BRAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Power Transmission Corporation of Uttarakhand Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of Power Transmission Corporation of Uttarakhand Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the incomplete disclosure of the information referred to in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. The Title Deeds of Land were not produced for our verification and therefore we were unable to comment on the ownership status thereof.
2. Inclusion of Non-moving and Obsolete stocks in the value of inventory resulting in over statements of current assets and profit for the period. Amount unascertainable.
3. Non-reconciliation of the amounts receivable from suppliers/ contractors/ employees/ other parties and amounts due to suppliers/ contractors/ employees/ other parties incorporated in the books of the company as on 01.06.2004. The effect thereof on the Ind AS financial statements is unascertainable.
4. In the absence of availability of relevant records with respect to property, plant and equipment pertaining to individual assets, asset wise bifurcation and charging of depreciation on property, plant and equipment of existing projects as on 1st April, 2016 is not in the manner, as prescribed by UERC Regulation 2015, the impact of same could not be ascertained.
5. The Company has not spent amount of Rs.361.44 Lakh under the head Corporate Social Responsibility as defined under section 135 of the Companies Act, 2013. (Refer Note 25).

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

To the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Recognition and measurement of Revenue from transmission of power	
The company recognize regulatory income /assets/liability on the basis of its understanding and interpretation of tariff orders and regulation notified by UERC, which are subject matter of annual performance review and will be adjusted in tariff to be notified in future years. Management exercises judgement in estimating such amounts using past experience from the issued tariff /APR orders including interpretation of the regulations. In consideration of the significant regulatory balances, complexities and high degree of estimation involved in computation thereof and pending annual performance reviews, we identified accrual of regulatory balances as a key audit matter.	• **We performed the following tests of details:** We have understood and carried out testing of design and implementation of the key controls relating to accounting, valuation and recoverability of such regulatory balances and its disclosure in the financial statements of the company. We discussed with the management on the assumptions and estimates used for recognition of these regulatory balances and corroborated them with the applicable regulatory provisions, tariff orders and underlying records of the company. We discussed with the management on the consistency of its assumptions and basis of estimations for all the years for which APR assessments are pending to be completed and also verified the arithmetical accuracy of such workings. We enquired from the management for notifications and correspondences with the regulator on the pending APR assessments.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

When we read the 'other reports' ,if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act read with 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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.

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- 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 Act, 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.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by the direction issued by the Office of the Comptroller & Auditors General of India under Section 143(5) of the Act, we give in the Annexure-II, a statement on the matters specified in the directions.

3. As required by Section 143(3) of the Act, we report that:

a) Except the matter described in Basis for Qualified Opinion, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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;

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(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) Except the matter described in Basis for Qualified Opinion, In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) In terms of Notification No. G. S. R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, the 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure III" to this report;

(g) In terms of Notification No. G.S.R. 463(E) dated 05th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 read with schedule V of the Act regarding managerial remuneration, are not applicable to the Company.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has no pending litigation which would impact its financial position except as disclosed under contingent liabilities in its Ind AS financial statements-Refer Note to the Ind As financial statements;

   ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For BRAN & Associates
Chartered Accountants
ICAI Firm Registration No.: 014544N

BRAN & Associates Delhi Chartered Accountants

CA. Brijesh Kaushik
Partner
Membership No.: 092573
UDIN: 19092573AAAAAK6128

Place: Dehradun
Date: 22.08.2019

ANNEXURE 'I' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Power Transmission Corporation of Uttarakhand Limited of even date)

(i) In respect of the Company's property, plant and equipment: .
  (a) The Company has not maintained proper and updated records showing full particulars, including quantitative details and situation of property, plant and equipment.
  (b) The Company has a program of verification to cover all the items of fixed assets in a phase manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  (c) The title deeds of the immovable properties are not made available to us, therefore, we are unable to comment whether the same are in the name of the Company or not.

(ii) The Company has conducted physical verification of its inventories (excluding materials in transit and stock lying with third parties) at reasonable intervals. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed during physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b), and (iii)(c) of the said Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion, prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:
  (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
  (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  (c) As at March 31, 2019, the dues on account of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess matters that have not been deposited on account of any dispute were as under:

S. No.	Particulars	As at 31.03.2019 (Rs. In Lakh)	As at 31.03.2018 (Rs. In Lakh)
1.	Income tax demand for AY 2009-10	0.81	0.81
2.	TDS demand	16.44	13.66
3.	Service Tax demand	104.82	104.82

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(viii) According to information and explanation given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures during the year.

(ix) According to information and explanation given to us, money raised by way of the term loans have been applied by the Company for the purposes for which they were raised. The Company has neither raised moneys by way of initial public offer or further public offer (including debt instruments) nor were such proceeds pending to be applied, during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) In view of exemption given in terms of Notification No. G.S.R. 463(E) dated 05th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 read with schedule V of the Act regarding managerial remuneration, are not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, hence reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has made preferential allotment of shares amounting to Rs. 283.23 Lakh (Previous year Rs.1300.00 Lakh) in compliance with relevant rules under the Act. Company has not made any private placement of shares or fully or partly paid convertible debentures during the year under review.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors. Hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For BRAN & Associates
Chartered Accountants
Firm Registration No. 014544N

BRAN & Associates
Delhi
Chartered Accountants

CA Brijesh Kaushik
Partner
Membership No: 092573

Place: Dehradun
Date: 22.08.2019

ANNEXURE - II TO THE INDEPENDENT AUDITORS' REPORT

(As referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report even date)

Re: Power Transmission Corporation of Uttarakhand Limited

S. No.	Directions	Report
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As represented by the management, the company is in the process of computerisation of its operations. The transmission monitoring system, pay roll, personnel information system and financial accounting system of the Company has already been computerised and the inventory management system is under the process. The users of the above module have been allotted user id to ensure proper security of the data.
2.	Whether there is 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 impact may be stated.	Based on our audit work, we report that there is no restructuring of an existing loan or cases of waiver/ write off of debts/loans/ interest etc. during the financial year 2018-19.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on our audit work, we report that the funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilised as per its terms and conditions.

Sub-directions under Section 143(5) of the Companies Act, 2013

Power Sector

S. No.	Directions	Report
1.	Adequacy of steps to prevent encroachment of idle land owned by the Company may examine. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	As reported by the Company, the idle land owned by the Company is free from encroachment and litigation.
2.	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.	Based on information provided to us, land is acquired or procured through Government agencies and the dues are settled expeditiously in a transparent manner.
3.	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 Standard?	As observed during the audit of accounts, we report that, the wheeling charged along with incentive bills are raised to M/s UPCL on monthly basis as per the approved tariff order and the revenue is accounted for in the books of accounts in compliance with the applicable Accounting Standrads

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4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	As informed and verified by us, no project have been abandoned during the financial year under audit.

Transmission

S. No.	Directions	Report
1.	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, is any, claimed by the generating company may be commented.	Based on information provided to us by the management, transmission system is commensurate with power received from generator for transmission to distributor. No claim for loss of power was reported / observed during the year.
2.	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?	Transmission losses are within the prescribed norms during the year.
3.	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.	As informed and verified by us, no construction has been made on behalf of other agencies.

Others

S. No.	Directions	Report
1.	Examine the system of effective utilisation of Loans/Grant-in-Aid/Subsidy. List the cases of diversion of funds.	Money raised by way of loans/ amount received from Grant-in-Aid/Subsidy have been used for the purpose, they were sanctioned for.
2.	Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period.	The cost benefit analysis of major capital expenditure is to strengthen the augment transmission network infrastructure for ensuring reliable and quality power supply.
3.	If the audited entity has computerised its operations or part of it, assess and report, how much of the data in the company is in electronic format, which of the area such as accounting, sales, personnel information, pay roll, inventory, etc. have been computerised and the company has evolved proper security policy for data/ software/ hardware?	As represented by the management, the company is in the process of computerisation of its operations. The transmission monitoring system, pay roll, personnel information system and financial accounting system of the Company has already been computerised and the inventory management system is under the process. The users of the above module have been allotted user id to ensure proper security of the data.

For BRAN & Associates
Chartered Accountants
ICAI Firm Registration No.: 014544N

BRAN & Associates Chartered Accountants Delhi

CA. Brijesh Kaushik
Partner
Membership No.: 092573
Place: Dehradun
Date: 22.08.2019

Annexure-III 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 Power Transmission Corporation of Uttarakhand Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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(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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us ,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, 2019, 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 BRAN & Associates
Chartered Accountants
FRN: 014544N

BRAN & Associates
Delhi
Chartered Accountants

(CA. Brijesh Kaushik)
Partner
M. No. : - 092573

Place: Dehradun
Date: 22.08.2019

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED
CORPORATE ID No.:- U40101UR2004GOI028675
VIDYUT BHAWAN 132 KV MAJRA CAMPUS, DEHRADUN
BALANCE SHEET AS AT - 31.03.2019

(Amount Rs. in Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
I Non Current Assets			
(a) Property, Plant and Equipment	2	1,20,225.55	1,14,299.90
(b) Capital Work-in-Progress	3	34,761.80	24,669.50
(c) Financial Assets			
(i) Other Financial Assets	4	2,155.44	2,162.33
(d) Deferred Tax Assets		-	-
(e) Other Non Current Assets	5	32,729.66	28,041.02
Total Non-Current Assets (A)		**1,89,872.46**	**1,69,172.75**
II Current Assets			
(a) Inventories	6	6,192.34	4,955.71
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	7	15,029.43	7,113.22
(iii) Cash and Cash Equivalent	8	27,682.22	32,399.47
(v) Other Bank Balances	9	268.09	4,437.51
(vi) Loans			
(vii) Other Financial Assets	4	424.71	188.29
(c) Current Tax Assets (Net)			
(d) Other Current Assets	10	594.45	1,216.26
Total Current Assets (B)		**50,191.23**	**50,310.46**
Total Assets		**2,40,063.68**	**2,19,483.20**
EQUITY AND LIABILITIES			
I EQUITY			
(a) Equity Share Capital	11	47,388.23	47,105.00
(b) Other Equity	12	43,813.89	32,541.82
		91,202.12	**79,646.82**
II Liabilities			
A Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	54,868.05	48,255.94
(ii) Other Financial Liablities	14	26,092.09	28,177.63
(b) Long Term Provisions	15	1,009.90	891.99
(c) Deferred Tax Liabilities	16	780.00	692.31
(d) Other Non Current Liabilities	17	50,854.38	47,991.39
Total Equity & Non-Current Liabilities (A)		**1,33,604.42**	**1,26,009.25**
B Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade Payable	18	3,747.15	2,542.52
(iii) Other Financial Liabilities	14	9,718.17	9,756.55
(b) Short Term Provisions	19	1,257.20	1,059.27
(c) Current Tax Liabilities (Net)			
(d) Other Current Liabilities	20	534.62	468.78
Total Current Liabilities (B)		**15,257.15**	**13,827.13**
Total Equity and Liabilities		**2,40,063.68**	**2,19,483.20**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For BRAN & Associates
Chartered Accountants
FRN:- 014544N

(CA. Brijesh Kaushik)
Partner
M.No. :- 092573

BRAN & Associates Delhi Chartered Accountants

Managing Director
DIN:- 06615837

Director (Finance)
DIN:- 07299553

Company Secretary

Place:- Dehradun
Date:- 22·08·2019

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

A. Equity Share Capital

Statement of change in Equity:

(Amount Rs. in Lakhs)

Particulars	Amount
Balance as at 01.04.2017	**45,805.00**
Add: Share issued during the year 01.04.2017 - 31.03.2018	1,300.00
Balance as at 31.03.2018	**47,105.00**
Balance as at 01.04.2018	**47,105.00**
Add: Share issued during the year 01.04.2018 - 31.03.2019	283.23
Balance as at 31.03.2019	**47,388.23**

B. Other Equity

(Amount Rs. in Lakhs)

