



AUDITOR'S REPORT

To
The Members,
Power Transmission Corporation of Uttarakhand Ltd.,
Dehradun.

1. We have audited the attached Balance Sheet of **POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED, Dehradun**, as at 31st March 2012 and also Statement of Profit and Loss and Cash flow statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Company is governed by the Electricity Act, 2003. Though the said Act has repealed the Electricity (Supply) Act, 1948 and Electricity Regulatory Commission Act, 1948, certain provisions of the repealed Acts, to the extent they are not inconsistent with the provisions of said Act, continued to be applied by the Company while preparing the financial statements. Further, the provisions of the said Act, read with rules thereunder have prevailed wherever the same have been inconsistent with the provisions of the Companies Act, 1956.
4. As required by the Companies (Auditor's Report) Order, 2003 read with Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and the information and explanations given to us during the course of our audit. We enclose in the '**Annexure I**' a statement on the matters specified in paragraphs 4 & 5 of the said order.

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5. Further to our comments in the Annexure referred to in paragraph 4 above, along with our observations in **"ANNEXURE II"** we report that:
- a) We have 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 appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, subject to our observations in paragraph 3 above, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report comply with the mandatory accounting standards **except AS-15 read with Point V & VI of Part A and Point VIII (i) of Part B of Note No. 1** referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In pursuance to the notification No. GSR 829(E) dated 21.10.2003, issued by the department of Company affairs; clause (g) of sub-section (1) of section 274 of Companies Act, 1956 pertaining to disqualification of Directors is not applicable to the Government Company.
 - f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with the notes to accounts and Accounting policies annexed thereto, in so far as these are not inconsistent with the Electricity Act, 2003, **subject to our observations in "ANNEXURE II"** referred above, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-



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- i) In the case of the Balance Sheet, of the State of the affairs of the Company as at 31st March 2012 and;
- ii) In case of the Statement of Profit & Loss , of the loss for the year ended on that date; and
- iii) In the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

Place: Dehradun
Date: 01st Dec., 2012

For Sharma Kathuria & Co.
Chartered Accountants

(CA Dharmesh Kathuria)
Partner

M.No.-095114
F.R.N. 15268N

'ANNEXURE I' REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT TO THE SHAREHOLDERS OF POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012:

1. In respect of Fixed Assets:

- a) The Company has maintained adequate records showing full particulars including quantitative details and location of fixed assets, however the said records are updated till 31.3.2011 and updation of fixed assets records for the year under audit via. 2011-12 was under process as on the date of audit.
- b) Physical verification of the Fixed Assets at different units has not been carried out during the year under audit, since the updation of fixed assets records was under process till date of audit.
- c) As explained to us no substantial part of fixed assets have been disposed off during the period.

2. In respect of its inventories:

- a) As per the information and explanations given to us, inventory including stocks with third parties in certain locations, has been physically verified by the management during the year.
- b) In our opinion, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) As per information given to us, the Company has maintained proper records of inventory.

3. According to information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured, to or from Companies, Firms or other Parties listed in the register maintained under section 301 of the Companies Act, 1956.



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4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods & services. During the course of audit, no major weakness has been noticed in internal control system and there is a scope of improvement in existing internal control system.
5. According to the information and explanations given to us, in our opinion, there are no transactions that require to be entered into a register in pursuance of Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. Company has an Internal Audit System commensurate with its size and nature of its business & the company have paid up capital & Reserve exceeding Rs. 50 lacs at the commencement of the financial year Concerned, or having annual turnover exceeding Rs. 5 crores or a period of 3 consecutive financial year immediately preceding the financial year concerned.
8. The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of Transmission of the company. We have broadly reviewed the records prepared by the company and are of the opinion that, Prima facie, the prescribed records have been made and maintained.
9. Statutory and other dues:
 - a) On the basis of our examination of the books of account and other relevant records, the Company has been generally regular in depositing with appropriate authorities, undisputed statutory dues, including provident fund, employees' state Insurance, Income Tax, Sales Tax, Excise Duty, Cess and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales-Tax, Customs Duty and Excise Duty were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable.



10. The company has accumulated losses of Rs 10387.07 Lacs (previous year Rs. 9685.91 Lacs) which are less than fifty percentage of its net worth and Company has not incurred any cash losses either during the current financial year or the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, with which transactions have been made during the year.
12. Based on our examination of documents and records, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a Chit Fund, Nidhi, Mutual Benefit Fund or a Society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the Company has raised the following term loans during the period and have been applied for the purpose for which they were raised :-
- | | | |
|-------|----------|---|
| (i) | From PFC | Rs. 2968.89Lacs (Prev. year Rs. 3149.70 Lacs) |
| (ii) | From REC | Rs. 4153.89Lacs (Prev. year Rs. 9443.39 Lacs) |
| (iii) | From ADB | Rs. 2825.00 Lacs (Prev. Year Rs. Nil) |
17. According to the information and explanation made available to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments by the Company.
18. The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.



20. The Company has not raised money through public issues during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

Place: Dehradun
Date: 01st Dec., 2012

For Sharma Kathuria & Co.
Chartered Accountants

(CA Dharmesh Kathuria)

Partner

M.No.-095114

F.R.N. 015268N

'ANNEXURE II' REFERRED TO IN PARAGRAPH 2 OF THE AUDITORS' REPORT TO THE SHAREHOLDERS OF POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012:

1. The party-wise break-up of outstanding balances as on 31.03.2012 for the amount due to or receivable from suppliers /contractors/employees/other parties has not been maintained. The balances of these accounts secured and unsecured loan are subject to confirmation and reconciliation. There are many old debit and credit balances which are lying for more than three years in various payable and receivable accounts. These accounts are awaiting necessary actions for proper adjustment. The effect of thereof on the accounts is not ascertainable.
2. In the balance sheet as on 31.03.2012, the variation in value of assets transferred and liabilities taken over as on 31.05.2004, amounting to Rs.18880.07 Lacs (Previous year Rs. 18880.07 Lacs) as per schedule 4 in pursuance of Govt. of Uttaranchal (GOUA) notification No.86/1/2004-06(3)/259/2003 dated 31.05.2004 and 87/1/2004-06(3)/259/2003 dated 31.05.2004, has been considered as unsecured loan from the State Government by the company, whereas as per the transfer scheme Page 7 the same has to be taken as 'Payable to UPCL'.
3. Inter-Units Balances amounting to Rs.1.61 crore (net) (Previous year Rs. 22.92 crores (net) as per Note no 2.15 and balance amounting to Rs 41.56 Lacs (Previous year Rs. 81.14 Lacs) as per Note 2.8 are under reconciliation the effect thereof on the accounts is not ascertainable.
4. An Amount of **Rs 16.49 Crores (Previous year Rs. 11.24 Crores)** as per Note no. 2.5 shown under "Other Long Term Liabilities" payable to UPCL represents amounts directly transferred by UPCL to various PTCUL units between 01.06.04 to 31.03.12, which is under reconciliation with UPCL. The effect thereof on the accounts is not ascertainable.
5. The amount of various deposit works completed has been included and shown under the fixed assets (Note No. 2.10) under the respective heads. The contribution towards deposit works of Rs. 6167.89 Lacs (Note No. 2.3) have been included in Fixed Assets and shown as Contribution towards deposit Works in the balance sheet, the assets to that extent have been *over stated* and since this amount is shown under the head Contribution towards Deposit Works the Current liabilities to that extent are under *stated*.

