



B.L.KHANDELWAL & CO.
Chartered Accountants

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AUDITORS' REPORT

To
The Members,
Power Transmission Corporation of Uttarakhand Ltd.
Dehra Dun

1. We have audited the attached Balance Sheet of **POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED, Dehradun**, as at 31st March 2008 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 Though the said Act has repealed the Electricity (Supply) Act, 1948 and Electricity Regulatory Commission Act, 1948, certain provisions of the repealed Acts, to the extent they are not inconsistent with the provisions of said Act, continued to be applied by the Company while preparing the financial statements.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



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statement on the matters specified in paragraphs 4 & 5 of the said order.

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 and 7 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 account 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 2008 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 B. L. KHANDELWAL & CO.
CHARTERED ACCOUNTANTS



B. L. Khandelwal
CA B. L. Khandelwal
Partner

M.No.-12331
FRN-00099874

Place: Dehradun
Date: 30.06.2010

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'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 31ST MARCH, 2008:

1. In respect of Fixed Assets:
 - a) The Company has maintained adequate records showing full particulars including quantitative details and location of fixed assets.
 - b) The Management has confirmed that physical verification of Fixed Assets at different units of the undertaking has been made and the effects of discrepancy if any, will be given during the subsequent year on reconciliation.
 - 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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6. The Central Government has prescribed maintenance of Costs 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, wealth tax, sales-tax, customs duty and excise duty were in arrears, as at 31st March 2008 for a period of more than six months from the date they became payable.
8. The company has accumulated losses of Rs 39.97 crores (previous year Rs.39.16 crores) 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 whom 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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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, besides loans transferred from UPCL -
 - (i) From REC Rs. 225139000 (Prev. year Rs. 1142325000)
 - (ii) From NABARD Rs. 941600000 (Prev. year Rs. 241223000)
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 **B. L. KHANDELWAL & CO.**
CHARTERED ACCOUNTANTS



B. L. Khandelwal
CA B. L. Khandelwal
Partner

M.No.-12331
FKN - 000998N

Place: Dehradun
Date: 30.06.2010

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**'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 2008:**

1. The party-wise break-up of outstanding balances as on 31.03.2008 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 more than three years lying 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 31.03.2007, the variation in value of assets transferred and liabilities taken over as on 31.05.2004, amounting to Rs.1,88,80,07,313.00 (Previous year Rs. 188,80,07,313.00) 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 817.46 lacs (Previous year Rs.88.58 lacs) (debit) as per schedule 8 and balance amounting to Rs 45.73 Lacs (Previous year Rs. 10.31 lacs) (credit) as per schedule 9 are under reconciliation the effect thereof on the accounts is not ascertainable.
4. Interest Payable on Loans from Financial Institutions (REC & NABARD) amounting to Rs.9,96,55,549/ has not been accounted for in the financial year 2005-06 in terms of Clause No.5.3.8 of Tariff Order issued by UERC for financial year 2004-05 & 2005-06, that due to pendency of final apportionment of these loans between the two companies and till such division is finalized, servicing of these loans would continue to be the responsibility of the UPCL. On the other hand as per the transfer scheme Page No.9 clause - 4, interest accrued after May 31, 2004 would be recovered from PTCUL as and when it is paid to the respective Financial Institution. It is informed to us that no demand has



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Chartered Accountants

been raised by UPCL till date. In case, the interest is accounted for by PTCUL, the loss would be increased by the said amount subject to pro-rata allocation of the same to fixed assets / capital work in progress. However the interest for the year 2007-08 of Rs 216032797.00 (Previous year Rs.177774468.00 (on old REC and NABARD) and Rs 97763961.00 (Previous year Rs.17240838.00 (on New REC loans) which is directly taken by PTCUL has been accounted for during the year.