Particulars	Share application money pending allotment	Reserves & Surplus			Total Amount
		General Reserve	Capital Reserve	Retained Earnings	
Balance at the beginning of reporting period 01.04.2017	-	-	**18,880.07**	**10,540.42**	**29,420.50**
Changes in accounting policy or prior period error	-		-	-	-
Balance at the beginning of reporting period 01.04.2017 (Restated)	-	-	**18,880.07**	**10,540.42**	**29,420.50**
Changes in accounting policy or prior period error				-	-
Total comprehensive income for the year				2,838.10	2,838.10
Dividend paid during the year 2017-18				-	-
Application Money pending allotment during the year	283.23			-	283.23
Total for the Year	**283.23**	-	-	**2,838.10**	**3,121.33**
Balance at the end of reporting period 31.03.2018	**283.23**	-	**18,880.07**	**13,378.52**	**32,541.82**
Balance at the beginning of reporting period 01.04.2018	**283.23**	-	**18,880.07**	**13,378.52**	**32,541.82**
Changes in accounting policy or prior period error				-	-
Total comprehensive income for the year				6,246.17	6,246.17
Dividend paid during the year 2018-19				-	-
Income Tax adjustments of earlier years				609.13	609.13
Application Money pending allotment during the year	4,700.00			-	4,700.00
Shares allotted during the year against application Money pending allotment in previous year	(283.23)			-	(283.23)
Total for the Year	**4,416.77**	-	-	**6,855.30**	**11,272.07**
Balance at the end of reporting period 31.03.2019	**4,700.00**	-	**18,880.07**	**20,233.82**	**43,813.89**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For BRAN & Associates
Chartered Accountants
FRN:- 014544N

Delhi

(CA. Brijesh Kaushik)
Partner
M.No. :- 092573

For & On behalf of the Board of Directors of PTCUL

Managing Director
DIN:- 06615837

Director (Finance)
DIN:- 07299553

Company Secretary

Place:- Dehradun
Date:- 22·08·2019

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

CORPORATE ID No.:- U40101UR2004GOI028675

VIDYUT BHAWAN 132 KV MAJRA CAMPUS, DEHRADUN

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED - 31.03.2019

(Amount Rs. in Lakhs)

	Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
A.	**Income:**			
(i)	Revenue From Operations	21	31,734.90	26,510.19
(ii)	Other Income	22	4,114.29	3,321.38
	Total Income		**35,849.19**	**29,831.57**
B.	**Expenses:**			
(i)	Employee Benefit Expenses	23	8,431.05	7,432.35
(ii)	Repairs & Maintenance Expenses	24	2,598.31	3,544.96
(iii)	Administrative & Gen. Expenses	25	3,282.12	2,312.31
(iv)	Finance Costs	26	4,417.95	4,791.94
(v)	Depreciation and Amortization Expenses	27	10,290.12	9,287.73
	Total Expenses		**29,019.55**	**27,369.29**
C.	**Profit Before Tax**		**6,829.64**	**2,462.28**
i)	**Tax Expense**	28		
a.	Current Tax		1,494.79	548.14
b.	Deferred Tax		87.70	(428.13)
c.	Mat Credit		(999.02)	(548.14)
D.	**Profit(Loss) for the Period**		**6,246.17**	**2,890.41**
E.	**Other Comprehensive Income**			
a.	(i) items that will not be reclassified to profit or loss			
	Re-measurement of Gains/(Losses) on defined benefit plans		-	(51.27)
F.	**Total Other Comprehensive Income**		-	**(51.27)**
G.	**Total Comprehensive Income for the period (D+F)**		**6,246.17**	**2,839.14**
H.	**Earning Per Equity Share :**			
	(1) Basic (In Rs.)		131.92	61.82
	(2) Diluted (in Rs.)		120.01	61.45

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For BRAN & Associates
Chartered Accountants
FRN:- 014544N

Delhi

(CA. Brijesh Kaushik)
Partner
M.No. :- 092573

For & On behalf of the Board of Directors of PTCUL

Managing Director
DIN:- 06615837

Director (Finance)
DIN:- 07299553

Company Secretary

Place:- Dehradun
Date:- 22·08·2019

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED
CORPORATE ID No.:- U40101UR2004GOI028675
VIDYUT BHAWAN 132 KV MAJRA CAMPUS, DEHRADUN

CASH FLOW STATEMENT FOR THE PERIOD ENDED - 31.03.2019

(Amount Rs. in Lakhs)

	PARTICULARS	Year ended 31.03.2019		Year ended 31.03.2018	
A	**CASHFLOW FROM OPERATING ACTIVITIES:**				
	Net Profit/(loss) before tax and extra-ordinary items	**6,829.64**		**2,462.28**	
	Add: Othere Comprehensive Income	-		(51.27)	
	Adjustment for:				
	Add: Depreciation	10,290.12		9,287.73	
	Add: Interest and Other finance charges	4,417.95		4,791.94	
	Operating Profit Before Changes in Assets /Liabilities	**21,537.71**		**16,490.69**	
	(Increase) / Decrease in Inventory	(1,236.63)		(1,003.61)	
	(Increase) / Decrease in Trade Receivable	(7,916.20)		186.46	
	(Increase) / Decrease in Other Current Assets	385.39		(154.48)	
	(Increase) / Decrease in Other Non Current Assets	(2,172.12)		(4,231.09)	
	Increase / (Decrease) in Trade Payable	1,204.63		217.20	
	Increase / (Decrease) in Other Current Liabilities & Provisions	225.39		1,463.86	
	Other Non Current Financial Liabilities	(1,967.63)		15,611.07	
	Cash Generated from Operations	**10,060.53**		**28,580.10**	
	Direct Taxes/ TDS paid / MAT Credit	(2,396.28)		1,202.35	
	Net Cash from Operating Activities	**7,664.26**	**7,664.26**	**29,782.45**	**29,782.45**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase & Sale of Fixed assets (Tangible)	(16,215.77)		(9,461.79)	
	Capital Work -in -progress	(10,092.31)		(11,822.72)	
	Other Non Current Financial Assets				
	Cashflow on Investments	4,169.42		(4,437.51)	
	Net Cash from Investing Activities	**(22,138.65)**	**(22,138.65)**	**(25,722.03)**	**(25,722.03)**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Issue of Share Capital	283.23		1,300.00	
	Share Application Money	4,416.77		283.23	
	Loans & Cash Credit Raised	6,612.10		3,014.37	
	Increase in Deferred Tax Liabilities				
	Other Long Term Provision	-			
	Other Non Current Liabilities & Provisions	2,862.99		19,324.72	
	Current Tax Assets	-			
	Interest and Other finance charges paid	(4,417.95)		(4,791.94)	
	Dividend Paid	-		-	
	Net Cash from Financing Activities	**9,757.14**	**9,757.14**	**19,130.37**	**19,130.37**
D	**NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)**		**(4,717.25)**		**23,190.79**
E	OPENING CASH & CASH EQUIVALENTS		**32,399.47**		**9,208.68**
F	**CLOSING CASH & CASH EQUIVALENTS**		**27,682.22**		**32,399.47**

Notes Referred to above form an integral part of Balance Sheet

As per our report of even date attached

For BRAN & Associates
Chartered Accountants
FRN:- 014544N

Delhi

(CA Brijesh Kaushik)
Partner
M.No. :- 092573

For & On behalf of the Board of Directors of PTCUL

Managing Director	Director (Finance)	Company Secretary
DIN:- 06615837	DIN:- 07299553	

Place:- Dehradun
Date:- 22.08.2019

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD. (PTCUL)

Note 1. Corporate Background and Significant Accounting Policies

PART (A) CORPORATE INCORPORATION AND BACKGROUND

The Power Transmission Corporation of Uttarakhand Limited (referred to as the "Company") is public limited company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at Vidyut Bhawan, 132 KV Majra Campus, Dehradun - 248001. The principal business of the Company is Transmission of Electricity and State load dispatch centre (SLDC) function in the state of Uttarakhand.

On Account of power reform Process in the State of Uttarakhand, the Uttarakhand Power Corporation Limited (UPCL) was brought into effect by Govt. of Uttarakhand (GOU). Consequent to the unbundling of UPCL on 31.05.2004 The Power Transmission Corporation of Uttaranchal Limited (PTCUL) was incorporated on 27.05.2004 as separate company and assigned separately the business of Transmission of Electricity and State load dispatch centre (SLDC) function in the state of Uttaranchal. The scope of the business, Assets & Liabilities of the said entity and other incidental & consequential matters were laid down in the detailed transfer scheme notified by the Govt. of Uttaranchal vide Notification No. 86/1/2004-06(3) 2003 dated 31.05.2004 and 87/1/2004-06 (3) 2003 dated 31.05.2004.The Name of the Company was changed from Power Transmission Corporation Of Uttaranchal Limited to Power Transmission Corporation of Uttarakhand Limited in February, 2007 and further vide its meeting held on 10th June, 2005 Board has directed that the function of State Load Dispatch Centre (SLDC) be separated from Power Transmission Corporation of Uttaranchal Limited by 01.10.2005.

PART (B) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial Statements of the Corporation have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards Rules, 2015, read with section 133 of the Companies Act, 2013 (as amended from time to time).

These Ind AS financial statements are presented in Indian Rupees (INR), which is Company's presentation currency. All financial information have been prepared in Indian rupees (INR). All amounts have been rounded-off to the nearest Lakhs, unless otherwise stated.

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Employee benefit expenses (Refer Note Part – D (15) for Accounting policy).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

PART (C) USE OF ESTIMATE, JUDGEMENT AND ASSUMPTIONS:

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Useful Lives of Property, Plant and Equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Impairment of Investments

The Company reviews its carrying value of investments carried at cost, annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Valuation of Deferred Tax Assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

PART (D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Property, Plant and Equipments (PPE)

For transition to Ind As in accordance with the provision of the Ind As 101, the corporation has opted to continue with the carrying value for all of its property, plant and equipment("PPE") recognized as of 1st April 2016 (transition date) and intangibles assets as recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the financial statements as at the transition date.

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Property, plant and equipment are stated at cost of acquisition/construction less accumulated depreciation/ amortisation and impairment loss, if any, except for freehold land which is not depreciated.

In the case of commissioned assets, deposit works/cost -plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on the date of commissioning, subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of UERC tariff regulations and capitalized accordingly.

The cost of an item of property, plant and equipment is recognized as an asset, if and only it is probable that future economic benefits associated with them will flow to the entity and the cost of item can be measured reliably.

Cost includes purchase price (after deducting trade discount / rebates), non-refundable duties and taxes, cost of replacing the component parts, borrowing costs, site restoration cost or decommissioning liability and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Spare parts procured along with the Plant & Equipment or subsequently which meets the recognition criteria of PPE are capital inventory. The carrying amounts of those spare parts which was capitalized earlier are derecognized when no future economic benefits are expected from their use or upon disposal. Other spares than capital spares are treated as "stores & spares" forming part of the inventory.

Inspection cost pertaining to PPE is directly debited to cost of PPE.

Expenditure incurred on renovation, modernization and augmentation of PPE on or before completion of the originally estimated useful life of sub-station / transmission lines resulting in increased life and /or efficiency of an existing asset, is added to the cost of the related asset. PPE acquired as replacement of the existing assets /component is capitalized and its corresponding replaced assets/component removed /retired from active use are derecognized.

Afforestation charges for acquiring right-of- way for laying transmission lines are capitalised on the basis of actual expenditure incurred for the Projects.

De-recognition

An item of PPE is derecognized when no future economic benefits are expected from use.
Any gain or loss arising on the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in statement of profit and loss on the date of disposal or retirement.

2. Capital Works In Progress

Expenditure incurred on assets under construction (including a project) is carried at cost under Capital work in Progress ('CWIP'). Such costs comprises purchase price (after deducting trade discount/ rebate) including non-refundable duties and taxes and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Interest during construction and expenditure (Net) allocated to construction as per policy are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the actual expenditure incurred during the year on the projects.

In respect of supply-cum-erection contracts (Turn-Key Contracts), the value of supplies received at site and accepted, is treated as Capital Works-in-Progress.

Claims of the Price Variation in case of contracts are accounted for on acceptance of Bills.

Value of construction stores, are charged to Capital Works-in-Progress as and when material is issued. The material at the year end and lying at site is treated as part of the Capital Work-in-Progress, but the material lying in the stores is grouped under the head stores and spares.

Employees Cost and Administrative cost incurred on supervision of Capital works are capitalized on the basis of actual expenditure incurred for the Projects.

The amount incurred upto 33 K.V. shall be transferred to the concerned parties after completion of works until that it will be shown under the Note 2.10 Capital work in progress.

In case a project under construction remains in abeyance by the order of appropriate authority/ by injunction of order court, any expenditure incurred on such projects is debited to statement of profit & Loss from the date of such order till the period project is kept in abeyance by such order/injunction.

3. Intangible assets

Intangible assets must be 1) individually identifiable and is separately recognizable, 2) under the control of the company and 3) future economic benefits flowing from that asset for more than one economic year 4) the cost of that asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on straight line basis over the estimated useful economic life.

An item of Intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & Loss.