6. Land and Rights of Rs. 3927.72 Lacs (Previous year Rs. 3653.36 Lacs) and Lease Hold Lands of Rs 3268.70 Lacs (Previous year Rs. 3225.80 Lacs) as per Note no 2.10 in different divisions of the corporation are amortized (the values of lease hold property amounting to Rs.2.25 crores had been amortized over the period of 99 years on notional basis from F.Y 2004-05 and onwards and the value of lease hold property acquired during the year 2008-09 amounting to Rs.17.31 crores and during the year 2010-11 amounting to Rs. 12.70 crores had been amortized over the period of 30 years on notional basis and during the year 2011-12 amounting to Rs. 0.43 crores had been amortized over the period of 30 years on notional basis).
7. Store Spares of Rs 3041.02 Lacs (Previous year Rs. 2660.58 Lacs) as per Notes no 2.12 includes the value of surplus / obsolete inventory lying idle in the stores. The non moving stock estimated approximately 10 % of total stock as per transfer scheme is being written off @ 2 % every year from F.Yr. 2008-09 onwards as per approval of Board of Directors.Value of obsolete stores other than transfer scheme has not been ascertained being no details are available form respective units, the same has not been provided for due to the stated reason which has resulted in over statement of Current Assets and under statement of Loss to that extent.
8. The Title Deeds of lands are not available in certain cases, due to non receipt of the lease deed/title deed from UPCL at the time of finalization of transfer scheme.

Place: Dehradun
Date: 01st Dec., 2012

For Sharma Kathuria & Co.
Chartered Accountants

(CA Dharmesh Kathuria)

Partner

M.No.-095114

F.R.N. 015268N

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.
7B, LANE NO.1, VASANT VIHAR ENCLAVE, DEHRADUN
BALANCE SHEET AS AT 31st MARCH 2012

(Amount in Lacs)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	22380.33	17709.33
(b) Reserves and Surplus	2.2	-10387.07	-9685.91
(c) Contribution Towards Deposit Works	2.3	6167.89	3928.24
(2) Share Application Money Pending Allotment		361.04	1012.01
(3) Non-Current Liabilities			
(a) Long Term Borrowings	2.4	71019.07	69199.92
(b) Other Long Term Liabilities	2.5	5952.74	3874.10
(c) Long Term Provisions	2.6	1072.42	940.26
(4) Current Liabilities			
(a) Trade Payables	2.7	4362.37	4837.15
(b) Other Current Liabilities	2.8	4800.93	8405.85
(c) Short Term Provisions	2.9	2503.53	2141.38
Total		108233.26	102362.33
II. Assets			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.10	64065.95	41728.46
(ii) Capital Work-In-Progress	2.10	13989.19	29983.48
(b) Long Term Loans and Advances	2.11	4291.92	5659.58
(2) Current Assets			
(a) Inventories	2.12	3041.02	2660.58
(b) Trade Receivables	2.13	1832.53	1698.79
(c) Cash and Cash Equivalents	2.14	1581.37	5037.21
(d) Short Term Loans and Advances	2.15	19431.29	15594.23
Total		108233.26	102362.33

Significant Accounting Policies and Notes to Accounts

1 to 2.22

Notes Referred to above form an integral part of Balance Sheet.

As per our report of even date attached.

For Sharma Kathuria & Co.
Chartered Accountants

(Dharmesh Kathuria)
Partner

M.No. : 095114
F.R.No.: 015268N

Place : Dehradun
Date : 01.12.2012

Power Transmission Corporation of Uttarakhand Ltd.

Managing
Director

Director
Finance

Company
Secretary



POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.
7B, LANE NO.1, VASANT VIHAR ENCLAVE, DEHRADUN
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 2012

(Amount in Lacs)

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. Revenue From Operations	2.16	13292.71	10174.00
II. Other Income	2.17	234.54	109.14
III. Total Revenue (I +II)		13527.25	10283.14
<u>IV. Expenses:</u>			
Employee Benefit Expenses	2.18	4593.83	3768.53
Financial Costs	2.19	3686.67	3056.92
Depreciation and Amortization Expense	2.20	2658.85	1956.85
Other Expenses	2.21	3284.75	2451.19
IV. Total Expenses		14224.11	11233.49
V. Profit Before Exceptional and Extraordinary Items and Tax	(III - IV)	-696.85	-950.35
VI. Exceptional Items		0.00	0.00
VII. Profit Before Extraordinary Items and Tax (V + VI)		-696.85	-950.35
VIII. Extraordinary Items	2.22	4.30	4.30
IX. Profit Before Tax		-701.16	-954.65
X. Tax Expense:			
(1) Current Tax		0.00	0.00
(2) Deferred Tax		0.00	0.00
XI. Profit(Loss) for the Period From Continuing Operations	(IX-X)	-701.16	-954.65
XII. Profit/(Loss) for the Period		-701.16	-954.65
XIII. Earning Per Equity Share:			
(1) Basic (In Rs.)		0.00	0.00
Significant Accounting Policies and Notes to Accounts		1 to 2.22	

Notes Referred to above form an integral part of Statement of Profit & Loss.

As per our report of even date attached.

For Sharma Kathuria & Co.
Chartered Accountants

(Dharmesh Kathuria)
Partner

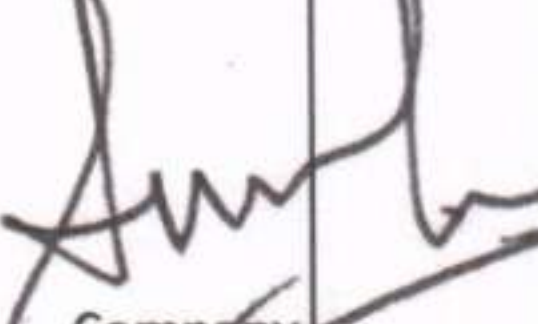
M.No. : 095114
F.R.No.: 015268N

Place : Dehradun
Date : 01.12.2012

Power Transmission Corporation of Uttarakhand Ltd.


Managing
Director


Director
Finance


Company
Secretary



Power Transmission Corporation of Uttarakhand Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Lacs)

	PARTICULARS	For the year ended 31.03.2012		For the year ended 31.03.2011	
A	CASHFLOW FROM OPERATING ACTIVITIES:				
	Net Profit/(loss) before tax and extra-ordinary items	-696.85		-950.35	
Add	Adjustment for:				
	Depreciation	2,658.85		1,956.85	
	Interest and Other finance charges paid	4,907.81		4,434.27	
	Provisions for Fringe benefit tax				
	Excess provision written back	-		-	
	Interest Income	-		-	
	Operating Profit Before Working Capital Charges	6,869.81		5,440.77	
Add	Adjustment for Working Capital Changes				
	Increase/(Decrease) in Inventory	-380.44		-457.13	
	Increase/(Decrease) in Debtors	-133.74		477.74	
	Increase(Decrease) in Loans and Advances	-2,469.40		-2,261.89	
	Increase(Decrease) in Current Liabilities	-1,507.05		3,813.96	
	Cash Flow from Operations	2,379.18		7,013.45	
	Less- Fringe benefit tax	4.00		4.00	
	Net Cash from Operating Activities		2,375.18		7,009.45
B	CASHFLOW FROM INVESTING ACTIVITIES:				
	Purchase & Sale of Fixed assets	-24,996.32		-7,813.01	
	Capital Work -in -progress	15,994.29		-3,666.40	
	Interest income	-		-	
	Net Cash from Investing Activities	-9,002.04	-9,002.04	-11,479.40	-11,479.40
C	CASHFLOW FROM FINANCING ACTIVITIES:				
	Increase in Capital	4,020.03		1,512.00	
	Increase in Loans Balances & Cash Credit	1,819.15		4,752.26	
	Increase in Contribution & Grants	2,239.65		-	
	Interest and Other finance charges paid	-4,907.81		-4,434.27	
	Net Cash from Financing Activities	3,171.02	3,171.02	1,829.99	1,829.99
D	NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)		-3,455.84		-2,639.97
E	OPENING CASH & CASH EQUIVALENTS		5,037.21		7,677.18
	CLOSING CASH & CASH EQUIVALENTS		1,581.37		5,037.21

