



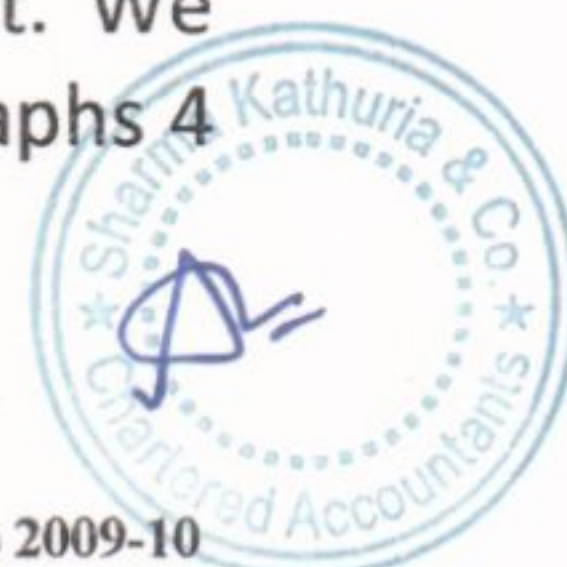
**Sharma Kathuria & Co.**  
Chartered Accountants

**AUDITOR'S REPORT**

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

1. We have audited the attached Balance Sheet of **POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED, Dehradun**, as at 31<sup>st</sup> March 2010 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 Though the said Act has repealed the Electricity (Supply) Act, 1948 and Electricity Regulatory Commission Act, 1948, certain provisions of the repealed Acts, to the extent they are not inconsistent with the provisions of said Act, continued to be applied by the Company while preparing the financial statements.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) 2009-10



51, Adarsh Nagar, Rishikesh, U.A.  
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509, DDA Building, Plot No. 4, District Centre, Laxmi Nagar, Delhi - 110092  
E-mail : skco@rediffmail.com, skcoca@yahoo.com, caskco@gmail.com  
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**Sharma Kathuria & Co.**  
**Chartered Accountants**

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:-



Annual Report (PTCUL) 2009-10





## Sharma Kathuria & Co.

### Chartered Accountants

- i) In the case of the Balance Sheet, of the State of the affairs of the Company as at 31<sup>st</sup> March 2010 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: 06.08.2011

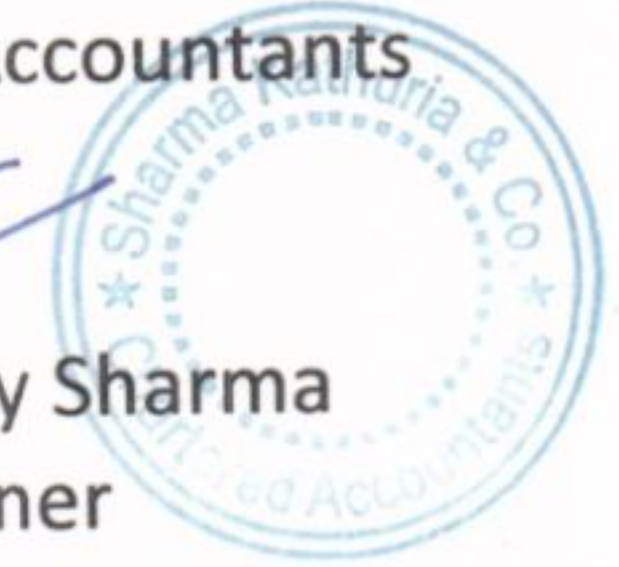
For Sharma Kathuria & Co.  
Chartered Accountants

CA Sanjay Sharma

Partner

M.No.-091042

F.R.N. 15268N



Annual Report (PTCUL) 2009-10

51, Adarsh Nagar, Rishikesh, U.A.  
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**Sharma Kathuria & Co.**  
**Chartered Accountants**

5. The Company has not accepted any deposits from the public.
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 31<sup>st</sup> March 2010 for a period of more than six months from the date they became payable.
8. The company has accumulated losses of Rs 8731.26 Lacs (previous year Rs.6030.36 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.



