



AUDITOR'S REPORT

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

1. We have audited the attached Balance Sheet of **POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED, Dehradun**, as at 31st March 2009 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 Though the said Act has repealed the Electricity (Supply) Act, 1948 and Electricity Regulatory Commission Act, 1948, certain provisions of the repealed Acts, to the extent they are not inconsistent with the provisions of said Act, continued to be applied by the Company while preparing the financial statements.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 4 & 5 of the said order.



Annual Report (PTCUL) 2008-09





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:-





SHARMA KATHURIA & CO.
Chartered Accountants

- i) In the case of the Balance Sheet, of the State of the affairs of the Company as at 31st March 2009 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.

Place: Dehradun
Date: 05.04.2011

For Sharma Kathuria & Co.
Chartered Accountants


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

Annual Report (PTCUL) 2008-09





'ANNEXURE I' REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT TO THE SHAREHOLDERS OF POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009:

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.



Annual Report (PTCUL) 2008-09





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 2009 for a period of more than six months from the date they became payable.
8. The company has accumulated losses of Rs 6030.36 Lacs (previous year Rs.3997.23 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.



Annual Report (PTCUL) 2008-09





SHARMA KATHURIA & CO.
Chartered Accountants

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. 1477.96 Lacs (Prev. year Rs. NIL)
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.

Place: Dehradun
Date: 05.04.2011

For Sharma Kathuria & Co.
Chartered Accountants


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

Annual Report (PTCUL) 2008-09





'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 2009:

1. The party-wise break-up of outstanding balances as on 31.03.2009 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 31.03.2009, 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 861.67 Lacs (Previous year Rs.817.46 Lacs) (debit) as per schedule 8 and balance amounting to Rs 82.14 Lacs (Previous year Rs. 45.73 Lacs) (credit) as per schedule 9 are under reconciliation the effect thereof on the accounts is not ascertainable.
4. An Amount of Rs 1171.87 Lacs (Previous year Rs.1129.77 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 31.03.09, 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 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.



Annual Report (PTCUL) 2008-09





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Chartered Accountants

6. Land and Rights of Rs 2356.95 Lacs (Previous year Rs.626.22 Lacs) and Lease Hold Lands of Rs 1955.72 Lacs (Previous year Rs.225 Lacs) as per schedule 5 in different divisions of the corporation are amortized over the period of 99 years and 30 years respectively on notional basis from Fin.Yr. 2004-05 and onwards.
7. Store Spares of Rs 2343.04 Lacs (Previous year Rs. 2825.51 Lacs) 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.
8. Deposits in various banks of Rs. 5849.51 Lacs (Previous year Rs. 6255.60 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: 05.04.2011

For Sharma Kathuria & Co.
Chartered Accountants


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

Annual Report (PTCUL) 2008-09



Power Transmission Corporation of Uttarakhand Limited

BALANCE SHEET AS AT 31-03-2009

Particulars	Schedule Ref.	Amount (in Rs.) 31-03-2009	Amount (in Rs.) 31-03-2008
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	1,018,000,000	968,000,000
Share Application Money	1	204,833,602	57,833,602
Reserves and Surplus	2		
Capital Reserve			
Contributions, Grants and Subsidies		392,824,251	393,175,361
Loan Funds			
Secured loans	3	4,188,835,546	4,285,698,995
Unsecured loans	4	1,888,007,313	1,888,007,313
TOTAL		7,692,500,712	7,592,715,271
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross block		5,577,587,994	5,247,796,678
Depreciation		2,317,290,124	1,974,595,717
Net block		3,260,297,871	3,273,200,960
Capital Works-in-Progress	6	3,739,650,320	3,215,632,954
Current Assets, Loans and Advances			
Current Assets	7	1,057,597,065	1,422,385,908
Loans and Advances	8	714,580,069	673,362,928
Less: Current Liabilities and Provisions	9	1,682,660,732	1,391,590,866
Net Current Assets		89,516,401	704,157,970
Profit and Loss Appropriation Account (Accumulated losses)		603,036,121	399,723,387
Total		7,692,500,712	7,592,715,271
NOTES TO ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	17		