For Sharma Kathuria & Co.
Chartered Accountants

(Dharmesh Kathuria)

Partner

M.No. : 095114

F.R.No.: 015268N

Place : Dehradun

Date : 01.12.2012

Power Transmission Corporation of Uttarakhand

Managing Director

Director (F)

Company Secretary



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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes Forming Part of Balance Sheet & Statement of Profit & Loss

Note 1. Accounting Policies & Notes to Accounts

PART- (A) NOTES ON ACCOUNTS

- I. As a part of Power reform Process for the State of Uttarakhand brought into effect by the Govt. of Uttarakhand the Uttarakhand Power Corporation Limited (UPCL). 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 under the Companies 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. 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 Ltd. by 01.10.2005.

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 GOUA. 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.

The variation in value of assets transferred and liabilities taken over as on 31-05-2004, amounting to Rs. 1888007313.36 (Previous year Rs. 1888007313.36) as per schedule 4 has been considered as Interest free unsecured loan being a no terms and conditions have been stipulated by the GOU in the transfer scheme as stated above.

- II. Authorized Share Capital of the Corporation is Rs.500 Crores (previous year Rs. 500 crores).
- III. The Company, Power Transmission Corporation of Uttarakhand Limited has received Equity Share Capital amounting to Rs. 38.11 Crores (previous year Rs. 15.12 Crores) from the Government of Uttarakhand during the year 2011-12. Allotment of shares against the same has been made to the extent of Rs.46.71 Crores (previous year Rs 38.29 Crores) share Application Money Pending Allotment as on 31.03.2012 is Rs. 3.61 Crores. (Previous year Rs. 10.12 Crores).
- IV. Contingent liabilities not provided for in respect of ;
- (a) The estimated amount of the contracts remaining to be executed on capital account is Rs. 813.16 crores (Previous year Rs. 217.50 crores) in respect of contracts executed from the date of incorporation of PTCUL to 31st March, 2012.
- (b) The estimated amount of contracts remaining to be executed on capital account and not provided for is not ascertainable, prior to the date of incorporation because of works details have not been furnished by UPCL under the transfer scheme.
- V. Provision for Accrued Liabilities on account of Gratuity has been made for ½ month of salary on the amount of Basic Pay and D. A. paid to employees of the non pensioner scheme, however the amount payable as per Gratuity Act and other statutory Act to the employees over and above the provision made will be paid by the corporation. The company is in the process of obtaining a policy from the LIC to provide for the terminal benefits of its employees covered under EPF to comply with the requirement of AS-15 issued by the ICAI, which is mandatory in nature.

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes Forming Part of Balance Sheet & Statement of Profit & Loss

VI. In case of employees covered under GPF, the Company follows the guidelines as per the provisions contained in G.O. No1.248/9-3-U/ Pension /2002 dated 21.10.2003. The Provisions for retirement benefits is made @2.30% for Gratuity and @16.78% for Pension. The Company is following the specific provision as per the above mentioned G.O. this automatically comply with the requirement of AS-15.

VII. Provision has been made for Audit Fees and Expenses of Statutory Auditors for the period 2011-12 as follows:-

(Amount in Rupees)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Audit fees- Current year (excluding service tax)	201315.00	183015.00
Provision for Reimbursement of expenses	125000.00	110000.00
Total	326315.00	293015.00

VIII. Liabilities towards Staff Training, Medical Reimbursement & Leave Travel Concession (LTC) has been provided to the extent established.

IX. The Depreciation has been provided at the Corporate Accounts Office w.e.f. 01.06.04 on Straight Line method on the value of Fixed Assets in use as on 31.05.2004 and pro-rata on large projects and on average basis on other additions made during the year in accordance with the rates prescribed in Appendix VI to Para 362 of Chapter IX of Central Electricity Regulatory Commission and also adopted by the State Commissions.

X. Inter-Units Balances amounting to Rs 1.61 crore (net) (Previous year 22.92 crore (net)) as per Note 2.15 are under reconciliation and the effect of reconciliation shall be provided in the ensuing years.

XI. On an overall basis the Current Assets (Except Inventory for which decrease & depletion in not yet worked out), Loans and Advances have a value on realization in the ordinary course of business at least equal to amounts that are stated in the Balance Sheet.

XII. As there is Business Loss during the year and also after considering depreciation as per Income Tax Act., no provision for Income Tax has been made for the Financial Year.

XIII. Provision for Leave Salary Contribution fund in the current year has been provided @ 11% of basic pay and DA, as provided earlier by UPCL.

XIV. An Amount of Rs 16.49 Crores (Previous year Rs. 11.24 Crores) as per Note no. 2.5 shown under "Other Long Term Liabilities" payable to UPCL represents amounts directly transferred by UPCL to various PTCUL units between 01.06.04 to 31.03.12, which is under reconciliation with UPCL. The effect thereof on the accounts is not ascertainable.

XV. The employees cost charged to Capital WIP during the year amounting to Rs 5.34 crores (Previous year Rs. 4.55 crores) is based on actual expenditure of Projects.



POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes Forming Part of Balance Sheet & Statement of Profit & Loss

XVI. Director's Remuneration:

(Amount in Rupees)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Salaries and Allowances	3824939.00	2418311.00
Perquisites/reimbursement	0.00	53246.00
Total	3824939.00	2471557.00

XVII. Related Party Disclosure:

KEY MANGEMENT PERSONNEL:

Shri S.S Sandhu	Chairman (w.e.f. Dec., 2011)
Shri A.K Jain	Director (Upto Nov., 2011)
Shri M.C. Upreti	Director (From Sept., 2010 to Aug., 2011)
Shri Rakesh Sharma	Director (w.e.f. Sept., 2011)
Shri S. Ramaswamy	Director (w.e.f. March, 2011)
Shri Ravinath Raman	Director (From Sept., 2011 to Feb., 2012)
Shri J. L. Bajaj	Director (w.e.f. Dec., 2006)
Shri G. P. Patel	Director (w.e.f. Nov., 2010)
Shri A.K Jain	MD (I/C) ,PTCUL (From July 2011 to April 2012)
Shri A.K. Gupta	Director (w.e.f. May, 2011)
Shri D.N Joshi	Director (w.e.f. May, 2011)
Shri S.K Sharma	Director (w.e.f. May, 2011)
Shri A. K. Gupta	MD (I/C) ,PTCUL (From April 2012)

Remuneration of whole time Directors is included in notes No.16

- XVIII. Deferred tax Assets after setting off Deferred tax Liabilities has not been considered in account on prudent basis as the company is not certain about the income available in future due to past accumulated unabsorbed losses.
- XIX. Contribution towards deposit works of Rs.61,67,89,444/- (Previous year Rs 37,19,21,213/-) as per Note 2.3 has been shown under Contribution, Grant and subsidies towards cost of Capital assets in respect of completed deposit works and the same amount has been shown under the respective head of capital assets under fixed assets.
- XX. As per Transfer Scheme (31-05-2004) the on going projects shall be transfer to UPCL after completion of work.
- XXI. The Sub-Audit Committee of the Board has assumed that the Lease hold Property is for a period of 99 years and the values of lease hold property amounting to Rs.2.25 crores had been amortized over the period of 99 years on notional basis and the value of lease hold property acquired during the year 2008-09 amounting to Rs.17.31 crores and during the year 2010-11 amounting to Rs. 12.70 crores and during the year 2011-12 amounting to Rs. 0.43 Crores had been amortized over the period of 30 years on notional basis.
- XXII. The company has given 1166 sq. meter and 1634 sq. meter of land to UERC on 29.08.07 & 22.10.08 respectively on 99 years lease.