Annual Report (PTCUL) 2009-10





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

12. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
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. 1842.46 Lacs (Prev. year Rs. 1477.96 Lacs) |
| (ii) | From REC | Rs. 6079.85 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: 06.08.2011

For Sharma Kathuria & Co.  
Chartered Accountants

  
CA Sanjay Sharma  
Partner

M.No.-091042  
F.R.N. 15268N

Annual Report (PTCUL) 2009-10





**Sharma Kathuria & Co.**  
Chartered Accountants

**'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 2010:**

1. The party-wise break-up of outstanding balances as on 31.03.2010 for the amount due to or receivable from suppliers /contractors/employees/other parties has not been maintained. The balances of these accounts and secured & unsecured loans Accounts are subject to confirmation and reconciliation. There are many old debit and credit balances which are laying for more than three years lying in various payable and receivable accounts. These accounts are awaiting necessary actions for proper adjustment. The effect thereof on the accounts is not ascertainable.
2. In the balance sheet as on 31.03.2010, 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 75.44 crore (net) (Previous year Rs. 8.62 crores (net)) (debit) as per schedule 8 and balance amounting to Rs 77.18 Lacs (Previous year Rs. 82.14 Lacs) (credit) as per schedule 9 are under reconciliation the effect thereof on the accounts is not ascertainable.
4. An Amount of Rs 1313.93 Lacs (Previous year Rs. 1171.87 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 31.03.10, 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 and Liabilities to that extent have been over stated.

Annual Report (PTCUL) 2009-10








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

6. Land and Rights of Rs 2356.95 Lacs (Previous year Rs. 2356.95 Lacs) and Lease Hold Lands of Rs 1955.72 Lacs (Previous year Rs.1955.72 Lacs) as per schedule 5 in different divisions of the corporation are amortized (the values of lease hold property amounting to Rs.2.25 crores had been amortized over the period of 99 years on notional basis from F.Y 2004-05 and onwards and the value of lease hold property acquired during the year 2008-09 amounting to Rs.17.31 crores had been amortized over the period of 30 years on notional basis).
7. Store Spares of Rs 2203.44 Lacs (Previous year Rs. 2343.04 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. 7311.14 Lacs (Previous year Rs. 5849.51 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: 06.08.2011

For Sharma Kathuria & Co.  
Chartered Accountants

  
CA Sanjay Sharma  
Partner

M.No.-091042  
F.R.N. 15268N

Annual Report (PTCUL) 2009-10



# Power Transmission Corporation of Uttarakhand Limited

BALANCE SHEET AS AT 31-03-2010

Particulars	Schedule Ref.	Amount (in Rs.) 31-03-2010	Amount (in Rs.) 31-03-2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders Funds</b>			
Share Capital	1	1,388,000,000	1,018,000,000
Share Application Money	1	332,933,602	204,833,602
<b>Reserves and Surplus</b>	2		
Capital Reserve			
Contributions, Grants and Subsidies		392,824,251	392,824,251
<b>Loan Funds</b>			
Secured loans	3	4,556,758,528	4,188,835,546
Unsecured loans	4	1,888,007,313	1,888,007,313
<b>TOTAL</b>		<b>8,558,523,694</b>	<b>7,692,500,712</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	5		
Gross block		6,128,125,198	5,577,587,994
Depreciation		2,540,894,729	2,317,290,124
Net block		3,587,230,469	3,260,297,871
<b>Capital Works-in-Progress</b>	6	3,121,511,633	3,739,650,320
<b>Current Assets, Loans and Advances</b>			
Current Assets	7	1,205,744,890	1,057,597,065
Loans and Advances	8	1,419,964,765	714,580,069
<b>Less: Current Liabilities and Provisions</b>	9	1,649,053,709	1,682,660,732
<b>Net Current Assets</b>		<b>976,655,946</b>	<b>89,516,401</b>
Profit and Loss Appropriation Account (Accumulated losses)		873,125,646	603,036,121
<b>Total</b>		<b>8,558,523,694</b>	<b>7,692,500,712</b>
NOTES TO ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	17		

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

For & behalf of Power Transmission Corporation of Uttarakhand Ltd.

