

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

16. Director's Remuneration:

(Amount in Rupees)

| Particulars               | Year ended 31.03.2011 | Year ended 31.03.2010 |
|---------------------------|-----------------------|-----------------------|
| Salaries and Allowances   | 2418311.00            | 1519232.00            |
| Perquisites/reimbursement | 53246.00              | 53488.00              |
| <b>Total</b>              | <b>2471557.00</b>     | <b>1572720.00</b>     |

17. Related Party Disclosure:

**KEY MANGEMENT PERSONNEL:**

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

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

18. Deferred tax Assets after setting off Deferred tax Liabilities has not been considered in account on prudent basis as the company is not certain about the income available in future due to past accumulated unabsorbed losses.
19. Contribution towards deposit works of Rs.37,19,21,213/- (Previous year Rs 37,19,21,213/- ) as per schedule 2 has been shown under Contribution, Grant and subsidies towards cost of Capital assets in respect of completed deposit works and the same amount has been shown under the respective head of capital assets under fixed assets.
20. As per Transfer Scheme (31-05-2004) the on going projects shall be transfer to UPCL after completion of work. Total value of on going projects upto 33 KV amounting to Rs 5,45,43,709.05 (Previous year Rs. 8,09,21,082.05) is being shown under schedule -6.
21. The Sub-Audit Committee of the Board has assumed that the Lease hold Property is for a period of 99 years and the values of lease hold property amounting to Rs.2.25 crores had been amortized over the period of 99 years on notional basis and the value of lease hold property acquired during the year



2008-09 amounting to Rs.17.31 crores and during the year 2010-11 amounting to Rs. 12.70 crores had been amortized over the period of 30 years on notional basis.

22. The company has given 1166 sq. meter and 1634 sq. meter of land to UERC on 29.08.07 & 22.10.08 respectively on 99 years lease.
23. The Corporation does not have more than one reportable segment in terms of Accounting Standard No.17 issued by the Institute of Chartered Accountants of India. Hence AS-17 does not apply. Similarly there are no related party transactions hence AS- 18 does not apply.
24. There are many old debit and credit balances which are outstanding for more than three years lying in various payable and receivable accounts. These are unconfirmed and suitable action plan is awaited for adjustment of these accounts awaiting necessary actions for proper adjustment.
25. Provision for Impairment loss as required under Accounting Standard-28 on Impairment of Assets is not made as in the opinion of management there is no impairment of the Corporation's Assets in terms of AS-28.
26. Based on the information available with the Company, there are no supplier/service providers who are registered as Micro, Small or Medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as on 31<sup>st</sup> March, 2011. No payment is due for more than 30 days as at 31<sup>st</sup> March, 2011 in respect of purchases/services made from Small Scale/ancillary industries.
27. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

(i) REGISTRATION DETAILS :

|                    |                             |
|--------------------|-----------------------------|
| Registration No.   | 28675                       |
| State Code         | 20                          |
| Balance Sheet date | 31 <sup>st</sup> March 2011 |

(ii) CAPITAL RAISED DURING THE YEAR :

(Amount in thousands)

|  |        |
|--|--------|
| Public Issue   | NIL    |
| Right Issue  | NIL    |
| Private Placement, pursuant to a contract, for consideration other than cash Issued to State Govt. | 382933 |
| Bonus Issue  | NIL    |

(iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :

(Amount in thousands)

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

Annual Report (PTCUL) 2010-11



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

(iv) PERFORMANCE OF COMPANY :

(Amount in thousands)

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

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

GENERIC NAMES OF PRINCIPAL PRODUCT/ SERVICE OF COMPANY :

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

28. Figures have been rounded off to the nearest rupees.
29. Previous year's figures have been regrouped/rearranged/recast, wherever necessary, to make them Comparable with the current year's figures.
30. All expenditures have been booked on accrual basis.
31. The non moving stock estimated approximately 10% of total in stock (stock as per transfer scheme) is being written off @ 2% of obsolete stock every year from F.Y 2008-09 onwards as per approval of Board of Directors. The Current Year value of written off non-moving stock is Rs. 430232-00 (Previous Year value is Rs 430232.00) as per schedule No.15.



