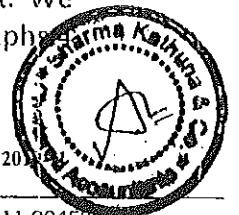


AUDITOR'S REPORT

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 31<sup>st</sup> March 2011 and also the Profit and Loss Account 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 Though the said Act has repealed the Electricity (Supply) Act, 1948 and Electricity Regulatory Commission Act, 1948, certain provisions of the repealed Acts, to the extent they are not inconsistent with the provisions of said Act, continued to be applied by the Company while preparing the financial statements.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 & 5 of the said order.

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(A. K. GUPTA)  
MANAGING DIRECTOR

POWER TRANSMISSION CORPORATION  
UTTARAKHAND LTD.

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, Profit & Loss Account 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, Profit and Loss account and Cash Flow statement dealt with by this report comply with the mandatory accounting standards except AS-15 read with note no. 5 & 6 of schedule-17 and Accounting policy 8.1 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:-

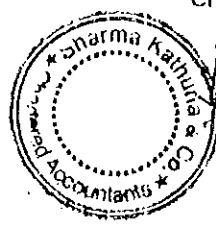
(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
G. B. ROAD, DELHI-110002



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- i) In the case of the Balance Sheet, of the State of the affairs of the Company as at 31<sup>st</sup> March 2011 and;
- ii) In case of the Profit & Loss Account, 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.

For Sharma Kathuria & Co.  
Chartered Accountants



*[Signature]*  
CA Sanjay Sharma  
Partner  
M.No.-091042  
F.R.N. 15268N

Place: Dehradun  
Date: 05.11.2011

*[Signature]*  
(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
U.P. TRANSMISSION LTD., DEHRADUN

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 31<sup>ST</sup> MARCH, 2011:

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 31.3.2010 and updation of fixed assets records for the year under audit via. 2010-11 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.
4. 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.
5. The Company has not accepted any deposits from the public.

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(A. K. SUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND

6. 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.

7. 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 31<sup>st</sup> March 2011 for a period of more than six months from the date they became payable.

8. The company has accumulated losses of Rs 9685.91 Lacs (previous year Rs. 8731.26 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.

9. 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.

10. 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.

11. The Company is not a Chit Fund, Nidhi, Mutual Benefit Fund or a Society.

12. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.



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*(Handwritten signature)*

(A. K. GUPTA)  
MANAGING DIRECTOR

13. 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.

14. According to the information and explanations given to us, the Company has raised the following term loans during the period:-

- |      |          |  |
|------|----------|--|
| (i)  | From PFC | Rs. 3149.70 Lacs (Prev. year Rs. 1842.46 Lacs) |
| (ii) | From REC | Rs. 9443.39 Lacs (Prev. year Rs. 6079.85 Lacs) |

15. 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.

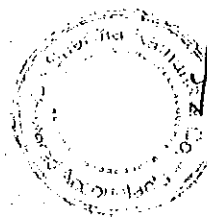
16. The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.

17. The Company has not issued any debentures.

18. The Company has not raised money through public issues during the year.

19. 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.

For Sharma Kathuria & Co.  
Chartered Accountants



CA Sanjay Sharma  
Partner  
M.No.-091042  
F.R.N. 15268N

Place: Dehradun  
Date: 05.11.2011

(A. K. GUPTA)  
MANAGING DIRECTOR

Annual Report (PTCUL) 2010-11

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 2011:

1. The party-wise break-up of outstanding balances as on 31.03.2011 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 31.03.2011, 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 22.92 crore (net) (Previous year Rs. 75.44 crores (net)) (debit) as per schedule 8 and balance amounting to Rs 81.14 Lacs (Previous year Rs. 77.18 Lacs) (credit) as per schedule 9 are under reconciliation the effect thereof on the accounts is not ascertainable.
4. An Amount of Rs 13.20 Crores (Previous year Rs. 13.20 Crores) as per schedule 9 shown under "Other Liabilities and Provision" payable to UPCL represents amounts directly transferred by UPCL to various PTCUL units between 01.06.04 to 31.03.11, 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 (schedule - 5) under the respective heads. The contribution towards deposit works of Rs. 3719.21 Lacs have been included in Fixed Assets and shown as capital reserve in the balance sheet, the assets to that extent have been over stated and since this amount is shown under the head Reserve & Surplus the Current liabilities to that extent are under stated.

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6. Land and Rights of Rs 3653.36 Lacs (Previous year Rs. 2356.95 Lacs) and Lease Hold Lands of Rs 3225.80 Lacs (Previous year Rs.1955.72 Lacs) as per schedule 5 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).
7. Store Spares of Rs 2660.58 Lacs (Previous year Rs. 2203.44 Lacs) as per schedule 7 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 from 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. Deposits in various banks of Rs. 4681.57 Lacs (Previous year Rs. 7311.14 Lacs) as per schedule 7 are subject to confirmation.
9. 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: 05.11.2011



For Sharma Kathuria & Co.  
Chartered Accountants

*Sanjay Sharma*  
CA Sanjay Sharma  
Partner  
M.No.-091042  
F.R.N. 15268N

*(A.K. GUPTA)*  
MANAGING DIRECTOR

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**POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED**

**SCHEDULE – 17**

NOTES ON ACCOUNTS AND ACCOUNTING POLICIES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2011.

