assets & Default Escrow	11.02.2015 to 31.03.2019	03/2030	53.400	16,910.75	18,502.24
4	Term Loan from PFC					
i	9.90% p.a. net of rebate secured against Punjab Govt. Guarantee & Default Escrow	10.10.2016	03/2028	53.801	42,142.86	48,571.43
ii	9.70% p.a. net of rebate secured against Mortgage of Assets & Default Escrow	28.03.2018	04/2026	53.801	49,557.00	49,557.00
	Total				91,699.86	98,128.43
5	Term Loan from Bank of India					
i	MCLR + 1.60% secured against Punjab Govt. Guarantee & Default Escrow	30.12.2014	12/2024	53.510	4,686.41	5,629.33
ii	MCLR + 1.60% secured against Punjab Govt. Guarantee & Default Escrow	30.12.2015	12/2025	53.510	14,840.87	17,200.46
	Total				19,527.27	22,829.79
6	Term Loan from Indian Overseas Bank					
i	(MCLR + 0.60%) secured against Punjab Govt. Guarantee & Default Escrow	30.04.2018	04/2021	53.511	2,997.75	6,499.83
7	Term Loan from UCO Bank					
i	MCLR + 0.10% secured against Punjab Govt. Guarantee & Default Escrow	20.11.2017	10/2020	53.509	-	2,916.04
	Total Secured borrowings (A)				3,99,880.44	4,19,770.57



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Note 19 : Borrowings - Contd...

(Rupees in Lacs)

Sr. No.	Particulars	Date of Availment of Loan	Date of Maturity of Loan	Account Code	Non Current Liabilities as at 31st March, 2020	Non Current Liabilities as at 31st March, 2019
B	<u>Unsecured</u>					
1	Term Loan from PSPCL					
	i Interest free (11KV VCB)	31.03.2017	03/2027	53.811	179.40	238.17
	Total				179.40	238.17
2	Term Loan from GPF Trust	16.04.2010	03/2023	57.120	4,390.97	6,586.46
	Total Unsecured borrowings (B)				4,570.37	6,824.63
	Grand Total (A + B)				4,04,450.81	4,26,595.19

Note 19.1:

- Against the sanctioned Loan amount of Rs. 5204.48 crore at Sr. No. 1 loan availed upto 31.03.2020 is Rs.3985.69 crore. (REC) - Escrow.
- Against the sanctioned Loan amount of Rs. 300 crore at Sr. No. 2 loan availed upto 31.03.2020 is Rs. 300 crore. (SBI)
- Against the sanctioned Loan amount of Rs.317.36 crore at Sr. No. 3 loan availed upto 31.03.2020 is Rs. 225.35 crore. (NABARD) - Escrow.
- Against the sanctioned Loan amount of Rs. 995.57 crore at Sr. No. 4 loan availed upto 31.03.2020 is Rs. 995.57 crore.(PFC)
- Against the sanctioned Loan amount of Rs.350 crore at Sr. No. 5 loan availed upto 31.03.2020 is Rs. 350 crore. (BOI)
- Against the sanctioned Loan amount of Rs. 150 crore at Sr. No. 6 loan availed upto 31.03.2020 is Rs. 150 crore. (IOB)
- Against the sanctioned Loan amount of Rs.100 crore at Sr. No. 7 loan availed upto 31.03.2020 is Rs. 100 crore. (UCO Bank)

Note 19.2 : Loan from PSPCL (11KV VCB)

Interest free loan received from PSPCL (11KV VCB) amounting to Rs. 759.29 lacs. This loan is shown at its fair value of Rs. 274.31 lacs less current maturity of Rs. 94.91 lacs (Note No. 25) and remaining amount of Rs. 390.07 lacs shown as Deferred Income/liability under non current liabilities (Note no. 22).

Note 19.3 : Term Loan from GPF Trust

Loan of Rs. 173.25 crore and interest thereon upto 31.03.2013 of Rs. 46.30 crore, total amounting to Rs. 219.55 crore was parked as per the Transfer Scheme, 2012 (first amendment) and is being paid in 10 yearly instalments starting from 01.04.2013.

Note 20 : Lease Liabilities against Leasehold Assets

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	Non Current Liabilities as at 31st March, 2020	Non Current Liabilities as at 31st March, 2019
	Lease Liabilities - for Right-of-use (ROU) - Land *	52.601	700.26	-
	Total		700.26	-

* Refer Note No. 3.1 (iv)

Note 21 : Provisions

(Rupees in Lacs)

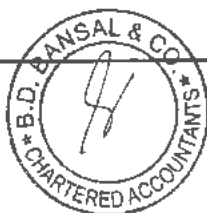
Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019
1	Provision for Gratuity	44.161	933.38	585.86
2	Provision for Leave encashment	44.162	1,499.68	936.83
	Total		2,433.07	1,522.69

Note 21.1 : 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.

Note 22 : Other non current liabilities

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019
1	Deposits for :-			
	i Deposit works	47.305	0.21	20.48
	ii Contribution works	47.309	16,074.65	7,019.99
2	Deferred income/liability - PSPCL loan.	53.861	390.07	426.21
	Total		16,464.93	7,466.68



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Note 23 : Borrowings

(Rupees in Lacs)

Sr. No.	Particulars	Date of Availment of Loan	Date of Maturity of Loan	Account code	As at 31st March, 2020	As at 31st March, 2019
1	Secured Cash credits from SBI Cash credits limit Rs. 200 crores, MCLR + 2.50% secured against Stock/Debtors & Default Escrow	09/2019	Renewable Annually	50.1	7,770.92	3,199.87
	Total				7,770.92	3,199.87

Note 24 : Lease Liabilities against Leasehold Assets (Current maturity)

(Rupees in Lacs)

Sr. No.	Particulars	Account code	Current Liabilities as at 31st March, 2020	Current Liabilities as at 31st March, 2019
	Current maturity of lease liabilities Lease Liabilities - for Right-of-use (ROU) - Land*	52.601	69.48	-
	Total		69.48	-

* Refer Note No. 3.1 (iv)



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Note 25 : Other Current Financial Liabilities

(Rupees in Lacs)

Sr. No.	Particulars	Date of Availment of Loan	Date of Maturity of Loan	Account Code	Current Liabilities as at 31st March, 2020	Current Liabilities as at 31st March, 2019
A Secured						
1 Term Loans from Rural Electrification Corporation						
i	10.25% p.a. with 3 year reset clause secured against Punjab State Government Guarantee, Hypothecation of future assets & Default Escrow	16.04.2010	02/2021	53.301	1,721.70	2,772.31
ii	10.25% p.a. with 3 year reset clause secured against Hypothecation of future assets & Default Escrow	16.04.2010	08/2022	53.301	779.70	779.70
iii	10.25% to 10.75% p.a. with 3 year reset clause secured against Hypothecation of future assets & Default Escrow	07.09.2010 to 31.03.2019	08/2036	53.301	23,257.00	22,196.87
iv	10.25% p.a. secured against Punjab Govt. Guarantee & Default Escrow	09.09.2016	09/2026	53.301	2,857.14	1,428.57
v	10.25% to 10.75% p.a. with 3 year reset clause. secured against Hypothecation of future assets & Default Escrow (SLDC)	20.02.2013 to 31.03.2019	02/2031	53.301	34.99	32.24
Total					28,650.53	27,209.70
2 Term Loans from State Bank of India						
i	MCLR Medium Term secured against Punjab Govt. Guarantee, Stock & Default Escrow	05.01.2015	10/2019	53.501	-	799.74
ii	MCLR + 0.35% secured against Punjab Govt. Guarantee & Default Escrow	30.03.2019	03/2024	53.501	4,375.00	625.00
Total					4,375.00	1,424.74
3 Term Loan from NABARD						
	10.00% p.a. with 5 year reset clause secured against Hypothecation of future assets & Default Escrow	11.02.2015 to 31.03.2019	03/2030	53.400	1,881.67	1,853.46
4 Term Loan from PFC						
	9.90% p.a. net of rebate secured against Punjab Govt. Guarantee & Default Escrow	10.10.2016	03/2028	53.801	6,428.57	1,428.57
5 Term Loan from Bank of India						
i	MCLR + 1.60% secured against Punjab Govt. Guarantee & Default Escrow	30.12.2014	12/2024	53.510	937.50	1,250.00
ii	MCLR + 1.60% secured against Punjab Govt. Guarantee & Default Escrow	30.12.2015	12/2025	53.510	2,343.75	3,125.00
Total					3,281.25	4,375.00
6 Term Loan from Indian Overseas Bank						
	(MCLR + 0.60%) secured against Punjab Govt. Guarantee & Default Escrow	30.04.2018	04/2021	53.511	3,500.00	6,000.00
7 Term Loan from UCO Bank						
	MCLR + 0.10% secured against Punjab Govt. Guarantee & Default Escrow	20.11.2017	10/2020	53.509	2,915.48	5,000.00
Total Secured Loans (A)					51,032.51	47,291.48
B Unsecured						
1 Loan from PSPCL						
	Interest free (11KV VCB)	31.03.2017	03/2027	53.811	94.91	94.91
2 Term Loan from GPF Trust						
		16.04.2010	03/2023	57.120	2,927.31	2,195.49
Total Unsecured Loans (B)					3,022.23	2,290.40
Total current maturity of long term borrowings (A + B)					54,054.74	49,581.88

Refer Note No. 19.1



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Note 25 : Other Current Financial Liabilities - Contd...