5. An Amount of Rs 112.44 Lacs (Previous year Rs.112.44 lacs) 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 31.03.08, which is under reconciliation with UPCL. The effect thereof on the accounts is not ascertainable.
6. The amount of various deposit works completed has been included and shown under the fixed assets (schedule - 5) under the respective heads and the individual assets wise details are not available however, the contribution towards deposit works of Rs. 372272323.00 have been shown in schedule -2 thus the assets to that extend have been over stated and the liabilities to that extend under stated.
7. Land and Rights Rs 2.33 crores (Previous year Rs.2.33 crores) and lease hold lands Rs 2.25 crores (Previous year Rs.2.25 crores) as per schedule 5 in different divisions of the corporation and amortized over the period of 99 years on notional basis from f.Y. 2004-05 and onwards. The details of land held under lease have not been shown to us and the basis of the amortized could not be verified due to non availability of the relevant lease deed.
8. Store Spares of Rs 282551092.00 (Previous year Rs.281852716.00) as per schedule 7 includes the value of surplus / obsolete inventory lying ideal in the stores the amount for the provisions for obsolesce has not been ascertained being no details are available form respective units, thus resulted in over statement of current assets and under statement of loss to that extent.
9. Deposits in various banks of Rs 625560482.00 (Previous year Rs.495560482.00) as per schedule 7 are subject to confirmation.



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BALANCE SHEET as on 31-03-2008

Particulars	Schedule Ref.	Amount (in Rs.) as at 31-03-2008	Amount (in Rs.) as at 31-03-2007
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	1,025,833,602	657,233,602
Reserves and Surplus			
Capital Reserve			
Contributions, Grants and Subsidies	2	393,175,361	372,272,323
Loan Funds			
Secured loans	3	4,285,698,995	3,466,086,600
Unsecured loans	4	1,888,007,313	1,888,007,313
TOTAL		7,592,715,271	6,383,599,838
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross block		5,247,796,678	3,929,369,063
Depreciation		1,974,595,717	1,668,387,635
Net block		3,273,200,960	2,260,981,428
Capital Works-in-Progress	6	3,215,632,954	3,639,598,259
Current Assets, Loans and Advances			
Current Assets	7	1,422,385,908	844,561,547
Loans and Advances	8	673,362,928	559,305,711
Less: Current Liabilities and Provisions	9	1,391,590,866	1,312,438,102
Net Current Assets		704,157,970	91,429,156
Profit and Loss Appropriation Account (Accumulated losses)		399,723,387	391,590,995
Total		7,592,715,271	6,383,599,838

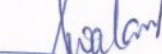
for M/s. B. L. Khandelwal & Co.

For & behalf of Board


Chartered Accountants
CA. B. L. Khandelwal
Partner
M.No.-12331
FRN-000998N


(J. M. LAL)
Managing Director


(Jayant Kumar)
Director (F)


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

Place: DEHRADUN
Date: 30/06/2010



Power Transmission Corporation of Uttarakhand Limited

PROFIT & LOSS ACCOUNTS for the year ended 31.03.2008

Particulars	Schedule Ref.	Amount (in Rs.) 2007-08	Amount (in Rs.) 2006-07
(A) Income			
Gross revenue from wheeling charges	10	780,200,000	429,800,000
Other Income	11	27,035,342	17,926,081
Total (A)		807,235,342	447,726,081
(B) Expenditure			
Repairs & Maintenance expenses	12	78,084,745	83,945,494
Personnel expenses	13	301,220,072	167,447,071
Administration expenditure	14	100,719,046	56,015,949
Interest and other financial charges	15	160,835,788	103,750,356
Depreciation	5	306,208,083	231,853,279
		947,067,734	643,012,149
Total (B)		947,067,734	643,012,149
Profit before Taxes (A) – (B)		(139,832,392)	(195,286,068)
Profit / (Loss) after taxes		(139,832,392)	(195,286,068)
Amount available for Appropriation Carried down		(139,832,392)	(195,286,068)

for M/s. B. L. Khandelwal & Co.

For & behalf of Board

Chartered Accountants
CA. B. L. Khandelwal
Partner

M.No.-12331
FRN-000998N

Place: DEHRADUN
Date: 30/06/2010

(J. M. LAL.)
Managing Director

(Jayant Kumar)
Director (F)

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



Power Transmission Corporation of Uttarakhand Limited
PROFIT & LOSS APPROPRIATION ACCOUNT

Particulars	Schedule Ref.	Amount (in Rs.) Current Year	Amount (in Rs.) 2006-07
Amount available for appropriation as per current years profit and Loss brought /forward		(139,832,392)	(195,286,068)
Add:-			
Excess Provision for Depreciation in Prior Periods	5	-	3,643,011
Other income relating to prior periods	10	131,700,000	
Amount carried to Balance sheet		(8,132,392)	(191,643,057)

for M/s. B. L. Khandelwal & Co.