**PART- (A) NOTES ON ACCOUNTS**

1. 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.

2. Authorized Share Capital of the Corporation is Rs.500 Crores (previous year Rs. 200 crores).
3. The Company, Power Transmission Corporation of Uttarakhand Limited has received Equity Share Capital amounting to Rs. 15.12 Crores (previous year Rs. 49.81 Crores) from the Government of Uttarakhand during the year 2010-11. Allotment of shares against the same has been made to the extent of Rs.38.29 Crores (previous year Rs 37.00 Crores) share Application Money Pending Allotment as on 31.03.2011 is Rs. 10.12 Crores.(Previous year Rs. 33.29 Crores)
4. Contingent liabilities not provided for in respect of ;
  - (a) The estimated amount of the contracts remaining to be executed on capital account is Rs. 217.50 crores (Previous year Rs. 294.69 crores) in respect of contracts executed from the date of incorporation of PTCUL to 31<sup>st</sup> March, 2011.
  - (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.

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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

5. 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.
6. 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.
7. Provision has been made for Audit Fees and Expenses of Statutory Auditors for the period 2009-10 as follows:-

Particulars	(Amount in Rupees)	
	Year ended 31.03.2011	Year ended 31.03.2010
Audit fees- Current year (excluding service tax)	183015.00	166375.00
Provision for Reimbursement of expenses	110000.00	70000.00
<b>Total</b>	<b>293015.00</b>	<b>236375.00</b>

8. Liabilities towards Staff Training; Medical Reimbursement & Leave Travel Concession (LTC) has been provided to the extent established.
9. 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.
10. Inter-Units Balances amounting to Rs 22.92 crore (net) (Previous year 75.44 crores (net)) as per schedule 8 are under reconciliation and the effect of reconciliation shall be provided in the ensuing years.
11. 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.
12. 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.
13. Provision for Leave Salary Contribution fund in the current year has been provided @ 11% of basic pay and DA, as provided earlier by UPCL.
14. An amount of Rs 13.20 crores (Previous year Rs 13.20 crores) as per schedule 9 shown under "Other Liabilities and Provisions" payable to UPCL represents amounts directly transferred by UPCL to various PTCUL units between 01.06.04. to 31.03.11 which is under reconciliation with UPCL.



(A. K. GUPTA)  
 MANAGING DIRECTOR  
 POWER TRANSMISSION CORPORATION  
 OF UTTARAKHAND LTD., DEHRADUN

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15. The employees cost charged to Capital WIP during the year amounting to Rs 4.55 crores (Previous year Rs. 4.34 crores) as per schedule 13 is based on actual expenditure of Projects.

16. Director's Remuneration:

Particulars	(Amount in Rupees)	
	Year ended 31.03.2011	Year ended 31.03.2010
Salaries and Allowances	2418311.00	1519232.00
Perquisites/reimbursement	53246.00	53488.00
<b>Total</b>	<b>2471557.00</b>	<b>1572720.00</b>

17. Related Party Disclosure:

**KEY MANGEMENT PERSONNEL:**

Shri U.K Singh	Chairman ( w.e.f. 31.03.10 to 28.09.2010)
Shri U.K. Panwar	Chairman ( w.e.f. 28.09.2010)
Shri A.K. Jain	Director ( w.e.f. 24.01.2007)
Shri A.K. Jain	Director ( w.e.f. 30.06.2010)
Shri P.C. Sharma	Director (w.e.f. 03.12.2007 to 25.10.2010)
Shri S. Raju	Director (w.e.f. 25.10.2010)
Shri N.K Jha	Director (w.e.f. 31.03.2010 to 28.09.10)
Shri M.C. Upreti	Director (w.e.f. 28.09.10)
Shri J. L. Bajaj	Director (w.e.f. 29.12.2006)
Shri J. M. Lal	Director (w.e.f. 25.02.2009)
Shri R.P Thapliyal	Director (w.e.f. 30.04.2008 to 15.11.2010)
Shri G. P. Patel	Director (w.e.f. 15.11.2010)
Shri S.K Rath	Director (w.e.f. 29.02.2008 to 09.12.2010)
Shri Sharad Krishan	Director (w.e.f. 09.12.2010)
Shri J. M. Lal	MD ( I/C ) ,PTCUL (w.e.f. 18.07.2009)
Shri Jayant Kumar	Director (I/C) (w.e.f. 30.04.2010)
Shri A.K. Gupta	Director (Project) (I/C) (w.e.f. 25.11.2010)

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

18. 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.
19. Contribution towards deposit works of Rs.37,19,21,213/- (Previous year Rs 37,19,21,213/- ) as per schedule 2 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.
20. As per Transfer Scheme (31-05-2004) the on going projects shall be transfer to UPCL after completion of work. Total value of on going projects upto 33 KV amounting to Rs 5,45,43,709.05 (Previous year Rs. 8,09,21,082.05) is being shown under schedule -6.
21. 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



(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRAOON

Annual Report (PTCUL) 2010-11

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.

- 22. 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.
- 23. 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.
- 24. 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.
- 25. 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.
- 26. 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 31<sup>st</sup> March, 2011. No payment is due for more than 30 days as at 31<sup>st</sup> March, 2011 in respect of purchases/services made from Small Scale/ancillary industries.