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019 (Restated)
C	Others			
1	Creditors for Capital supplies/ works	42	3,176.34	2,344.61
2	Creditors for O&M supplies/ works	43	203.14	387.09
3	Staff related liabilities - other than statutory dues	44.2 & 3 and balance heads of 44.4	1,251.50	1,189.10
4	Deposit & retention money from suppliers & contractors*	46.1	2,417.74	2,535.02
5	Creditors for expenses	46.4	4,187.26	2,946.31
6	Interest accrued but not due on borrowings - LIC, REC, Comm. Banks, PFC & GPF	Balance 46.7 and 51.212	3,413.96	3,272.85
7	Interest accrued but not due on Lease Liabilities - Land	46.751	26.71	-
8	Payables to PSPCL	46.946 to 46.952	494.48	1,073.85
9	Miscellaneous Liabilities	46.910, 46.922 & 46.926	2,143.41	2,022.87
	Total Others (C)		17,314.58	15,771.70
	Grand Total (A + B + C)		71,369.29	65,353.58

* This includes permanent earnest money deposits of Rs. 595.00 lacs as at March 31, 2020 & Rs. 623.00 lacs as at March 31, 2019 which is payable on demand.

Note 25.1 : Detail of Amount payable to PSPCL

(Rupees in Lacs)

Sr. No.	Particulars	Account code	As at 31st March, 2020	As at 31st March, 2019
i	Amount payable to PSPCL as per Trial Balance	46.946 to 46.952	494.48	945.85
	Difference of terminal benefit @ 11.36% accounted for in FY 2019-20 which relates to FY 2018-19.		-	128.01
	Closing balance		494.48	1,073.85

Note 26 : Other Current Liabilities

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019
1	Liabilities for statutory dues - TDS, Cess, GST etc.	46.923, 46.953 & 46.986 to 46.995	119.02	486.12
2	Liabilities towards payment of NPS: i) for employees on deputation/secondment from PSPCL	57.160, 161, 165 & 166	13.99	13.02
	ii) for employees recruited by PSTCL	57.170, 171, 175 & 176	88.34	69.60
3	Liabilities towards GPF Trust	57.126 & 57.127	1,077.65	230.11
4	Amount payable against Statutory dues recovered from employees.	44.401, 403, 405, 406, 407, 427 & 428	61.01	55.98
	Total		1,380.01	854.83

Note 27 : Provisions

(Rupees in Lacs)

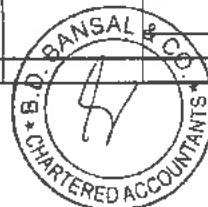
Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019
1	Provision for Gratuity	44.161	20.42	16.89
2	Provision for Leave encashment	44.162	35.28	26.43
	Total		55.70	43.32

Note 27.1 : 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.

Note 28 : Deferred Revenue

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	As at 31st March, 2020	As at 31st March, 2019
1	Consumer Contribution for creating fixed assets	55.199		
	Opening Balance		6,048.76	4,319.02
	Added during the year		28.57	2,029.28
	Less : Depreciation on such assets during the year		348.21	299.54
	Closing balance (A)		5,729.12	6,048.76
2	Government grants received towards cost of capital assets - yet to be utilized	55.298 / 47.325		
	Opening Balance		732.13	-
	Add : Received during the year		883.60	1,068.13
	Less : Amount utilized for creation of fixed assets		624.66	336.00
	Closing balance (B)		991.07	732.13
3	Government grants received towards cost of capital assets - utilized	55.299		
	Opening Balance		329.61	-
	Add : Amount transferred from Grant unutilized account		624.66	336.00
	Less : Depreciation on such assets adjusted during the year		25.00	6.38
	Closing balance (C)		929.27	329.61
	Total (A+B+C)		7,649.46	7,110.50



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Note 29 : Revenue from Operations

(Rupees in Lacs)

Sr. No.	Particulars	Account code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Transmission Charges from PSPCL	61.831	1,29,717.00	1,22,648.00
2	Transmission Charges from Open Access Customers	61.830		
	i) long term open access customers - Railways		135.01	-
	ii) short term open access customers - Others		3.86	27.96
3	SLDC Charges from PSPCL	61.832	2,224.00	1,836.00
4	Operating charges from open access customers	62.810		
	i) long term open access customers - Railways		1.75	-
	ii) short term open access customers - Others		25.00	26.67
	Total		1,32,106.63	1,24,538.63

Note 29.1 :

During FY 2019-20, total revenue of Rs. 1319.41 crores has been recognised based on the review of FY 2019-20 and true-up of FY 2018-19 as per tariff order issued by PSERC for FY 2020-21. This comprises of Rs. 1297.17 crores for transmission charges and Rs. 22.24 crores of SLDC charges from PSPCL.

Note 30 : Other Income

Note 30.1 : Other source of Revenue

(Rupees in Lacs)

Sr. No.	Particulars	Account code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Income from O&M of bays of PGCIL	62.974	266.89	570.32
	Total		266.89	570.32

Note 30.2 : Other income (except Other source of revenue)

(Rupees in Lacs)

Sr. No.	Particulars	Account code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Interest on Bank deposits	62.280	4.78	15.72
2	Income from sale of scrap	62.3	276.15	419.69
3	Gain on			
	-sale of land - additional compensation	62.4	13.16	-
	-sale of other fixed assets	62.4	367.48	-
4	Income from staff welfare activities	62.6	1.07	0.86
5	Rental for staff quarters	62.901	35.88	37.35
6	Sale of tender forms	62.903	-	1.25
7	Penalty imposed on suppliers/contractors	62.920	223.32	269.71
7	NOC charges from Open access customers	62.922	16.65	10.30
8	Credit balances written back :			
	- Sundry creditors	62.912	6.56	9.90
	- Security deposits/EMD	62.930	153.23	88.58
	- Other Sundry credit balances	62.930	134.68	554.84
9	Late/Delayed Payment Surcharge - PSPCL	62.932	1,330.14	-
10	Rebate on early payment to NRLDC	62.973	13.05	15.11
11	Miscellaneous Income *	Bal 62	717.31	767.67
	Total (A)		3,293.46	2,190.98
12	Interest received on refund of Income tax	62.211	434.36	207.89
13	Provision withdrawn on unserviceable/obsolete items & losses under investigation	65.800	4.77	47.71
14	Reversal of excess provision of impairment loss	62.4	328.94	566.36
	Total (B)		768.07	821.95
	Total (A + B)		4,061.53	3,012.93
	Grand Total Note 30 (Note 30.1 + Note 30.2)		4,328.42	3,583.25

* Miscellaneous Income includes Departmental charges on contribution/deposit works Rs. 481.45 lacs, Lease rent of fiber optic cable from PGCIL Rs. 20.41 lacs, Lease rent of land from Mandi Board Rs. 3.30 lacs, work appraisal charges Rs. 11.16 lacs, Recovery of Penalty from contractors Rs. 84.32 lacs, Salary deposited/ Surety bonds by employees due to short period notice of resignation/retirement Rs. 19.93 lacs, Testing fees Rs. 13.62 lacs and Deposit forfeited Rs. 22.94 lacs.



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Note 31 : Employee benefits expense

(Rupees in Lacs)

Sr. No.	Particulars	Account code	For the year ended 31st March, 2020	For the year ended 31st March, 2019 (Restated)
1	Salaries	75.1 except 75.190	7,491.05	7,754.76
2	Expenses for engagement of manpower through outsourcing agencies	75.190	3,239.27	2,459.22
3	Overtime	75.2	490.69	479.64
4	Dearness Allowance	75.3	9,604.28	9,098.12
5	Other Allowances	75.4	1,523.17	1,527.56
6	Bonus	75.5	5.26	6.93
	Total (A)		22,353.72	21,326.23
7	Medical expenses reimbursement	75.641-655	99.82	94.51
8	Leave Travel Assistance/Concession	75.612, 613 & 616	75.61	25.57
9	Employee expenses towards:			
i	NPS, CPF, PF, LWF	75.810, 815, 820, 825, 832, 835, 840	540.30	458.47
ii	Miscellaneous - P.F inspection fees, solatium, Memento etc.	75.850, 851, 870, 871, 872	45.20	38.34
	Total (B)		760.94	616.89
10	Staff Welfare Expenses			
i	Electricity Concession to Employees	75.761	153.71	162.45
ii	Staff Welfare Expenses	Bal. 75.7	14.74	9.65
	Total (C)		168.44	172.09
11	Terminal Benefits			
i	Share of Pension, Gratuity & Medical	Bal. 75.8	28,316.63	26,676.33
ii	Share of Leave Encashment	75.617 & 618	1,958.03	2,156.13
	Total share @ 11.36% as per transfer scheme (D)		30,274.66	28,832.46
12	Provision for gratuity and leave encashment for employees recruited by PSTCL	75.881	783.61	406.63
	Total (E)		783.61	406.63
	Grand Total(A+B+C+D+E)		54,341.38	51,354.30
13	Less: Employee costs relating to construction capitalized	Bal. 75.9	2,905.48	3,965.44
	Total	75.9	2,905.48	3,965.44
	Net Total		51,435.90	47,388.86

Note 31.1 : Details of provision for Gratuity and leave encashment

(Rupees in Lacs)

Sr. No.	Particulars	Account code	2020	2019
1	Amount debited (as per Trial Balance)	75.881	922.76	413.34
2	Transferred to OCI as income (Note No. 38)		(139.14)	(6.71)
3	Balance at the end of the year		783.61	406.63

Note 31.2 : Detail of Terminal benefits

(Rupees in Lacs)

13	Particulars	Account code	2020	2019
i	Share of Pension, Gratuity, Medical & Leave encashment @ 11.36% (as per Trial balance)	Bal 75.8, 75.617 75.618 & 83.5	30,402.67	28,704.45
	Prior period adjustment of above share	83.5	(128.01)	128.01
	Closing balance		30,274.66	28,832.46

Note 31.2: Employee benefits expenses - Electricity Concession to PSTCL Employees working on deputation from PSPCL

The employees on deputation from PSPCL are entitled to electricity concession under the provisions of the Transfer Scheme, 2010. 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 31.3 : Employee benefits expenses - Terminal benefits

Some of 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, 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.30274.66 lacs being 11.36% of total amount as intimated by PSPCL has been taken into account being the amount paid during the year and no provision has been made for progressive funding as per Punjab Power Sector Reforms Transfer (First Amendment) Scheme 2012 to the extent of Rs. 3833.78 crore.