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes Forming Part of Balance Sheet & Statement of Profit & Loss

- XXIII. The Corporation does not have more than one reportable segment in terms of Accounting Standard No.17 issued by the Institute of Chartered Accountants of India. Hence AS-17 does not apply. Similarly there are no related party transactions hence AS- 18 does not apply.
- XXIV. There are many old debit and credit balances which are outstanding for more than three years lying in various payable and receivable accounts. These are unconfirmed and suitable action plan is awaited for adjustment of these accounts awaiting necessary actions for proper adjustment.
- XXV. Provision for Impairment loss as required under Accounting Standard-28 on Impairment of Assets is not made as in the opinion of management there is no impairment of the Corporation's Assets in terms of AS-28.
- XXVI. 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, 2012. No payment is due for more than 30 days as at 31st March, 2012 in respect of purchases/services made from Small Scale/ancillary industries.
- XXVII. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

(i) REGISTRATION DETAILS :

Registration No.	28675
State Code	20
Balance Sheet date	31 st March 2012

(ii) CAPITAL RAISED DURING THE YEAR :

(Amount in thousands)

Public Issue	NIL
Right Issue	NIL
Private Placement, pursuant to a contract, for consideration other than cash Issued to State Govt.	467100
Bonus Issue	NIL

(iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :

(Amount in Lacs)

Total Liabilities	108233.26
Total Assets	108233.26
Equity & Liabilities	
Share Capital	22380.33
Reserve and Surplus	-4219.17
Share Application Money Pending Allotment	361.04
Long Term Borrowings	71019.07
Other Long Term Liabilities	5952.74
Long Term Provisions	1072.42
Trade Payables	4362.37
Other Current Liabilities	4800.93
Short Term Provisions	2503.53
Assets	
Tangible Assets	64065.95
Capital Work-In-Progress	13989.19
Long Term Loans and Advances	4291.92

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes Forming Part of Balance Sheet & Statement of Profit & Loss

Inventories	3041.02
Trade Receivables	1832.53
Cash and Cash Equivalents	1581.37
Short Term Loans and Advances	19431.29

(iv) PERFORMANCE OF COMPANY :

(Amount in Lacs)

Turnover/ Income	13292.71
Other Income	234.54
Total Expenditure	14224.11
Profit before Exceptional and Extraordinary Items & Tax	(696.85)
Profit before Extraordinary Items & Tax	(696.85)
Less : Extraordinary Items	4.30
Profit before Tax	(701.16)
Profit / Loss for the period	(701.16)
*Earning per share (Basic in Rs.)	NIL

* Earning per share cannot be shown due to negative balance of Profit after MAT and Deferred tax.

GENERIC NAMES OF PRINCIPAL PRODUCT/ SERVICE OF COMPANY:

Item code no. : Not Applicable
Product Description : Power Transmission

XXVIII. Figures have been rounded off to the nearest rupees.

XXIX. Foreign Exchange Earning & Outgo is nil during the year.

XXX. Previous year's figures have been regrouped/rearranged/recast, wherever necessary, to make them Comparable with the current year's figures.

XXXI. All expenditures have been booked on accrual basis.

XXXII. The non moving stock estimated approximately 10% of total in stock (stock as per transfer scheme) is being written off @ 2% of obsolete stock every year from F.Y 2008-09 onwards as per approval of Board of Directors. The Current Year value of written off non-moving stock is Rs. 430232/- (Previous Year value is Rs 430232/-) as per Note No. 2.22.

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes Forming Part of Balance Sheet & Statement of Profit & Loss

PART – (B) SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

- (i) The Power Transmission Corporation of Uttarakhand Ltd. 'Corporation' is a Company registered under the Companies Act., 1956 and therefore the same is governed by the provisions of the Companies Act, 1956 and rules made there under.
- (ii) The Financial Statements are prepared under the Historical Cost Convention following Accrual System of accounting on a going concern concept and in consistent with the accounting policies.
- (iii) Accounting Policies are consistent with Generally Accepted Accounting Principal (GAAP) except wherever stated other wise.
- (iv) The Corporation recognizes significant items of Income and Expenditure on accrual basis and the same are charged to relevant heads of accounts.
- (v) Insurance and other Statutory Claims, Refund of Custom Duty, Interest on mobilization advance, and interest on Income Tax and Trade Tax, if any are to be accounted for on Cash Basis.
- (vi) Interest on Loans to staff is accounted for on receipt basis after recovery of principal in full.
- (vii) Interest on deposits with various banks is accounted for on Accrual basis.

II. GRANT IN AID:

- (i) According to the provisions of the Electricity Supply Act, 1948 Grants-in-Aid/ Subsidies received from the Central/ State Government or other authorities towards Capital Expenditure as well as consumers Contribution to Capitals works are treated initially as Capital Reserve.
- (ii) Government Grants/ Subsidies are recognized only on reasonable assurance of the Government and compliance to the conditions attached thereto by the Corporation.

III. FIXED ASSETS:

- (i) The Gross Block of Fixed Assets is stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition for their intended use.
- (ii) The Depreciation has been provided on Straight Line method on the value of Fixed Assets on pro-rata on large projects and on average basis on other additions made during the year in accordance with the rates prescribed in Appendix VI to Para 362 of Chapter IX of Central Electricity Regulatory Commission and also adopted by the State Commissions.
- (iii) The amount of various works completed has been included and shown under the Fixed Assets (Note No. 2.8) under the respective heads. However, the contribution towards deposit works of Rs.61,67,89,444/- have been included in Reserve & Surplus in Note No.2.2.



POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes Forming Part of Balance Sheet & Statement of Profit & Loss

IV. CAPITAL WORKS IN PROGRESS:

- (i) In the case of Commissioned Assets, where final settlement of bills with Contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of Final Settlement.
- (ii) 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.
- (iii) Claims of the Price Variation in case of contracts are accounted for on acceptance of Bills.
- (iv) 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.
- (v) Employees Cost incurred on supervision of Capital works are capitalized on the basis of actual expenditure incurred for the Projects.
- (vi) The amount incurred upto 33 K.V. shall be transferred to UPCL after completion of works until that it will be shown under the Note 2.10 Capital work in progress.

V. BORROWING COST:

- (i) Borrowing Costs attributable to the Fixed Assets during their construction/renovation and modernization are capitalized. Such borrowings are apportioned on the average balance of Capital Work-in-Progress for the year. Other Borrowing Costs are recognized as expense in the period in which they are incurred.
- (ii) The Borrowing Cost has been determined on proportionate basis as prescribed in the Electricity (Supply) (Annual Accounts) Rules, 1985.