For Sharma Kathuria & Co.
Chartered Accountants

(CA. Sanjay Sharma)
Partner

M.No. :- 091042
FRN:- 15268N

Place:- DEHRADUN

Date:- 05/04/2011

For & behalf of Power Transmission Corporation of Uttarakhand

(J.M. LAL)
Managing Director

Director

(S.K. TOMAR)
GM (F)

& Company Secretary



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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Schedule Ref.	Amount (in Rs.) 2008-09	Amount (in Rs.) 2007-08
(A) Income			
Gross revenue from wheeling charges	10	867,100,000	780,200,000
Other Income	11	5,118,612	27,035,342
Total (A)		872,218,612	807,235,342
(B) Expenditure			
Repairs & Maintenance expenses	12	99,110,975	78,084,745
Employees Cost	13	310,894,520	301,220,072
Administrative Expenses	14	87,576,272	100,719,046
Interest and other Financial Charges	16	222,476,940	160,835,788
Depreciation	5	342,694,406	306,208,083
		1,062,753,114	947,067,734
(C) Provisions			
Provision for Bad & Doubtful Debts		-	-
Total (B)		1,062,753,114	947,067,734
Profit before Taxes (A) - (B)		(190,534,502)	(139,832,392)
Profit / (Loss) after taxes		(190,534,502)	(139,832,392)
Amount available for Appropriation Carried down		(190,534,502)	(139,832,392)

For Sharma Kathuria & Co.
Chartered Accountants

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

Place:- DEHRADUN

Date:- 05/04/2011

For & behalf of Power Transmission Corporation of Uttarakhand

(J.M. LAL)
Managing Director

Director

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



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PROFIT & LOSS APPROPRIATION ACCOUNT

Particulars	Schedule Ref.	Amount (in Rs.) 2008-09	Amount (in Rs.) 2007-08
Balance of Profit / Loss brought forward from the last year		(399,723,387)	
Amount brought forward from Profit and Loss Account		(190,534,502)	(139,832,392)
Add:-			
Other Income relating to Prior Periods		-	131,700,000
Less:-			
Prior Periods expenditure of Salary	13	11,738,000	-
Provision for Fringe Benefit Tax	14	610,000	-
Extra Ordinary Item Written Off	15	430,232	-
Profit / Loss for the year brought down		(203,312,734)	(8,132,392)
Amount carried to Balance sheet		(603,036,121)	
Earning per share			

For Sharma Kathuria & Co.
Chartered Accountants


(JCA. Sahni Sharma)
Partner

M.No.: 091042
FRN:- 15268N

Place:- DEHRADUN

Date:- 05/04/2011

For & behalf of Power Transmission Corporation of Uttarakhand


(J.M. LAL)
Managing Director


Director


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



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SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule 1 – Share Capital

Particulars	Amount (in Rs.) as at 31-03-2009	Amount (in Rs.) as at 31-03-2008
Authorised Capital 20,00,000 (Previous Year 20,00,000) Equity Shares of Rs. 1000/- each	2,000,000,000	2,000,000,000
Issued, Subscribed and Paid up Capital 10,18,000 (Previous Year 9,68,000) Equity Shares of Rs. 1000 each	1,018,000,000	968,000,000
Total Share Capital	1,018,000,000	968,000,000
Share Application Money (Amount received pending allotment)	204,833,602	57,833,602
Total Application Money	204,833,602	57,833,602



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Schedule 2 – Reserves & Surplus

S.NO.	Particulars	Amount (in Rs.) as at 31-03-2009	Amount (in Rs.) as at 31-03-2008
1	Contribution towards Deposit Works	371,921,213	372,272,323
2	Grant received from Govt. of Uttarakhand	20,903,038	20,903,038
	Total	392,824,251	393,175,361



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Schedule 3 – Secured Loans

S.NO.	PARTICULARS	Amount (in Rs.) as at 31-03-2009	Amount (in Rs.) as at 31-03-2008
1	R.E.C. I (Guaranteed by Government of Uttarakhand)	858,875,146	981,571,595
2	R.E.C. II (Secured By Hypothecation of Sub-Stations)	1,028,112,000	1,028,112,000
3	NABARD (Through Government of Uttarakhand)	2,154,052,400	2,276,015,400
4	Power Finance Corporation (Secured By Hypothecation of Sub-Stations)	147,796,000	-
	TOTAL	4,188,835,546	4,285,698,995