Note 31.4 - Ind AS-19 is not applicable in respect of employees working in PSTCL on deputation/secondment from PSPCL.



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Note 32 : Finance Costs

(Rupees in Lacs)

Sr. No.	Particulars	Account code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Interest on Loans from : Life Insurance Corporation	78.501	-	35.73
2	Rural Electrification Corporation	78.531	29,085.34	30,692.10
3	NABARD	78.541	1,982.79	2,077.56
4	Commercial Banks	78.551	5,711.11	4,881.50
5	PFC	78.582	9,745.01	9,757.03
6	Short Term borrowings	78.700	737.12	995.85
7	GPF Trust	78.852	637.49	776.01
	Total (A)		47,898.87	49,215.78
	Other interest & finance charges:			
8	Guarantee charges	78.884	500.00	340.00
9	Interest on Lease liabilities	78.859	80.54	-
10	Miscellaneous interest/finance charges	Bal. 78	60.42	21.59
	Total (B)		640.96	361.59
	Total (A+B)		48,539.82	49,577.36
11	Less : Interest on borrowings against capex capitalized	78.9	2,100.99	2,898.61
	Net Total		46,438.84	46,678.75

Note 32.1: The Company is regular in making the payment of Principal and Interest thereon to the Banks, Financial Institutions & other lenders and has not defaulted debt servicing during the year.

Note 33 : Depreciation, Amortization & Impairment Expenses

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Depreciation on : Amortization/Depreciation of Right-of-use (ROU) Assets - Land	77.110	33.09	-
2	Buildings	77.120	629.02	558.84
3	Civil Works	77.140	21.38	18.15
4	Plant & Machinery	77.150	14,812.78	14,207.70
5	Lines & Cables	77.160	14,006.22	13,044.90
6	Vehicles	77.170 - 173	36.37	21.49
7	Furniture & Fixtures	77.180	25.67	24.29
8	Office Equipment	77.190	33.39	72.03
9	Amortization of intangible assets	79.710	2.19	0.42
10	Impairment loss	77.755	165.65	91.24
	Total		29,765.76	28,039.05
11	Less : (i) Depreciation on assets used for construction capitalized	77.900	28.10	29.70
	(ii) Depreciation on fixed assets created through contribution work.	77.910	348.21	299.54
	(iii) Depreciation on fixed assets created through Govt. grant.	77.920	25.00	6.38
	Net Total		29,364.45	27,703.43

Note 34 : Repairs & Maintenance

(Rupees in Lacs)

Sr. No.	Particulars	Account code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Plant and Machinery - On bays maintained by PGCIL - Others	74.141 Bal. 74.1	151.75 2,251.37	324.31 2,522.33
2	Buildings	74.2	296.07	215.82
3	Civil Works	74.3	122.06	80.17
4	Lines and cable net works	74.5	230.54	211.41
5	Vehicles	74.6	25.80	46.73
6	Furniture and Fixtures	74.7	1.06	0.86
7	Office Equipment	74.8	4.09	2.97
	Total		3,082.74	3,404.60
8	Less: R&M expenses for assets used in construction capitalized	Bal. 74.9	18.75	51.59
	Net Total		3,063.99	3,353.01



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Note 35 : Administration & General Expenses

(Rupees in Lacs)

Sr. No.	Particulars	Account code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Rent, Rates & Taxes including lease rental *	76.101 & 102	83.16	140.85
2	Insurance	76.104	4.70	6.59
3	Telephone & Postage	76.112 & 115	41.74	44.20
4	Legal Charges	76.121	30.70	41.78
5	Audit Fees	76.122	6.36	16.64
6	Consultancy/Technical Charges	76.123 & 76.124	18.15	10.97
7	Conveyance & Travel Charges	76.131-143	679.23	673.61
8	Fees & Subscription	76.129 & 76.151	51.11	50.52
9	Books & Periodicals	76.152	0.32	0.18
10	Printing & Stationery	76.153	27.87	26.30
11	Advertisement/Publicity expenses	76.155	10.26	9.33
12	Electricity/Water Charges	76.158 & 76.160	1,577.62	1,636.84
13	Expenses on Training	76.167	1.25	23.75
14	Hospitality	76.171, 181 & 189	6.06	5.21
15	Miscellaneous Expenses	76.190	137.18	139.03
16	Other expenses	Bal. 76.1	22.87	35.74
17	Material related expenses	76.2	328.24	217.29
	Total		3,026.81	3,078.84
18	Less: A&G expenses for assets used in construction capitalized	76.9	394.97	490.90
	Net Total		2,631.84	2,587.94

* FY 2019-20 does not include lease rent due to implementation of Ind AS 116 - Leases w.e.f. 01.04.2019.

Note 35.1 : Administration & General Expenses - Details of remuneration to Statutory Auditors (excluding G.S.T.)

(Rupees in Lacs)

Sr. No.	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	As an Auditor		
i	Tax Audit Fee	0.66	0.60
ii	Statutory Audit Fees	3.50	3.50
iii	Out of Pocket Expenses	0.51	0.79

Note 36 : ULDC Charges

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	ULDC Charges - SLDC own share	70.501	426.46	364.11
2	ULDC Charges - BBMB share	70.502	114.21	111.26
3	NRLDC fees and charges	70.504	412.79	292.32
	Total		953.46	767.69



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Note 37 : Other Expenses/Debits

(Rupees in Lacs)

Sr. No.	Particulars	Account Code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Provision for doubtful dues from consumers	79.460	4.32	-
2	Provision for value of obsolete stores	79.471	184.69	7.40
3	Provision for losses under investigation	79.483	74.75	80.48
4	Loss on sale of fixed assets	77.7/62.4	-	366.36
5	Compensation for injuries, death & damages	79.530/31	-	4.28
6	Sundry assets written off	79.571	5,639.99	-
7	Miscellaneous losses & write off on account of theft of Material	Bal 79	-	0.59
	Total		5,903.75	459.10

Note 38 : Other Comprehensive Income

(Rupees in Lacs)

Sr. No.	Particulars	Account code	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Items that will not be reclassified to Profit or Loss - Remeasurement of Actuarial	75.881	(139.14)	(6.71)
	Total		(139.14)	(6.71)



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

(a) Provisions

Sr. No.	Particulars	(Rupees in Lacs)				
		Opening balance as at April 1, 2019	Additions/Transfers during the year	Utilization during the year	Written-back during the year	Closing balance as at March 31, 2020
i	Provision for Leave Encashment	963.26	571.70	-	-	1,534.96
ii	Provision for Gratuity	602.75	351.05	-	-	953.80
iii	Provision for obsolete items (O&M)	0.33	0.25	-	-	0.58
iv	Provision for obsolete items (Capital)	9.05	184.43	-	4.77	188.71
v	Provision for losses under investigation & stock shortage	749.27	74.75	-	-	824.02
vi	Provision for doubtful dues from consumers	-	4.32	-	-	4.32
	Total	2,324.66	1,186.51	-	4.77	3,506.40

(b) Contingent Liabilities:

Particulars	(Rupees in Lacs)	
	March 31, 2020	March 31, 2019
Pending court cases - land acquisition for setting up transmission lines/Sub stations	8.82	6.55
- Others	37.08	16.66
Arbitration cases	3.18	-
Service Matter cases	-	7.48
Entry tax* /Sales tax	3,816.93	3,816.93
GST matters** (Service Tax related contingent liability)	150.00	-
Total	4,016.01	3,847.62

* Contingent liability of Entry tax/Sales tax is disputed tax liability levied by Govt. of Punjab, Department of Excise & Taxation and subsequently exempted vide notification dated October 4, 2013. This amount of Entry tax which relates to period prior for exemption notification has not deposited by corporation. The matter is pending with Punjab and Haryana High Court.

** A show cause notice has been issued on 26.05.2020 by the office of Directorate General of GST Intelligence, Ludhiana for payment of service tax of Rs. 1.50 crore on the guarantee fee paid in March 2017 on reverse charge basis and its related dues i.e. interest under section 75 @ 15% p.a. from April 2017 to date and penalty under section 77(2) and 78(1) of Finance Act, 1995. Competent Authority has decided to contest the liability.