VI. INVENTORIES

- (i) The cost of inventories is valued at cost on FIFO/ Weighted average method basis except for side-stores which are valued at issue price.
- (ii) Stores and spares are valued at invoice cost.
- (iii) Stock of unserviceable material and steel scrap is valued at realization value.
- (iv) Value of scrap other than steel scrap is accounted for in the accounts as and when sold.
- (v) Any shortage/ excess of materials found during the physical verification at the year end are first shown as material short/ excess pending investigation till the finalization of investigation and thereafter any excess, if established, is shown under the head of income. Similarly, shortages are either recovered from staff concerned or charged to the profit and loss account as the case may be.
- (vi) Shortage/ loss due to theft or any other reason are first debited to the head Misc. Advance against staff and are shown as Current Assets till the finalization of enquiry/ settlement of the case. After

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes Forming Part of Balance Sheet & Statement of Profit & Loss

the completion of enquiry the value of shortage/Loss due to theft is either recovered from staff or transferred to P/L Account as per the decision of enquiry.

- (vii) 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 onward.

VII. PROFIT AND LOSS ACCOUNT:

A. INCOME RECOGNITION

- (i) Wheeling Charges is accounted for on the basis of Tariff Rates, notified/ approved by the Uttarakhand Electricity Regulatory Commission (UERC).
- (ii) Interest/ Surcharge recoverable in Advances to Suppliers as well as warranty Claims/ Liquidity Damages are not treated as accrued, due to uncertainty of realization/ acceptance and are, therefore, accounted for on receipt of acceptances.
- (iii) Interest on fixed deposits kept with bank is accounted for on Accrual basis, as the deposits are held against long term loans and on capital account.

B. EXPENDITURE

- (i) Depreciation is charged on Straight Line Method as per rates prescribed in Appendix VI to Para 362 of Chapter IX of Central Electricity Regulatory Commission and also adopted by the State Commissions.
- (ii) Depreciation on Fixed Assets is provided on the assets in existence at the beginning of the year and on pro-rata on large projects and on average basis on other additions made during the year.
- (iii) Expenses on Training Recruitments and Research Development are charged to Revenue in the year of incurrence.

VIII. RETIREMENT BENEFITS:

- (i) The liability for Retirement Benefits of Employees in respect of Gratuity and pension has been made @ 16.78% and 2.30% respectively on the amount of Basic Pay and D.A. paid to employees, in accordance to the provisions contained in G.O. No. 248/9-3U/Pension/2002 dated 21.01.2003.

IX. INVESTMENTS:

- (i) Investments, if any, are stated at cost.

X. CONTINGENT LIABILITIES

- (i) These, are disclosed in the notes to the Accounts.





POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED

Notes Forming Part of Balance Sheet & Statement of Profit & Loss

XI. CASH FLOW STATEMENT

Cash flow statements are reported using the indirect method, whereby profit before tax is adjusted for the effect of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular operating, Investing and financing activities of the company are segregated.

For M/s Sharma Kathuria & Co.
Chartered Accountants

(CA Dharmesh Kathuria)

Partner

M.No.- 095114


FRN:- 015268N

Place: Dehradun

Date: 01ST Dec., 2012




Managing Director


Director(F)


Company Secretary

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.
Notes Forming Part of the Balance Sheet

Note : 2.1 Share Capital			
		Amount in lacs	
Sr. No.	Particulars	Year Ended March 31,	
		2012	2011
1	AUTHORIZED SHARE CAPITAL 50,00,000 Equity Shares of Rs. 1000/- each.	50000.00	50000.00
		50000.00	50000.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 22,38,033 (Previous Year 17,70,933) Equity Shares of Rs. 1000/- each, Fully Paid up	22380.33	17709.33
	Total	22380.33	17709.33

Note : 2.1.1 Reconciliation of Nos. Of Shares			
		No. of Shares	
Sr. No.	Particulars	Year Ended March 31,	
		2012	2011
	Number of Equity Shares at the Beginning	1770933	1388000
	Add:- Number of Shares Issued	467100	382933
	Number of Equity Shares at the end	2238033	1770933

Note : 2.1.2 Name of the Shareholders holding more than 5% of Shares				
	Name	Class of Share	No. of Share Holding	Percentage of Holding
1	Governer of State of Uttrakhand	Equity Share	2238026	99.99%

Note : 2.1.3 Aggregate Number & Class of Share for the Period of 3 year immediately preceding the dates as at which Balance Sheet is Prepared			
		Year Ended March 31,	
	Particulars	2012	2011
	Alloted as Fully Paid-up pursuant to contract without Payment received in		
1	Cash	----	----
2	Alloted as Fully paid-up by way of Bonus Share	----	----
3	Brought Back	----	----

Note : 2.2 Reserve & Surplus			
		Amount in Lacs	
Sr. No.	Particulars	Year Ended March 31,	
		2012	2011
1	Surplus (Profit & Loss Account) As per Last Balance Sheet	-9685.91	-8731.26
	Add:- loss for the Year	-701.16	-954.65
	Total	-10387.07	-9685.91

Note : 2.3 Contribution Towards Deposit Works			
		Amount in Lacs	
Sr. No.	Particulars	Year Ended March 31,	
		2012	2011
1	Contribution Towards Deposit Works Opening Balance	3928.24	3928.24
	Add: During the Year	3879.88	----
	Less: Depreciation during the Year	1640.23	----
	Total	6167.89	3928.24

By *Akash*



POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.

Notes Forming Part of the Balance Sheet

Note : 2.4 Long Term Borrowings			
		Amount in Lacs	
Sr. No.	Particulars	Year Ended March 31,	
		2012	2011
	Secured Loans:-		
	Term Loan From Financial Institution		
1	R.E.C. I & III (Guaranteed by Government of Uttarakhand)	12731.75	13958.71
2	R.E.C. II (Secured By Hypothecation of Sub-Stations)	8353.74	9381.85
3	REC Short Term Loan(Secured by Hypothecation of Sub -Station's Equipment)	872.73	1200.00
4	R.E.C. IV (Guaranteed by Government of Uttarakhand)	4554.16	3018.07
5	R.E.C. V (Secured By Hypothecation of Sub-Stations)	5286.94	2669.14
6	NABARD (Through Government of Uttarakhand)	8091.43	13625.10
7	Power Finance Corporation (Secured By Hypothecation of Sub-Stations)	9423.25	6466.97
8	ADB Loan (Secured by Government of Uttarakhand)	2825.00	----
	Unsecured Loans:-		
	Other Loans & Advances		
1	U.A. Government Loan	18880.07	18880.07
	Total	71019.07	69199.92

Note : 2.4.1 Terms of Repayments of Long Term Borrowings			
		Amount in Lacs	
Sr. No.	Particulars	Year Ended March 31,	
		2012	2011
1	Terms of Repayments of REC STL		
	First Year	436.36	436.36
	Second Year	436.36	436.36
	Third Year to Fifth Year	----	327.27
2	Other Loans (Reffer Point 2.4.2)	70146.34	67,999.92
	Total	71019.07	69199.92

Note 2.4.2 Loan of REC will be repaid in 10 years.
 Loan of PFC and NABARD will be repaid in 5 years.
 Period of ADB Loan is not ascertain as yet.