4. Depreciation /Amortization

Depreciation on PPE has been charged on pro rata basis from the date on which asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The applicable rates and methodology are considered as per the regulations issued by Uttarakhand Electricity Regulatory Commission (UERC) vide tariff regulation 2015 on straight line method.

As per Ind AS, No depreciation is chargeable on PPE of the damaged projects.

Leasehold land including any expenditure on development of land is fully amortized over lease period or life of the related plants whichever is lower in accordance with the rates and methodology specified in UERC tariff Regulation.

5. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

6. Inventories

Inventories mainly comprise stores and spare parts, construction material and other consumables held for internal use and are valued at costs. The cost of inventories is computed on FIFO basis.

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The difference between stock as per books and as per physical verification is not yet adjusted as they are subject to finalization of transfer scheme.

The non moving stock approximately 10% of material in stock (stock as per transfer scheme) is being written off @ 2% of obsolete stock every year from F.Y 2008-09 onwards.

7. Financial Instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities, as appropriate, on initial recognisition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:
(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and

U.P.A.B. & Co. Delhi Chartered Accountants the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial asset at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the statement of profit and loss.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers, the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind As 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognisition.

Financial liabilities and equity instruments

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the statement of profit and loss.

Derivative contracts

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit or loss immediately.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only is there is change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

8. INCOME RECOGNITION

i. Income is measured at the fair value of the consideration received or receivable on accrual basis and when its collection or receipts is reasonably certain. Income is reduced for estimated rebates and similar allowances, if any.

ii. Transmission Charges & incentive bills are accounted for on the basis of Tariff Rates, notified/approved by the Uttarakhand Electricity Regulatory Commission (UERC).

iii. Interest income (other than interest/ surcharge from customers) from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition, included under the head "other income" in the statement of profit and loss.

iv. Value of waste and scrap is accounted for on actual realization basis.

v. Recovery towards income tax from beneficiaries is accounted for as reimbursement on year to year basis.

vi. Interest/ Surcharge recoverable in Advances to Suppliers as well as warranty Claims/ Liquidity Damages are not treated as accrued, due to uncertainly of realization/ acceptance and are, therefore, accounted for on receipt of acceptances.

(vii) Claims for late payment surcharge recognized according to the agreement except when it is provable that amount is not recoverable.

9. Dividend

The Company recognizes a liability for annual dividend distributions to its equity holders when the distribution is authorized and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

In case of interim dividend, the liability is recognised on its declaration by the Board of Directors.

10. Government Grants

Government grant as per Ind AS 20 are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants relating to income are determined and recognized in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are treated as deferred income and recognised in the statement of profit and loss along with depreciation over the useful life of related assets in proportion to which depreciation on these assets are provided.

11. Impairment

If the recoverable amount of an asset (or cash generated unit) is estimated to be less than its carrying amount the carrying amount of the asset (or cash generated unit) is reduced to its recoverable amount .An impairment loss is recognized immediately in the Profit & Loss account, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Los, unless the relevant asset is carried at a re-valued amount in which case the reversal of the impairment loss is treated as a revaluation increase.

12. Provisions, Contingent Assets/ Liabilities

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimates of the amount required to settle the obligation at the balance sheet date.

A disclosure for a **contingent liability** is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

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Contingent Assets are not recognized but are disclosed in the notes to financial statements when inflow of economic benefits is probable.

13. Borrowing Cost

Borrowing costs as per Ind AS 23, includes interest, commitment charges, brokerage, underwriting costs, discounts/premium, financing charges, and exchange differences to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs that are directly attributable to acquisition/construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

14. Foreign currency

In preparing the financial statements, transaction in foreign currencies i.e. other than the company's functional currency are recognised at rate of exchange prevailing for the month on the dates of the transactions.

Foreign currency monetary assets and liabilities, remaining unsettled at the reporting date are translated at the exchange rate prevailing at reporting date and differences are recognised in statement of profit and loss. Foreign currency non-monetary assets and liabilities, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of reporting
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference are recognized in other comprehensive income.

15. Retirement and other Employee Benefits

For Employees covered under General Provident Fund:

Government of Uttarakhand had taken over the liabilities for Gratuity and Pension w.e.f. March, 2004 against payment of 19.08% of the Basic Salary and Dearness Allowance and the same has been accounted for on accrual basis.

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For Employees covered under Employees Provident Fund and Miscellaneous Provisions Act, 1952:

Defined Benefit Plans:

a) Gratuity in respect of employees covered under employees Provident Fund and Miscellaneous Provision Act, 1952 have been accounted for on actuarial valuation basis through LIC.

b) Encashment of leave is accounted on the basis of actuarial valuation through LIC.

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Defined contribution plan: Company's contributions due/ payable during the year towards provident fund is recognized in the statement of profit and loss. The Company has no obligation other than the contribution payable to the provident fund.

16. Income Taxes

Income tax expense comprises current tax expense and net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and 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 recognised in other comprehensive income or directly in equity respectively.

Current Income Taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Income tax liability is passed to beneficiaries as reimbursement to the extent relatable to core activity i.e Transmission of Electricity.

Deferred Income Taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation 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 sufficient taxable profits will be available to allow or part of the asset to be recovered.

17. Earnings Per Share

Basic earnings per share are computed by dividing the net profit or loss after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for dividing basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

18. Segment Reporting

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports presented to the Chief Operating Decision Maker (CODM) of the Company who allocates resources to the segments and assesses their performance.

19. Statement of Cash Flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of cash flows' .

20. Current and non-current Classification

The Corporation presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

a) An asset is treated as current when:
   - ❖ Expected to be realized or intended to be sold or consumed in the normal operating cycle.
   - ❖ Held primarily for the purpose of trading,
   - ❖ Expected to be realized within twelve months after the reporting period, or
   - ❖ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:
   - ❖ It is expected to be settled in the normal operating cycle,
   - ❖ It is primarily for the purpose of trading,
   - ❖ It is due to be settled within twelve months after the reporting period, or
   - ❖ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
   - ❖ All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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d) The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

21. Prior Period Items

Material prior period errors are corrected retrospectively by restating comparative amount for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

22. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA), on March 30, 2019 notified Ind AS 116, "Leases" as part of Companies (Indian Accounting Standards) Amendment Rule, 2018. The new standard is effective for accounting periods beginning on or after April 1, 2019. The Company is evaluating the disclosure requirements of the amendments and its effect on the financial statements.

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note - 2 : Property, Plant and Equipment

(Tangible & In-tangible Assets: including Deposit and Grant Assets)

(Amount Rs. in Lakhs)

SL NO	Particulars	Rate of Dep. (in %)	Gross Block: Gross Carrying Value as at 01.04.2018	Gross Block: Additions 01.04.2018-31.03.2019	Gross Block: Disposal / Adjustments 01.04.2018-31.03.2019	Gross Block: Gross Carrying Value as at 31.03.2019	Provision of Depreciation: Accumulated Depreciation as at 01.04.2018	Provision of Depreciation: Additions 01.04.2018-31.03.2019	Provision of Depreciation: Disposal / Adjustments 01.04.2018-31.03.2019	Provision of Depreciation: Accumulated Depreciation as at 31.03.2019	Net Block: Net Carrying Value as at 31.03.2019	Net Block: Net Carrying Value as at 31.03.2018	Net Block: Net Carrying Value as at 01.04.2017
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A	(Tangible Assets: including Deposit and Grant Assets)												
1	Land (Owned)		419.62	-		419.62	-	-		-	419.62	419.62	419.62
2	Land (Lease Rights)		3,600.18	219.06		3,819.24	257.09	362.70		619.79	3,199.45	3,343.09	3,490.19
3	Buildings	3.34	5,987.30	444.33		6,431.63	540.93	188.75		729.68	5,701.94	5,446.37	4,811.55
4	Hydraulic Works	5.28	344.30	93.39		437.69	30.93	22.74		53.67	384.02	313.37	333.03
5	Other Civil Works	3.34	1,137.15	608.83		1,745.98	66.11	55.01		121.13	1,624.86	1,071.03	1,100.70
6	Plant & Machinery	5.28	58,971.57	12,850.26		71,821.83	6,830.60	5,269.63		14,100.23	57,721.60	50,140.97	49,479.31
7	Lines&Cable Network	5.28	60,957.44	1,904.86		62,862.30	7,935.16	4,313.12		12,248.28	50,614.02	53,022.28	54,003.49
8	Vehicles	9.5	53.65	-		53.65	23.10	12.78		35.88	17.77	30.55	31.06
9	Furniture and Fixtures	6.33	294.99	41.59		336.59	38.47	24.68		63.15	273.44	256.53	214.33
10	Office Equipment	6.33	150.18	23.15	1.40	171.93	19.89	14.74	1.40	33.22	138.70	130.30	123.35
11	Computers & IT Equipment	15.00	155.33	30.30		185.62	29.54	25.97		55.51	130.12	125.79	119.20
	TOTAL		1,32,071.72	16,215.77	1.40	1,48,286.08	17,771.82	10,290.12	1.40	28,060.53	1,20,225.55	1,14,230.90	1,14,125.84

(Deposit Works)

(Amount Rs. in Lakhs)

SL NO	Particulars	Rate of Dep. (in %)	Gross Block: Gross Carrying Value as at 01.04.2018	Gross Block: Additions 01.04.2018-31.03.2019	Gross Block: Disposal / Adjustments 01.04.2018-31.03.2019	Gross Block: Gross Carrying Value as at 31.03.2019	Provision of Depreciation: Accumulated Depreciation as at 01.04.2018	Provision of Depreciation: Additions 01.04.2018-31.03.2019	Provision of Depreciation: Disposal / Adjustments 01.04.2018-31.03.2019	Provision of Depreciation: Accumulated Depreciation as at 31.03.2019	Net Block: Net Carrying Value as at 31.03.2019	Net Block: Net Carrying Value as at 31.03.2018	Net Block: Net Carrying Value as at 01.04.2017
1	2	3	4	5	6	7	8	9	10	11	12	13	14
B	(Tangible Assets of - Deposit Works)												
1	Land (Owned)		-	-		-	-	-		-	-	-	-
2	Land (Lease Rights)		-	-		-	-	-		-	-	-	-
3	Buildings	3.34	47.98	-		47.98	3.54	1.77		5.31	42.67	44.44	46.21
4	Hydraulic Works	5.28	-	-		-	-	-		-	-	-	-
5	Other Civil Works	3.34	50.43	-		50.43	3.74	1.87		5.62	44.82	46.69	48.56
6	Plant & Machinery	5.28	1,505.19	70.08		1,575.27	340.61	181.48		522.10	1,053.18	1,164.57	1,285.47
7	Lines&Cable Network	5.28	4,708.77	61.01		4,769.78	615.30	319.65		934.94	3,834.84	4,093.47	4,067.34
8	Vehicles	9.5	-	-		-	-	-		-	-	-	-
9	Furniture and Fixtures	6.33	-	-		-	-	-		-	-	-	-
10	Office Equipment	6.33	-	-		-	-	-		-	-	-	-
11	Computers & IT Equipment	15.00	-	-		-	-	-		-	-	-	-
	TOTAL		6,312.36	131.10		6,443.46	963.19	504.77		1,467.96	4,976.50	5,349.17	5,447.58

(Grant Works - ADB)

(Amount Rs. in Lakhs)

SL NO	Particulars	Rate of Dep. (in %)	Gross Block: Gross Carrying Value as at 01.04.2018	Gross Block: Additions 01.04.2018-31.03.2019	Gross Block: Disposal / Adjustments 01.04.2018-31.03.2019	Gross Block: Gross Carrying Value as at 31.03.2019	Provision of Depreciation: Accumulated Depreciation as at 01.04.2018	Provision of Depreciation: Additions 01.04.2018-31.03.2019	Provision of Depreciation: Disposal / Adjustments 01.04.2018-31.03.2019	Provision of Depreciation: Accumulated Depreciation as at 31.03.2019	Net Block: Net Carrying Value as at 31.03.2019	Net Block: Net Carrying Value as at 31.03.2018	Net Block: Net Carrying Value as at 01.04.2017
1	2	3	4	5	6	7	8	9	10	11	12	13	14
C	(Tangible Assets of - Grant Works - ADB)												
1	Land (Owned)	-	-	-		-	-	-		-	-	-	-
2	Land (Lease Rights)		433.56	-		433.56	-	173.54		173.54	260.01	433.56	-
3	Buildings	3.34	577.35	29.65		607.00	21.48	19.91		41.39	565.61	555.87	284.94
4	Hydraulic Works	5.28	153.48	-		153.48	10.77	8.10		18.88	134.61	142.71	150.00
5	Other Civil Works	3.34	568.82	-		568.82	25.27	19.00		44.26	524.55	543.55	560.65
6	Plant & Machinery	5.28	17,516.89	1,530.20		19,047.09	1,229.89	975.79		2,205.68	16,841.41	16,287.01	17,118.74
7	Lines&Cable Network	5.28	4,487.51	530.18		5,017.69	313.91	254.58		568.49	4,449.20	4,173.60	4,335.36
8	Vehicles	9.5	-	-		-	-	-		-	-	-	-
9	Furniture and Fixtures	6.33	-	-		-	-	-		-	-	-	-
10	Office Equipment	6.33	0.69	-		0.69	-	0.04		0.04	0.65	0.69	-
11	Computers & IT Equipment	15.00	-	-		-	-	-		-	-	-	-
	TOTAL		23,738.30	2,090.02		25,828.32	1,601.32	1,450.96		3,052.28	22,776.04	22,136.98	22,449.69