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

Managing Director

Director

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

Place:- DEHRADUN  
Date:-

06082011



# Power Transmission Corporation of Uttarakhand Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule Ref.	Amount (in Rs.) 2009-10	Amount (in Rs.) 2008-09
<b>(A) Income</b>			
Gross revenue from wheeling charges	10	758,100,000	867,100,000
Other Income	11	28,738,700	5,118,612
<b>Total (A)</b>		<b>786,838,700</b>	<b>872,218,612</b>
<b>(B) Expenditure</b>			
Repairs & Maintenance expenses	12	122,478,271	99,110,975
Employees Cost	13	339,719,537	310,894,520
Administrative Expenses	14	92,380,598	87,576,272
Interest and other Financial Charges	16	278,314,981	222,476,940
Depreciation	5	223,604,605	342,694,406
		<b>1,056,497,993</b>	<b>1,062,753,114</b>
<b>(C) Provisions</b>			
Provision for Bad & Doubtful Debts		-	-
<b>Total (B)</b>		<b>1,056,497,993</b>	<b>1,062,753,114</b>
<b>Profit before Taxes (A) - (B)</b>		<b>(269,659,293)</b>	<b>(190,534,502)</b>
<b>Profit / (Loss) after taxes</b>		<b>(269,659,293)</b>	<b>(190,534,502)</b>
<b>Amount available for Appropriation Carried down</b>		<b>(269,659,293)</b>	<b>(190,534,502)</b>

For Sharma Kathuria & Co.  
Chartered Accountants

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

Place:- DEHRADUN  
Date:-

06082011

For & behalf of Power Transmission Corporation of Uttarakhand Ltd.

Managing Director

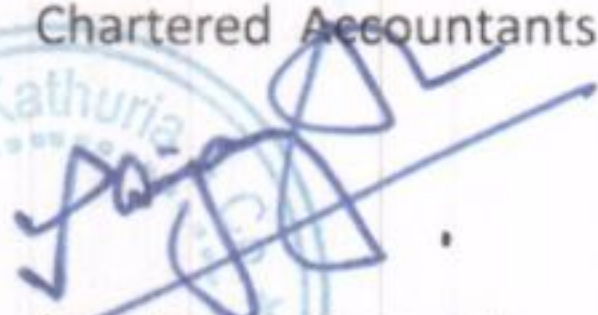
Director

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



Power Transmission Corporation of Uttarakhand Limited			
PROFIT & LOSS APPROPRIATION ACCOUNT			
Particulars	Schedule Ref.	Amount (in Rs.) 2009-10	Amount (in Rs.) 2008-09
Balance of Profit / Loss brought forward from the last year		(603,036,121)	
Amount brought forward from Profit and Loss Account		(269,659,293)	(190,534,502)
Add:-			
Other Income relating to Prior Periods		-	-
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	430,232
Profit / Loss for the year brought down		(270,089,525)	(203,312,734)
Amount carried to Balance sheet		(873,125,646)	

For Sharma Kathuria & Co.  
Chartered Accountants

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

Place:- DEHRADUN

Date:-

06082011

For & behalf of Power Transmission Corporation of Uttarakhand Ltd.

  
Managing Director

  
Director

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



**Power Transmission Corporation of Uttarakhand Limited****SCHEDULES FORMING PART OF THE BALANCE SHEET****Schedule 1 – Share Capital**

Particulars	Amount (in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-2009
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 13,88,000 (Previous Year 10,18,000) Equity Shares of Rs. 1000 each	1,388,000,000	1,018,000,000
Total Share Capital	1,388,000,000	1,018,000,000
Share Application Money (Amount received pending allotment)	332,933,602	204,833,602
Total Application Money	332,933,602	204,833,602



*[Handwritten signatures]*



# Power Transmission Corporation of Uttarakhand Limited

## Schedule 2 – Reserves & Surplus

S.NO.	Particulars	Amount (in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-2009
1	Contribution towards Deposit Works	371,921,213	371,921,213
2	Grant received from Govt. of Uttarakhand	20,903,038	20,903,038
	Total	392,824,251	392,824,251





**Power Transmission Corporation of Uttarakhand Limited**

**Schedule 3 – Secured Loans**

S.NO.	PARTICULARS	Amount (in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-2009
1	R.E.C. I & III ( Guaranteed by Government of Uttarakhand)	1,344,163,428	858,875,146
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)	1,852,440,800	2,154,052,400
4	Power Finance Corporation (Secured By Hypothecation of Sub-Stations )	332,042,300	147,796,000.00
	<b>TOTAL</b>	<b>4,556,758,528</b>	<b>4,188,835,546</b>