Note : 2.5 Other Long Term Liabilities			
		Amount in Lacs	
Sr. No.	Particulars	Year Ended March 31,	
		2012	2011
	Other Than Trade Payable		
1	Security Deposit	539.28	385.31
2	Retention Money	3764.73	2364.38
3	UPCL Payable	1648.73	1124.40
	Total	5952.74	3874.10

Note : 2.6 Long Term Provisions			
		Amount in Lacs	
Sr. No.	Particulars	Year Ended March 31,	
		2012	2011
	Provision for Employee Benefits		
1	Provision for Pension	735.92	686.21
2	Provision for Gratuity	336.50	254.05
	Total	1072.42	940.26


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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.
Notes Forming Part of the Balance Sheet

Note : 2.7 Trades Payable				
			Amount in Lacs	
Sr. No	Particulars	Year Ended March 31,		
		2012	2011	
1	Capital Supplies/Works	3367.69	3774.26	
2	O&M Supplies/Works	994.68	1062.88	
	Total	4362.37	4837.15	

Note : 2.8 Other Current Liabilities				
			Amount in Lacs	
Sr. No	Particulars	Year Ended March 31,		
		2012	2011	
1	Deposits For Electrification	3590.71	7651.71	
2	Security Deposit & Retention Money from Contractors/Suppliers	255.17	98.01	
3	Other Liabilities	624.89	419.59	
4	Interest Accrued & due on Borrowings	330.16	236.55	
	Total	4800.93	8405.85	

Note : 2.9 Short Term Provisions				
			Amount in Lacs	
Sr. No	Particulars	Year Ended March 31,		
		2012	2011	
1	Provision for Employee Benefits			
	Provision for Leave Encashment	1557.78	1198.34	
2	Other Provision	945.75	943.04	
	Total	2503.53	2141.38	

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.

Notes Forming Part of the Balance Sheet

As at 31st March, 2012

Note : 2.10 Fixed Assets							Amount in Lacs					
			Gross Block				Depreciation			Net Block		
Sr. No	Particulars	Rate of Dep. (in %)	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
A Tangible Assets												
1	Land and Rights		3653.36	276.36	0.00	3929.72	115.56	103.73	0.00	219.29	3710.43	3537.80
2	Buildings	1.80	4243.69	270.28	0.00	4513.97	1962.56	79.22	0.00	2041.79	2472.18	2281.13
3	Hydraulic Works	1.80	19.91	99.58	0.00	119.50	1.38	0.92	0.00	2.30	117.20	18.53
4	Other Civil Works	1.80	177.67	121.75	0.00	299.42	98.79	5.24	0.00	104.03	195.39	78.88
5	Plant & Machinery	3.60	27533.02	10779.37	0.00	38312.40	17998.79	1308.62	0.00	19307.41	19004.98	9534.23
6	Lines & Cable Network Overhead Lines above 66 kv	2.57	33174.88	13408.56	0.00	46583.44	7059.07	1148.22	0.00	8207.29	38376.15	26115.81
7	Vehicles	18.00	76.58	0.00	0.00	76.58	76.71	0.00	0.13	76.58	0.00	-0.13
8	Furniture and Fixtures	6.00	94.05	19.28	0.00	113.34	26.29	5.72	0.00	32.01	81.33	67.76
9	Office Equipment	6.00	121.08	21.14	0.00	142.23	26.65	7.29	0.00	33.94	108.29	94.44
SUB TOTAL (A)			69094.26	24996.32	0.00	94090.58	27365.80	2658.97	0.13	30024.63	64065.95	41728.46
B Capital Work In Progress CWIP			29983.48	9176.66	25170.94	13989.19	0.00	0.00	0.00	0.00	13989.19	29983.48
SUB TOTAL (B)			29983.48	9176.66	25170.94	13989.19	0.00	0.00	0.00	0.00	13989.19	29983.48
Total (A+B) (Previous Year)			99077.73	34172.98	25170.94	108079.77	27365.80	2658.97	0.13	30024.63	78055.14	71711.93
			87598.33	77728.03	74061.64	91264.73	61281.25	61281.25	61281.25	61281.25	91264.73	87598.33

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POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.

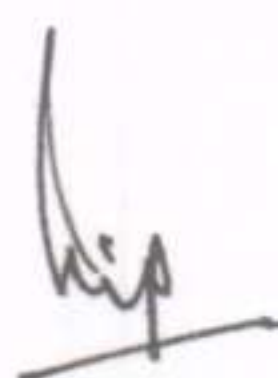
Notes Forming Part of the Balance Sheet

Note : 2.11 Long Term Loans and Advances				
			Amount in Lacs	
Sr. No	Particulars		Year Ended March 31,	
			2012	2011
	Secured			
1	Advance for Capital Supplies/ Works		4291.92	5659.58
	Total		4291.92	5659.58

Note : 2.12 Inventories				
			Amount in Lacs	
Sr. No	Particulars		Year Ended March 31,	
			2012	2011
	Stores & Spares			
1	Stock Material at Construction Stores		2771.88	2314.22
2	Stock Material at Other Stores		238.22	315.43
3	Other Material Account		30.92	30.92
	Total		3041.02	2660.58

Note 2.12.1 The Store & Spare of the company is valued at Cost.

Note : 2.13 Trade Receivables				
			Amount in Lacs	
Sr. No	Particulars		Year Ended March 31,	
			2012	2011
	Outstanding for less than six months			
	Unsecured, Considered Good			
	Uttarakhand Power Corporation Limited		1832.53	1698.79
	Total		1832.53	1698.79






POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.

Notes Forming Part of the Balance Sheet

Note 2.14 Cash & Cash Equivalent			Amount in Lacs	
Sr. No	Particulars		Year Ended March 31,	
			2012	2011
i)	Cash or Cash Equivalents			
a)	Balance With Banks			
1	Punjab National Bank		791.13	832.11
2	State Bank of India		1.89	1.89
b)	Cash-in-Hand (Including Imprest)		0.82	2.08
c)	Remittance in Transit		10.48	-480.43
	Sub Total (i)		804.32	355.64
ii)	Bank Deposits			
1	Fixed Deposit		777.05	4681.57
	Sub Total (ii)		777.05	4681.57
	Total [i+ii]		1581.37	5037.21

Note 2.15 Short Terms Loans and Advances			Amount in Lacs	
Sr. No	Particulars		Year Ended March 31,	
			2012	2011
	Other Loans & Advances			
1	Advance Recoverable in cash or kind for value to be received			
	Advance for O & M Supplies/Works		964.34	859.93
	Advance for Capital Works		12516.26	6558.78
	Loans & Advances to Staff		23.02	24.55
2	Sundry Receivable		5766.46	5833.09
3	Inter Unit Transaction		161.01	2291.65
4	Staff Pension & Gratuity Fund		---	26.02
5	TDS Receivable		0.20	0.20
	Total		19431.29	15594.23



POWER TRANSMISSION CORPORATION OF UTTARAKHAND LTD.

Notes Forming Part of Statement of Profit & Loss

Note : 2.16 Revenue From Operations			Amount in Lacs
Sr. No	Particulars	Year Ended March 31,	
		2012	2011
1	Revenue From Wheeling Charges	13292.71	10174.00
	Total	13292.71	10174.00

Note : 2.17 Other Income			Amount in Lacs
Sr. No	Particulars	Year Ended March 31,	
		2012	2011
1	Others Investments	3.32	0.20
2	Interest on Advance to Contractors/Suppliers	0.69	4.25
3	Sale of Scrap	0.39	0.25
4	Sale of Tender Form	27.52	43.99
5	Registration Fees	6.31	5.13
6	Balance Misc. Receipts	130.13	43.47
7	Recoveries for Transport Facilities	2.82	2.70
8	Income from Inspection House	0.45	0.06
9	Rental from Staff	0.92	0.23
10	Penalties for delay in Supplies/Execution of Works	61.90	5.41
11	Receipt of Fees under Right to Information Act-2005	0.11	----
12	Hire Charges from Contractors	----	0.07
13	Plant & Machinery	----	0.04
14	Rental from Contractors	----	0.00
15	Open Access Fee	----	3.35
	Total	234.54	109.14

by *Ajith* A



Note : 2.18 Employee Benefit Expense			Amount in Lacs
Sr. No	Particulars	Year Ended March 31,	
		2012	2011
1	Salary, Wages, Allowances and Bonus	3181.26	2422.04
2	Arear of VI Pay Commisiion	207.49	369.16
3	Director's Remuneration	34.27	22.05
4	Other Staff Cost/Welfare Expense	574.07	472.38
5	Terminal Benefits	596.73	482.91
	Total	4593.83	3768.53