27. 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 <sup>st</sup> March 2011

(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.	382933
Bonus Issue	NIL

(iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (Amount in thousands)

Total Liabilities	9184950
Total Assets	9184950
<b>Sources of funds</b>	
Paid up Capitals	1770933
Share Application money	101201
Reserve and Surplus	392824
Secured Loans	5031985
Unsecured Loans	1888007
Grants in Aid	NIL
<b>Application of funds</b>	
Net Fixed Assets	4172846
Capital Work-in-Progress (including Construction, Stores and Advances)	2998348

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(A. K. GUPTA)  
 MANAGING DIRECTOR  
 POWER TRANSMISSION CORPORATION  
 OF UTTARAKHAND LTD., DEHRADUN

Investments	NIL
Net Current Assets	1045165
Miscellaneous Expenditure	NIL
Accumulated Losses	968591

(iv) PERFORMANCE OF COMPANY :

(Amount in thousands)	
Turnover/ Income	1017400
Other Income	10914
Total Expenditure	1123349
Profit / (Loss) before Tax	(111586)
Profit/ (Loss) after MAT and Deferred tax	(95035)
Prior Period expenditures (Extra Ordinary item written off )	430
Profit /(Loss) for the year brought down	(95465)
*Earning per share (Basic) (Rs.)	NIL
Dividend Amount	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

- 28. Figures have been rounded off to the nearest rupees.
- 29. Previous year's figures have been regrouped/rearranged/recast, wherever necessary, to make them comparable with the current year's figures.
- 30. All expenditures have been booked on accrual basis.
- 31. 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. 430232-00 (Previous Year value is Rs 430232.00) as per schedule No.15.



*(Signature)*  
(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRAUN

## PART -- (B) SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

1.1 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.

1.2 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.

1.3 Accounting Policies are consistent with Generally Accepted Accounting Principal (GAAP) except wherever stated other wise.

1.4 The Corporation recognizes significant items of Income and Expenditure on accrual basis and the same are charged to relevant heads of accounts.

1.5 Insurance and other Statutory Claims, Refund of Custom Duty and interest on Income Tax and Trade Tax, if any are to be accounted for on Cash Basis.

1.6 Interest on Loans to staff is accounted for on receipt basis after recovery of principal in full.

1.7 Interest on deposits with various banks is accounted for on Accrual basis.

### GRANT IN AID:

2.1 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.

2.2 Government Grants/ Subsidies are recognized only on reasonable assurance of the Government and compliance to the conditions attached thereto by the Corporation.

### FIXED ASSETS:

3.1 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.

3.2 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.

3.3 The amount of various works completed has been included and shown under the Fixed Assets (schedule -5) under the respective heads. However, the contribution towards deposit works of Rs.37,19,21,231/- have been shown in Schedule-2.

### CAPITAL WORKS IN PROGRESS:

4.1 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.



(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND, LTD., DEHRAUN

Annual Report (PTCUL) 2010-11

4.2 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.

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

4.4 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.

4.5 Employees Cost incurred on supervision of Capital works are Capitalized on the basis of actual expenditure incurred for the Projects.

4.6 The amount incurred upto 33 K.V. shall be transferred to UPCL after completion of works until that it will be shown under the Sechedule-6 Capital work in progress.

5. **BORROWING COST:**

5.1 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.

5.2 The Borrowing Cost has been determined on proportionate basis as prescribed in the Electricity (Supply) (Annual Accounts) Rules, 1985.

6. **INVENTORIES:**

6.1 The cost of inventories is valued at cost on FIFO/ Weighted average method basis except for side-stores which are valued at issue price.

6.2 Stores and spares are valued at invoice cost.

6.3 Stock of unserviceable material and steel scrap is valued at realization value.

6.4 Value of scrap other than steel scrap is accounted for in the accounts as and when sold.

6.5 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.

6.6 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 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.

6.7 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.

7. **PROFIT AND LOSS ACCOUNT:**

7.1 **INCOME RECOGNITION**

7.1.1 Wheeling Charges is accounted for on the basis of Tariff Rates, notified/ approved by the Uttarakhand Electricity Regulatory Commission (UERC).

Annual Report (PTCUL) 2010-11



(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRA DUN

7.1.2 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.

7.1.3 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.

7.2 EXPENDITURE

7.2.1 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.

7.2.2 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.

7.2.3 Expenses on Training Recruitments and Research Development are charged to Revenue in the year of incurrence.

8. RETIREMENT BENEFITS:

8.1 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.

9. INVESTMENTS:

9.1 Investments, if any, are stated at cost.

10. CONTINGENT LIABILITIES

10.1 These, are disclosed in the notes to the Accounts.

11. CASH FLOW STATEMENT

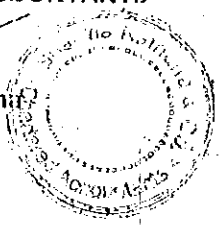
Cash flow statements are reported using the Indirect method, whereby profit before tax is adjusted for the effect of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular operating, Investing and financing activities of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

"SCHEDULE" 1 TO 17 FROM AN INTEGRAL PART OF THE BALANCE SHEET"

For M/s Sharma Kathuria & CO.  
CHARTERED ACCOUNTANTS

*(Signature)*  
CA Sanjay Sharma  
Partner

M.No: 091042  
FRN: 15268N



*(Signature)*  
Managing Director

*(Signature)*  
Director

*(Signature)*  
S.K.TOMAR  
GM (F) & CS

Place: DEHRADUN  
Date: 05/11/2011

*(Signature)*  
(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

# Power Transmission Corporation of Uttarakhand Limited

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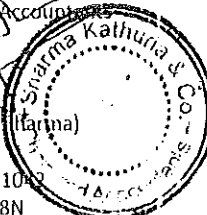
BALANCE SHEET AS ON 31-03-2011