Schedule 4 – Unsecured Loans

S.NO.	PARTICULARS	Amount (in Rs.) as at 31-03-2009	Amount (in Rs.) as at 31-03-2008
1	UTTARAKHAND 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				Closing Bal. as on 31-03-09 (Rs.)	Net Block as on 31.3.2009 (Rs.)
		Opening Bal. As on 1-04-2008 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Closing Bal. as on 31-03-09 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Closing Bal. as on 31-03-09 (Rs.)		
1	2	3	4	5	6	7	8	9	10	11
1	Land and Rights	62622050	173072537	0	235694587	871210	5906337	0	6867547	228827040
2	Buildings	371061129	44330	0	371105459	159730020	11206715	0	170936735	200168724
3	Hydraulic Works	189287	0	0	189287	108944	6436	0	115380	73907
4	Other Civil Works	15886229	0	0	15886229	8810266	479764	0	9290030	6598199
5	Plant & Machinery	2561749793	108666281	0	2670416074	1400568503	205070372	0	1605638875	1064777199
6	Lines & Cable Network	2223338218	38939753	0	2262267971	3950558088	118680306	0	513738394	1748529576
7	Vehicles	7670563	0	0	7670563	7670563	0	0	7670563	0
8	Furniture and Fixtures	3523479	3410321	0	6933800	948014	667697	0	1615711	5318089
9	Office Equipment	1765931	8658095	0	7424026	830110	586779	0	1416889	6007137
	TOTAL	5247796678	32791317	0	557587994	1974595717	342694406	0	2317290124	3260297871
	PREVIOUS YEAR TOTAL	3925349063	1320058004	1130389	5147796678	1658387635	306683083	475000	1974595717	3273200960
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Schedule 6 - Capital Works-in-Progress

SL NO.	PARTICULARS	Balance as on 01.04.2008 (Rs.)	Additions during the year (Rs.)	Revenue Exp Charged to CWIP during the year (Rs.)	Capitalisation during the year (Rs.)	Balance as on 31.03.09 (Rs.)
1	2	3	4	5	6	(3+4+5-6)=7
1	Capital Works-in-Progress	2,891,287,554	504,968,349	157,643,998	320,722,901	3,233,177,000
2	Revenue Expenditure pending allocation over Capital Works	-	-	-	-	-
3	Advances to Suppliers and Contractors	324,345,400	195,833,551	-	13,705,631	506,473,320
	TOTAL	3,215,632,954	700,801,900	157,643,998	334,428,532	3,739,650,320
	PREVIOUS YEAR 2007-2008	3,639,598,259	795,176,349	163,366,175	1,382,507,829	3,215,632,954



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Current Assets, Loans and Advances

Schedule 7 – Current Assets

Particulars	Amount (in Rs.) as at 31-03-2009	Amount (in Rs.) as at 31-03-2008
Stores and Spares (As taken, valued and certified by the Management) :		
1. Stock Materials at Construction Stores	85,930,477	100,303,543
2. Stock Material at other Stores	145,281,897	179,174,862
3. Other Material Account	3,092,086	3,072,686
SUB TOTAL (A)	234,304,459	282,551,092
Sundry Debtors		
Debtors Outstanding for a period exceeding six months	-	-
Other Debtors (UPCL)		
- Considered good	231,319,522	524,369,519
Less:- Provision for Bad & Doubtful Debts	-	-
SUB TOTAL (B)	231,319,522	524,369,519
Cash & Bank Balances :		
Cash Balances		
Cash in hand (including imprest with employees)	302,311	102,196
Remittance in transit	(23,794,071)	(19,037,439)
Bank Balances		
• With Scheduled Banks		
In Current Account	30,513,786	8,840,058
In Deposits Account	584,951,058	625,560,482
SUB TOTAL (C)	591,973,083	615,465,297
TOTAL (A TO C)	1,057,597,065	1,422,385,908




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Schedule 8 – Loans and Advances