Chartered Accountants
CA. B. L. Khandelwal

Partner
M.No:-12331
FRN-000998N

Place: DEHRADUN
Date: 30/06/2010

For & behalf of Board

(J. M. LAL)
Managing Director

(Jayant Kumar)
Director (F)

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



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SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Schedule 1 – Share capital

Particulars	Amount (in Rs.) as at 31-03-2008	Amount (in Rs.) as at 31-03-2007
Authorised capital	2,000,000,000	1,000,000,000
Issued, Subscribed and Paid up capital 968000 Shares @ 1000 each	968,000,000	568,000,000
Share Application money Amount recd pending allotment	57,833,602	89,233,602
Total	1,025,833,602	657,233,602



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Schedule 2 – Contributions, Grants and Subsidies Towards Cost of Capital Assets

S.NO.	Particulars	Amount (in Rs.) as at 31-03-2008	Amount (in Rs.) as at 31-03-2007
1	Contribution Towards Deposit Works	372,272,323	372,272,323
2	Grant Received From GoU	20,903,038	-
	Total	393,175,361	372,272,323



Signature



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Schedule 3 – Secured loans

S.NO.	PARTICULARS	Amount (in Rs.) as at 31-03-2008	Amount (in Rs.) as at 31-03-2007
1	R.E.C. I (Guaranteed by Govt. of Uttarakhand)	981,571,595	2,014,676,600
2	R.E.C. II (Hypothecation of Assets)	1,028,112,000	
3	NABARD (Through Govt. of Uttarakhand)	2,276,015,400	1,451,410,000
	TOTAL	4,285,698,995	3,466,086,600

Schedule 4 – UnSecured loans

S.NO.	PARTICULARS	Amount (in Rs.) as at 31-03-2008	Amount (in Rs.) as at 31-03-2007
1	U.A. GOVERNMENT LOAN	1,888,007,313	1,888,007,313
	TOTAL	1,888,007,313	1,888,007,313



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Schedule 5 - Fixed Assets

SL. NO.	Assets Group	Gross Block				Provision of Depreciation				Net Block as on 31.3.2008 (Rs.)	Net Block as on 31.3.2007 (Rs.)
		Opening Bal. As on 1-04-2007 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Current Year as on 31.03.08 (Rs.)	Opening Bal. As on 1-04-2007 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Closing Bal. as on 31-03-08 (Rs.)		
1	2	3	4	5	6	7	8	9	10	11	12
1	Land and Rights	60339565	2282485	0	6262050	643938	237272	0	871210	61750840	59695627
2	Buildings	371061129	0	0	371061129	143523973	11206046	0	159730020	211331110	222537156
3	Hydraulic Works	189287	0	0	189287	102508	6436	0	108944	80343	86778.56458
4	Other Civil Works	15886229	0	0	15886229	3330502	479764	0	8810286	7075963	7555727.027
5	Plant & Machinery	2512864163	48886790	1160	2561749793	1197853208	202715295	0	1400568503	1161181290	1315010955
6	Lines&Cable Network	955660185	1267668033	0	2223328218	308684376	9133713	0	395058086	1828270130	651975810
7	Vehicles	8145563	0	475000	7670563	3145563	0	475000	7670563	0	0
8	Furniture and Fixtures	2545321	978158	0	3503479	560521	307493	0	948014	2575465	1984800.035
9	Office Equipment	2677621	242539	1154223	1765931	543045	287065	0	830110	935821	2134575.527
	TOTAL	3929369063	1320058004	1630389	6247796678	1663387635	306613083	475000	1974595717	3273200960	2260981428

NOTES:-

- *1. Transferred balance as on 1-06-2004
 *2. The Amount of various deposit works completed has been included and shown under respective heads but individual Assetwise details are awaited from units/branches



