



भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय प्रधान महालेखाकार (लेखापरीक्षा), पंजाब
Indian Audit & Accounts Department
Office of the Principal Accountant General (Audit), Punjab
Plot No. 21, Sector 17-E, Chandigarh - 160 017

PAG(Au)/PB/AMG-IV/TSC/PSPCL-FY25/2025-26/209 Date: 18 November 2025

प्रति

अध्यक्ष एवं प्रबंध निदेशक

पंजाब राज्य विद्युत निगम लिमिटेड

पीएसईवी मुख्यालय, दमौल, पटियाला-147001

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Standalone and Consolidated Financial Statements of M/s. Punjab State Power Corporation Limited (PSPCL) for the year ended 31 March 2025-reg.

Sir,

I am to forward herewith Comments of the Comptroller and Auditor General of India (C&AG) under Section-143(6)(b) of the Companies Act, 2013 on the Standalone and Consolidated financial statements of PSPCL for the year ended 31 March 2025 for necessary action.

2. The date of placing the Comments of C&AG along with Financial Statements and Auditors' Report in Annual General Meeting (AGM) before the shareholders of the Company may please be communicated along with copy of the proceedings of the AGM.

3. The date of forwarding the Annual Report of the Company for the year ended 31 March 2025 containing Financial Statements along with the Auditors' Report and Comments of C&AG, to the Government of Punjab for being laid before the State Legislature may also be intimated. Copy of the letter from the Legislature Secretariat indicating date on which Annual Report is laid before State Legislature may also be intimated.

4. Five copies of the Annual Report of the Company for the year 2024-25 may be furnished to this Office.

5. Management Letter containing deficiencies in internal controls noticed during Supplementary Audit of the accounts of the Company for the year is issued separately.

Encl: As above.

Yours faithfully,

Deputy Accountant General / AMG-IV (TSC)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF PUNJAB STATE POWER CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025.

The preparation of financial statements of Punjab State Power Corporation Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 06.08.2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Punjab State Power Corporation Limited for the year ended 31 March 2025 under Section 143 (6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related audit report.

A. Comments on Financial Position

Balance Sheet

Equity and Liabilities

Equity

Equity Share Capital (Note 17): ₹ 21709.73 crore.

1. Pursuant to the implementation of Punjab Power Sector Reforms Transfer Scheme 2010, consumer's contribution, grants and subsidies amounting to ₹ 3402.37 crore were wrongly converted into capital of the State Government in equity of the Company. This has resulted in overstatement of 'Equity Share Capital' and understatement of 'Other Equity – General Reserve by ₹ 3402.37 crore'.

This comment was also issued during the audit of annual accounts for the year 2023-24, however, compliance had not been made by the Company.

B. Comments on Auditors Report

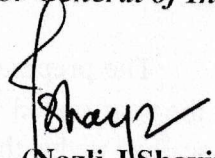
2. Qualification-3 of the Independent auditors report stating that, *“the short provision of interest on balance of security has resulted in overstatement of profit by ₹43.28 crore and*

understatement of Current liabilities by and Overstatement of 'Equity' by ₹ 940.20 crore”
was found to be incomplete, as financial impact on current liabilities was not disclosed.

For and on behalf of
The Comptroller and Auditor General of India

Place: Chandigarh

Date: 14.11.2025


(Nazli J. Shayin)
Principal Accountant General (Audit)
प्रधान महालेखाकार (लेखापरीक्षा)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF PUNJAB STATE POWER CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 AND REPLIES THEREON

Sr. No	Comments	Management replies
A.	Comments on Financial Position	
	Balance Sheet	
	Equity and Liabilities	
	Equity	
	Equity Share Capital (Note 17) – ₹ 21709.73 crore	
1	<p>Pursuant to the implementation of Punjab Power Sector Reforms Transfer Scheme 2010, consumer's contribution, grants and subsidies amounting to ₹ 3402.37 crore were wrongly converted into capital of the State Government in equity of the Company. This has resulted in overstatement of 'Equity Share Capital' and understatement of 'Other Equity – General Reserve by ₹ 3402.37 crore'. This comment was also issued during the audit of annual accounts for the year 2023-24, however, compliance had not been made by the Company.</p>	<p>At the time of unbundling of erstwhile PSEB on 16-04-2010, all assets, liabilities, interest etc. were transferred to the State Government. The State Govt. vested the opening balances to the new entities vide Notification No.1/4/04-EB (PR)/632 dated 24-12-2012 which does not comprise any balance under consumer contributions, grants and subsidies. In this regard, the necessary disclosure has already been made at note no. 1 of financial statements.</p> <p>As such there is no overstatement of Equity Share capital and understatement of Other Equity – General Reserve.</p> <p>It is also added that the Audit has raised observation on the opening balances of the company while conducting the audit for the first year i.e. FY 2010-11 & further 2013-14 to 2016-17, and on the basis of the reply was submitted, further no qualification in this regard was made since FY 2016-17.</p> <p>The observation made again during audit of the annual accounts for FY 2023-24 has already been duly examined and stands clarified as above. Hence, the question of further compliance at this stage does not arise.</p>
B.	Comments on Auditors Report	
2	<p>Qualification-3 of the Independent auditors report stating that, "<i>the short provision of interest on balance of security has resulted in overstatement of profit by ₹43.28 crore and understatement of Current liabilities by and Overstatement of 'Equity' by ₹ 940.20 crore</i>" was found to be incomplete, as financial impact on current liabilities was not disclosed.</p>	No Comments.

Sudhir