(Grant Works - PSDF)

(Amount Rs. in Lakhs)

SL NO	Particulars	Rate of Dep. (in %)	Gross Block: Gross Carrying Value as at 01.04.2018	Gross Block: Additions 01.04.2018-31.03.2019	Gross Block: Disposal / Adjustments 01.04.2018-31.03.2019	Gross Block: Gross Carrying Value as at 31.03.2019	Provision of Depreciation: Accumulated Depreciation as at 01.04.2018	Provision of Depreciation: Additions 01.04.2018-31.03.2019	Provision of Depreciation: Disposal / Adjustments 01.04.2018-31.03.2019	Provision of Depreciation: Accumulated Depreciation as at 31.03.2019	Net Block: Net Carrying Value as at 31.03.2019	Net Block: Net Carrying Value as at 31.03.2018	Net Block: Net Carrying Value as at 01.04.2017
1	2	3	4	5	6	7	8	9	10	11	12	13	14
D	(Tangible Assets of - Grant Works - PSDF)												
1	Land (Owned)	-	-	-		-	-	-		-	-	-	-
2	Land (Lease Rights)		-	-		-	-	-		-	-	-	-
3	Buildings	3.34	-	-		-	-	-		-	-	-	-
4	Hydraulic Works	5.28	-	-		-	-	-		-	-	-	-
5	Other Civil Works	3.34	-	-		-	-	-		-	-	-	-
6	Plant & Machinery	5.28	984.11	746.90		1,731.01	10.41	70.21		80.62	1,650.38	973.70	-
7	Lines&Cable Network	5.28	-	-		-	-	-		-	-	-	-
8	Vehicles	9.5	-	-		-	-	-		-	-	-	-
9	Furniture and Fixtures	6.33	-	-		-	-	-		-	-	-	-
10	Office Equipment	6.33	-	-		-	-	-		-	-	-	-
11	Computers & IT Equipment	15.00	-	-		-	-	-		-	-	-	-
	TOTAL		984.11	746.90	-	1,731.01	10.41	70.21	-	80.62	1,650.38	973.70	

Note: Refer Note No...... for charge created on PPE.

Chartered Accountants

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note - 2 : Property, Plant and Equipment

(Tangible & In-tangible Assets: including Deposit and Grant Assets)

(Amount Rs. in Lakhs)

SL NO	Particulars	Rate of Dep (in %)	Gross Block: Gross Carrying Value as at	Gross Block: Additions	Gross Block: Disposal / Adjustments	Gross Block: Gross Carrying Value as at	Provision of Depreciation: Accumulated Depreciation as at	Provision of Depreciation: Additions	Provision of Depreciation: Disposal / Adjustments	Provision of Depreciation: Accumulated Depreciation as at	Net Block: Net Carrying Value as at
			01.04.2017	01.04.2017-31.03.2018	01.04.2017-31.03.2018	31.03.2018	01.04.2017	01.04.2017-31.03.2018	01.04.2017-31.03.2018	31.03.2018	31.03.2018
1	2	3	4	5	6	7	8	9	10	11	12
A	(Tangible Assets: including Deposit and Grant Assets)										
1	Land (Owned)	-	419.62	-		419.62	-	-		-	419.62
2	Land (Lease Rights)		3,600.18	-		3,600.18	109.99	147.10	-	257.09	3,343.09
3	Buildings	3.34	5,064.40	922.89		5,987.30	252.86	288.07	-	540.93	5,446.37
4	Hydraulic Works	5.28	344.30	-		344.30	11.27	19.66	-	30.93	313.37
5	Other Civil Works	3.34	1,123.32	13.83		1,137.15	22.62	43.49	-	66.11	1,071.03
6	Plant & Machinery	5.28	53,636.94	5,334.64		58,971.57	4,157.62	4,672.98	-	8,830.60	50,140.97
7	Lines&Cable Network	5.28	57,891.00	3,066.44		60,957.44	3,887.51	4,047.65	-	7,935.16	53,022.28
8	Vehicles	9.5	41.65	12.00		53.65	10.60	12.50	-	23.10	30.55
9	Furniture and Fixtures	6.33	231.33	63.66		294.99	17.00	21.47	-	38.47	256.53
10	Office Equipment	6.33	130.16	20.33	0.31	150.18	6.81	13.10	0.02	19.89	130.30
11	Computers & IT Equipment	15.00	127.25	28.07		155.33	8.05	21.49	-	29.54	125.79
	TOTAL		1,22,610.16	9,461.86	0.31	1,32,071.72	8,484.34	9,287.50	0.02	17,771.82	1,14,299.90

(Deposit Works)

(Amount Rs. in Lakhs)

SL NO	Particulars	Rate of Dep (in %)	Gross Block: Gross Carrying Value as at	Gross Block: Additions	Gross Block: Disposal / Adjustments	Gross Block: Gross Carrying Value as at	Provision of Depreciation: Accumulated Depreciation as at	Provision of Depreciation: Additions	Provision of Depreciation: Disposal / Adjustments	Provision of Depreciation: Accumulated Depreciation as at	Net Block: Net Carrying Value as at
			01.04.2017	01.04.2017-31.03.2018	01.04.2017-31.03.2018	31.03.2018	01.04.2017	01.04.2017-31.03.2018	01.04.2017-31.03.2018	31.03.2018	31.03.2018
1	2	3	4	5	6	7	8	9	10	11	12
B	(Tangible Assets of - Deposit Works)										
1	Land (Owned)		-	-	-	-	-	-	-	-	-
2	Land (Lease Rights)		-	-	-	-	-	-	-	-	-
3	Buildings	3.34	47.98	-	-	47.98	1.77	1.77	-	3.54	44.44
4	Hydraulic Works	5.28	-	-	-	-	-	-	-	-	-
5	Other Civil Works	3.34	50.43	-	-	50.43	1.87	1.87	-	3.74	46.69
6	Plant & Machinery	5.28	1,449.48	55.71	-	1,505.19	164.01	176.61	-	340.61	1,164.57
7	Lines&Cable Network	5.28	4,366.13	342.64	-	4,708.77	298.79	316.51	-	615.30	4,093.47
8	Vehicles	9.5	-	-	-	-	-	-	-	-	-
9	Furniture and Fixtures	6.33	-	-	-	-	-	-	-	-	-
10	Office Equipment	6.33	-	-	-	-	-	-	-	-	-
11	Computers & IT Equipment	15.00	-	-	-	-	-	-	-	-	-
	TOTAL		5,914.01	398.35	-	6,312.36	466.44	496.76	-	963.19	5,349.17

(Grant Works - ADB)

(Amount Rs. in Lakhs)

SL NO	Particulars	Rate of Dep (in %)	Gross Block: Gross Carrying Value as at	Gross Block: Additions	Gross Block: Disposal / Adjustments	Gross Block: Gross Carrying Value as at	Provision of Depreciation: Accumulated Depreciation as at	Provision of Depreciation: Additions	Provision of Depreciation: Disposal / Adjustments	Provision of Depreciation: Accumulated Depreciation as at	Net Block: Net Carrying Value as at
			01.04.2017	01.04.2017-31.03.2018	01.04.2017-31.03.2018	31.03.2018	01.04.2017	01.04.2017-31.03.2018	01.04.2017-31.03.2018	31.03.2018	31.03.2018
1	2	3	4	5	6	7	8	9	10	11	12
C	(Tangible Assets of - Grant Works - ADB)										
1	Land (Owned)	-	-			-	-			-	-
2	Land (Lease Rights)		433.56	-		433.56	-	-		-	433.56
3	Buildings	3.34	289.09	288.26		577.35	4.15	17.33		21.48	555.87
4	Hydraulic Works	5.28	153.48			153.48	3.48	7.29		10.77	142.71
5	Other Civil Works	3.34	568.62			568.82	8.17	17.10		25.27	543.55
6	Plant & Machinery	5.28	17,516.22	0.67	-	17,516.89	397.49	832.40		1,229.89	16,287.01
7	Lines&Cable Network	5.28	4,436.02	51.49		4,487.51	100.66	213.25		313.91	4,173.60
8	Vehicles	9.5	-			-	-	-		-	-
9	Furniture and Fixtures	6.33	-			-	-	-		-	-
10	Office Equipment	6.33	0.69			0.69	-	-		-	0.69
11	Computers & IT Equipment	15.00	-			-	-	-		-	-
	TOTAL		23,397.88	340.42		23,738.30	513.95	1,087.37		1,601.32	22,136.98

(Grant Works - PSDF)

(Amount Rs. in Lakhs)

SL NO	Particulars	Rate of Dep. (in %)	Gross Block: Gross Carrying Value as at	Gross Block: Additions	Gross Block: Disposal / Adjustments	Gross Block: Gross Carrying Value as at	Provision of Depreciation: Accumulated Depreciation as at	Provision of Depreciation: Additions	Provision of Depreciation: Disposal / Adjustments	Provision of Depreciation: Accumulated Depreciation as at	Net Block: Net Carrying Value as at
			01.04.2017	01.04.2017-31.03.2018	01.04.2017-31.03.2018	31.03.2018	01.04.2017	01.04.2017-31.03.2018	01.04.2017-31.03.2018	31.03.2018	31.03.2018
1	2	3	4	5	6	7	8	9	10	11	12
C	(Tangible Assets of - Grant Works - ADB)										
1	Land (Owned)	-				-				-	-
2	Land (Lease Rights)					-				-	-
3	Buildings	3.34				-				-	-
4	Hydraulic Works	5.28				-				-	-
5	Other Civil Works	3.34				-				-	-
6	Plant & Machinery	5.28		984.11	-	984.11		10.41		10.41	973.70
7	Lines&Cable Network	5.28				-				-	-
8	Vehicles	9.5				-				-	-
9	Furniture and Fixtures	6.33				-				-	-
10	Office Equipment	6.33				-				-	-
11	Computers & IT Equipment	15.00				-				-	-
	TOTAL		-	984.11	-	984.11	-	10.41	-	10.41	973.70

Chartered Accountants

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note - 3 : Capital Work-in-Progress

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019			
		Balance as at 01.04.2018	Net Additions during 01.04.2018-31.03.2019	Capitalized during 01.04.2018-31.03.2019	Balance as at 31.03.2019
1	Capital Work in Progress (CWIP)	24,669.50	26,306.67	16,214.36	34,761.80

S.No.	Particulars	As at 31.03.2018			
		Balance as at 01.04.2017	Net Additions during 01.04.2017-31.03.2018	Capitalized during 01.04.2017-31.03.2018	Balance as at 31.03.2018
1	Capital Work in Progress (CWIP)	12,846.78	21,284.27	9,461.55	24,669.50

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note - 4 : Other Financial Assets

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
A	**Non-Current**		
1	**UPCL Adjustments:**		
a	Receivable from UPCL (Against unutilized portion of REC & NABARD Loan)	3,920.37	3,920.37
b	Receivable from UPCL (GPF Trust)	1,685.69	1,685.69
c	Receivable from UPCL (Against Old Remittances)	48.92	48.92
d	Receivable from UPCL against SLDC	-	51.17
e	Payable to UPCL (Against old fund transfered, Intt on REC, NABARD Loan)	(1,649.32)	(1,649.32)
f	Payable to UPCL (Against Pension Contribution)	(598.37)	(597.94)
g	Payable to UPCL (SLDC Share)	(1,500.07)	(1,500.07)
	Net UPCL Receivables / (Payable):	**1,907.22**	**1,958.82**
2	Receivable from BHPL (Against LPS Charges)	83.14	83.14
3	Sundry Receivables (Non Current)	120.38	120.38
4	Investment in FDR (Maturity more than 12 Months)	44.50	-
5	Interest accrued on FDRs (Maturity more than 12 Months)	0.21	-
	Total	**2,155.44**	**2,162.33**
B	**Current**		
1	Interest accrued on FDRs	424.71	188.29
	Total	**424.71**	**188.29**
	Total	**2,580.15**	**2,350.62**