Power Transmission Corporation of Uttaranchal Limited

Schedule 5 - Fixed Assets

Sl. NO.	Assets Group	Gross Block					Provision of Depreciation					Net Block as on 31.3.2007
		Opening Bal. As on 1-04-2006 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Current Year as on 31.03.07 (Rs.)	Opening Bal. As on 1-04-2006 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Closing Bal. as on 31-03-07 (Rs.)			
1	2	3	4	5	6	7	8	9	10	11		
1	Land and Rights	45869565	14470000	0	60339565	416666	227272	0	643938	59695627		
2	Buildings	318460356	52650773	50000	371061129	138112199	10411774	0	148523973	222537156		
3	Hydraulic Works	189287	0	0	189287	96072	6436	0	102508	86779		
4	Other Civil Works	15886229	0	0	15886229	7850738	479764	0	8330502	7556727		
5	Plant & Machinery	2001704741	515947720	4788297	2512864163	1024733595	176940571	3820958	1197853208	1315010955		
6	Lines&Cable Network	559703751	403870744	7914310	955660185	270474394	40332860	7122879	303684376	651975810		
7	Vehicles	8935960	-380000	410397	8145563	8935960	2852614	3643011	8145563	0		
8	Furniture and Fixtures	2440672	493205	388556	2545321	242165	318356	0	560521	1984800		
9	Office Equipment	1764538	918433	5350	2677621	262757	283632	3344	543045	2134576		
	TOTAL	2954955098	987970875	13556910	3929369065	1451124547	231853279	14590192	1686387635	2260981428		

NOTES-

*1. Transferred balance as on 1-06-2004

*2. The Amount of various deposit works completed has been included and shown under respective heads but individual Assetwise details are awaited from units/branches



(Signature)

Power Transmission Corporation of Uttarakhand Limited

Schedule 6 - Capital Works-in-Progress

SL NO.	PARTICULARS	Balance as on 01.04.2007 (Rs.)	Additions during the year (Rs.)	Revenue Exp Capitalized in CWIP during the year (Rs.)	Capitalisation during the year (Rs.)	Balance as on 31.03.08 (Rs.)
1	2	3	4	5	6	7
1	Capital Works-in-Progress	3,290,224,293	754,251,909	163,366,175	1,316,554,822	2,891,287,554
2	Revenue Expenditure pending allocation over Capital Works	-	-	-	-	-
3	Advances to Suppliers and Contractors	349,373,966	40,924,440	-	65,953,006	324,345,400
	TOTAL	3,639,598,259	795,176,349	163,366,175	1,382,507,829	3,215,632,954
	PREVIOUS YEAR	2,782,474,767	1,902,526,908	97,109,102	1,142,512,459	3,639,598,259



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Current assets, loans and advances

Schedule 7 – Current assets

Particulars	Amount (in Rs.) as at 31-03-2008	Amount (in Rs.) as at 31-03-2007
Stores and Spares		
(As Certified by the Management) :		
1. Stock Materials at Construction Stores	100,303,543	228,974,099
2. Stock Material at other Stores	179,174,862	49,799,531
3. Other Material Account	3,072,686	3,079,086
SUB TOTAL (A)	282,551,092	281,852,716
Sundry Debtors		
- Considered good	524,369,519	42,269,523
Less:- Provision for Bad & Doubtful Debts		
SUB TOTAL (B)	524,369,519	42,269,523
Cash & Bank Balances :		
Cash in hand	102,196	89,904
Cash in transit	(19,037,439)	21,215,088
Imprest with employees	-	(3,045)
Bank balances		
• With scheduled banks		
- In current account	8,840,058	3,576,881
- In Deposits account	625,560,482	495,560,482
SUB TOTAL (C)	615,405,297	520,439,309
TOTAL (A TO C)	1,422,385,908	844,561,547



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S.NO.	Particulars	Amount (in Rs.) as at 31-03-2008	Amount (in Rs.) as at 31-03-2007
1	Sundry Receivables	497,648,081	468,976,143
	a) Advances for O&M Supplies/Works	71,127,131	66,498,527
	b) Loans & Advances to Staff	2,214,405	1,592,577
2	Inter Unit Transactions	81,745,712	8,858,350
3	Staff Pension & Gratuity Fund	20,627,599	13,380,115
	TOTAL	673,362,928	559,305,711



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Schedule 9 – Current liabilities

S.No.	Particulars	Amount (in Rs.) as at 31-03-2008	Amount (in Rs.) as at 31-03-2007
1	SUNDRY CREDITORS :		
	-For Capital Supplies/Works	255,981,501	441,058,091
	-For O&M Supplies/Works	85,859,188	46,695,265
	-For Expenses	33,306,111	1,698,864
	-For Inter Unit Transfers	4,573,560	1,031,095
2	Staff Related Liabilities & Provisions	254,079,120	102,671,732
3	Deposits for Electrification, Service Connections etc.	477,085,359	454,787,201
4	Deposits & Retention Money from supplier / contractors	167,728,947	152,763,750
5	Other Liabilities & Provisions	112,977,080	111,732,105
	TOTAL	1,391,590,866	1,312,438,102