Particulars	Schedule Ref.	Amount (in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	1	1,770,933,000	1,388,000,000
Share Application Money	1	101,200,602	332,933,608
<b>Reserves and Surplus</b>			
Contributions, Grants and Subsidies	2	392,824,251	392,824,251
<b>Loan Funds</b>			
Secured loans	3	5,031,984,751	4,556,758,528
Unsecured loans	4	1,888,007,313	1,888,007,313
<b>TOTAL</b>		<b>9,184,949,918</b>	<b>8,558,523,694</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross block	5	6,909,425,944	6,128,125,198
Depreciation		2,736,579,855	2,540,894,729
Net block		4,172,846,089	3,587,230,469
Capital Works-in-Progress	6	2,998,347,596	2,631,708,039
<b>Current Assets, Loans and Advances</b>			
Current Assets	7	950,234,660	1,216,321,610
Loans and Advances	8	2,125,380,827	1,899,191,637
Less: Current Liabilities and Provisions	9	2,030,450,130	1,649,053,709
Net Current Assets		1,045,165,357	1,466,459,539
Profit and Loss Appropriation Account (Accumulated losses)		(968,590,876)	(873,123,613)
<b>Total</b>		<b>9,184,949,918</b>	<b>8,558,523,694</b>
NOTES TO ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	17		

For Sharma Kathuria & Co.  
Chartered Accountants


For & behalf of Power Transmission Corporation of Uttarakhand Ltd.

(E.A. Sanjay (Partner))  
Partner  
M.No. :- 091042  
FRN:- 15268N



  
Managing Director

  
Director

  
S.K. TOMAR  
GM (F)  
& Company Secretary

Place:- DEHRADUN  
Date:- 05/11/2011

(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

# Power Transmission Corporation of Uttarakhand Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Particulars	Schedule Ref.	Amount (in Rs.) 2010-11	Amount (in Rs.) 2009-10
<b>(A) Income</b>			
Gross revenue from wheeling charges	10	1,017,400,000	758,100,000
Other Income	11	10,913,975	28,738,700
<b>Total (A)</b>		<b>1,028,313,975</b>	<b>786,838,700</b>
<b>(B) Expenditure</b>			
Repairs & Maintenance expenses	12	117,498,594	122,478,277
Personnel expenses	13	376,853,172	339,719,537
Administration expenditure	14	127,619,926	92,380,528
Interest and other financial charges	16	305,692,155	278,311,981
Depreciation	5	195,685,126	223,604,605
<b>Total (B)</b>		<b>1,123,348,973</b>	<b>1,056,497,928</b>
<b>Profit before Taxes (A) - (B)</b>		<b>(95,034,998)</b>	<b>(269,659,228)</b>
<b>Profit / (Loss) after taxes</b>		<b>(95,034,998)</b>	<b>(269,659,228)</b>
<b>Amount available for Appropriation Carried down</b>		<b>(95,034,998)</b>	<b>(269,659,228)</b>

For Sharma Kathuria & Co.  
Chartered Accountants

(CA. Sanjay) Partner  
M.No. :- 091042  
FRN:- 15268N

Place:- DEHRADUN  
Date:- 05/11/2011



For & behalf of Power Transmission Corporation of Uttarakhand Ltd

*(Signature)*  
Managing Director

*(Signature)*  
Director

*(Signature)*  
S.K. TOMAR  
GM (F)  
& Company Secretary

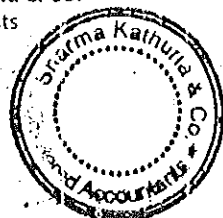
**(A. K. GUPTA)**  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
UTTARAKHAND LTD., DEHRADUN

PROFIT & LOSS APPROPRIATION ACCOUNT

Particulars	Schedule Ref.	Amount (in Rs.) 2010-11	Amount (in Rs.) 2009-10
Balance of Profit / Loss brought forward from the last year		(873,125,646)	(603,036,121)
Amount brought forward from Profit and Loss Account		(95,034,998)	(269,659,298)
Extra Ordinary Item Written Off	15	430,232	430,232
Profit / Loss for the year brought down		(95,465,230)	(270,089,525)
Amount carried to Balance sheet		(968,590,876)	(873,125,646)

For Sharma Kathuria & Co.  
Chartered Accountants

(CA. Sanjay Sharma)



Partner

M.No. :- 091042

FRN:- 15268N

Place:- DEHRADUN

Date:- 05/11/2011

For & behalf of Power Transmission Corporation of Uttarakhand Ltd

Managing Director

Director

S.K. TOMAR  
GM (F)  
& Company Secretary

(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
UTTARAKHAND LTD., DEHRADUN