Note- 5 : Other Non Current Assets

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	TDS Receivable	11,120.65	9,220.15
2	Less: MAT Payable	(6,256.67)	(5,275.38)
	Total	**4,863.98**	**3,944.77**
3	MAT Credit	6,256.67	4,666.25
4	Advance for Capital Supplies / Material Advance	21,609.01	19,430.00
	Total	**27,865.68**	**24,096.26**
	Total	**32,729.66**	**28,041.02**

Note- 6 : Inventories

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
	Stores & Spares		
1	Stock, Stores & Spares	6,192.34	4,955.71
	Total	**6,192.34**	**4,955.71**

Note- 7 : Trade Receivables

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
A	**Current (Considered Good)**		
1	Uttrakhand Power Corporation Limited (UPCL) (against ARR for PTCUL, SLDC, Incentive, etc.)	4,938.76	6,589.24
2	Uttrakhand Power Corporation Limited (UPCL) (against ISTS charges for 400 Srinagar S/s & Lines)	9,981.82	-
3	Bhilangna Hydro Power Ltd. (BHPL)	108.85	523.99
4	**Credit Impaired**	-	-
		15,029.43	**7,113.22**
5	**Less: Impaired**	-	-
	Total	**15,029.43**	**7,113.22**

Chartered Accountants

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note- 8 : Cash and Cash Equivalent

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
	Cash and Cash Equivalent		
	Bank Balances:		
A	**In Current Accounts:**		
1	Punjab National Bank	19,301.37	30,745.03
2	State Bank of India	35.08	35.08
3	Central Bank of India	8.74	8.74
4	The Nainital Bank Ltd.	5.33	2.99
5	HDFC Bank	4.11	4.44
	Total (A)	**19,354.63**	**30,796.28**
B	**Cash in Hand / Remittances:**		
1	Cash-in-Hand (Including Imprest)	3.59	6.32
2	Remittance in Transit	109.05	96.87
	Total (B)	**112.64**	**103.19**
C	**FDRs:**		
1	FDRs (with original maturity with in 3 Months)	8,214.94	1,500.00
	Total (C)	**8,214.94**	**1,500.00**
	Total (A+B+C)	**27,682.22**	**32,399.47**

Note- 9 : Other Bank Balances

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	FDRs with maturity of 3 to 12 months	268.09	4,437.51
	Total	**268.09**	**4,437.51**

Note- 10 : Other Current Assets

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Advance for O & M Supplies/Material Advance	451.61	1,067.64
2	Advances to staffs	39.80	39.06
3	Sundry Advances	103.04	109.00
4	Inter Unit Transactions	(0.00)	0.56
	Total	**594.45**	**1,216.26**

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note- 11 : Equity Share Capital

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
1	Authorised Share Capital	1,00,000.00	1,00,000.00	50,000.00
	(100,00,000 Equity Shares of Rs. 1000/- each)			
2	Issued, Subscribed and Fully Paid up Capital	47,388.23	47,105.00	45,805.00
	Total	**47,388.23**	**47,105.00**	**45,805.00**
	No. of Equity Shares of Rs. 1000/- each, Fully Paid up	47,38,823	47,10,500	45,80,500

Terms/ Rights attached to Equity Shares:-

1. The Company has only one class of equity shares having a par value of Rs 1000/- per share. Each holder of equity shares is entitled to one vote per share.
2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

Reconciliation of Nos. of Shares

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
1	Opening Equity Shares	47,10,500	45,80,500	42,10,500
2	Add: Number of Shares, Share Capital issued / Subscribed during the year	28,323	1,30,000	3,70,000
3	**Closing Balance**	**47,38,823**	**47,10,500**	**45,80,500**

Details of Shareholders holding more than 5% Shares in the company:

S.No.	Name		No. of Share holding	Percentage of holding
1	**Governor of State of Uttarakhand**	As at 31.03.2019	47,38,816	100%
		As at 31.03.2018	47,10,493	100%

Note- 12 : Other Equity

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
A	**Capital Reserve**			
1	Opening Balance	18,880.07	18,880.07	18,880.07
	Closing Balance	**18,880.07**	**18,880.07**	**18,880.07**
B	**Retained Earnings**			
1	Opening Balance	13,378.52	10,540.42	5,728.71
2	Changes in accounting policy or prior period error	-	-	-
3	Total comprehensive income for the year	6,246.17	2,838.10	5,415.28
4	Income Tax adjustments of earlier years	609.13	-	-
5	Dividend paid during the year	-	-	(603.57)
6	**Closing Balance**	**20,233.82**	**13,378.52**	**10,540.42**
C	**Share Application Money pending Allotment**			
1	Opening Balance	283.23	-	-
2	Application Money pending allotment during year	4,700.00	283.23	-
3	Shares allotted during year aginst pending application money	(283.23)	-	
4	**Closing Balance**	**4,700.00**	**283.23**	-
	Total	**43,813.89**	**32,541.82**	**29,420.50**

Footnote:-

(i) The company has sufficient Authorised share capital to cover the issue of equity shares against application money.

(ii) There is no refund due for application money as no excess application money has been received.

(iii) PTCUL was incorporated on 27.05.2004 as a separate company under Company's Act, 1956 and assigned separately the business of Transmission of Electricity and State Load Dispatch Centre (SLDC) function in the state of Uttaranchal. The Scope of the business, Assets & Liabilities of the said entity and other incidental & Consequential matters were laid down in the detailed transfer scheme notified by the Govt. of Uttaranchal vide Notification No. 86/1/2004-06(3) 2003 dated 31.05.2004 and 87/1/2004-06(3) 2003 dated 31.05.2004. In accordance with Transfer Scheme, Rs. 18880.07 Lakh is shown as "Capital Reserves".

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note- 13 : Borrowings

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
A	**Non Current (Secured-Term Loans)**		
1	Loan from REC	36,162.95	34,087.31
2	Loan from PFC	24,686.57	19,682.26
3	Loan from ADB	1,785.13	1,722.34
	Total	**62,634.65**	**55,491.91**
B	**Current**		
	TOTAL CURRENT LOANS	-	-
	TOTAL LOANS	**62,634.65**	**55,491.91**
1	Current Maturity of Long Term Loans	(7,766.60)	(7,235.97)
	LOANS OUTSTANDING	**54,868.05**	**48,255.94**

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Statement of Loans:

(Amount Rs. in Lakhs)

S.No.	Particulars	Repayment Period (Years)	Interest Rate during 2018-19	Secured by	As at 31.03.2019	As at 31.03.2018
A	**Non Current: Secured : Term Loans**					
a)	**Loan from REC:**					
1	REC II Scheme No 1450001 to 1450008	10	11.25% - 11.60%	Hypothecation of existing/Future Assets	1,299.00	2,469.16
2	REC III Scheme No 1450011	10	11.25% - 11.60%	-do-	3,271.57	4,362.09
3	REC IV Scheme No 145009	10	11.25% - 12.00%	-do-	6,167.95	6,658.62
4	REC V Scheme No 1183637	10	11.25% - 12.00%	-do-	3,754.02	4,504.83
5	REC IX Scheme No 1185762(132 KV Barheni Pantnagar Line and Const. of 1Bay on 220 KV S/s Pantnagar)	10	10.75% - 11.60%	-do-	211.79	242.04
6	REC XI Scheme No 1185787(Construction of HQ Building)	10	11.25% - 12.00%	-do-	849.33	970.66
7	REC Capital R&M Scheme No 1184365(Augmentation of 220 KV S/s Roorkee)	10	11.60% - 11.60%	-do-	539.60	616.68
8	REC Capital R&M Scheme No 1185011(Strengthening of flood/monsoon affected S/s and Line of GZone)	10	11.25%	-do-	131.71	150.52
9	REC Capital R&M Scheme No 1185072(Strengthening of flood/monsoon affected S/s and Line of GZone)	10	11.25% - 11.60%	-do-	222.96	254.81
10	REC Capital R&M Scheme No 1185531(Strengthening of flood/monsoon affected S/s and Line of GZone)	10	11.25%	-do-	254.66	291.03
11	REC Capital R&M Scheme No 1185533(Capital R&M work of S/s & trans. line of 220KV O&M Div Roorkee)	10	11.25%	-do-	211.80	242.06
12	REC Capital R&M Scheme No 1185534(Capital R&M work of S/s & trans. line of 220KV O&M Div Chamba)	10	11.25%	-do-	157.46	179.95
13	REC Scheme No 5763 (REC-VI) (Const. of 220 KV S/s Pirankaliyar, Haridwar)	10	9.52% - 12.00%	-do-	3,263.88	1,771.88
14	REC Scheme No 7367 (REC-XII) (Const. of line from 400 KV S/s Ddun PGCIL to 220 KV Ddun S/s))	10	9.52% - 11.25%	-do-	850.14	850.14
15	REC Sch. No 7085 (Procur. & Erec. of 2x50MVA Transf. along with 220 & 33 KV bays at 220 S/s Pant.))	10	9.52% - 12.00%	-do-	908.65	1,009.61
16	REC - 9030 (Const. of 132 KV S/C line on D/C tower from Ranikhet-Bageshwar)	15	9.52% - 11.25%	-do-	2,588.64	2,190.55
17	REC- 8851 (Increasing capacity of 220 KV S/s SIDCUL, Haridwar from2x80 to	15	11.25%	-do-	523.75	523.75
18	REC- 9029 (Const. of 132 KV (2x40 MVA) S/s Chudiyala and LILO (0.3Km) Chudiyala	12	9.52% - 11.25%	-do-	895.20	895.20
19	REC-9025 (Const. of 132 KV S/C Overhead Line from 220 KV S/s SIDCUL, Haridwar to 132	15	11.25%	-do-	196.20	165.22
20	REC-9290 (Const. of 220 KV Pirankaliyar-Puhana (PGCIL) Line	15	9.52% - 11.25%	-do-	698.97	539.00
21	REC-9218	15	9.52% - 11.25%	-do-	1,444.41	896.00
22	REC-9664	15	11.25%	-do-	407.00	407.00
23	REC-9666	15	9.52% - 11.25%	-do-	802.00	725.00
24	REC-9665	15	9.52% - 11.25%	-do-	766.00	697.00
25	REC Scheme No 6410	10	11.25%	-do-	557.19	626.84
26	REC Scheme No. 5765	12	9.52% - 11.25%	-do-	2,277.45	710.09
27	REC-9031 Const. of 220/33 KV (2x25MVA) GIS S/S Barham alongwith 220 KV Dhauli Ganga-Pithoragarh	15	9.52%	-do-	553.31	114.20
28	REC-9796 (Increasing Capacity of 132/33KV S/s Kichcha, U.S. Nagar)	10	9.52%	-do-	468.00	145.00
29	REC-5764 (Construction of 220KV D/C Line on Twin Zebra Conductor from Lakhwar to Vyasi Ddun)	10	9.52%	-do-	1,730.57	878.37
30	REC-10952 (Construction of stringing of second circut 132 KV D/C Line from Satpuli to Kotdwar)	10	9.52%	-do-	159.76	-
	Total (REC)				**36,162.95**	**34,087.31**