## 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 Companies Act, 1956 and rules made there under.
- 1.2 The Financial Statements are prepared under the Historical Cost Convention following Accrual System of accounting on a going concern concept and in consistent with the accounting policies.
- 1.3 Accounting Policies are consistent with Generally Accepted Accounting Principal (GAAP) except wherever stated other wise.
- 1.4 The Corporation recognizes significant items of Income and Expenditure on accrual basis and the same are charged to relevant heads of accounts.
- 1.5 Insurance and other Statutory Claims, Refund of Custom Duty and interest on Income Tax and Trade Tax, if any are to be accounted for on Cash Basis.
- 1.6 Interest on Loans to staff is accounted for on receipt basis after recovery of principal in full.
- 1.7 Interest on deposits with various banks is accounted for on Accrual basis.

### 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 on large projects and on average basis on other additions made during the year in accordance with the rates prescribed in Appendix VI to Para 362 of Chapter IX of Central Electricity Regulatory Commission and also adopted by the State Commissions.
- 3.3 The amount of various works completed has been included and shown under the Fixed Assets (schedule -5) under the respective heads. However, the contribution towards deposit works of Rs.37,19,21,231/- have been shown in Schedule-2.

### 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.
- 4.4 Value of Construction Stores, are charged to Capital Works-in-Progress as and when material is issued. The material at the year end and lying at site is treated as part of the Capital Work-in-Progress, but the material lying in the stores is grouped under the head Stores and Spares.
- 4.5 Employees Cost incurred on supervision of Capital works are Capitalized on the basis of actual expenditure incurred for the Projects.
- 4.6 The amount incurred upto 33 K.V. shall be transferred to UPCL after completion of works until that it will be shown under the Sechedule-6 Capital work in progress.

5. **BORROWING COST:**

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

6. **INVENTORIES**

- 6.1 The cost of inventories is valued at cost on FIFO/ Weighted average method basis except for side-stores which are valued at issue price.
- 6.2 Stores and spares are valued at invoice cost.
- 6.3 Stock of unserviceable material and steel scrap is valued at realization value.
- 6.4 Value of scrap other than steel scrap is accounted for in the accounts as and when sold.
- 6.5 Any shortage/ excess of materials found during the physical verification at the year end are first shown as material short/ excess pending investigation till the finalization of investigation and thereafter any excess, if established, is shown under the head of income. Similarly, shortages are either recovered from staff concerned or charged to the profit and loss account as the case may be.
- 6.6 Shortage/ loss due to theft or any other reason are first debited to the head Misc. Advance against staff and are shown as Current Assets till the finalization of enquiry/ settlement of the case. After the completion of enquiry the value of shortage/Loss due to theft is either recovered from staff or transferred to P/L Account as per the decision of enquiry.
- 6.7 The non moving stock approximately 10% of material in stock ( stock as per transfer scheme) is being written off @ 2% of obsolete stock every year from F.Y 2008-09 onward.

7. **PROFIT AND LOSS ACCOUNT:**

7.1 **INCOME RECOGNITION**

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

**Annual Report (PTCUL) 2010-11**



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

7.1.3 Interest on fixed deposits kept with bank is accounted for on Accrual basis, as the deposits are held against long term loans and on capital account.

## 7.2 EXPENDITURE

7.2.1 Depreciation is charged on Straight Line Method as per rates prescribed in Appendix VI to Para 362 of Chapter IX of Central Electricity Regulatory Commission and also adopted by the State Commissions.

7.2.2 Depreciation on Fixed Assets is provided on the assets in existence at the beginning of the year and on pro-rata on large projects and on average basis on other additions made during the year.

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

## 8. RETIREMENT BENEFITS:

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

## 9. INVESTMENTS:

9.1 Investments, if any, are stated at cost.

## 10. CONTINGENT LIABILITIES


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

## 11. CASH FLOW STATEMENT

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

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

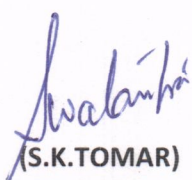
For M/s Sharma Kathuria & CO.  
CHARTERED ACCOUNTANTS

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



  
Managing Director

  
Director

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

Place: DEHRADUN  
Date: 05/11/2011

Annual Report (PTCUL) 2010-11