(c) i Contingent Assets: Corporation is in possession of Bank Guarantee from supplier/contractors etc. for successful completion of the contract/warranty period amounting to Rs. 5203.42 lacs as on 31.03.2020.

ii Corporation has claimed Rs.49.26 lacs as rent w.e.f. 20.05.2004 to 31.03.2020 from Punjab Police for occupation of the premises of the company at Tarntaran sub station for which correspondence is in process.

40 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account is Rs. 200.93 Crores on March 31, 2020 and Rs.57.03 Crores on March 31, 2019.



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41 Disclosure of Prior Period Error
41.1 Extract from Balance Sheet

(Rupees in Lacs)

Particulars	Restated figures March 31, 2019 (due to Prior Period adjustment)	Figures as per last reporting period March 31, 2019
PPE (excluding assets held for sale)	7,14,212.72	7,14,212.72
CWIP	41,731.95	41,731.95
Other Non Current financial assets	189.70	189.70
Inventories	2,592.91	2,592.91
Other Assets (including assets held for sale)	38,715.84	38,715.84
Total Assets	7,97,443.13	7,97,443.13
Retained Earnings (Surplus account)	38,297.29	38,425.30
Other Equity Balance	2,46,999.18	2,46,999.18
Total Equity	2,85,296.47	2,85,424.48
Other Liability	5,12,146.65	5,12,018.65
Total Equity and Liability	7,97,443.13	7,97,443.13

The above figures have been restated due to prior period adjustment as per Ind AS 8.

41.2 Detail of Prior Period Adjustment relating to Balance sheet

(Rupees in Lacs)

Particular	March 31, 2020
Land received for contributory work at Rs. 1/- during FY 2018-19 but accounted for during FY 2019-20	0.00
Total	0.00

41.3 Extract from the Statement of Profit & Loss

(Rupees in Lacs)

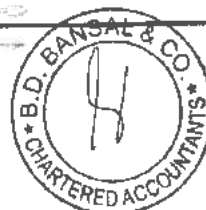
Particulars	Restated figures March 31, 2019 (due to Prior Period adjustment)	Figures as per last reporting period March 31, 2019
Total Income	1,28,121.89	1,28,121.89
Employee benefits expenses	47,388.86	47,260.85
All other expenses	81,549.92	81,549.92
Total Expenses	1,28,938.78	1,28,810.77
Profit before Tax	(816.90)	(688.89)
Tax	-	-
Profit after tax	(816.90)	(688.89)
OCI	(6.71)	(6.71)
Total Comprehensive Income	(823.61)	(695.60)
EPS	(0.13)	(0.11)

The above figures have been restated due to prior period adjustment as per Ind AS 8.

41.4 Detail of Prior Period Adjustment relating to Profit & Loss

(Rupees in Lacs)

Particular	March 31, 2020
Difference of Terminal benefits @ 11.36% which relates to FY 2018-19 accounted for in the books in FY 2019-20 (as per the requirements of Ind AS - 8).	(128.01)
Total	(128.01)



42 Fair value of financial assets and financial liabilities measured at amortized cost (Rupees in Lacs)

Particulars	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets:				
Non-current:				
Amount recoverable from staff *	0.98	0.98	1.27	1.27
Other receivables *	185.06	185.06	188.44	188.44
Current:				
Sundry debtors	30,180.88	30,180.88	25,856.37	25,856.37
Cash and cash equivalents	1,116.22	1,116.22	609.87	609.87
Bank Balance	-	-	25.54	25.54
Advances to Suppliers/ Contractors (O&M)	1.03	1.03	0.90	0.90
Interest accrued on fixed deposits	-	-	0.26	0.26
Amount recoverable from employees	97.67	97.67	98.53	98.53
Receivables from PGCIL	110.71	110.71	85.19	85.19
Income accrued and due - interest on refund of income tax	434.36	434.36	-	-
Amount recoverable from Suppliers	22.40	22.40	31.52	31.52
Total Financial Assets	32,149.31	32,149.31	26,897.89	26,897.89
Financial Liabilities:				
Non-current:				
Long term borrowings	4,04,840.88	4,04,450.81	4,27,021.40	4,26,595.19
Lease Liabilities - for Right-of-use (ROU) - Land	700.26	700.26	-	-
Current:				
Borrowings	7,770.92	7,770.92	3,199.87	3,199.87
Lease Liabilities - for Right-of-use (ROU) - Land	69.48	69.48	-	-
Creditors for Capital supplies/works	3,176.34	3,176.34	2,344.61	2,344.61
Creditors for supply of Material - O&M	203.14	203.14	387.09	387.09
Deposit & retention money from suppliers & contractors	2,417.74	2,417.74	2,535.02	2,535.02
Creditors for expenses	4,187.26	4,187.26	2,946.31	2,946.31
ICT- Payables to PSPCL	494.48	494.48	1,073.85	1,073.85
Current maturity of long term loans	54,054.74	54,054.74	49,581.88	49,581.88
Interest accrued but not due on borrowings LIC etc.	3,413.96	3,413.96	3,272.85	3,272.85
Interest accrued but not due on Lease Liabilities - Land	26.71	26.71	-	-
Miscellaneous liabilities	2,143.41	2,143.41	2,022.87	2,022.87
Staff related liabilities	1,251.50	1,251.50	1,189.10	1,189.10
Total	4,84,750.82	4,84,360.75	4,95,574.84	4,95,148.63

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

- 42.1 (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) The carrying amount of non-current financial liabilities i.e. long term borrowings except loan from PSPCL (11KV-VCB) which is interest free, are financed at competitive interest rate. Hence carrying value are considered to be the same as their fair values.
- (iii) Please refer Note 19.2 for discounting of PSPCL (11KV - VCB) loan.



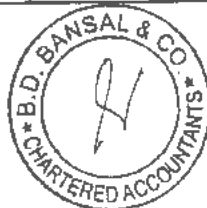
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43 Disclosures in respect of Ind AS 107 - Financial Instruments
Financial Instruments by Categories

(a) The carrying value and fair value of financial instruments by categories for the year ended 31.03.2020.

(Rupees in Lacs)

Particulars	Total carrying value as at March 31, 2020	Financial assets/ liabilities at FVTPL as at March 31, 2020	Financial assets/ liabilities at fair value through OCI as at March 31, 2020	Amortized cost as at March 31, 2020	Total fair value as at March 31, 2020
Financial Assets:					
Non-current:					
Amount recoverable from staff	0.98	-	-	0.98	0.98
Other receivables	185.06	-	-	185.06	185.06
Current :					
Sundry debtors	30,180.88	-	-	30,180.88	30,180.88
Cash and cash equivalents	1,116.22	-	-	1,116.22	1,116.22
Bank Balance	-	-	-	-	-
Advances to Suppliers/ Contractors (O&M)	1.03	-	-	1.03	1.03
Interest accrued on fixed deposits	-	-	-	-	-
Amount recoverable from employees	97.67	-	-	97.67	97.67
Receivables from PGCIL	110.71	-	-	110.71	110.71
Income accrued and due - interest on refund of income tax	434.36	-	-	434.36	434.36
Amount recoverable from Suppliers	22.40	-	-	22.40	22.40
Total	32,149.31	-	-	32,149.31	32,149.31
Financial Liabilities:					
Non-current:					
Long term borrowings	4,04,840.88	-	-	4,04,840.88	4,04,450.81
Lease Liabilities - for Right-of-use (ROU) - Land	700.26	-	-	700.26	700.26
Current:					
Borrowings	7,770.92	-	-	7,770.92	7,770.92
Lease Liabilities - for Right-of-use (ROU) - Land	69.48	-	-	69.48	69.48
Creditors for Capital supplies/ works	3,176.34	-	-	3,176.34	3,176.34
Creditors for supply of Material - O&M	203.14	-	-	203.14	203.14
Deposit & retention money from suppliers & contractors	2,417.74	-	-	2,417.74	2,417.74
Creditors for expenses	4,187.26	-	-	4,187.26	4,187.26
ICT- Payables to PSPCL	494.48	-	-	494.48	494.48
Current maturity of long term loans	54,054.74	-	-	54,054.74	54,054.74
Interest accrued but not due on borrowings LIC etc.	3,413.96	-	-	3,413.96	3,413.96
Interest accrued but not due on Lease Liabilities - Land	26.71	-	-	26.71	26.71
Miscellaneous liabilities	2,143.41	-	-	2,143.41	2,143.41
Staff related liabilities	1,251.50	-	-	1,251.50	1,251.50
Total	4,84,750.82	-	-	4,84,750.82	4,84,360.73



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(b) The carrying value and fair value of financial instruments by categories for the year ended 31.03.2019 (Restated) (Rupees in Lacs)