Chartered Accountants

S.No	Particulars	Repayment Period (Years)	Interest Rate during 2018-19	Secured by	As at 31.03.2019	As at 31.03.2018
b)	**Loan from PFC**					
1	PFC LOAN No 09303001(LOAN for bridging gap for repayment of NABARD Loan),Loan Amt Rs 98.30 Crore	6	12.25%	Hypothecation of existing/Future Assets	5,103.33	7,144.67
2	PFC LOAN No 09303002(R&M for Various Divisons of PTCUL),Loan Amount Rs.26.14 Crore	10	11.00% - 11.50%	-do-	1,528.46	1,703.14
3	PFC LOAN No 09303010 (PFC II)	15	11.00% - 11.50%	-do-	1,266.97	282.21
4	PFC LOAN No 09303005	15	12.00% - 12.25%	-do-	123.83	134.15
5	PFC LOAN No 09303006	15	12.00% - 12.25%	-do-	157.88	171.03
6	PFC LOAN No 09303007	15	12.00% - 12.25%	-do-	289.46	314.10
7	PFC LOAN No 09303008	15	12.00% - 12.25%	-do-	128.33	139.25
8	PFC LOAN No 09303009	15	12.00% - 12.25%	-do-	62.40	67.50
9	PFC LOAN No 09303012	15	12.00% - 12.25%	-do-	439.49	478.55
10	PFC LOAN No 09303014	15	11.50%	-do-	269.53	290.27
11	PFC LOAN No 09303004	10	11.50%	-do-	-	2,609.58
12	PFC LOAN No 09303015	15	11.50%	-do-	295.53	318.27
13	PFC LOAN No 09303016	15	11.00% - 11.50%	-do-	343.76	368.76
14	PFC LOAN No 09303013 (Const. of 6x5 MVA, 132/33 KV GIS S/S Bageshwar)	15	10.50% - 10.75%	-do-	2,545.89	1,904.04
15	PFC LOAN No 09303011 (Const. of 2x50 MVA GIS S/S Harrawala & Associated Lines)	15	10.50%	-do-	3,148.73	2,418.14
16	PFC LOAN No 09303033 (Procurement & Erection of HTLS Conductor for 132KV Roorkee-Laksar Line)	15	9.78%	-do-	1,219.69	882.56
17	PFC LOAN No 09303034 (Procurement & Erection of HTLS Conductor for 132KV Roorkee-Manglore Line)	15	9.78%	-do-	502.87	456.06
18	PFC LOAN No 09303039 (Const. of 132/33KV Patanjali Padartha)	15	9.78%	-do-	246.02	-
19	PFC LOAN No 09303046 (Const. of Kuwaripas-Karanprayag-Srinagar 400KV D/c Transmission Line)	15	9.78%	-do-	2,184.71	-
20	PFC LOAN No 09303049 (Const. of 220KV D/c Rudrapur-Chakrada-Srinagar Transmission Line)	15	9.78%	-do-	4,829.68	-
	Total				**24,686.57**	**19,682.26**
c)	**Loan from Asian Development Bank (ADB)**					
1	ADB PFR-II	20	9.00%	GoU	410.90	410.90
2	ADB PFR-III	20	9.00%	GoU	1,374.23	1,311.44
	Total				**1,785.13**	**1,722.34**
	Total Secured Loans				**62,634.65**	**55,491.91**
1	Current Maturity of Long Term Loans*				(7,766.60)	(7,235.97)
	LOANS OUTSTANDING				**54,868.05**	**48,255.94**

*Note: Amount disclosed under Other Financial Liabilities (Refer Note No. 14).

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Chartered Accountants

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note- 14 : Other Financial Liablities

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
A	**Non Current**		
1	Security Deposit / EMD	612.33	618.71
2	Retention Money	18,707.00	17,528.79
3	Liablitiy against PSDF Grants	154.04	80.83
4	Liability for amount received from PGCIL	-	6,365.79
5	Liabilities for Capital Supplies / Material	5,896.09	3,379.23
6	Other Non Current Liabilities	(0.00)	430.88
7	**PMO (ADB) Adjustment:**		
a	Payable to ADB PMO (Pending Allocation)	949.24	-
b	Less: Advance to PMO ADB (Capital)	(226.61)	(226.61)
	Net ADB (PMO) Payable / (Receivable):	**722.63**	**(226.61)**
	Total	**26,092.09**	**28,177.63**
B	**Current**		
1	Security Deposit (EMD) & Retention Money from Contractors/ Suppliers (Short Term)	525.23	441.95
2	Interest Accrued but not due on Borrowings	753.13	590.92
3	Current Maturity of Long Term Borrowing	7,766.60	7,235.97
4	Employee Benefits Payable		
a	- Salary Payable	619.34	896.72
b	- Other Benefits Payable	53.86	590.99
	Total	**9,718.17**	**9,756.55**
	Total	**35,810.26**	**37,934.18**

Note- 15 : Long Term Provisions

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Provision for leave encashment	1,008.16	1,049.37
2	Provision for Gratuity	1.74	(157.39)
	Total	**1,009.90**	**891.99**

Note- 16 : Deferred Tax Liabilities (Refer Note 28)

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Opening balance	692.31	1,120.44
2	During the year	87.70	(428.13)
	Total	**780.00**	**692.31**

Note- 17 : Other Non Current Liabilities

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
A	Deferred Revenue:		
1	- Liability for amount received in advance against Tariff*	12,973.86	10,552.18
2	- Deposits for Electrification	9,786.54	8,015.49
	Total	**22,760.41**	**18,567.67**
B	- Contribution towards Deposit Works:		
1	Opening Balance	5,358.78	5,457.19
2	Add: During the Year	131.10	398.35
3	Less: Value written-off during the year (Equivalent to Depreciation during the Year on Deposit work assets)	(504.77)	(496.76)
	Total	**4,985.11**	**5,358.78**

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

C	- Grants from Central / State Govts (ADB):		
1	Opening Balance	13,899.79	14,548.31
2	Add: During the Year	565.10	438.85
3	Less: Value written-off during the year (Equivalent to Depreciation during the Year on Deposit work assets)	(1,450.96)	(1,087.37)
	Total	**13,013.93**	**13,899.79**
D	- Grants from Central / State Govts (PSDF):		
1	Opening Balance	10,165.15	1,250.50
2	Add: During the Year	-	8,925.06
3	Less: Value written-off during the year (Equivalent to Depreciation during the Year on Deposit work assets)	(70.21)	(10.41)
	Total	**10,094.93**	**10,165.15**
	Grand Total	**50,854.38**	**47,991.39**

*Note: As per Approved Tariff order (Tariff Block 2014-19) of Central Electricity Regulatory Commission (CERC) on dated 22.06.2018 in respect of PTCUL owned transmission lines/systems connecting with other states and intervening transmission lines incidental to inter-state transmission of electricity along with POC charges as provided in CERC (Sharing of Inter State Transmission Charges and losses) Regulation, 2010 in accordance with CERC (Terms and conditions of Tariff) Regulation, 2014 and Regulation 86 of CERC (Conduct of Business) Regulations, 1999, the Transmission charges shall be recovered on monthly basis in accordance with Regulation 43 of CERC (Terms and conditions of Tariff) Regulation, 2014 and shall be shared by the beneficiaries and long term transmission customers in CERC (Sharing of Inter State Transmission Charges and losses) Regulation, 2010 as amended from time to time. Further the transmission charges allowed in this order shall be adjusted against the ARR approved by the State Electricity Regulatory Commission. Hence the management believes that the natural ISTS charges received from PGCIL shall be adjusted by the UERC in the next/future Tariff order/orders and same adjusted amount shall be treated as revenue in the respective years and is to be adjusted from Deferred Revenue under other current liabilities in books of accounts accordingly.

Note- 18 : Trade Payable

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Liabilities for O&M Supplies/Works	1,065.36	1,050.08
2	Liabilities for Payments (Outsiders)	2,681.79	1,492.44
	Total	**3,747.15**	**2,542.52**

Note- 19 : Short Term Provisions

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Provision for Leave Encashment	-	22.55
2	Provision for Expenses	895.76	766.90
3	Provision for Corporate Social Responsibility (CSR)	361.44	269.83
	Total	**1,257.20**	**1,059.27**

Note- 20 : Other Current Liabilities

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Liabilities against Material ATD Adjustments	0.00	0.56
2	Statutory Dues Payable:		
a	- TDS Payable	57.30	50.28
b	- GST Payable	113.52	0.91
c	- Labour Cess Payable	67.26	43.40
d	- Other Taxes Payable	-	3.33
e	- Employee Benefits Payable	277.69	322.90
f	- Pension Payable	18.83	47.34
3	Misc. Liabilities	0.03	0.07
	Total	**534.62**	**468.78**

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note- 21 : Revenue From Operations

(Amount Rs. in Lakhs)

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
A	Revenue from Transmission Charges:		
1	Revenue from UPCL (PTCUL Tariff)	19,246.00	23,763.00
2	Revenue from UPCL (SLDC Tariff)	1,684.00	1,515.00
		20,930.00	**25,278.00**
3	Revenue from ISTS Charges (400 Srinagar S/s & Lines)	9,981.82	-
		9,981.82	**-**
4	Revenue from UPCL (Incentive)	173.19	202.35
5	Revenue from Open Access (SLDC)	433.95	840.84
6	Revenue from BHPL (Component B)	215.94	189.00
		823.08	**1,232.19**
	Total	**31,734.90**	**26,510.19**

Note- 22 : Other Income

(Amount Rs. in Lakhs)

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Interest on TDRs through Sweep Accounts	778.73	583.96
2	Interest on Income Tax Refund	-	508.20
3	Interest on investments in FDR	884.80	294.54
4	Interest on advance to Contractors/Suppliers	23.79	24.03
5	Sale of Tender Form	22.67	18.13
6	Registration Fees	8.52	3.67
7	Forfeited Earnest Money and Security Money	0.03	4.39
8	Misc Receipt (Penalty)	2.23	1.15
9	Water Charges	0.79	0.05
10	Recoveries for transport facilities	21.90	18.54
11	Income from Inspection house	0.10	0.59
12	Rental from Staff	0.41	0.90
13	Rental From Contractors	-	0.04
14	Receipt of Fees under Right to Information Act	0.01	0.01
15	Late Payment Surcharge against Transmission Charges (BHPL-Comp.B)	169.13	-
16	Other Income-Deferred Revenue Grant (Amount w/off against Deposit / Grants)	2,025.94	1,594.54
17	Balance Misc. Receipts (Connectivity Charges / System Study Charges, etc.)	175.24	268.64
	Total	**4,114.29**	**3,321.38**

Note- 23 : Employee Benefit Expenses

(Amount Rs. in Lakhs)

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Salary, Wages, Allowances and Bonus	6,130.60	5,674.50
2	Director's Remuneration	102.47	109.91
3	Other Staff Cost/Welfare Expense	746.03	800.79
4	Terminal Benefits	1,451.95	847.16
	Total	**8,431.05**	**7,432.35**

Note- 24 : Repairs & Maintenance Expenses

(Amount Rs. in Lakhs)

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Plant and Machinery	1,669.48	2,380.60
2	Building & Civil Works	461.26	371.34
3	Lines, Cables Work, etc.	461.12	782.82
4	Others	6.45	10.20
	Total	**2,598.31**	**3,544.96**

Note- 25 : Administrative & Gen. Expenses

(Amount Rs. in Lakhs)

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Rent	13.71	25.66
2	Rates & Taxes	-	-
3	Insurance of Fixed Assets	1.36	1.33
4	Telephone & Trunk Calls	47.23	50.43
5	Postage & Telegrams	1.62	1.35
6	Legal Charges	10.95	12.42
7	Audit Fee		
a	*Statutory Audit Fees*	5.90	7.17
b	*Tax Audit Fees*	1.05	1.05
c	*Other Services*	-	-
d	*Reimbursements of expenses*	0.57	0.92
8	Cost Audit Fee	0.71	0.41
9	Consultancy expenses	76.19	68.37
10	Other Professional / Consultancy Charges	66.54	54.79
11	Conveyance Expenses.	23.12	20.11
12	Travelling expenses	38.54	34.43
13	Vehicle Expenses	108.53	112.06
14	Hiring Charges of Vehicles	301.56	305.53
15	Fees and Subscription	895.92	272.34
16	Books and Priodicals	0.39	0.22
17	Printing of Stationary	46.82	53.84
18	Advertisment Expenses	194.98	76.41
19	Electricity Charges	22.86	24.87
20	Security Guard Payment	1,034.12	915.76
21	Water Charges	5.61	4.22
22	Training Expenses	54.12	1.02
23	Entertainment	1.62	1.49
24	Contributions / Donations	1.00	-
25	Stock Written Off	4.30	4.38
26	Medium term open access Transmission Charges	99.59	-
27	Corporate Social Responsibility (Refer Note (i) below)	128.59	138.10
28	Misc. Expenses includes expenses related to computer peripherals, sports, coal reimbursement, Honorariams, Trainees Stipend, Bank Charges, LIC LE / Gratuity Fund mgt. charges, etc	94.58	123.63
	Total	**3,282.12**	**2,312.31**

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(i) Details of CSR Expenditure:

S.No.	Particulars	2018-19 Amount	2017-18 Amount
1	Gross Amount required to be spent by the company during the year	128.59	138.10
2	Amount Spent during the year	36.98	-

Movement in Provision of CSR:

S.No.	Particulars	2018-19 Amount	2017-18 Amount
1	**Opening Balance**	**269.83**	**131.73**
2	Additions duirng the Year	128.59	138.10
3	Utilization during the year	36.98	-
4	**Closing Balance**	**361.44**	**269.83**