S.NO.	Particulars	Amount (in Rs.) as at 31-03-2009	Amount (in Rs.) as at 31-03-2008
	ADVANCES		
1	Sundry Receivables	550,265,414	497,648,081
2	Advances for O&M Supplies/Works	75,584,708	71,127,131
3	Loans & Advances to Staff	2,562,798	2,214,405
4	Inter Unit Transactions	86,167,149	81,745,712
5	Staff Pension & Gratuity Fund	-	20,627,599
	TOTAL	714,580,069	673,362,928



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Schedule 9 – Current Liabilities & Provisions

S.No.	Particulars	Amount (in Rs.) as at 31-03-2009	Amount (in Rs.) as at 31-03-2008
(A)	Current Liabilities:		
1	SUNDRY CREDITORS :		
	-For Capital Supplies/Works	241,826,523	255,981,501
	-For O&M Supplies/Works	98,345,051	85,859,188
	-For Expenses	49,039,411	33,306,111
	-For Inter Unit Transfers	8,213,771	4,573,560
2	Deposits for Electrification etc.	642,648,798	477,085,359
3	Deposits & Retention Money from supplier / contractors	170,550,362	167,728,947
(B)	Provisions:		
1	Staff Related Liabilities & Provisions	354,849,823	254,079,120
2	Other Liabilities & Provisions	117,186,993	112,977,080
	TOTAL	1,682,660,732	1,391,590,866



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SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

Schedule 10 – Gross Revenue from Wheeling Charges

Particulars	Amount (in Rs.) 2008-09	Amount (in 2007-08
Revenue from Wheeling Charges	867,100,000	911,900,000
Less:- Prior Period Income	-	131,700,000
Total	867,100,000	780,200,000



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Schedule 11 – Other Income

Particulars	Amount (in Rs.)	Amount (in Rs.)
	2008-09	2007-08
Interest	-	7,391,050
Delayed payment charges from Contractors/ Suppliers	1,513,166	15,128,439
Miscellaneous Receipts	3,605,446	4,515,853
Total	5,118,612	27,035,342

NOTE: THE INTEREST IN THE CURRENT YEAR ON FDRs AMOUNTING TO RS. 74517756/- 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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Schedule 12 – Repairs and Maintenance Expenses

Particulars	Amount (in Rs.)	Amount (in Rs.)
	2008-09	2007-08
Repairs and Maintenance – Plant and Machinery	75,264,615	59,823,253
Repairs and Maintenance – Building & Civil Works	5,482,814	6,307,331
Repairs and Maintenance – Lines, Cables Works etc.	18,363,547	11,861,758
Repairs and Maintenance – Others	-	92,403
Total	99,110,975	78,084,745



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Schedule 13 – Employees Cost

Particulars	Amount (in Rs.)	Amount (in Rs.)
	2008-09	2007-08
Salaries, wages, allowances and bonus (Excluding Director's Remuneration)	255,041,388	230,320,131
Director's Remuneration	1,487,884	789,966
Staff Welfare Expenses	35,317,510	36,992,773
Terminal Benefits	45,748,534	40,513,517
Total Employees Cost	337,595,316	308,616,387
Less: Employee cost charged to Capital Work in Progress	26,700,796	7,396,315
Net Employees Cost	310,894,520	301,220,072
Prior Period Expenditure of Salary transfer to Appropriation A/c	11,738,000	-



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Schedule 14 – Administrative Expenses

Particulars	Amount (in Rs.) 2008-09	Amount (in Rs.) 2007-08
Rent, Rates and Taxes	4,714,141	1,714,196
Electricity and Water Charges	247,830	83,926
Insurance Expenses	121,402	236,049
Telephone & Communication Expenses	4,390,921	3,505,706
Printing and Stationery	1,208,941	772,089
Traveling and Conveyance	7,417,755	5,425,604
Legal & Professional Charges	6,470,649	3,033,226
Audit Fees	1,431,500	1,315,000
Advertisement Expenses	6,205,844	4,130,375
Miscellaneous Expenses	16,699,998	14,224,752
Compensation Expenses to Staff and Outsiders	294,990	1,758,982
U.E.R.C. License Fees	37,558,753	37,904,218
Govt. Guarantee Fees (1% of Outstanding Loan Amount)	8,588,751	29,623,736
Total Administrative Expenses	95,351,474	103,727,860
Less: Administrative Expenses charged to Capital Work in Progress	7,775,202	3,008,814
Net Administrative Expenses	87,576,272	100,719,046

Note : Fringe Benefit Tax amounting to Rs. 610000.00 has been transferred to P&L Appropriation A/c, which is not included in the above expenditure heads.