Particulars	Total carrying value as at March 31, 2019 (Restated)	Financial assets/liabilities at FVTPL as at March 31, 2019	Financial assets/liabilities at fair value through OCI as at March 31, 2019	Amortized cost as at March 31, 2019 (Restated)	Total fair value as at March 31, 2019 (Restated)
Financial Assets:					
Non-current:					
Amount recoverable from staff	1.27	-	-	1.27	1.27
Other receivables	188.44	-	-	188.44	188.44
Current :					
Sundry debtors	25,856.37	-	-	25,856.37	25,856.37
Cash and cash equivalents	609.87	-	-	609.87	609.87
Bank balance other than (if) above	25.54	-	-	25.54	25.54
Advances to Suppliers/ Contractors (O&M)	0.90	-	-	0.90	0.90
Interest accrued on fixed deposits	0.26	-	-	0.26	0.26
Amount recoverable from employees	98.53	-	-	98.53	98.53
Receivables from PGCIL	85.19	-	-	85.19	85.19
Income accrued and due - interest on refund of income tax	-	-	-	-	-
Amount recoverable from Suppliers	31.52	-	-	31.52	31.52
Total	26,897.89	-	-	26,897.89	26,897.89
Financial Liabilities:					
Non-current:					
Long term borrowings	4,27,021.40	-	-	4,27,021.40	4,26,595.19
Current:					
Borrowings	3,199.87	-	-	3,199.87	3,199.87
Creditors for Capital supplies/works	2,344.61	-	-	2,344.61	2,344.61
Creditors for supply of Material - O&M	387.09	-	-	387.09	387.09
Deposit & retention money from suppliers & contractors	2,535.02	-	-	2,535.02	2,535.02
Creditors for expenses	2,946.31	-	-	2,946.31	2,946.31
ICT- Payables to PSPCL	1,073.85	-	-	1,073.85	1,073.85
Current maturity of long term loans	49,581.88	-	-	49,581.88	49,581.88
Interest accrued but not due on borrowings LIC etc.	3,272.85	-	-	3,272.85	3,272.85
Miscellaneous liabilities	2,022.87	-	-	2,022.87	2,022.87
Staff related liabilities	1,189.10	-	-	1,189.10	1,189.10
Total	4,95,574.84	-	-	4,95,574.84	4,95,148.63



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44 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	(Rupees in Lacs)	
	March 31, 2020	March 31, 2019
Financial Liabilities at fair Value : Loan from PSPCL (11KV_VCB)*		
Level 1	-	-
Level 2	-	-
Level 3	274.31	333.08
Total	274.31	333.08
Valuation Technique and key inputs	DCF	DCF
Significant unobservable inputs	Interest rate of similar loan (i.e. 10.85%)	Interest rate of similar loan (i.e. 10.85%)

* Interest free loan received from PSPCL. Loan is shown at its fair value and remaining amount appeared in Deferred Income under non current liabilities using (DCF) Valuation technique and key inputs.

45 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 from 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, 2020 and March 31, 2019 (Restated).

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

Particulars	(Rupees in Lacs)	
	March 31, 2020	March 31, 2019
Variable rate borrowings	69,247.87	62,535.37
Fixed rate borrowings	1,35,492.28	1,39,912.71
Total borrowings	2,04,740.15	2,02,448.08

The above table covers all variable rate borrowing except REC loan. The Company is availing loan in many trenches so it is very difficult/cumbersome and impracticable for them to figured out variable portion attached in the REC Loans as the same have been received in various trenches.

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.

Particulars	(Rupees in Lacs)	
	March 31, 2020	March 31, 2019
Interest rates- increase by 50 basis Pts.	(1,671.29)	(1,714.00)
Interest rates- decrease by 50 basis Pts.	1,671.29	1,714.00



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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. 30,185.21 lacs (March 31, 2020) and Rs. 25,856.37 lacs (March 31, 2019). 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:

Particulars	March 31, 2020		March 31, 2019	
	Gross Amount	Impairment	Gross Amount	Impairment
Not due	27,695.76	-	23,399.88	-
Past due less than six months	36.12	-	3.16	-
Past due more than six months	2,453.32	-	2,453.32	-
Total	30,185.21	-	25,856.37	-

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 except Rs. 4.32 lacs for which provision for doubtful dues from consumers has been made during the year.

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 Rs. 1116.22 lacs March 31, 2020 and Rs. 609.87 lacs March 31, 2019. 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.

Particulars	(Rupees in Lacs)				Total
	Less than 6 months	6 months to 1 year	1-5 years	More than 5 years	
As at March 31, 2020					
Short Term Borrowing	-	7,770.92	-	-	7,770.92
Long Term Borrowing	12,204.62	29,807.37	2,36,817.28	1,80,066.36	4,58,895.62
Security Deposit	460.34	1,957.40	-	-	2,417.74
Other financial liability	-	14,896.81	-	-	14,896.81
Total	12,664.96	54,432.49	2,36,817.28	1,80,066.36	4,83,981.08
As at March 31, 2019					
Short Term Borrowing	-	3,199.87	-	-	3,199.87
Long Term Borrowing	25,004.63	24,482.34	2,12,419.41	2,14,696.90	4,76,603.28
Security Deposit	516.32	2,018.70	-	-	2,535.02
Other financial liability	-	13,236.68	-	-	13,236.68
Total	25,520.95	42,937.58	2,12,419.41	2,14,696.90	4,95,574.84

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



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46 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 :

Particulars	(Rupees in Lacs)	
	As at March 31, 2020	As at 31st March, 2019
Long term debt	4,58,505.55	4,76,177.07
Equity (Including Capital Reserve)	2,81,800.15	2,85,296.47
Debt-Equity Ratio	1.63	1.67

47 Disclosure in respect of Indian Accounting Standard (Ind AS)-23 "Borrowing Costs"

The amount capitalized with Property, Plant & Equipment's as borrowing cost is Rs. 2100.99 lacs & Rs. 2898.61 lacs for the year ended March 31, 2020 & March 31, 2019 respectively on the basis of Weighted Average method as capitalization rate 10.13% as per policy of borrowing cost as mentioned in significant accounting policies.

48 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 Rs. (-)163.29 lacs and Rs. (-)475.12 lacs has recognised in March 2020 and March 2019 respectively.

49 Disclosure in respect of Indian Accounting standard (Ind AS) 116 "Leases"

As lessee

Maturity analysis of lease liabilities

Maturity analysis - contractual undiscounted cash flows	(Rupees in Lacs)	
	For the year ended March 31, 2020	For the year ended 31st March, 2019
Less than one year	69.48	69.48
One to five years	298.75	291.80
More than five years	1,945.85	2,022.28
Total	2,314.07	2,383.55

Total discounted lease liabilities (discount rate @ 10.75% p.a.) at 31st March 2020

Lease liabilities included in the statement of financial position at 31st March 2020	(Rupees in Lacs)	
	For the year ended March 31, 2020	For the year ended 31st March, 2019
Current	69.48	-
Non-Current	700.26	-
Total	769.73	-

50 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.

50.1 Entity-Wide Disclosures-

1. Information about major customers

Customer Name	(Rupees in Lacs)	
	Segment 1	
	March 31, 2020	March 31, 2019
Punjab State Power Corporation Limited	1,31,941.00	1,24,484.00

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 follows:

Particulars	(Rupees in Lacs)			
	Revenue from external customers		Non current Assets*	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
India (Punjab)	1,32,106.63	1,24,538.63	7,50,397.35	7,56,601.91
Total	1,32,106.63	1,24,538.63	7,50,397.35	7,56,601.91

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

3. Revenue from major products

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

Particulars	(Rupees in Lacs)	
	March 31, 2020	March 31, 2019
Punjab State Power Corporation Limited	1,31,941.00	1,24,484.00
Total	1,31,941.00	1,24,484.00





PUNJAB STATE TRANSMISSION CORPORATION LIMITED

51 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.

Gratuity and Leave Encashment

1 Summary of membership data

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Numbers of employees	996	1021	996	1021
Total Monthly Salary (in lacs)	389.25	307.65	389.25	307.65
Total Monthly Salary for leave avaiement (in lacs)	-	-	389.25	307.65
Average Past Service (Years)	4.87	3.89	4.87	3.89
Average Age (Years)	32.34	31.35	32.34	31.35
Average remaining working life (Years)	25.87	26.87	25.87	26.87
Leave balance considered on valuation date	-	-	1,10,564	90,693
Weighted average duration of PBO	19.95	20.40	19.95	20.40
Average accumulated leave per employees (days)	-	-	111.00	88.82

2 Actuarial Assumptions

a) Economic Assumptions

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discounting Rate	6.76%	7.65%	6.76%	7.65%
Future Salary Increase	6.00%	6.00%	6.00%	6.00%

b) Demographic Assumptions

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Retirement Age (Years)	Class IV - 60 Yrs. Others - 58 Yrs.	Class IV - 60 Yrs. Others - 58 Yrs.	Class IV - 60 Yrs. Others - 58 Yrs.	Class IV - 60 Yrs. Others - 58 Yrs.
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2006-08)	100% of IALM (2012-14)	100% of IALM (2006-08)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)
Less than 50 Years	1.00%	1.00%	1.00%	1.00%
Above 50 Years	2.00%	2.00%	2.00%	2.00%
Leave	-	-	1,10,564	90,693
Leave avaiement Rate	-	-	2.50%	2.50%
Leave lapse rate while in service	-	-	Nil	Nil
Leave lapse rate on exit	-	-	Nil	Nil
Leave encashment rate while in service	-	-	Nil	Nil