**Schedule 4 – Unsecured Loans**

S.NO.	PARTICULARS	Amount (in Rs.) as at 31-03-2010	Amount ( in Rs.) as at 31-03-2009
1	UTTARAKHAND GOVERNMENT LOAN	1,888,007,313	1,888,007,313
	<b>TOTAL</b>	<b>1,888,007,313</b>	<b>1,888,007,313</b>



*[Handwritten signatures and initials]*



# Power Transmission Corporation of Uttarakhand Limited

## Schedule 5 - Fixed Assets

SL. NO.	Assets Group	Gross Block			Provision of Depreciation					Net Block as on 31.3.2010 (Rs.)	Net Block as on 31.3.2009 (Rs.)
		Opening Bal. As on 1-04-2009 (Rs.)	Additions during the year (Rs.)	Deductions/ Adjustment during the year (Rs.)	Closing Bal. as on 31.03.10 (Rs.)	Opening Bal. As on 1-04-2009 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Closing Bal. as on 31-03-10 (Rs.)		
1	2	3	4	5	6	7	8	9	10	11	12
1	Land and Rights	235694587	0	0	235694587	6867547	5996337	0	12863885	222830702	228827040
2	Buildings	371105459	211333	2282485	369034307	170936735	6640716	0	177577451	191456857	200168724
3	Hydraulic Works	189287	0	0	189287	115380	3407	0	118787	70500	73907
4	Other Civil Works	15886229	0	0	15886229	9290030	285952	0	9575982	6310247	6596199
5	Plant & Machinery	2670416074	3132913	0	2673548987	1605638875	96385182	0	1702024056	971524930	1064777199
6	Lines & Cable Network	2262267971	544378137	0	2806646108	513738394	113278623	0	627017017	2179629091	1748529576
7	Vehicles	7670563	0	0	7670563	7670563	0	0	7670563	0	0
8	Furniture and Fixtures	6933800	1790496	0	8724296	1615711	469743	0	2085454	6638842	5318089
9	Office Equipment	7424026	3306809	0	10730835	1416889	544646	0	1961535	8769300	6007137
	TOTAL	5577587994	552819688	2282485	6128125198	2317290124	223604605	0	2540894729	3587230469	3260297871
	PREVIOUS YEAR TOTAL	5247796678	329791316.6	0	5577587994	1974595717	342694406	0	2317290124	3260297871	3273200961



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# Power Transmission Corporation of Uttarakhand Limited

## Schedule 6 - Capital Works-in-Progress

SL NO.	PARTICULARS	Balance as on 01.04.2009 (Rs.)	Additions during the year (Rs.)	Revenue Exp Charged to CWIP during the year (Rs.)	Capitalisation during the year (Rs.)	Balance as on 31.03.10 (Rs.)
1	2	3	4	5	6	(3+4+5-6)=7
1	Capital Works-in-Progress	3,233,177,000	649,984,589	146,185,569	1,397,639,118	2,631,708,039
2	Revenue Expenditure pending allocation over Capital Works	-	-	-	-	-
3	Advances to Suppliers and Contractors	506,473,320	328,272,755	-	344,942,482	489,803,593
	<b>TOTAL</b>	<b>3,739,650,320</b>	<b>978,257,344</b>	<b>146,185,569</b>	<b>1,742,581,599</b>	<b>3,121,511,633</b>
	PREVIOUS YEAR 2008-2009	3,215,632,954	700,801,900	157,643,998	334,428,532	3,739,650,320



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# Power Transmission Corporation of Uttarakhand Limited

## Current Assets, Loans and Advances

### Schedule 7 – Current Assets

Particulars	Amount ( in Rs.) as at 31-03-2010	Amount ( in Rs.) as at 31-03-2009
<b>Stores and Spares</b> (As taken, valued and certified by the Management) :		
1. Stock Materials at Construction Stores	59,010,106	85,930,477
2. Stock Material at other Stores	158,241,973	145,281,897
3. Other Material Account	3,092,086	3,092,086
<b>SUB TOTAL (A)</b>	<b>220,344,165</b>	<b>234,304,459</b>
<b>Sundry Debtors</b>		
Debtors Outstanding for a period exceeding six months	-	-
Other Debtors (UPCL)		
- Considered good	217,652,856	231,319,522
Less:- Provision for Bad & Doubtful Debts	-	-
<b>SUB TOTAL (B)</b>	<b>217,652,856</b>	<b>231,319,522</b>
<b>Cash &amp; Bank Balances :</b>		
<b>Cash Balances</b>		
Cash in hand (including imprest with employees)	234,760	302,311
Remittance in transit	(52,548,425)	(23,794,071)
<b>Bank Balances</b>		
• With Scheduled Banks		
In Current Account	88,947,817	30,513,786
In Deposits Account	731,113,718	584,951,058
<b>SUB TOTAL (C)</b>	<b>767,747,869</b>	<b>591,973,083</b>
<b>TOTAL (A TO C)</b>	<b>1,205,744,890</b>	<b>1,057,597,065</b>



Three handwritten signatures in blue ink.