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Schedule 15 – Extra Ordinary Items

Particulars	Amount (in Rs.)	Amount (in Rs.)
	2008-09	2007-08
Obsolete Stock written off	430,232	-
Total	430,232	-



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Schedule 16 – Interest and Other Financial Charges

Particulars	Amount (in Rs.)	Amount (in Rs.)
	2008-09	2007-08
Interest on Loans	345,627,854	313,796,758
Other Financial and Bank Charges	17,086	76
Total Interest and Other Financial Charges	345,644,940	313,796,834
Less: Interest Charges Charged to Capital Work in Progress	123,168,000	152,961,046
Net Interest and Other Financial Charges	222,476,940	160,835,788



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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Amount in Crores)

	PARTICULARS	For the year ended 31.03.2009	For the year ended 31.03.2008
A	CASHFLOW FROM OPERATING ACTIVITIES:		
	Net Profit/(loss) before tax and extra-ordinary items	(19.05)	(0.81)
Add	Adjustment for:		
	Depreciation	34.27	30.62
	Interest and Other finance charges paid	34.56	31.38
	Provisions for Fringe benefit tax		
	Excess provision written back		-
	Interest Income	-	(0.74)
	Operating Profit Before Working Capital Changes	49.78	60.45
Add	Adjustment for Working Capital Changes		
	Increase/(Decrease) in Inventory	4.82	(0.07)
	Increase/(Decrease) in Debtors	29.30	(48.21)
	Increase/(Decrease) in Loans and Advances	(4.12)	(11.41)
	Increase/(Decrease) in Current Liabilities	29.11	7.92
	Cash Flow from Operations	108.89	8.68
	Less- Fringe benefit tax & Extra ordinary itmes	1.27	
	Net Cash from Operating Activities	107.63	8.68
B	CASHFLOW FROM INVESTING ACTIVITIES:		
	Purchase & Sale of Fixed assets	(32.98)	(131.84)
	Capital Work -in -progress	(52.40)	42.40
	Interest income	-	0.74
	Net Cash from Investing Activities	(85.38)	(85.38)
C	CASHFLOW FROM FINANCING ACTIVITIES:		
	Increase in Capital	19.70	36.86
	Increase in Loans Balances & Cash Credit	(9.69)	81.96
	Increase in Contribution & Grants	(0.04)	2.09
	Interest and Other finance charges paid	(34.56)	(31.38)
	Net Cash from Financing Activities	(24.58)	89.53
D	NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	(2.34)	9.50
E	OPENING CASH & CASH EQUIVALENTS	61.54	52.04
	CLOSING CASH & CASH EQUIVALENTS	59.20	61.54

For Sharma Kathuria & Co.

Chartered Accountants



(CA Sanjay Sharma)

Partner

M.No. :- 091042

FRN:- 15268N

Place:- DEHRADUN

Date:- 05/04/2011

For & behalf of Power Transmission Corporation of Uttarakhand

(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 31.03.2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009.

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 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. 188,81,40,313.36 (Previous year Rs. 188,81,40,313.36) as per schedule 4 has been considered as Interest free unsecured loan being a no terms and conditions have been stipulated in the transfer scheme as stated above.

2. Authorized Share Capital of the Corporation is Rs.200 Crores (previous year Rs. 200 crores).
3. The Company, Power Transmission Corporation of Uttarakhand Limited has received Equity Share Capital amounting to Rs.19.70 Crores (previous year Rs. 36.86 Crores) from the Government of Uttarakhand during the year 2008-09. Allotment of shares against the same has been made to the extent of Rs.5.00 Crores (previous year Rs 40.00 Crores) share Application Money Pending Allotment as on 31.03.2009 is Rs.20.48 Crores.(Previous year Rs. 5.78 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. 165.57 crores (Previous year Rs. 274.97 crore instead of Rs. 31.55 crores which has been shown in previous year disclosure) in respect of contracts executed from the date of incorporation of PTCUL to 31st march, 2009.