3 Actuarial Method:

Projected Unit Credit Actuarial Method

4 Scale of Benefits

Particulars	Gratuity	Leave
Salary for calculation of gratuity	Last drawn qualifying salary	Last drawn qualifying salary
Vesting period	5 years of service	NIL
Benefits on normal retirement	As per Gratuity rules applicable to State Government Employees (CSR Rules)	Maximum upto 300 days or Actual accumulation whichever is less
Benefit on early retirement/withdrawal/resignation	Same as normal retirement benefit based on service upto the date of exit.	Same as normal retirement benefit
Benefits on death in service	Same as normal retirement benefit based on service upto the date of death & no vesting conditions apply.	Same as normal retirement benefit
Limit	20.00 lacs	-
Benefits		
1. Yearly accrual	-	22.81 days
2. Maximum accumulation	-	450 days
3. Total Leave Days	-	1,10,564
4. Availment in service (compensated absence)	-	Yes
5. Leave encashment in service	-	No
6. Leave encashment on exit	-	Yes
7. Month to be treated as	-	30 days
8. Lapse	-	Yes (More than 300 Days)

5 Plan Liability

(Rupees in Lacs)

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present value of obligation as at the end of the period	953.80	602.75	1,534.96	963.26



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6 Service Cost

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Current Service cost	165.80	111.30	269.93
Past Service cost including curtailment Gains/Losses	-	-	-	-
Gains or Losses on Non routine settlements	-	-	-	-
Total Service Cost	165.80	111.30	269.93	230.24

7 Net Interest Cost

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Interest cost on defined benefit obligation	46.11	34.70	73.69
Interest income on Plan Assets	-	-	-	-
Net Interest cost (Income)	46.11	34.70	73.69	54.17

8 Change in Benefit Obligation

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Present value of obligation as at the beginning of the period	602.75	450.04	963.26
Acquisition adjustment	-	-	-	-
Interest cost	46.11	34.70	73.69	54.17
Service cost	165.80	111.30	269.93	230.24
Past service cost including curtailment Gains/Losses	-	-	-	-
Benefits Paid	-	-	-	-
Total Actuarial (Gain)/Loss on obligation	139.14	6.71	228.08	(23.79)
Present value of obligation as at the end of the period	953.80	602.75	1,534.96	963.26

9 Bifurcation of Actuarial Gain/Loss on obligation

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Actuarial (Gain)/Loss on arising from change in Demographic Assumption	(0.57)	-	(0.92)
Actuarial (Gain)/Loss on arising from change in Financial Assumption	136.16	6.10	231.77	10.35
Actuarial (Gain)/Loss on arising from Experience Adjustment	3.55	0.62	(2.76)	(34.14)
Total Actuarial (Gain)/Loss on obligation	139.14	6.71	228.08	(23.79)

10 Actuarial Gain/Loss on Plan Asset

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Expected Interest Income	-	-	-
Actual Income on Plan Asset	-	-	-	-
Actuarial Gain/(Loss) for the year on Asset	-	-	-	-

11 Balance Sheet and related analysis

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Present value of the obligation at end	953.80	602.75	1,534.96
Fair value of Plan Assets	-	-	-	-
Unfunded (Liability)/Provision in Balance Sheet	(953.80)	(602.75)	(1,534.96)	(963.26)

12 The amounts recognized in the income statement

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Total service cost	165.80	111.30	269.93
Net interest cost	46.11	34.70	73.69	54.17
Net actuarial (gain)/loss recognized in the period	-	-	228.08	(23.79)
Expenses recognized in the income statement	211.91	146.00	571.70	260.63

13 Other Comprehensive Income (OCI)

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-
Actuarial gain/(loss) for the year on PBO	(139.14)	(6.71)	-	-
Actuarial gain/(loss) for the year on Asset	-	-	-	-
Unrecognized actuarial gain/(loss) at the end of the year	(139.14)	(6.71)	-	-



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14 Change in Plan Assets

(Rupees in Lacs)

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the period	-	-	-	-
Actual return on plan assets	-	-	-	-
Employer contribution	-	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at the end of the period	-	-	-	-

15 Major categories of plan assets (as percentage of total plan assets)

(Rupees in Lacs)

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Government of India Securities	-	-	-	-
State Government Securities	-	-	-	-
High Quality Corporate Bonds	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Funds managed by Insurer	-	-	-	-
Bank Balance	-	-	-	-
Total	-	-	-	-

16 Change in Net Defined Benefit Obligation

(Rupees in Lacs)

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Net defined benefit liability at the beginning of the period	602.75	450.04	963.26	702.64
Acquisition adjustment	-	-	-	-
Total Service cost	165.80	111.30	269.93	230.24
Net Interest cost (income)	46.11	34.70	73.69	54.17
Re-measurements	139.14	6.71	228.08	(23.79)
Contribution paid to the Fund	-	-	-	-
Benefit paid directly by the enterprise	-	-	-	-
Net defined benefit liability at the end of the period	953.80	602.75	1,534.96	963.26

17 Bifurcation of PBO at the end of the year in current and non-current

(Rupees in Lacs)

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current liability (Amount due within one year)	20.42	16.89	35.28	26.43
Non current liability (Amount due over one year)	933.38	585.86	1,499.68	936.83
Total PBO at the end of the year	953.80	602.75	1,534.96	963.26

18 Expected contribution for the next Annual reporting period

(Rupees in Lacs)

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Service cost	185.85	125.77	290.97	196.60
Net interest cost	64.48	46.11	103.76	73.69
Expected expenses for the next annual reporting period	250.32	171.88	394.73	270.29

19 Sensitivity Analysis of the defined benefits obligation

(Rupees in Lacs)

Particulars	Gratuity		Leave	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
a) Impact of the Change in discount rate				
Present value of obligation at the end of the period	953.80	602.75	1,534.96	963.26
(i) Impact due to increase of 1%	(151.23)	(94.72)	(270.15)	(196.54)
(ii) Impact due to decrease of 1%	189.38	108.94	313.71	171.91
b) Impact of the Change in salary increase				
Present value of obligation at the end of the period	953.80	602.75	1,534.96	963.26
(i) Impact due to increase of 1%	188.90	110.18	312.88	174.03
(ii) Impact due to decrease of 1%	(153.49)	(99.30)	(273.97)	(199.69)



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52 Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"
a List of CMD/Directors/Key managerial personnel

Name	Designation	Period
Sh. A. Venu Parsad - IAS	CMD	01.04.2019 18.03.2020 23.09.2019 31.03.2020
Ms. Ravneet Kaur - IAS	CMD	23.09.2019 17.03.2020
Sh. Vinod Kumar Bansal	Director/F&C	24.10.2019 31.03.2020
Sh. Ajay Kumar Kapur	Director/Technical	01.04.2019 31.03.2020
Sh. Sanjeev Kumar Sharma	Director/Administration	27.08.2019 31.03.2020
Sh. Anirudh Tewari, IAS	Director	01.04.2019 31.03.2020
Smt. Raji Pramod Shrivastava IAS	Woman Director	01.04.2019 31.03.2020
Sh. Harkamal Singh Khurmi	Independent Director	01.04.2019 17.12.2019
Sh. Vinod Kumar Bansal	Chief Financial Officer	01.04.2019 24.10.2019
Sh. Parveen Kumar Singla	Chief Financial Officer	29.11.2019 31.03.2020
Sh. Jasvir Singh	Company Secretary	01.04.2019 31.03.2020

b Compensation of key management personnel

(Rupees in Lacs)

Particulars	Sh. A. Venu Parsad	Ms. Ravneet Kaur	Sh. Jatinder Goyal	Sh. Vinod Kumar Bansal
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term benefits including perquisites	-	-	0.84	11.13
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	1.26	-
Total	-	-	2.10	11.13

Particulars	Smt. Shashi Prabha	Sh. Ajay Kumar Kapur	Sh. Sanjeev Kumar Sharma	Sh. Harkamal Singh Khurmi
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term benefits including perquisites	-	14.96	12.91	1.28
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Total	-	14.96	12.91	1.28



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Particulars	Sh. Gurbachan Singh Chhabra	Sh. Vinod Kumar Bansal	Sh. Parveen Kumar Singla	Sh. Jasvir Singh
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term benefits including perquisites	-	25.16	8.62	10.81
Post-employment benefits	0.71	15.01	-	18.44
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Total	0.71	15.01	8.62	14.43
				25.24
				18.44

No remuneration has been paid to Sh. A. Venu Parsad, IAS and Ms. Ravneet Kaur, IAS CMD PSTCL, being additional charge and Sh. Anirudh Tewari, IAS & Smt. Raji Pramod Shrivastava IAS, being ex-officio Directors appointed by Govt. of Punjab during FY 2019-20.

c Contribution made to PSTCL CSR Trust Rs. NIL during the FY 2019-20 and Rs. NIL during the FY 2018-19.

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

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

Related Party	Nature of Transaction	Transaction During 2020	Transaction During 2019	Balance as on March 31, 2020	(Rupees in Lacs)	
					Balance as on March 31, 2019 (Restated)	
PSPCL	Interest on Loan	-	-	-	-	-
	Loan Balance	-	-	664.38	759.29	-
	Trade Receivable	-	-	27,695.76	23,399.88	-
	Revenue	1,31,941.00	1,24,484.00	-	-	-
	ICT	-	-	494.48	1,073.85	-
Government of Punjab	Carrying Cost - Revenue	-	-	-	-	-
	Carrying Cost - Receivable	-	-	2,449.00	2,449.00	-
	Guarantee Fee	500.00	240.00	-	-	-
	Guarantee Fee - Accrued	-	100.00	-	-	-

Company has availed exemption mention in Para 25 of Ind. AS 24 "Related Party Transaction"



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53 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.