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Schedule 10 – Gross revenue from wheeling charges

Particulars	Amount (in Rs.) 2007-08	Amount (in Rs.) 2006-07
Revenue from wheeling charges	911,900,000	429,800,000
Less:- Prior Period Income	131,700,000	-
Total	780,200,000	429,800,000



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Schedule 11 – Other income

Particulars	Amount (in Rs.)	Amount (in Rs.)
	2007-08	2006-07
Interest	7,391,050	14,457,853
Delayed payment charges from Consumers	15,128,439	2,516,555
Miscellaneous Receipts	4,515,853	951,673
Total	27,035,342	17,926,081



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Schedule 12 – Repairs and Maintenance Expenses

Particulars	Amount (in Rs.)	Amount (in Rs.)
	2007-08	2006-07
Repairs and maintenance – Plant and machinery	59,823,253	58,574,104
Repairs and maintenance – Building & Civil Works	6,307,331	5,749,342
Repairs and maintenance – Lines, cables works, etc.	11,861,758	19,523,874
Repairs and Maintenance – Others	92,403	98,174
Total	78,084,745	83,945,494



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Schedule 13 – Personnel Expenses

Particulars	Amount (in Rs.)	Amount (in Rs.)
	2007-08	2006-7
Salaries, wages, allowances and bonus(including Directors Remuneration)	231,110,097	130,177,149
Staff welfare expenses	36,992,773	20,164,150
Terminal Benefits	40,513,517	22,940,875
Less: Employee cost charged to Capital WIP	7,396,315	5,835,102
Total	301,220,072	167,447,071

Note:- Arrear of VI Pay Commission is amounting to Rs 85473257.08 which is included in Salaries, wages, allowances and bonus.



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Schedule 14 – Administration expenditure

Particulars	Amount (in Rs.) 2007-08	Amount (in Rs.) 2006-07
Rent, rates and taxes	1,714,196	1,320,159
Electricity and water	83,926	220,022
Insurance	236,049	38,062
Communication	3,505,706	2,749,436
Printing and stationery	772,089	629,046
Travelling and conveyance	5,425,604	5,316,618
Legal & professional	3,033,226	2,660,229
Audit Fees	1,315,000	700,000
Advertisement and promotion	4,130,375	4,033,090
Miscellaneous Expenses	14,224,752	10,112,245
Compensation expenses to staff/outside	1,758,982	575,779
U.E.R.C. Fees	37,904,218	27,661,262
Govt. Guarantee Fees	29,623,736	-
Less: Administrative expenses charged to Capital WIP	3,008,814	-
Total	100,719,046	56,015,949



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Schedule 15 – Interest and Other Financial Charges

Particulars	Amount (in Rs.)	Amount (in Rs.)
	2007-08	2006-07
Interest on REC & Nabard Loans	313,796,758.00	195,015,306.00
Other financial and bank charges	76.00	9,050.00
Less: Interest and other financial charges charged to Capital WIP	152,961,045.79	91,274,000.00
Total	160,835,788.21	103,750,356.00



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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

(Amount in Crores)

	PARTICULARS	For the year ended 31.03.2008	For the year ended 31.03.2007
A	CASHFLOW FROM OPERATING ACTIVITIES:		
	Net Profit/(loss) before tax and extra-ordinary items	(0.81)	(19.16)
Add	Adjustment for:		
	Depreciation	30.62	21.73
	Interest and Other finance charges paid	31.38	19.50
	Provisions for Fringe benefit tax		
	Excess provision written back	-	0.36
	Interest Income	(0.74)	(1.45)
	Operating Profit Before Working Capital Charges	60.45	20.98
Add	Adjustment for Working Capital Changes		
	Increase/(Decrease) in Inventory	(0.07)	(5.14)
	Increase/(Decrease) in Debtors	(48.21)	1.55
	Increase(Decrease) in Loans and Advances	(11.41)	(2.37)
	Increase(Decrease) in Current Liabilities	7.92	41.82
	Cash Flow from Operations	8.68	56.84
	Less- Fringe benefit tax		(0.09)
	Net Cash from Operating Activities	8.68	56.75
B	CASHFLOW FROM INVESTING ACTIVITIES:		
	Purchase & Sale of Fixed assets	(131.84)	(97.73)
	Capital Work -in -progress	42.40	(85.71)
	Interest income	0.74	1.45
	Net Cash from Investing Activities	(88.71)	(181.99)
C	CASHFLOW FROM FINANCING ACTIVITIES:		
	Increase in Capital	36.86	22.56
	Increase in Loans Balances & Cash Credit	81.96	138.35
	Increase in Contribution & Grants	2.09	-
	Interest and Other finance charges paid	(31.38)	(19.50)
	Net Cash from Financing Activities	89.53	141.41
D	NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	9.50	16.17
E	OPENING CASH & CASH EQUIVALENTS	52.04	35.87
	CLOSING CASH & CASH EQUIVALENTS	61.54	52.04