11,108.76

(A. K. GUPTA)  
 MANAGING DIRECTOR  
 POWER TRANSMISSION CORPORATION  
 OF UTTARAKHAND LTD., DEHRADUN

	Balance sheet as on 31.03.2012	reconciliation report of M/s Vipul Singhal & Co.
Opening Balance of Capital Exp.	1,11,296.09	1,00,961.57
CWIP + Fixed Assets + Advance to Contt	19,208.92	12,434.68
	0.00	0
	1,24,505.01	1,13,396.25
Less: Total Capital exp. Deposit works/ SDCU/ Internal Resources not booked in report.	10,776.57	
	1,13,728.34	1,13,396.25
Less: Other fixed assets which is not covered under schemes (T&P items)	332.09	
Net CWIP of all schemes	1,13,396.25	1,13,396.25
Net Capital exp of schemes	1,13,396.25	1,13,396.25

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**Power Transmission Corporation of Uttarakhand Limited**  
SCHEDULES FORMING PART OF THE BALANCE SHEET

**Schedule 1 – Share Capital**

Particulars	Amount (in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
Authorised Capital 50,00,000 (Previous Year 20,00,000) Equity Shares of Rs. 1000/- each	5,000,000,000	2,000,000,000
Issued, Subscribed and Paid up Capital 1770933 ( Previous Year 13,88,000) Equity Shares of Rs. 1000 each	1,770,933,000	1,388,000,000
<b>Total Share Capital</b>	<b>1,770,933,000</b>	<b>1,388,000,000</b>
Share Application Money (Amount received pending allotment)	101,200,602	332,933,602
<b>Total Application Money</b>	<b>101,200,602</b>	<b>332,933,602</b>



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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

**Power Transmission Corporation of Uttarakhand Limited**

**Schedule 2 -- Contributions, Grants and Subsidies towards Cost of Capital Assets**

S.NO.	Particulars	Amount (in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
1	Contribution towards Deposit Works	371,921,213	371,921,213
2	Grant received from Govt. of Uttarakhand	20,903,038	20,903,038
	<b>Total</b>	<b>392,824,251</b>	<b>392,824,251</b>



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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

**Power Transmission Corporation of Uttarakhand Limited**

**Schedule 3 – Secured loans**

S.NO.	PARTICULARS	Amount ( in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
1	R.E.C. I & III ( Guaranteed by Government of Uttarakhand)	1,395,871,354	1,344,163,428
2	R.E.C. II ( Secured By Hypothecation of Sub-Stations )	938,185,300	1,028,112,000
3	REC Short term loan( Secured by Hypothecation of Sub -Station's Equipment )	120,000,000	2
4	R.E.C. IV ( Guaranteed by Government of Uttarakhand)	301,806,999	
5	R.E.C. -V ( Secured By Hypothecation of Sub-Stations )	266,913,691	
4	NABARD (Through Government of Uttarakhand)	1,362,510,200	1,852,440,800
5	Power Finance Corporation ( Secured By Hypothecation of Sub-Stations )	646,697,207	332,042,300
	<b>TOTAL</b>	<b>6,031,984,751</b>	<b>4,556,758,528</b>

**Schedule 4 – Unsecured loans**

S.NO.	PARTICULARS	Amount ( in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
1	U.A. GOVERNMENT LOAN	1,888,007,313	1,888,007,313
	<b>TOTAL</b>	<b>1,888,007,313</b>	<b>1,888,007,313</b>



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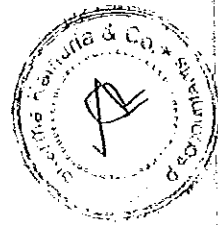
**(A. K. GUPTA)**  
**MANAGING DIRECTOR**  
**POWER TRANSMISSION CORPORATION**  
**OF UTTARAKHAND LTD., DEHRADUN**

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**Power Transmission Corporation of Uttar Pradesh Limited**

**Schedule 5 - Fixed Assets**

SL. NO.	Assets Group	Gross Block				Provision of Depreciation			Closing Bal. as on 31-03-11 (Rs.)	Net Block as on 31.3.2011 (Rs.)	Net Block as on 31.3.2010 (Rs.)
		Opening Bal. As on 1-04-2010 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Current Year as on 31.03.11 (Rs.)	Opening Bal. As on 1-04-2010 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)			
1	2	3	4	5	6	7	8	9	10	11	12
1	Land and Rights	235694587	147699527	18058191	355335923	1325755	10229956	0	11555710	353780213	222830702
2	Buildings	369034307	58645640	3310663	424369484	189115880	7140634	0	196356215	228113270	191458857
3	Hydraulic Works	189267	1802157	0	1991444	118787	19627	0	138413	1853030	70500
4	Other Civil Works	15886229	1880946	0	17767175	9575982	302891	0	9678863	7888312	6310247
5	Plant & Machinery	2673548987	85259238	5505740	2753302484	1702024056	97854968	0	1798878024	953423460	971524930
6	Lines & Cable Network	2806646108	712030433	201188145	3317488395	627017017	76890189	0	705907206	2811581190	2178629091
7	Vehicles	7670563	-13000	0	7657563	7670563	0	0	7670563	-13000	0
8	Furniture and Fixtures	8724296	1555680	674567	9455263	2085454	543839	0	2629342	6775947	6638842
9	Office Equipment	10730835	2760536	1352884	12108187	1961635	702886	0	2664520	9443667	8769300
	TOTAL	6128125198	1011591056	230290310	6909425944	2540394729	195685126	0	2736579855	4172846089	3587230469
	PREVIOUS YEAR TOTAL	5577587994	552819688	2282465	6126125156	2317290124	223604505	0	2540394729	3587230469	3260297871