(Rupees in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended 31st March, 2019 (Restated)
Profit (loss) for the year, attributable to the owners of the company	(3,357.18)	(816.90)
Earnings used in calculation of basic earnings per share (A)	(3,357.18)	(816.90)
Weighted average number of equity shares for the purpose of basic earnings per share (B)	60,58,83,465	60,58,83,465
Basic EPS (A/B) (₹)	(0.55)	(0.13)

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.

(Rupees in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended 31st March, 2019 (Restated)
Profit (loss) for the year, attributable to the owners of the company	(3,357.18)	(816.90)
Earnings used in calculation of basic earnings per share	(3,357.18)	(816.90)
Profit attributable to equity holders of the owner adjusted for the effect of dilution (A)	(3,357.18)	(816.90)
Weighted average number of Equity 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) (₹)	(0.55)	(0.13)

54 Assets hypothecated as security

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

(Rupees in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended 31st March, 2019
Current Financial Assets		
First Charge (Hypothecation)	32,514.73	28,449.27
Non-Financial Assets		
Hypothecation	-	-
Total Current assets	32,514.73	28,449.27
Non Current		
Hypothecation	3,09,355.44	3,33,505.33
Total Non Current assets	3,09,355.44	3,33,505.33



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55 Reconciliation of Equity as at March 31, 2019

(Rupees in Lacs)

Sr. No.	Particulars	Note No.	Balance Sheet as at March 31, 2019		
			Restated figures	Prior period adjustments	figures as per last reporting period
I	ASSETS				
	1. Non current assets				
	(a) Property, Plant and Equipment	3	7,14,212.72	(0.00)	7,14,212.72
	(b) Intangible Assets	4	9.61	-	9.61
	(c) Assets held for sale	5	647.63	-	647.63
	(d) Capital work in progress	6 & 7	41,731.95	0.00	41,731.95
	(e) Financial Assets				
	(i) Others	8	189.70	-	189.70
	(f) Other non current assets	9	5,694.60	-	5,694.60
	Total (3+4+ 5+6&7+8+9)	A	7,62,486.22	0.00	7,62,486.22
	2. Current assets				
	(a) Inventories	10	2,592.91	-	2,592.91
	(b) Financial assets				
	(i) Trade receivables	11	25,856.37	-	25,856.37
	(ii) Cash and cash equivalents	12	609.87	-	609.87
	(iii) Bank balance other than (ii) above	13	25.54	-	25.54
	(iv) Others	14	216.41	-	216.41
	(c) Current tax assets (Net)	15	5,622.36	-	5,622.36
	(d) Other current assets	16	33.46	-	33.46
	Total (10+11+12+13+14+15+16)	B	34,956.91	-	34,956.91
	Grand Total (A+B)		7,97,443.13	-	7,97,443.13
II	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital	17	60,588.35	-	60,588.35
	(b) Other equity	18	2,24,708.12	128.01	2,24,836.13
	Total (17+18)	A	2,85,296.47	128.01	2,85,424.48
	LIABILITIES				
	1. Non current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	19	4,26,595.19	-	4,26,595.19
	(b) Provisions	21	1,522.69	-	1,522.69
	(c) Other non current liabilities	22	7,466.68	732.13	8,198.81
	Total (19+21+22)	B	4,35,584.56	732.13	4,36,316.69
	2. Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	23	3,199.87	-	3,199.87
	(ii) Other financial liabilities (other than those specified in item (c))	25	65,353.58	(128.01)	65,225.57
	(b) Other current liabilities	26	854.83	-	854.83
	(c) Provisions	27	43.32	-	43.32
	Total (23+25+26+27)	C	69,451.59	(128.01)	69,323.58
	3. Deferred revenue	28	7,110.50	(732.13)	6,378.37
	Total	D	7,110.50	(732.13)	6,378.37
	Grand Total (A+B+C+D)		7,97,443.13	-	7,97,443.13



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PUNJAB STATE TRANSMISSION CORPORATION LIMITED

56 Reconciliation of Profit & Loss and Other Comprehensive Income for the year ended March 31, 2019

(Rupees in Lacs)

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2019		
			Restated figures	Prior period adjustments	figures as per last reporting period
I	Income				
	(a) Revenue from operations	29	1,24,538.63	-	1,24,538.63
	(b) Other income	30	3,583.25	-	3,583.25
	Total Income	A	1,28,121.89	-	1,28,121.89
II	Expenses				
	(a) Employee benefits expense	31	47,388.86	(128.01)	47,260.85
	(b) Finance costs	32	46,678.75	-	46,678.75
	(c) Depreciation, amortization & impairment expenses	33	27,703.43	-	27,703.43
	(d) Other expenses				
	(i) Repairs & maintenance	34	3,353.01	-	3,353.01
	(ii) Administration & General expenses	35	2,587.94	-	2,587.94
	(iii) ULDC charges	36	767.69	-	767.69
	(iv) Others expenses/debits	37	459.10	-	459.10
	Total expenses	B	1,28,938.78	(128.01)	1,28,810.77
III	Profit/(Loss) before tax (A-B)	C	(816.90)	128.01	(688.89)
	Tax expense				
	- Current tax		-	-	-
	Total Tax Expense	D	-	-	-
IV	Profit/(Loss) for the period (C-D)	E	(816.90)	128.01	(688.89)
V	Other Comprehensive Income				
	(a) Items that will not be reclassified to profit or loss				
	-Actuarial Gain/(Loss) on Gratuity	38	(6.71)	-	(6.71)
	Other Comprehensive Income	F	(6.71)	-	(6.71)
VI	Total Comprehensive Income for the period (E + F)		(823.61)	128.01	(695.60)



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PUNJAB STATE TRANSMISSION CORPORATION LIMITED

57 Corporate Social Responsibility Expenses
The amount required to be spent as per Section 135 of the Companies Act

(Rupees in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended 31st March, 2019
a) Amount required to be spent during the year @ 2% of Average of Profit/(Loss), as per section 198 of the Act, of Last 3 years.	-	11.87
b) Amount spent during the year	-	-
Detail of Average of Profit/(Loss), as per Section 198 of the Act, of Last 3 Years:-		
2018-19 (restated)	(845.45)	
2017-18 (restated)	(115.68)	
2016-17	793.72	
2015-16	1,101.80	
Average of Profit/(Loss) for FY 2019-20	(55.81)	
Average of Profit/(Loss) for FY 2018-19	593.28	

No amount has been spent during the year

58 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.

i Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year:-

Sr. No.	Enterprise	2019-20		2018-19	
		Principal	Interest	Principal	Interest
i	Micro, Small, Medium	-	-	-	-

ii The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:-

Sr. No.	Enterprise	2019-20		2018-19	
		Principal	Interest	Principal	Interest
i	Micro, Medium	-	-	-	-
ii	Small	-	-	-	-

iii The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006:-

Sr. No.	Enterprise	2019-20		2018-19	
		Interest due	Interest payable	Interest due	Interest payable
i	Micro, Small, Medium	-	-	-	-

iv The amount of interest accrued and remaining unpaid at the end of each accounting year:-

Sr. No.	Enterprise	2019-20		2018-19	
		Interest Accrued	Interest unpaid	Interest Accrued	Interest unpaid
i	Micro, Small, Medium	-	-	-	-

v The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006:-

Sr. No.	Enterprise	2019-20		2018-19	
		Interest due	Interest payable	Interest due	Interest payable
i	Micro, Small, Medium	-	-	-	-



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- 59 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. However, certain balances of Civil works division Ludhiana (LC-264) (now under Civil works Circle Patiala LC-783) & Grid division Ludhiana (LC-206) (now under Grid Construction Circle Ludhiana LC - 782) amounting to Rs. 63.79 lacs & Rs. 57.44 lacs respectively as on 31.03.2020 have been kept on "as is where is basis".
- 60 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.
- 61 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.
- 62 As per Ind AS-12, the deferred tax assets (the deferred tax benefits) should be recognized only when there is a 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 2019-20.
- 63 The balances of trade receivables, advances to suppliers/contractors, loans & advances and other parties shown in the accounts are subject to confirmation.
- 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 Rs.1375.45 crores as on March 31, 2019. Hence, management has estimated that no future economic benefit 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 Circle, Patiala 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 of Rs.164.50 lacs has been charged during FY 2019-20 on all such completed assets in respect of Civil Circle Patiala has been charged to P&L account.




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PUNJAB STATE TRANSMISSION CORPORATION LIMITED

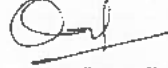
66 The previous year's figures have been reclassified/regrouped/merged/restated for the purpose of comparison with the current year's figures in the Balance Sheet, Statement of Profit & Loss and Notes to accounts, wherever necessary.

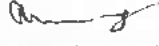
As per our report of even date attached
For B D Bansal & Co.
Chartered Accountants
FRN 000621N


(Kanika Mehra)
Partner
M.No. 514757
Place: Patiala
Date: 6/10/2020



For and on behalf of the Board


(Vinod Kumar Bansal)
Director/F&C


(Anurag Agarwal)
Chairman-cum-Managing
Director


(Parveen Kumar Singla)
Chief Financial Officer

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INDEPENDENT AUDITOR'S REPORT

To

The Members,
Punjab State Transmission Corporation Limited
Patiala.