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- (b) The estimated 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 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 2008-09 as follows:-

(Amount in Rupees)		
Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Audit fees- Current year (excluding service tax)	166375.00	151250.00
Provision for Reimbursement of expenses	110000.00	115000.00
Total	276375.00	266250.00

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 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.
10. Inter-Units Balances amounting to Rs 861.67 lacs (net) (Previous year 817.46 lacs) 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 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 110.60 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 31.03.09 which is under reconciliation with UPCL.

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15. The employees cost charged to Capital WIP during the year amounting to Rs 267.00 lacs (Previous year Rs. 73.96 lacs) as per schedule 13 is based on actual expenditure of Projects.

16. Director's Remuneration:

(Amount in Rupees)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Salaries and Allowances	1487884.00	789966.00
Perquisites/reimbursement	110716.00	2945.00
Total	1598600.00	792911.00

17. Related Party Disclosure:

KEY MANGEMENT PERSONNEL:

Shri Shatrughan Singh	Chairman (w.e.f. 28.06.2007 to 29.01.09)
Shri P.K Sarangi	Chairman (w.e.f. 30.01.2009)
Shri A.K. Jain	Director (w.e.f. 24.01.2007)
Shri P.C. Sharma	Director (w.e.f. 03.12.2007)
Smt.Radha Raturi	Director (w.e.f 03.12.2007)
Shri C. Bhaskar	Director (w.e.f. 03.12.2007)
Shri S.Jain	Director (w.e.f. 01.12.2008)
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)
Shri S.K Rath	Director (w.e.f. 29.02.2008)

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 37,22,72,323/-) 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.
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 80857865.05 (Previous year Rs. 54062899.05) 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 from the financial year 2004-05 and onward and the value of lease hold property acquired during the year amounting to Rs.17.31 crores had been amortized over the period of 30 years on notional basis from the financial year 2008-09 and onwards.



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22. 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.
23. 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.
24. 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.
25. 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, 2009. No payment is due for more than 30 days as at 31st March, 2009 in respect of purchases/services made from Small Scale/ancillary industries.
26. 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 2009

(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.	50000
Bonus Issue	NIL

(iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :

(Amount in thousands)

Total Liabilities	7692501
Total Assets	7692501
Sources of funds	
Paid up Capitals	1018000
Share Application money	204834
Reserve and Surplus	392824
Secured Loans	4188835
Unsecured Loans	1888007
Grants in Aid	NIL
Application of funds	
Net Fixed Assets	3260298
Capital Work-in-Progress (including Construction, Stores and Advances)	3739650
Investments	NIL
Net Current Assets	89516
Miscellaneous Expenditure	NIL
Accumulated Losses	603036

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(iv) PERFORMANCE OF COMPANY :

(Amount in thousands)

Turnover/ Income	867100
Other Income	5119
Total Expenditure	1062753
Profit / (Loss) before Tax	(190535)
Profit/ (Loss) after MAT and Deferred tax	(190535)
Prior Period expenditures	12778
Profit /(Loss) for the year brought down	(203313)
*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

27. Figures have been rounded off to the nearest rupees.
28. Previous year's figures have been regrouped/rearranged/recast, wherever necessary, to make them Comparable with the current year's figures.
29. 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. 52708839/-.
30. All expenditures have been booked on accrual basis. The impact of salary expenditure of Rs 11738000 w.e.f 2004-05 to 2007-08 has been incorporated in accounts of 2008-09 as Prior Period item.
31. The non moving stock estimated approximately 10% of total in stock (stock as per transfer scheme) is being written off @ 2% every year from F.Y 2008-09 onwards as per approval of Board of Directors.



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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 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.

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.37,19,21,231/- have been shown in Schedule-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.



Annual Report (PTCUL) 2008-09

- 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 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.
- 6.7 The non moving stock approximately 10% of material in stock (stock as per transfer scheme) is being written off @ 2% 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).



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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 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 M/s Sharma Kathuria & CO.
CHARTERED ACCOUNTANTS

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

(J.M. LAL)
Managing Director

Director

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

Place: DEHRADUN
Date: 05/04/2011

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