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**(A. K. GURJA)**  
MANAGING DIRECTOR

POWER TRANSMISSION CORPORATION  
OF UTTAR PRADESH LIMITED

## Power Transmission Corporation of Uttarakhand Limited

### Schedule 6 - Capital Works-in-Progress

SL NO.	PARTICULARS	Balance as on 01.04.2010 (Rs.)	Additions during the year (Rs.)	Revenue Exp Charged to CWIP during the year (Rs.)	Capitalisation during the year (Rs.)	Balance as on 31.03.11 (Rs.)
1	2	3	4	5	6	7
1	Capital Works-in-Progress	2,631,708,039	1,449,232,959	195,444,941	1,278,038,344	2,998,347,596
	<b>TOTAL</b>	<b>2,631,708,039</b>	<b>1,449,232,959</b>	<b>195,444,941</b>	<b>1,278,038,344</b>	<b>2,998,347,596</b>
	PREVIOUS YEAR 2009-2010	3,739,650,320	978,257,344	146,185,569	1,742,581,599	3,211,611,633



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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

Power Transmission Corporation of Uttarakhand Limited

Schedule -7 Current Assets

Particulars	Amount ( in Rs.) as at 31-03-2011	Amount ( in Rs.) as at 31-03-2010
<b>Stores and Spares</b>		
(As Valued, taken & Certified by the Management) :		
1. Stock Materials at Construction Stores ( At cost )	231,422,412	59,010,106
2. Stock Material at other Stores ( At cost )	31,543,088	158,241,971
3. Other Material Account ( At cost )	3,092,086	3,092,086
<b>SUB TOTAL (A)</b>	<b>266,057,587</b>	<b>220,344,163</b>
<b>Sundry Debtors* ( Unsecured, Considered good)</b>		
Outstanding for less than six months	169,879,353	217,652,856
Outstanding for more than six months	10,576,726	10,576,726
	<b>180,456,079</b>	<b>228,229,582</b>
Less:- Provision for Bad & Doubtful Debts		
<b>SUB TOTAL (B)</b>	<b>180,456,079</b>	<b>228,229,582</b>
<b>Cash &amp; Bank Balances :</b>		
Cash in hand (including imprest with employees)	207,574	234,760
Remittance in transit	(48,043,220)	(52,548,425)
<b>Bank Balances</b>		
• With scheduled banks		
- In current account	83,399,849	88,947,817
- In Deposits account	468,156,792	731,113,718
<b>SUB TOTAL (C)</b>	<b>503,720,995</b>	<b>767,747,869</b>
<b>TOTAL (A TO C)</b>	<b>950,234,660</b>	<b>1,216,321,616</b>

\* Debtors under same management Rs. 18,06,29,581



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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRAUN

# Power Transmission Corporation of Uttarakhand Limited

## Schedule 8 – Loans and advances

S.NO.	Particulars	Amount ( in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
<b>Loan &amp; Advances ( Unsecured, Considered good)</b>			
1	Sundry Receivables	583,309,096	558,221,907
2	Advances recoverable in cash or kind for value to be received :		
	a) Advances for O&M Supplies/Works	85,992,664	77,693,648
	b) Advances for Capital Supplies/Works	1,221,836,403	489,803,598
	b) Loans & Advances to Staff	2,455,180	19,049,248
3	Inter Unit Transactions	229,164,844	754,421,246
4	Staff Pension & Gratuity Fund	2,602,368	
5	TDS Receivable	20,272	
	<b>TOTAL</b>	<b>2,125,380,827</b>	<b>1,899,191,633</b>



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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

# Power Transmission Corporation of Uttarakhand Limited

## Schedule 9 – Current Liabilities & Provisions

S.No.	Particulars	Amount ( In Rs.) as at 31-03-2011	Amount ( In Rs.) as at 31-03-2010
(A)	<b>Current Liabilities:</b>		
1	<b>SUNDRY CREDITORS :</b>		
	-For Capital Supplies/Works	377,426,189	222,146,950
	-For O&M Supplies/Works	106,288,404	88,703,150
	-For Expenses	24,499,014	32,956,706
	- For Inter unit Transfers	8,114,101	7,719,383
2	Deposits for Electrification etc.	765,170,571	738,456,647
3	Deposits & Retention Money from supplier / contractors	284,769,909	11,382,091
4	Other Liabilities	156,017,906	131,303,288
(B)	<b>Provisions:</b>		
1	Staff Related Liabilities & Provisions	308,164,037	31,626,743
	<b>TOTAL</b>	<b>2,030,450,130</b>	<b>1,649,053,702</b>



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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

**Power Transmission Corporation of Uttarakhand Limited**

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT**

**Schedule 10 – Gross revenue from wheeling charges**

Particulars	Amount (in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
Revenue from wheeling charges	1,017,400,000	758,100,000
<b>Total</b>	<b>1,017,400,000</b>	<b>758,100,000</b>



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**(A. K. GUPTA)**  
**MANAGING DIRECTOR**  
**POWER TRANSMISSION CORPORATION**  
**OF UTTARAKHAND LTD., DEHRADUN**

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**Power Transmission Corporation of Uttarakhand Limited**

**Schedule 11 – Other income**

Particulars	Amount (in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
Interest	445,547	90,486
Liquidated Damages charged from Contractors (L.D)	540,946	18,035,173
Miscellaneous Receipts	9,927,482	10,613,039
<b>Total</b>	<b>10,913,975</b>	<b>28,738,700</b>

NOTE: THE INTEREST IN THE CURRENT YEAR ON FDRs AMOUNTING TO RS. 17190806.17 (Previous Year Rs. 24222500.75) HAS BEEN TRANSFERRED TO CWIP TO BE SET OFF WITH THE INTEREST INCURRED DURING CONSTRUCTION PERIOD SINCE THE TOTAL INTEREST EARNED IS ON ACCOUNT OF CAPITAL FUNDS FOR PROJECTS.