# Power Transmission Corporation of Uttarakhand Limited

## Schedule 8 – Loans and Advances

S.NO.	Particulars	Amount ( in Rs.) as at 31-03-2010	Amount ( in Rs.) as at 31-03-2009
1	<b>ADVANCES</b> Sundry Receivables	568,798,626	550,265,414
2	Advances for O&M Supplies/Works	77,695,645	75,584,708
3	Loans & Advances to Staff	19,049,248	2,562,798
4	Inter Unit Transactions	754,421,246	86,167,149
	<b>TOTAL</b>	<b>1,419,964,765</b>	<b>714,580,069</b>



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# Power Transmission Corporation of Uttarakhand Limited

## Schedule 9 – Current Liabilities & Provisions

S.No.	Particulars	Amount ( in Rs.) as at 31-03-2010	Amount ( in Rs.) as at 31-03-2009
(A)	<b>Current Liabilities:</b>		
1	SUNDRY CREDITORS :		
	-For Capital Supplies/Works	222,146,950	241,826,523
	-For O&M Supplies/Works	88,733,152	98,345,051
	-For Expenses	32,956,706	49,039,411
	-For Inter Unit Transfers	7,717,871	8,213,771
2	Deposits for Electrification etc.	738,456,647	642,648,798
3	Deposits & Retention Money from supplier / contractors	111,382,091	170,550,362
(B)	<b>Provisions:</b>		
1	Staff Related Liabilities & Provisions	316,267,164	354,849,823
2	Other Liabilities & Provisions	131,393,128	117,186,993
	<b>TOTAL</b>	<b>1,649,053,709</b>	<b>1,682,660,732</b>





# Power Transmission Corporation of Uttarakhand Limited

## SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

### Schedule 10 – Gross Revenue from Wheeling Charges

Particulars	Amount ( in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-2009
Revenue from Wheeling Charges	758,100,000	867,100,000
Less:- Prior Period Income	-	-
<b>Total</b>	<b>758,100,000</b>	<b>867,100,000</b>



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## Power Transmission Corporation of Uttarakhand Limited

### Schedule 11 – Other Income

Particulars	Amount ( in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-09
Interest	90,486	-
Delayed payment charges from Contractors/ Suppliers	18,035,175	1,513,166
Miscellaneous Receipts	10,613,039	3,605,446
<b>Total</b>	<b>28,738,700</b>	<b>5,118,612</b>

NOTE: THE INTEREST IN THE CURRENT YEAR ON FDRs AMOUNTING TO RS. 24222500.75 (Previous Year Rs. 74517756.00) 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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## Power Transmission Corporation of Uttarakhand Limited

### Schedule 12 – Repairs and Maintenance Expenses

Particulars	Amount ( in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-2009
Repairs and Maintenance – Plant and Machinery	81,561,641	75,264,615
Repairs and Maintenance – Building & Civil Works	16,196,183	5,482,814
Repairs and Maintenance – Lines, Cables Works etc.	24,720,448	18,363,547
<b>Total</b>	<b>122,478,271</b>	<b>99,110,975</b>





## Power Transmission Corporation of Uttarakhand Limited

### Schedule 13 – Employees Cost

Particulars	Amount ( in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-2009
Salaries, wages, allowances and bonus (Excluding Director's Remuneration)	229,663,953	255,041,388
Arrear of VI Pay Commission	64,869,696	-
Director's Remuneration	1,572,720	1,487,884
Other Staff Cost /Welfare Expenses	41,035,914	35,317,510
Terminal Benefits	45,927,299	45,748,534
<b>Total Employees Cost</b>	<b>383,069,581</b>	<b>337,595,316</b>
Less: Employee cost charged to Capital Work in Progress	43,350,044	26,700,796
<b>Net Employees Cost</b>	<b>339,719,537</b>	<b>310,894,520</b>
		-