Report on Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of **PUNJAB STATE TRANSMISSION CORPORATION LIMITED, PATIALA** ("the Company"), which comprises the Balance Sheet as at March 31, 2020, 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").

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 matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. 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. 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. 30274.66 lacs being 11.36% of total amount as intimated by PSPCL for FY 2019-20. The unaccounted liability in relation to the share of terminal benefits based on actuarial valuation as on 31.03.2020 is Rs. 3833.78 cr.



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2. The balances of Creditors, Deposits etc. are not confirmed. In the absence of information we are unable to ascertain its effect on statement of Profit & Loss and balance sheet.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Board's Report including Annexures to Board's Report but does not include the Financial Statements and our auditor's report thereon.

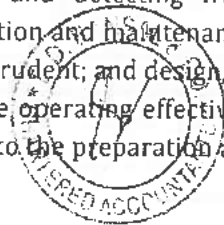
Our opinion on financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 implementation and maintenance of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Director's are responsible for overseeing the company's financial reporting process

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

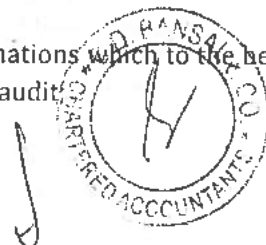
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

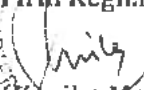
1. The stock of material at stores as well as at sites has not been insured to reduce the risk due to fire, theft or natural calamities.
2. Other Income includes an amount of Sundry Credit Balances written back of Rs. 42.92 lacs on account of unidentified credits.
3. Services to/from PSPCL like rent 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. Capital Reserve includes an amount of Rs. 16.29 crore, being material cost variance on account of notional cost of "stores incidental charges" capitalized to capital Work in progress, which accumulated from 16.04.2010 onwards and aggregates to Rs.16.29 cr. till 31.03.2015.

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) 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.
- c) 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.
- d) In our opinion, except for the possible effects of the items described in *Basis for Qualified Opinion Section*, 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;
- e) 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.
- f) 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".
- g) 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 other than those disclosed in financial statements 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.

For B.D.Bansal & Co
Chartered Accountants
Firm Regn.No.000621N

(Kanika Mehra)
Partner
M.No. 514757

Place: Patiala
Date: 6/10/2020

UDIN: 20514757AAAACM1741

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"ANNEXURE-A" TO THE AUDITORS' REPORT

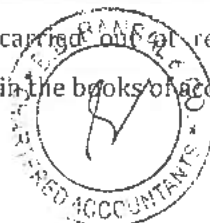
1.

- 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 such assets accrued 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.

During the Financial Year 2019-20, Company has been allotted land at village Dhanansu, High Tech Cycle Valley, Ludhiana vide letter dated 03.07.2019 whose estimated cost is 9.45 crore, the title deed of which is yet to be mutated in the name of company as per allotment letter.

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

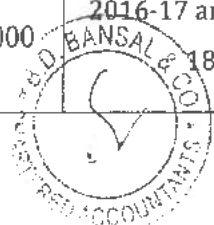


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3. The company has not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the 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.
- 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, GST, 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, 2020 for a period of more than six months from the date on when they become payable except *Bonus default of Rs.5,32,526*.
- b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax outstanding on account of any dispute except the disputed Entry Tax of Rs. 38.16 crore and Service Tax liability of 1.50 crore. Reference may be made to Note No. 39 to Notes to Accounts.

Sr. No.	Nature of Dues	Unpaid (Rs.)	Period to which amount relates	Forum where the dispute is pending
1.	Entry Tax	38,16,93,333	2011-13	High Court
2.	Service Tax	1,50,00,000	2016-17 and 2017-18	Directorate General of GST, Intelligence



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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 him.



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16. In our opinion, the company is not required to be registered under section 45 1A 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 B D Bansal & Co
Chartered Accountants
Firm Regn.No.000621N



Place: Patiala
Date: 6/10/2020

UDIN: 20514757AAAACM1741

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"Annexure-B" to the Independent Auditor's Report

Sr. No.	Directions	Reply
1	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	No, the accounting transactions are not processed through IT system.
2	Whether there are any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial implication may be stated.	No. There is no case of restructuring waiver/write off of debts/loans/interest etc. due to company's inability to pay.
3	Whether Funds received/ receivable for specific schemes from Central/ State Agencies were properly accounted for/ utilized as per its term & conditions? List the cases of deviation?	Yes, the funds received for specific schemes from Central/State Agencies were properly accounted for/ utilized as per it's terms and conditions
4	Adequacy of steps to prevent encroachment of idle land owned by company may be examined. In case land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided	<p>Adequate steps are being taken to prevent the encroachment of land. The details of the land encroached and action taken are as under:</p> <p>(a) The land of 16 Marlas of 220 KV S/s Hoshiarpur under P&M Division, Mahilpur was occupied by Gurdwara Dukh Niwaran Sahib, Hoshairpur. Case no. 12 of 2012 is pending with SDM Hoshairpur.</p> <p>(b) 2-3 feet widening of road by Municipal Corporation, Hoshairpur on land at 220 KV S/s Hoshiarpur. Case has been filed against illegal road widening in the land of PSTCL. Case no. Civil Suit 469 of 2020 is pending with Distt. Court Hoshiarpur.</p>



		<p>(c) Encroachment of land at 132 KV Shri Hargobindpur – Case initiated (Not registered yet) by P&M Dasuya regarding land measuring 13 Canal 9 Marla.</p> <p>(d) Encroachment of land at 220 KV S/s Ablowal (Area 60 yards). Case no. CA-345/2018 i.e. Bharpur Singh vs PSTCL pending with Civil Court Patiala. Last date of hearing could not finalized due to corona Pandemic.</p> <p>(e) Encroachment of land at 132 KV S/s Verka. Land marking in co-ordination with Railway is pending.</p> <p>(f) Encroachment of land at 132 KV S/s Pathankot (Land 2515.50 Sq Ft). Case no. RSA 4653/2013 pending with Punjab & Haryana High Court Chandigarh.</p>
5.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	Yes.
6.	Whether the company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	Yes, the company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards.
7.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off ?	Expenditure of Rs. 163.69 lacs has been incurred on the abandoned project namely "220 KV Sarna-Kotli Surat Malli line". The case for writing off the amount has already been put up to BOD's.
8	Is the system of evacuation of power commensurate with power available for	As informed to us, PSTCL has commissioned adequate transmission capacity to evacuate the

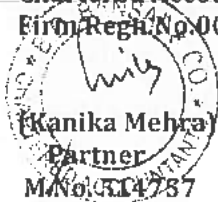


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	transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented	power from generating stations including those which are drawn from outside of the state/northern grid. There has been no claim of loss against PSTCL from any generating company.
9.	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?	The transmission loss from April 2019 to March 2020 is 2.22%. However, PSERC had fixed a transmission loss of 2.5% in the Tariff Order of FY 2019-20. (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 is recovering its transmission charges in full as approved by PSERC on transmission capacity basis.)
10.	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.	Yes.

For B D Bansai & Co
Chartered Accountants
Firm Regn No. 000621N



Place: Patiala
Date: 6/10/2020

UDIN: 20514757AAAACM1741

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"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, 2020 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.



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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.



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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, 2020 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.

For B D Bansal & Co
Chartered Accountants
Firm Regn No. 000621N



(Kanika Mehra)
Partner
M.No. 514757

Place: Patiala
Date: 6/10/2020

UDIN: 20514757AAAACM1741

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B D Bansal & Co

CHARTERED ACCOUNTANTS

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0161-4638303, 2406301-02 | ludhiana@bdbansal.com

34-A, Court Road, Amritsar, Punjab - 143001

0183-2402224, 2403722-23 | amritsar@bdbansal.com

www.bdbansal.com

Compliance Certificate

We have conducted the audit of accounts of Punjab State Transmission Corporation Limited for the year ended 31st March 2020 in accordance with the directions/sub-directions issued by the Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the directions/ sub-directions issued to us.

For B D Bansal & Co
Chartered Accountants
Firm Regn. No. 00621N

(Kanika Mehra)
Partner
M.No. 514757

Place: Patiala

Date: 6/10/2020

UDIN: 20514757AAAACM1741

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ANNEXURE. NO. III
TRANSMISSION AVAILABILITY

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PUNJAB STATE TRANSMISSION CORP LTD.
Regd. Office: PSEB Head Office, The Mall, Patiala - 147001
Corporate Identity Number U40109PB2010SGC033814
PUNJAB STATE LOAD DISPATCH CENTRE
OFFICE OF THE CHIEF ENGINEER/SLDC

SLDC Building, 220KV Grid Sub-Station, Ablowal, (Patiala) - 147001,

Fax No. 0175-2385340

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Tele: 0175-2386007

Mob: 96461-18001

To

Financial Advisor,
PSTCL, Patiala

Memo No: 283 /EA-1(Vol.2)

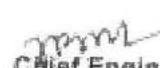
Dated 20/05/2020

Subject: Confirmation of Transmission System Availability Factor for the Year 2019-20.

In the above context, the Transmission System Availability factor for the Year 2019-20 as supplied by P&M Organization is as follows

Sr. No.	Year	Transmission System Availability Factor (%)
1.	2019-20	99.9741

It is for your kind information and necessary action please.


Chief Engineer/SLDC,
PSTCL, Ablowal, (Patiala).