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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

**Power Transmission Corporation of Uttarakhand Limited**

**Schedule 12 – Repairs and Maintenance Expenses**

Particulars	Amount (in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
Repairs and Maintenance – Plant and Machinery	69,451,645	81,561,664
Repairs and Maintenance – Building & Civil Works	13,129,696	16,198,185
Repairs and Maintenance – Lines, cables works, etc.	34,881,513	24,720,418
Repairs and Maintenance – Others	35,740	2,720,418
<b>Total</b>	<b>117,498,594</b>	<b>122,478,271</b>



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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

# Power Transmission Corporation of Uttarakhand Limited

## Schedule 13 – Employees Cost

Particulars	Amount (in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
Salaries, wages, allowances and bonus (Excluding Director's Remuneration)	271,432,255	229,668,952
Area of VI Pay Commission	41,370,678	64,869,696
Director's Remuneration	2,471,557	1,572,720
Other Staff Cost /Welfare Expenses	52,938,098	41,035,912
Terminal Benefits	54,118,406	45,927,209
<b>Total Employees Cost</b>	<b>422,330,993</b>	<b>383,069,589</b>
Less: Employee cost charged to Capital Work in Progress	45,477,821	43,350,044
<b>Net Employees Cost</b>	<b>376,853,172</b>	<b>339,719,545</b>



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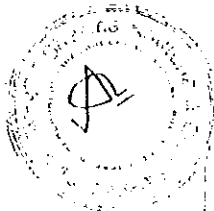
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 (A. K. GUPTA)  
 MANAGING DIRECTOR  
 POWER TRANSMISSION CORPORATION  
 OF UTTARAKHAND LTD., DEHRADUN

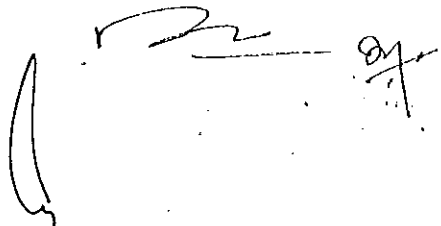
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**Power Transmission Corporation of Uttarakhand Limited**

**Schedule 14 – Administration Expenses**

Particulars	Amount (in Rs.) as at 31-03-2011	Amount (in Rs.) as at 31-03-2010
Rent, rates and taxes	2,300,345	9,351,767
Electricity and Water Charges	945,250	1,172,966
Insurance Expenses	57,996	118,894
Telephone & Communication Expense:	4,803,811	5,056,571
Printing and Stationery	1,907,512	1,426,417
Travelling and Conveyance	18,615,757	7,680,665
Legal & Professional Charges	2,756,558	4,573,036
Audit Fees	1,734,339	1,164,612
Advertisement Expenses	2,615,055	11,704,120
Miscellaneous Expenses	26,119,042	22,681,405
Compensation expenses to staff/outside	-	2,415,267
U.E.R.C. License Fees	53,711,420	35,844,022
Govt. Guarantee Fees (1% of Outstanding Loan Amount)	13,412,962	7,361,787
Fee & Subscription	10,872,000	-
<b>Total Administrative Expenses</b>	<b>139,852,046</b>	<b>110,551,499</b>
Less: Administrative Expenses charged to Capital Work in Progress	12,232,120	18,170,901
<b>Net Administrative Expenses</b>	<b>127,619,926</b>	<b>92,380,598</b>



  
**(A. K. GUPTA)**  
 MANAGING DIRECTOR  
 POWER TRANSMISSION CORPORATION  
 OF UTTARAKHAND LTD., DEHRADUN

**Power Transmission Corporation of Uttarakhand Limited**

Schedule 15 - Extra Ordinary Items

Particulars	Amount (In Rs.) as at 31-03-2011	Amount (In Rs.) as at 31-03-2010
Obsolete Stock written off	430,232	430,232
Total	430,232	430,232



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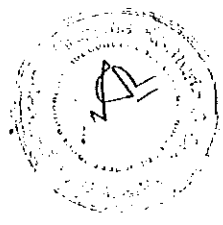
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*[Handwritten signature]*  
(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN.