for M/s. B. L. Khandelwal & Co.

For & behalf of Board

Chartered Accountants

CA. B. L. Khandelwal

Partner

M.No.:12331

FRN - 000998N

Place: DEHRADUN

Date: 30.06.2010



(J. M. LAL)
Managing Director

(Jayant Kumar)
Director (F)

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



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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 31.03.2008 AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE.

PART- (A) NOTES ON ACCOUNTS

1. As a part of Power reform Process for the State of Uttaranchal brought into effect by the Govt. of Uttaranchal the Uttaranchal 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 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 are 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. 1,888,007,313.00 (Previous year Rs. 188,81,40,313.36) as per schedule 4 has been considered as unsecured loan Interest free loan being a no terms and conditions have been stipulated in the transfer scheme as stated above.

2. Authorized Share Capital of the Corporation has been increased from Rs.100 Crores to Rs.200 Crores, during the year.
3. The Company, Power Transmission Corporation of Uttarakhand Limited has received towards Equity Share Capital amounting to Rs.36.86 Crores (previous year Rs. 22.56 crores) from the Government of Uttarakhand during the year 2007-08. Allotment of shares against the same has been made to the extent of Rs.40.00 Crores (previous year Rs 25.00 crores) share Application Money Pending Allotment as on 31.03.2008 is Rs.5.78 Crores.(Previous year Rs. 8.92 crores)
4. Contingent liabilities not provided for in respect of ;
 - (a) The estimated amount of the contracts remaining to be executed on capital account of Rs. 31.55 crores (Previous year Rs. 40.34 crores) in respect of contracts executed from the date of Incorporation of PTCUL to 31st march, 2008.



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- (b) The estimate amount of contracts remaining to be executed on capital account and not provided for is not ascertainable because of works details have not been furnished by UPCL under the transfer scheme.
5. Provision for Accrued Liabilities on account of pension and Gratuity for the period from 01.04.2007 to 31.03.2008 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. 248/9-3- U/Pension/2002 dated 21.10.2003. 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 Government of Uttarakhand.
 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. 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.
 8. Provision has been made for Audit Expenses to Statutory Auditors for the period 2007-08 as follows:-

(Amount in Rupees)			
Particulars		Year ended 31.03.2008	Year ended 31.03.2007
Audit fees-	Current year	151250.00	137500.00
(excluding service tax)			
Reimbursement of expenses		115000.00	112500.00
Total		266250.00	250000.00

9. Liabilities towards Staff Training, Medical Reimbursement & Leave Travel Concession (LTC) has been provided to the extent established.
10. 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 additions made during the year in accordance with the Rates prescribed in Appendix VI to Para 362 of Chapter IX of Electricity (Supply) Act., 1948.as repealed by Electricity Act,2003.
11. Inter-Units Balances amounting to Rs 817.46 lacs (net) (Previous year Rs.88.58 lacs) as per schedule 8 are under reconciliation and the effect of reconciliation shall be provided in the ensuing years.
12. On an overall basis the Current Assets, 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.
13. 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 year.
14. Provision for Leave Salary Contribution fund in the current year has been provided @ 11% of basic pay and DA, as provided earlier by UPCL.
15. An amount of Rs 112.44 lacs (Previous year Rs.112.44 lacs) 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 31.03.08 which is under reconciliation with UPCL.