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note- 26 : Finance Costs

(Amount Rs. in Lakhs)

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Interest on PFC Loan	1,413.78	1,453.39
2	Interest on REC Loan	2,848.22	3,187.81
3	Interest on ADB Loan	155.96	150.74
	Total	4,417.95	4,791.94

Note- 27 : Depreciation and Amortization Expenses

(Amount Rs. in Lakhs)

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Depreciation & amortization exp.	10,290.12	9,287.73
	Total	10,290.12	9,287.73

Note- 28 : Tax Expense

(Amount Rs. in Lakhs)

Tax recognised in Statement of Profit and Loss

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
A	**Current Income Tax**		
1	Current Year		
a	- Under Income Tax	-	-
b	- Under MAT	(1,494.79)	(548.14)
2	Tax in respect of earlier years	-	-
3	Less: Current tax recoverable from beneficiaries	-	-
	Total (A)	**(1,494.79)**	**(548.14)**
B	**Deferred Tax Expenses**		
1	Deferred Tax Assets / (Liabilities)	(87.70)	428.13
2	Less: Deferred tax recoverable adjustment	-	-
	Total (B)	**(87.70)**	**428.13**
C	**MAT Credit**		
1	MAT Credit	999.02	548.14
2	Less: MAT Credit adjustment	-	-
	Total (C)	**999.02**	**548.14**
	Total (A+B+C)	**(583.47)**	**428.13**

Reconciliation of effective tax rates

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a	Profit before tax	6,829.64	2,462.28
b	Enacted Tax Rate		
	- Normal Tax Rate (Income Tax)	34.944%	34.944%
	- Minimum Alternate Tax (MAT)	21.549%	21.342%
	Taxable under	*21.549%*	*21.342%*
c	Computed Tax (a X b)	1,471.70	548.14
	Total Tax	**1,471.70**	**548.14**
d	Non-deductible expenses	-	-
e	Tax exempt income	-	-
f	Deferred Tax	**87.70**	**(428.13)**
g	MAT Credit	**(999.02)**	**(548.14)**
h	Tax Incentives	-	-
i	Others	-	
	Tax Expense for the year	**560.39**	**(428.13)**

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Recognised deferred tax assets and liabilities

(Amount Rs. in Lakhs)

Deferred tax assets and liabilities are attributable to the following:

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
A	**Deferred Tax Liability**		
1	Property, Plant & Equipment	81.28	(428.13)
2	Others	6.42	-
	Net Deferred Tax Liability	**87.70**	**(428.13)**

Movement in deferred tax liability during the year

S.No.	Particulars	Property, Plant & Equipment	Net DTA / (DTL)
	Balance as at 01.04.2018 - Net	**1,120.44**	DTL
	Recognised in Profit & Loss	(428.13)	DTL
	Balance as at 31.03.2018	**692.31**	DTL
	Recognised in Profit & Loss	87.70	DTL
	Balance as at 31.03.2019 - Net	**780.00**	DTL

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED
Notes to Financial Statements

Note: 29: Disclosures forming part of Financial Statements:

Note 29.1: Disclosures in respect of Ind AS 107- Financial Instruments:

1 **Measurement of Financial Instrument:**

A. **Financial Instruments by Categories**

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

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019				
		Ref. Note No	Amortized Cost	Financial Assets / Liabilities at FVTPL	Financial Assets / Liabilities at fair value through OCI	Total Carrying value
A	**Financial Assets :**					
1	Cash & Cash Equivalents	8	27,682.22	-	-	27,682.22
2	Other Bank Balances	9	268.09			268.09
3	Trade Receivables	7	15,029.43	-	-	15,029.43
4	Other Financial Assets	4	2,580.15	-	-	2,580.15
	Total		**45,559.88**	-	-	**45,559.88**
B	**Financial Liabilities :**					
1	Long Term Borrowings	13	54,868.05	-	-	54,868.05
2	Trade Payables	18	3,747.15	-	-	3,747.15
3	Other Financial Liabilities	14	35,810.26	-	-	35,810.26
	Total		**94,425.46**	-	-	**94,425.46**

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2018				
		Ref. Note No	Amortized Cost	Financial Assets / Liabilities at FVTPL	Financial Assets / Liabilities at fair value through OCI	Total Carrying value
A	**Financial Assets :**					
1	Cash & Cash Equivalents	8	32,399.47	-	-	32,399.47
2	Other Bank Balances	9	4,437.51			4,437.51
3	Trade Receivables	7	7,113.22	-	-	7,113.22
4	Other Financial Assets	4	2,350.62	-	-	2,350.62
	Total		**46,300.83**	-	-	**46,300.83**
B	**Financial Liabilities :**					
1	Long Term Borrowings	13	48,255.94	-	-	48,255.94
2	Trade Payables	18	2,542.52	-	-	2,542.52
3	Other Financial Liabilities	14	37,934.18	-	-	37,934.18
	Total		**88,732.64**	-	-	**88,732.64**

B. **Financial Assets and Liablities which are measured at amortized cost for which Fair Values are disclosed.**

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019		As at 31.03.2018	
		Total Carrying value	Fair Value	Total Carrying value	Fair Value
A	**Financial Assets :**				
1	Other Bank Balances	268.09	268.09	4,437.51	4,437.51
2	Trade Receivables	15,029.43	15,029.43	7,113.22	7,113.22
3	Other Financial Assets	2,580.15	2,580.15	2,350.62	2,350.62
B	**Financial Liabilities :**				
1	Long Term Borrowings	54,868.05	54,868.05	48,255.94	48,255.94
2	Trade Payables	3,747.15	3,747.15	2,542.52	2,542.52
3	Other Financial Liabilities	35,810.26	35,810.26	37,934.18	37,934.18

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C. **Fair Value Hierarchy:**

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019			
		Level 1	Level 2	Level 3	Total
A	**Financial Assets :**				
1	Other Bank Balances			268.09	268.09
2	Trade Receivables			15,029.43	15,029.43
3	Other Financial Assets			2,580.15	2,580.15
B	**Financial Liabilities :**			-	-
1	Long Term Borrowings			54,868.05	54,868.05
2	Trade Payables			3,747.15	3,747.15
3	Other Financial Liabilities	-	-	35,810.26	35,810.26

Note: DCF (Discounted Cash Flow Method)

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2018			
		Level 1	Level 2	Level 3	Total
A	**Financial Assets :**				
1	Other Bank Balances			4,437.51	4,437.51
2	Trade Receivables			7,113.22	7,113.22
3	Other Financial Assets			2,350.62	2,350.62
B	**Financial Liabilities :**			-	-
1	Long Term Borrowings			48,255.94	48,255.94
2	Trade Payables			2,542.52	2,542.52
3	Other Financial Liabilities			37,934.18	37,934.18

Fair Value Measurement:

Level 1: It includes financial instruments measured using quoted prices. This includes listed equity bonds which are traded in the stock exchanges, valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The carrying amounts of Rupees Trem Loan are approximate to fair value as the instruments are at prevailing market rates.

Financial Risk Management

Financial risk management objectives and policies

The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk committee that advises, inter alia, on financial risks and the appropriate financial risk governance framework for the Company. The risk committee provides assurance to the Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

The management of financial risks by the company is summarized below :

A) Credit Risk:

Credit Risk is the risk that counterparty will not meet its obligations under financial instruments or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities on account of trade receivables and loan and advances and from its financial activities due to deposits with banks and financial institutions and other financial instruments and its investment activities due to investments.

A default on a financial asset is when the counterparty fails to make contractual payment when they fall due. The definition of default is determined considering the business environment in which the company operates.

Assets are written off when there is no reasonable expectation of recovery, such as debtors declaring bankruptcy or falling to engage in a repayment plan with company. The company continues to engage in enforcement activity to attempt to recover the receivable due.

a) Trade Receivables: The company primarily provides transmission facilities to interstate transmission service customers (DICs) comprising mainly state utility (UPCL). UERC tariff regulations allow payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill. Trade receivables are relating to transmission services.

b) Other financial Assets (excluding trade receivables): the company held cash & cash equivalents with public sector banks and high rated private sector banks and do not have any significant credit risk.

Significant estimates and judgments Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default, consumer claims and expected loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

B) Liquidity Risk:

Liquidity risk refers to the risk of financial distress or high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The company relies on a mix of borrowing, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forcast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Financial Liabilities:

The table below provides details regarding the remaining contractual maturities or financial liabilities at the reporting date.

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019				
		Carrying Value	Less than 1 year	1-5 years	More than 5 years	Total
1	Trade Payable	3,747.15	3,747.15	-	-	3,747.15
2	Long term borrowings	62,634.65	7,766.60	54,868.05	-	62,634.65
3	Other Financial liabilities	35,810.26	9,718.17	26,092.09		35,810.26
	Total	**1,02,192.06**	**21,231.92**	**80,960.14**	-	**1,02,192.06**

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2018				
		Carrying Value	Less than 1 year	1-5 years	More than 5 years	Total
1	Trade Payable	2,542.52	2,542.52	-	-	2,542.52
2	Long term borrowings	55,491.91	7,235.96	30,098.60	18,157.35	55,491.91
3	Other Financial liabilities	30,698.21	14,876.93	19,605.42	-	34,482.34
	Total	**88,732.64**	**24,655.41**	**49,704.02**	**18,157.35**	**92,516.78**

C) Market Risk:

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.The company is not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency.The Company's activities expose it primarily to the financial risks of changes in interest rates.

i) Interest rate risk

The company is exposed to interest rate risk because it borrows funds primarily at floating interest rates. However, the interest rates are dependant on lending rates of the Financial institiution which are not expected to change very frequently and the estimate of the management is that these will not have significant upward trend.

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

	As at 31.03.2019	As at 31.03.2018
Borrowings (including current Maturities)	62,634.65	55,491.91

	Impact on profit/ loss after tax (Amount)	
Interest Rate Risk Analysis	As at 31.03.2019	As at 31.03.2018
Increase or decrease in interest rate by 25 basis points	14.77	13.45

Note: Profit will increase in case of decrease in interest rate and vice versa

ii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).
The company measures risk through sensitivity analysis.

The company does not expose to price risks as on 31st March 2019.

iii) Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The company is not exposed to foreign exchange risk arising from foreign currency transactions. Since there is no any case of direct foreign operations, Foreign exchange risk is considered to be insignificant.

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Note : 29.2: Disclosure in respect of Indian Accounting Standard (Ind-AS)- 37 : Provisions, Contingent Liabilities & Contingent Assets:

PROVISIONS

(Amount Rs. in Lakhs)

S.No.	PARTICULARS	Opening Balance as on	Additions / Transfer during	Utilization during	Reversed during	Closing Balance as on
		01.04.2018	01.04.2018-31.03.2019	01.04.2018-31.03.2019	01.04.2018-31.03.2019	31.03.2019
A	Current					
1	Provision For Liability for Expenses	766.90	335.04	206.18	-	895.76
	Total	766.90	335.04	206.18	-	895.76

Contingent Liabilities:

Claims against the company not acknowledged as debts:

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Income Tx demand for AY 2009-10	0.81	0.81
2	TDS default demand as per 26AS	16.44	13.66
3	Service Tax demand	104.82	104.82
4	Cases pending before the Court / Arbitration	5,343.15	43.15
	Total	5,465.22	162.44

Note : 29.3: Capital Management:

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by Equity .

(Amount Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Debts	63,387.78	56,082.82
Cash & Bank Balances	27,950.31	36,836.99
Net Debt	35,437.48	19,245.84
Equity	91,202.12	79,646.82
Gearing Ratios	38.86	24.16

Footnote:

i) Debts includes Long term borrowings(including current maturities) and interest accrued thereon

ii) Equity include issued share capital & other equity.

Note : 29.4: Disclosures in respect of Ind AS- 20 : Accounting for Government Grants & Discloures of Government Assistance:

The breakup of total grant in aid received for various purpose is as under:

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
a	Nature of Grant	Related to Assets	Related to Assets
b	Total Grants / Deposit Work Received	28,093.97	29,423.72

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
a	Opening Balance	29,423.72	21,256.00
b	Add: Additions during the year	696.20	9,762.26
c	Less: Utilised during the year	(2,025.94)	(1,594.54)
d	Less: Refund of Grant	-	-
e	**Closing Balance**	**28,093.97**	**29,423.72**

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Note : 29.5: Disclosures in respect of Ind AS- 19 : Employee Benefits.