**Power Transmission Corporation of Uttarakhand Limited**

**Schedule 16 – Interest and Other Financial Charges**

Particulars	Amount ( in Rs.) as at 31-03-2011	Amount ( in Rs.) as at 31-03-2010
Interest on Loans	443,427,155	362,912,353
Other Financial and Bank Charges	-	67,255
<b>Total Interest and Other Financial Charges</b>	<b>443,427,155</b>	<b>362,979,608</b>
Less: Interest Charges Charged to Capital Work in Progress	137,735,000	84,664,620
<b>Net Interest and Other Financial Charges</b>	<b>305,692,155</b>	<b>278,314,988</b>



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(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN

# Power Transmission Corporation of Uttarakhand Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Crores)

	PARTICULARS	For the year ended 31.03.2011		For the year ended 31.03.2010	
<b>A</b>	<b>CASHFLOW FROM OPERATING ACTIVITIES:</b>				
	Net Profit/(loss) before tax and extra-ordinary items	(9.50)		(26.97)	
<b>Add</b>	<b>Adjustment for:</b>				
	Depreciation	19.57		22.36	
	Interest and Other finance charges paid	44.34		36.30	
	Interest Income	-		(0.01)	
	Operating Profit Before Working Capital Charges	54.41		31.68	
<b>Add</b>	<b>Adjustment for Working Capital Changes</b>				
	Increase/(Decrease) in Inventory	(4.57)		1.40	
	Increase/(Decrease) in Debtors	4.78		1.36	
	Increase/(Decrease) in Loans and Advances	(22.62)		(70.54)	
	Increase/(Decrease) in Current Liabilities	38.14		(3.36)	
	Cash Flow from Operations	70.13		(39.46)	
	Less- Fringe benefit tax	0.04		0.04	
	<b>Net Cash from Operating Activities</b>		<b>70.09</b>		<b>(39.51)</b>
<b>B</b>	<b>CASHFLOW FROM INVESTING ACTIVITIES:</b>				
	Purchase & Sale of Fixed assets	(78.13)		(55.05)	
	Capital Work -in -progress	(36.66)		61.81	
	Interest income	-		0.01	
	<b>Net Cash from Investing Activities</b>	<b>(114.79)</b>	<b>(114.79)</b>	<b>6.77</b>	<b>6.77</b>
<b>C</b>	<b>CASHFLOW FROM FINANCING ACTIVITIES:</b>				
	Increase in Capital	15.12		49.81	
	Increase in Loans Balances & Cash Credit	47.52		36.79	
	Interest and Other finance charges paid	(44.34)		(36.30)	
	<b>Net Cash from Financing Activities</b>	<b>18.30</b>	<b>18.30</b>	<b>50.30</b>	<b>50.30</b>
<b>D</b>	<b>NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(26.40)</b>		<b>(7.57)</b>
<b>E</b>	<b>OPENING CASH &amp; CASH EQUIVALENTS</b>		<b>76.77</b>		<b>89.20</b>
	<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>		<b>50.37</b>		<b>81.63</b>

For Sharma Kathuria & Co.

Chartered Accountants

(CA. Sanjay Sharma)

Partner

M.No. :- 091042

FRN:- 15268N

Place:- DEHRADUN

Date:- 05/11/2011



For & behalf of Power Transmission Corporation of Uttarakhand

Managing Director      Director

S.K. TOMAR  
 GM (F)  
 & Company Secretary

(A. K. GUPTA)  
 MANAGING DIRECTOR  
 POWER TRANSMISSION CORPORATION  
 OF UTTARAKHAND LTD., DEHRADUN



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 31<sup>st</sup> 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.

*(Signature)*

(A. K. GUPTA)

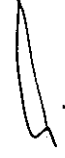
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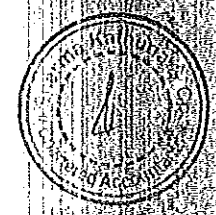




5. Further to our comments in the Annexure referred to in paragraph 4 above along with our observations in "ANNEXURE II" we report that:

- 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:-

  
 (A. K. GUPTA)  
 MANAGING DIRECTOR  
 POWER TRANSMISSION CORPORATION  
 OF UTTARAKHAND LTD., DEHRADUN






# SHARMA KATHURIA & CO Chartered Accountants

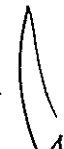
- i) In the case of the Balance Sheet, of the State of the affairs of the Company as at 31<sup>st</sup> March 2012 and;
- ii) In case of the Statement of Profit & Loss , of the loss for the year ended on that date; and
- iii) In the case of Cash Flow Statement of the Cash Flows for the year ended on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

Place: Dehradun  
Date: 01<sup>st</sup> Dec., 2012

For Sharma Kathuria & Co  
Chartered Accountants

  
(CA Dharmesh Kathuria)

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

  
(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN



'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 31<sup>ST</sup> 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.

  
(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
107, GURADUN




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# SHARMA KATHURIA & CO Chartered Accountants

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 31<sup>st</sup> March 2012 for a period of more than six months from the date they became payable.

  
 (A. K. GUPTA)  
 MANAGING DIRECTOR

POWER TRANSMISSION CORPORATION  
 DE LUKANHAND LTD., DEHRA DUN



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**SHARMA KATHURIA & CO**  
Chartered Accountants

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.

(A. K. GUPTA)  
MANAGING DIRECTOR

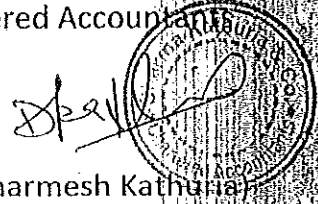
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**SHARMA KATHURIA & CO**  
**Chartered Accountants**

- 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.

For Sharma Kathuria & Co  
Chartered Accountants



(CA Dharmesh Kathuria)

Partner

M.No.-095114

F.R.N. 015268N

Place: Dehradun  
Date: 01<sup>st</sup> Dec., 2012



(A. K. GUPTA)  
MANAGING DIRECTOR  
POWER TRANSMISSION CORPORATION  
OF UTTARAKHAND LTD., DEHRADUN