Note : 2.19 Financial Costs			Amount in Lacs
Sr. No	Particulars	Year Ended March 31,	
		2012	2011
1	Interest on PFC Loan	837.81	442.61
2	Interest on REC	2104.96	1555.76
3	Interest on NABARD	742.40	1058.56
4	Other Bank Changes	1.51	----
	Total	3686.67	3056.92

Note : 2.20 Depreciation and Amortization Expense			Amount in Lacs
Sr. No	Particulars	Year Ended March 31,	
		2012	2011
1	Depreciation	2658.85	1956.85
	Total	2658.85	1956.85

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Note : 2.21 Other Expense		Amount in Lacs	
Sr. No	Particulars	Year Ended March 31,	
		2012	2011
	Indirect Expenses		
1	Repairs & Maintenance Expense		
	Plant and Machinery	957.76	694.52
	Building & Civil Works	233.77	131.30
	Lines, Cables Work, etc.	610.09	348.82
	Others	1.06	0.36
2	Rent	36.84	20.82
3	Rates & Taxes	0.16	0.17
4	Insurance of Fixed Assets	0.17	0.31
5	Insurance of Other Assets	0.11	0.19
6	Telephone & Trunk Calls	41.57	42.10
7	Postage & Telegrams	3.02	1.74
8	Legal Charges	4.48	5.64
9	Audit Fee	15.58	15.83
10	Consultancy Charges	38.78	6.71
11	Other Professional Charges	9.59	12.80
12	Training Expenses	180.45	13.13
13	Conveyance Charges	3.30	2.80
14	Travelling Allowance to Officers	10.69	13.77
15	Travelling Allowance to Employees	32.35	33.62
16	Vehicle Running Expenses- Petrol & Fuel	28.28	44.28
17	Hiring Charges of Vehicles	89.90	75.41
18	Local outdoor Duty Allowance	3.43	2.81
19	Vehicles Licence & Registration Fee	-----	0.05
20	Fees and Subscription	613.05	711.74
21	Books and Priodicals	0.08	0.74
22	Printing of Stationary	25.39	17.41
23	Advertisment Expenses	48.10	17.68
24	Electricity Charges	7.66	5.50
25	Security Guard Payment	239.04	190.22
26	Water Charges	2.29	3.13
27	Banking Cash Transaction Charges for Cash withdrawals	-----	0.08
28	Misc. Expenses	32.19	31.32
29	Transit Insurance	-----	0.03
30	Advertisement of Tender's	15.56	6.18
	Total	3284.75	2451.19

by

Agent

A



Note : 2.21.1 Payment to Auditor			
		Amount in Lacs	
Sr. No	Particulars	Year Ended March 31,	
		2012	2011
	Auditor		
1	Statutory Audit Fees	3.26	2.93
2	Tax Audit Fees	0.75	0.70
	Total	4.01	3.63

Note : 2.22 Extra Ordinary Item			
		Amount in Lacs	
Sr. No	Particulars	Year Ended March 31,	
		2012	2011
1	Stock Written off	4.30	4.30
	Total	4.30	4.30

by

Aishwari

A



Date:01/12/2012

To,

The Senior Audit Officer
Office of the Comptroller & Auditor General of India,
Camp: PTCUL, Dehradun.

Subject: Supplementary report under section 619(3)(a) of the Companies Act, 1956 of Power Transmission Corporation Of Uttarakhand Limited, Dehradun.

Dear Sir,

Please find enclosed herewith Supplementary report under section 619(3) (a) of the Power Transmission Corporation Of Uttarakhand Limited, Dehradun along with complete set of Annual Report for the Financial Year 2011-12.

We hope you will find the above in order. Kindly acknowledge the receipt and oblige.

Thanking You,

Yours Truly

**For Sharma Kathuria & Co
Chartered Accountants**



CA Dharmesh Kathuria
Partner
M.No.: 095114



Statutory Audit Report u/s 619(3)(a) for the F.Y.2011-12

POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED
AUDITOR'S REPORT UNDER SECTION 619 (3) (a) OF THE COMPANIES ACT, 1956
FOR THE YEAR ENDING 31ST MARCH, 2012

(I)	System of Accounts :	
(1)	Examine the following systems and give your views as regards their deficiencies along with suggestions for remedial measures :-	
(a)	Recording of receipts and expenditure	The receipts and expenditures have been recorded regularly as per accounting practices followed by the company.
(b)	Drawing periodical trial balance	Trial balance has been drawn monthly.
(c)	Compilation of accounts	The compilation of accounts is being done at Head office (Dehradun).
(d)	Recording procurement and disposal of stores.	As explained to us, the procurement is done at actual cost and issues are made at actual rates.
(e)	Reconciliation of inter-office accounts	Reconciliation of inter-office accounts is being done at Head Office (Dehradun). There is an un-reconciled difference of Rs. 1.61 Crore (debit). Similarly, amounts transferred from UPCL to various PTCUL units during the period 01.06.2004 to 31.03.2012, is still under reconciliation and the same is declared as amount payable to UPCL Rs. 16.49 crore in the Balance Sheet.
(2)	Indicate whether expenditure during construction period is appropriately accounted for with proper allocation between capital and revenue expenditure?	The allocation of employees cost and administrative cost charged to capital work-in progress during the year amounting to Rs. 5.34 crore and Rs. 1.46 crore respectively is based on actual expenditure of project units.

Statutory Audit Report u/s 619(3)(a) for the F.Y.2011-12

(3)	Are the bank accounts of the company reconciled with the bank statements regularly? If not, describe the failures.	Yes
(4)	Are control accounts and subsidiary accounts up to date and reconciled regularly. If not, describe the failures.	The party-wise break-up of sundry creditors/advances to suppliers is not maintained before the transfer scheme. However, same were maintained after transfer but were reconciled only for during the year transactions.
(5)	Examine the accounting policies of the company. Are these in conformity with the Accounting Standard (National and in the absence of National Standards on certain issues, the corresponding International Standards)?	Since Power Transmission of Uttarakhand Limited (PTCUL) is formed by splitting from Uttarakhand Power Corporation Ltd. (UPCL), all the policies, rules and regulations prevalent therein are adopted by the company and Company has followed all the National Accounting Standards which are made applicable.
	Give particulars of material departures from these standards, if any, along with their effects on the financial statements; quantify the impact wherever possible.	No Material departures noticed.
(II)	System of Financial Control :	
(1)	Examine the delegation of financial powers and indicate whether these are clearly and legally made within the company, If not, describe the defects in the delegation of powers and suggest remedial measures.	Delegation of Financial Powers are clearly laid down and followed.
(2)	Indicate whether the credit obtained (including overheads) from banks were necessary and monitored regularly?	Not Applicable
(III)	Assets and Investments :	
(1)	Have the dates of installation and commissioning of plant and machinery been clearly fixed by the authority to whom the powers have been delegated by the board?	Yes