1 The Summarised Position of various Defined Benefits recogonised in Statement of Profit & Loss, OCI and Balance Sheet is as under :

(Amount Rs. in Lakhs)

S.No.	Particulars	Gratuity		Earned Leave	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
a	Defined Benefit Obligation	1,306.35	875.78	2,689.61	2,749.37
b	Fair Value of Plan Assets	1,304.61	1,033.14	1,681.45	1,700.00
c	Funded Status (Surplus/Deficit)	(1.74)	157.36	(1,008.16)	(1,049.37)
d	Net Defined Benefit Assets/ (Liabilities)	(1.74)	157.36	(1,008.16)	(1,049.37)

2 Movement in Defined Benefit Obligation

(Amount Rs. in Lakhs)

S.No.	Particulars	Gratuity		Earned Leave	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
a	Defined Benefit Obligation- Beginning of the year	875.78	692.08	2,749.37	2,518.36
b	Past Service Cost	412.30	-	(158.23)	145.59
c	Current Service Cost	107.66	77.07	87.06	85.42
d	Interest Cost	96.61	55.37	207.29	-
e	Benefits Paid	(13.91)	(0.02)	(132.67)	-
f	Acturial Gain/(Loss)	(172.09)	51.28	(63.20)	-
g	Defined Benefit Obligation- End of the year	1,306.35	875.77	2,689.61	2,749.37

3 Movement in Plan Asset

(Amount Rs. in Lakhs)

S.No.	Particulars	Gratuity		Earned Leave	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
a	Fair Value of Plan Asset- Beginning of the year	1,033.14	803.05	1,700.00	-
b	Interest Income	95.47	75.31	114.13	-
c	Employees Contribution	189.91	154.78	-	1,700.00
d	Benefits Paid	(13.91)	-	(132.67)	-
e	Acturial Gain/(Loss)	-	-		-
f	Re-measurement - Return on Plan Assets greater/(less) than discount rate	-	-		-
g	Fair Value of plan Assets - End of the year	1,304.62	1,033.14	1,681.46	1,700.00

4 Amount recognised in Statement of Profit & Loss

(Amount Rs. in Lakhs)

S.No.	Particulars	Gratuity		Earned Leave	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
a	Past Service Cost	412.30	-	(158.23)	-
b	Current Service Cost	107.66	77.07	87.06	85.42
c	Interest Cost	96.61	55.37	207.29	-
d	Expected Return on Plan Assets	(95.47)	(75.31)	(114.13)	-
e	Acturial (Gain)/Loss on Obligation	-	-	-	-
f	Net Acturial (Gain)/Loss in the year	(172.09)	51.28	(63.20)	-
g	Cost recognised in P&L	349.01	108.40	(41.22)	85.42

5 Amount recognised in OCI

(Amount Rs. in Lakhs)

S.No.	Particulars	Gratuity		Earned Leave	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
a	Acturial (Gain)/Loss due to DBO Experience	-	-	-	-
b	Acturial (Gain)/Loss arising during the period {A}	(172.09)	51.28	(63.20)	-
c	Return on Plan Assets greater/(less) than discount rate {B}	-	-	-	-
d	Acturial (Gain)/Loss recognised in OCI {A+B}	(172.09)	51.28	(63.20)	-

6 Sensitivity Analysis

S.No.	Particulars	Gratuity		Earned Leave	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
a	Discount Rate (%)	8.00%	8.00%	8.00%	8.00%
b	Salary Growth Rate (%)	7.00%	7.00%	7.00%	7.00%

7 Acturial Assumption

S.No.	Particulars	Gratuity		Earned Leave	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
a	Method Used	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
b	Discount Rate	8.00%	8.00%	8.00%	8.00%
c	Rate of Salary Increase	7.00%	7.00%	7.00%	7.00%
d	Mortatity Rate	1%-3% depending on age	1%-3% depending on age	1%-3% depending on age	1%-3% depending on age

8 Category of Investment in Plan Assets

S.No.	Category of Investment	% of Fair Value of Plan Asset
a	Funds managed by Insurer	100%

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Note : 29.6: Disclosures in respect of Ind AS- 108 : Operating Segments:

In accordance with IND AS 108 - Operating Segment used to present the segment information are identified on the basis of informal report used by the Company to allocate resource to the segment and assess their perfromance. The Board of Directors of the Company is collectively Chief Operating Decision Maker (CODM). The Company is primarily engaged in the business of Transmission of Power, which is considered as one business segment. The segment reporting based on geographical risk factor which may be present in different countries is not applicable, as the Company operates only in the State of Uttarakhand. Hence, there is no separate reportable segment as required by Ind-AS 108 "Operating Segments".

Note : 29.7: Disclosures in respect of Ind AS- 24 : Related Party Disclosures:

1 List of Key Managerial Personnel (KMP)

S.No.	Name	Designation	Nominee / Independent/ Part time / Full time
A	**Functional Directors:**		
1	Smt. Radhika Jha	Chairperson	G.O.U. Nominee
2	Smt. Manisha Panwar	Director	G.O.U. Nominee
3	Dr. Bhupinder Kaur Aulakh	Director	G.O.U. Nominee (Date of cessation of office from 21.05.2018)
4	Shri Amit Singh Negi	Director	G.O.U. Nominee
5	Capt. Alok Shekhar Tiwari	Director,	Director (Date of cessation of office from 05.04.19)
6	Shri. Ranvir Singh Chauhan	Director (MD, PTCUL)	Full Time (Date of cessation of office from 15.04.2018)
7	Shri Sandeep Singhal	Director, (MD, PTCUL)	Full Time (Since 24.07.18)
8	Shri S.N. Verma	Director, (MD, UJVNL)	Full Time
9	Shri B.C.K Mishra	Director, (MD, UPCL)	Full Time
10	Shri Sanjay Mittal	Whole time Director	Full Time
11	Shri Ashish Kumar	Whole time Director	Full Time
12	Shri Amitabha Maitra	Whole time Director	Full Time
B	**Other KMPs:**		
13	Shri J.L. Bajaj	Director	Independent Director
14	Shri S.S. Gupta	Director	Independent Director
15	Shri B.P. Pandey	Director	Independent Director
16	Shri Praveen Tandon	Company Secretary	Full Time

2 Remuneration / Compensations of KMPs

(Amount Rs. in Lakhs)

S.No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1	Salary / Allowances	102.47	109.91
	Total	**102.47**	**109.91**

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED
Notes to Financial Statements

Note : 29.8: Disclosure for Transactions entered with Govt. / Govt Owned Entities:

1 Relation with GoU

S.No.	Particulars	Nature of Relationship
a	Government of Uttarakhand	Wholly Owned

2 Transaction with Gou / GoU owned Entity

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
a	Transmission charges from UPCL	20,930.00	25,278.00

Note : 29.9: Disclosures in respect of Ind AS- 17 : Leases:

1 **Financial Lease**

a Net Carrying Value of Leased Business Asset

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019			
		Gross Carrying Value of Asset	Accumulated Depreciation	Net Carrying Value of Asset	Depreciation during the year
i	Lease hold Land	3,819.24	619.79	3,199.45	362.70
	Total	**3,819.24**	**619.79**	**3,199.45**	**362.70**

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2018			
		Gross Carrying Value of Asset	Accumulated Depreciation	Net Carrying Value of Asset	Depreciation during the year
i	Lease hold Land	3,600.18	257.09	3,343.09	147.10
	Total	**3,600.18**	**257.09**	**3,343.09**	**147.10**

B R A N & Associates Chartered Accountants

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note : 29.10: Disclosures in respect of Ind AS- 33 : EPS:

1 Basic EPS (Profit & Loss)

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
a	Profit / (Loss) for the year attributable to the owner of the company	6,246.17	2,839.14
b	Earning used for calculation of Basic EPS	6,246.17	2,839.14
c	Weighted average number of ordinary shares for the purpose of Basic EPS	47.35	45.92
	Basic EPS (b/c)	**131.92**	**61.82**

*EPS can not be shown Negative in case of Loss

3 Diluted EPS (Profit & Loss)

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
a	Profit / (Loss) for the year attributable to the owner of the company	6,246.17	2,839.14
b	Earning used for calculatio of Basic EPS	6,246.17	2,839.14
c	Interest on convertible Preference shares	-	-
d	Profit / (Loss) attributable to equity share holders of the owner adjusted for the effect of dilution	6,246.17	2,839.14
e	Weighted average number of ordinary shares for the purpose of Basic EPS	47.35	45.92
f	Share application money pending allotment	4,700.00	283.23
g	Number of Share in Share application money pending allotment	4.70	0.28
h	Weighted average number of Equity shares for the effect of dilution	52.05	46.21
	Diluted EPS (d/g)	**120.01**	**61.45**

*EPS can not be shown Negative in case of Loss

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes to Financial Statements

Note : 29.11: Capital Commitments:

(Amount Rs. in Lakhs)

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
a	Contracts remaining to be executed (With respect to contracts executed from the date of incorporation of PTCUL)	1,45,106.61	1,79,599.54

Note : 29.12: Others:

1 The company was incorporated as on 27.05.2004 and the opening balances taken in the books of accounts as on 01-06-2004 during the period ending 31-03-2005 were provisional and subject to finalization and notification by the GoU. The opening balances transferred from UPCL as on 31-05-2005 in respect of transmission business may undergo change upon finalization of provisional transfer scheme (Transfer of Assets and Liabilities) between UPCL and UPPCL as on 19-11-2001, from where originally the assets and liabilities were transferred.

2 The previous period figures have been restated as per Ind-AS and regrouped and rearranged wherever considered necessary.

3 As per the orders/guidelines issued by the Ministry of Finance, Department of Expenditure for Externally Aided Projects (EAPs), the pattern for transfer of fund for EAPs to North-Eastern and Himalayan States is 90:10 (Grant: Loan ratio) i.e. 90% of the loan is repaid by the Government of India and only 10% of the loan repayment liability is borne by the State Government with respect to 20% of the project cost. Further, Department of Energy, Government of Uttarakhand also stated that the normal arrangements for transfer of external assistance to the state is 90:10 Grant:Loan basis as per the policy of India's Central Assistance to Uttarakhand.
In case of PTCUL, the Loan and Equity ratio is 70:30. The Loan portion is 70% for ADB Loan. 90% of the loan portion (i.e 90% of 70%) is in nature of Grant.

4 Based on the information available with the Company, there are no supplier/service providers who are registered as Micro, Small or Medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as on 31st March, 2019.

5 An Amount of Rs. 1907.22 Lakh (Previous year Rs. 1958.82 Lakh) as per Note no. 4 shown under "Other Financial Assets" from UPCL represents amounts under various heads with PTCUL between 01.06.04 to 31.03.19, which is under reconciliation with UPCL. The effect thereof on the accounts is not ascertainable.

6 Foreign Exchange Earning & Outgo: Nil (PY Nil).

7 Most of the balances pertain to suppliers of capital works for which the party-wise details are available. However, there are some balances as on 31.05.2004 (prior to incorporation of the company) for which the party-wise break-up is not available. In the FY 2013-14, a provision of Rs 190.00 Lakh has been made for old outstanding advances for which full detail were not available.

8 Compliance to the directives of CAG issued during supplementary audit of the PTCUL for FY 2017-18, u/s 143(6)(b) of the companies act 2013:

a. This is to inform that the ADB funds are being received by PTCUL in accordance with the Tripartite agreement between GOI (Central Govt), GOU (State Government) and ADB. As per the tripartite agreement Point No 16, it is stated that the transfer of loan funds to the State by India would be in accordance with its normal arrangements for transfer of external assistance to the State (which is on a 90:10 grant: loan basis as per current policy of India's central assistance to the State of the ADB loan, for the project). Beside that, the Ministry of Finance has transferred these funds to State govt (GoU) in ratio of 90:10 grant: loan basis. But, the State govt (GoU) has issued the funds of ADB projects under the account head 6801-loan for Power Projects. For rectification of this error (i.e, changing the account code 6801-loan to grant), a letter from MD, PTCUL, has already been sent to GoU (Letter no. 1802 dated 06.09.17-copy enclosed) and the State govt (GoU) is also taking up the matter which is under process.

b. Necessary adjustments regarding depreciation of Rs. 93.80 Lakh has been made in the books of accounts .

c. Necessary adjustments regarding Interest earned on Deposit work of Gold Plus for Rs. 83.07 Lakh has been made in the books of accounts .

For BRAN & Associates
Chartered Accountants
FRN: 014544N

(CA. Brijesh Kaushik)
Partner
M.No. 092573

Place:- Dehradun
Date:- 22·08·2019

For & On behalf of the Board of Directors of PTCUL

Managing Director	Director (Finance)	Company Secretary
DIN:- 06615837	DIN:- 07299553	