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16. The employees cost charged to capital WIP during the year amounting to Rs 73.96 lacs (Previous year Rs.58.35 lacs) as per schedule 13 is based on actual expenditure of Project

17. Director's Remuneration:

(Amount in Rupees)

Particulars	Year ended 31.03.2008	Year ended 31.03.2007
Salaries and Allowances	789966.00	1408530.00
Perquisites/reimbursement	2945.00	45315.00
Total	792911.00	1453845.00

18. Related Party Disclosure:

KEY MANGEMENT PERSONNEL:

Shri Shatrughan Singh	Chairman (w.e.f. 28.06.2007)
Shri A.K. Jain	Director (w.e.f. 24.01.2007)
Shri J. L. Bajaj	Director (w.e.f. 29.12.2006)
Shri S.R.SETHI	Director (w.e.f. 15.12.2004)
Shri S.P. Singh	Director (w.e.f. 10.10.2006)
Shri C. Bhaskar	Director (w.e.f. 03.12.2007)
Shri P.C. Sharma	Director (w.e.f. 03.12.2007)
Shri Radha Raturi	Director (w.e.f 03.12.2007)
Shri S.MOHAN RAM	Managing Director (w.e.f. 10.11.2005)

Remuneration of whole time Directors is included in notes No.17

19. 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.
20. Contribution towards deposit works of Rs.37,22,72,323/- (Previous year Rs 37,22,72,323/-) 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. the deposit work wise details are not available hence the amount of the deposit works shown under fixed assets could not be shown separately as the details of deposit works transferred under the transfer scheme have not been furnished by UPCL so far.
21. As per Transfer scheme (31-05-2004) the sub stations upto 33 KV amounting to Rs 54062899.05 (Previous year Rs. 38779913.05) shall be transfer to UPCL after completion of work as shown under schedule -6.
22. 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 from the financial year 2004-05 and onwards.



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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.
24. There are many old debit and credit balances which are more than three years lying in various payable and receivable accounts. 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 necessary 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 31st March, 2008. No payment is due for more than 30 days as at 31st March, 2008 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 st March 2008

(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.	40000
Bonus Issue	NIL

(iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :

(Amount in thousands)

Total Liabilities	7592715
Total Assets	7592715
Sources of funds	
Paid up Capitals	968000
Share Application money	57834
Reserve and Surplus	393175
Secured Loans	4285699
Unsecured Loans	1888007
Grants in Aid	NIL
Application of funds	
Net Fixed Assets	3273201
Capital Work-in-Progress (including Construction, Stores and Advances)	3215633
Investments	NIL
Net Current Assets	704158
Miscellaneous Expenditure	NIL
Accumulated Losses	399723



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(iv) PERFORMANCE OF COMPANY :

(Amount in thousands)

Turnover/ Income	911900
Other Income	27035
Total Expenditure	947068
Profit before Tax	(8132)
Profit after MAT and Deferred tax	(8132)
Earning per share (Basic) (Rs.)	(8.40)
Dividend Amount	NIL

GENERIC NAMES OF PRINCIPAL PRODUCT/ SERVICE OF COMPANY :

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

s

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. Impact of VI pay commission has been considered on the assumption of 30% increase in salary and the impact of arrear of VI pay commission is amounting to Rs. 85473257.08.
31. All expenditures have been booked on accrual basis. The impact of salary expenditure w.e.f 2004-05 to 2007-08 has been incorporated in accounts of 2008-09.



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PART – (B) SIGNIFICANT ACCOUNTING POLICIES

1. 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 Company 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.

2. 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 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.

3. 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 basis in accordance with the Rates prescribed in Appendix VI to Para 362 of Chapter IX of Electricity (Supply) Act, 1948.
- 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.372,272,323/- have been shown in Sehedule-2

4. 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.
- 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.

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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 Due to multiplicity of functional units as well as multiplicity of functions in a particular unit, Employees Cost incurred on supervision of Capital works are Capitalized the actual expenditure of Project.

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 proportion 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 method basis except for side-stores which are valued at issue price .

6.2 Stores and spares are valued at 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.

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).

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.

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7.2 EXPENDITURE

- 7.2.1 Depreciation is charged on Straight Line Method as per the rates prescribed in Appendix VI to Para 362 of Chapter IX of Electricity (Supply) Act, 1948 as repealed by Electricity Act, 2003..
- 7.2.2 Depreciation on Fixed Assets is provided on the assets in existence at the beginning of the year and on a pro-rata basis for 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 B. L. KHANDELWAL & CO.
CHARTERED ACCOUNTANTS

CA B. L. Khandelwal
Partner
M.No.-12331
FRN- 000998N

Place: DEHRADUN
Date: 30.06.2010

(J.M. LAL)
Managing Director

(JAYANT KUMAR)
Director (F)

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



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