Statutory Audit Report u/s 619(3)(a) for the F.Y.2011-12

(2)	Indicate whether the property and assets registers are posted up to date and are reconciled with the financial books.	Property / Plant register has been made and is reconciled with the financial books. Effect of discrepancies of current financial year shall be given in the subsequent years.
(3)	Examine and indicate whether the company has a system of monitoring the timely recovery of outstanding dues? Highlight the significant instances of failure of the system, if any	Yes
(4)	Indicate whether the cash and Imprest balances were physically verified during the year on a regular basis by an authorized officer? Highlight the inadequacies in this regard, if any.	Yes the cash balances were verified on a regular basis.
(5)	Indicate whether the Company has laid down an investment policy? If yes, please indicate the following:-	No, since the company is incurring Losses.
(a)	Authority which approved the policy	NA
(b)	Is it in accordance with the laws, rules and regulations applicable to the company?	NA
(c)	In Your opinion, are there any defects in the policy?	NA
(d)	Has the company followed it in case of all material investments made during the year?	NA
(e)	Were the investments made by the company in its best interest?	NA
(f)	Is the shortfall in market value of the current investment and permanent diminution in the value of long term investments reflected in the books? If not, describe the failure.	NA
(6)	Indicate whether the deposits with Banks/Financial Institutions and others have been in accordance with laws, rules, regulations etc. applicable to the company? Further state whether these were properly authorized by a competent authority?	Yes

Statutory Audit Report u/s 619(3)(a) for the F.Y.2011-12

H.O: 51 Adarsh Nagar, Rishikesh, Uttarakhand & B.O: 302, Triveni Complex Madhuban Road, Shakarpur, Delhi- 92, 011 46514102

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(IV)	Liabilities and Loans :	
	Give the total amount of loans (including interest and penal interest separately) and defaults made in repayment as at end of the accounting period.	Outstanding balances of loans taken by company are as under:- REC : 317.99 crores NABARD : 80.91 crores PFC : 94.23 crores ADB : 28.25 Crores There is no default in repayment of Principal & Interest.
(V)	Profit and loss Account :	
	Does the company prepare segment-wise accounts and profit/loss statement? If so, indicate the loss making segments, if any; and if not, whether in your opinion, it would be in the overall interest of the company to prepare segment-wise profit/loss statement?	There is only single revenue segment in the company viz. wheeling charges. Wheeling Charges are invoiced and received at H.O Level only.
(VI)	Inventory and Contracting :	
(1)	Examine whether the company has prescribed the following in regards to the management of stores;	
(a)	Maximum and Minimum limits of stores and spares etc.	NO
(b)	Economic order quantity for procurement of stores.	NO
(2)	Indicate whether the company usually makes advance payments to suppliers/contractors? If so, indicate whether the company has an efficient system for monitoring and adjusting such advances?	Yes, but party-wise break-up of advances to contractors/suppliers is not maintained due to non finalization of Transfer Scheme.
(VII)	Costing:	
(1)	Does the company prepare cost accounts and reconcile them with financial accounts?	Yes

Statutory Audit Report u/s 619(3)(a) for the F.Y.2011-12

H.O: 51 Adarsh Nagar, Rishikesh, Uttarakhand & B.O: 302, Triveni Complex Madhuban Road, Shakarpur, Delhi- 92, 011 46514102

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(2)	Indicate whether the company is following the proper system of costing and is computing the cost of major operations, jobs, products, processes and services regularly? If not, describe the failures.	NA
(3)	Indicate whether the company has an effective system for identification of Idle labour-hours and Idle machine-hours?	NA
(4)	Was cost audit ordered in the case of company? If so, highlight the major deficiencies pointed out in the latest cost audit report?	YES. No Major Deficiencies pointed out by Cost Auditor.
(VIII)	Internal Audit:	
	Give Your comments on Internal Audit system stating whether its reporting status, scope of work, level of competence, etc. are adequate? If not, describe the shortcomings thereof. Is there an adequate compliance mechanism on internal audit observations?	Internal Audit reports are submitted to the Audit Committee for review and Compliance. Compliance reports are submitted to Internal Auditors periodically.
(IX)	Audit Committee:	
	Does the company have an Audit Committee of the Board of Directors? If so, give your comments on its functioning.	The Audit Committee had been formed in its 5 th Board meeting held on 10 th June, 2005. The Audit Committee met only thrice in the financial year 2011-12.
(X)	Additional Directions:	
	Part A	
	(Applicable for audit of trading companies including Food Corporation of India)	NA
	Part B	
	(Applicable for audit of companies engaged in financing)	NA

Place: Dehradun
Date: 01/12/2012

For Sharma Kathuria & Co.
Chartered Accountants

CA Dharmesh Kathuria
Partner
M.No.: 095114



Statutory Audit Report u/s 619(3)(a) for the F.Y.2011-12

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED, DEHRADUN, for the year ended 31st March, 2012. in accordance with the directions/sub-directions issued by the C&A G of India under section 619(3)(a) of the Companies Act, 1956 and certify that we have compiled with all the directions/sub-directions issued to us, except delay in submission of report, due to reasons beyond our control.

Place: Dehradun
Date: **01/12/2012**

**For Sharma Kathuria & Co.
Chartered Accountants**



CA Dharmesh Kathuria
Partner
M.No.: 095114



Statutory Audit Report u/s 619(3)(a) for the F.Y.2011-12

Power Transmission Corporation of Uttarakhand Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Lacs)

	PARTICULARS	For the year ended 31.03.2012		For the year ended 31.03.2011	
A	CASHFLOW FROM OPERATING ACTIVITIES:				
	Net Profit/(loss) before tax and extra-ordinary items	-696.85		-950.35	
Add	Adjustment for:				
	Depreciation	2,658.85		1,956.85	
	Interest and Other finance charges paid	4,907.81		4,434.27	
	Provisions for Fringe benefit tax				
	Excess provision written back	-		-	
	Interest Income	-		-	
	Operating Profit Before Working Capital Charges	6,869.81		5,440.77	
Add	Adjustment for Working Capital Changes				
	Increase/(Decrease) in Inventory	-380.44		-457.13	
	Increase/(Decrease) in Debtors	-133.74		477.74	
	Increase(Decrease) in Loans and Advances	-2,469.40		-2,261.89	
	Increase(Decrease) in Current Liabilities	-1,507.05		3,813.96	
	Cash Flow from Operations	2,379.18		7,013.45	
	Less- Fringe benefit tax	4.00		4.00	
	Net Cash from Operating Activities		2,375.18		7,009.45
B	CASHFLOW FROM INVESTING ACTIVITIES:				
	Purchase & Sale of Fixed assets	-24,996.32		-7,813.01	
	Capital Work-in-progress	15,994.29		-3,666.40	
	Interest income	-		-	
	Net Cash from Investing Activities	-9,002.04	-9,002.04	-11,479.40	-11,479.40
C	CASHFLOW FROM FINANCING ACTIVITIES:				
	Increase in Capital	4,020.03		1,512.00	
	Increase in Loans Balances & Cash Credit	1,819.15		4,752.26	
	Increase in Contribution & Grants	2,239.65		-	
	Interest and Other finance charges paid	-4,907.81		-4,434.27	
	Net Cash from Financing Activities	3,171.02	3,171.02	1,829.99	1,829.99
D	NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)		-3,455.84		-2,639.97
E	OPENING CASH & CASH EQUIVALENTS		5,037.21		7,677.18
	CLOSING CASH & CASH EQUIVALENTS		1,581.37		5,037.21

For Sharma Kathuria & Co.
Chartered Accountants

(Dharmesh Kathuria)

Partner

M.No. : 095114

F.R.No.: 015268N

Place : Dehradun

Date : 01.12.2012

Power Transmission Corporation of Uttarakhand

Managing Director

Director (F)

Company Secretary



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