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## Power Transmission Corporation of Uttarakhand Limited

### Schedule 14 – Administrative Expenses

Particulars	Amount ( in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-2009
Rent, Rates and Taxes	9,351,747	4,714,141
Electricity and Water Charges	1,172,966	247,830
Insurance Expenses	118,834	121,402
Telephone & Communication Expenses	5,056,571	4,390,921
Printing and Stationery	1,426,417	1,208,941
Traveling and Conveyance	7,680,665	7,417,755
Legal & Professional Charges	4,573,036	6,470,649
Audit Fees	1,164,652	1,431,500
Advertisement Expenses	11,704,130	6,205,844
Miscellaneous Expenses	22,681,405	16,699,998
Compensation Expenses to Staff and Outsiders	2,415,267	294,990
U.E.R.C. License Fees	35,844,022	37,558,753
Govt. Guarantee Fees (1% of Outstanding Loan Amount)	7,361,787	8,588,751
<b>Total Administrative Expenses</b>	<b>110,551,499</b>	<b>95,351,474</b>
Less: Administrative Expenses charged to Capital Work in Progress	18,170,901	7,775,202
<b>Net Administrative Expenses</b>	<b>92,380,598</b>	<b>87,576,272</b>



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## Power Transmission Corporation of Uttarakhand Limited

### Schedule 15 – Extra Ordinary Items

Particulars	Amount ( in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-2009
Obsolete Stock written off	430,232	430,232
Total	430,232	430,232



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## Power Transmission Corporation of Uttarakhand Limited

### Schedule 16 – Interest and Other Financial Charges

Particulars	Amount ( in Rs.) as at 31-03-2010	Amount (in Rs.) as at 31-03-2009
Interest on Loans	362,912,353	345,627,854
Other Financial and Bank Charges	67,253	17,086
<b>Total Interest and Other Financial Charges</b>	<b>362,979,605</b>	<b>345,644,940</b>
Less: Interest Charges Charged to Capital Work in Progress	84,664,624	123,168,000
<b>Net Interest and Other Financial Charges</b>	<b>278,314,981</b>	<b>222,476,940</b>



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# Power Transmission Corporation of Uttarakhand Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Crores)

	PARTICULARS	For the year ended 31.03.2010		For the year ended 31.03.2009	
<b>A</b>	<b>CASHFLOW FROM OPERATING ACTIVITIES:</b>				
	Net Profit/(loss) before tax and extra-ordinary items	(26.97)		(19.05)	
<b>Add</b>	<b>Adjustment for:</b>				
	Depreciation	22.36		34.27	
	Interest and Other finance charges paid	36.30		34.56	
	Provisions for Fringe benefit tax				
	Excess provision written back				
	Interest Income	(0.01)		-	
	Operating Profit Before Working Capital Changes	<b>31.68</b>		<b>49.78</b>	
<b>Add</b>	<b>Adjustment for Working Capital Changes</b>				
	Increase/(Decrease) in Inventory	1.40		4.82	
	Increase/(Decrease) in Debtors	1.36		29.30	
	Increase/(Decrease) in Loans and Advances	(70.54)		(4.12)	
	Increase/(Decrease) in Current Liabilities	(3.36)		29.11	
	Cash Flow from Operations	<b>(39.46)</b>		<b>108.89</b>	
	Less- Fringe benefit tax & Extra ordinary itmes	0.04		1.27	
	<b>Net Cash from Operating Activities</b>		<b>(39.51)</b>		<b>107.63</b>
<b>B</b>	<b>CASHFLOW FROM INVESTING ACTIVITIES:</b>				
	Purchase & Sale of Fixed assets	(55.05)		(32.98)	
	Capital Work -in -progress	61.81		(52.40)	
	Interest income	0.01		-	
	<b>Net Cash from Investing Activities</b>	<b>6.77</b>	<b>6.77</b>	<b>(85.38)</b>	<b>(85.38)</b>
<b>C</b>	<b>CASHFLOW FROM FINANCING ACTIVITIES:</b>				
	Increase in Capital	49.81		19.70	
	Increase in Loans Balances & Cash Credit	36.79		(9.69)	
	Increase in Contribution & Grants	-		(0.04)	
	Interest and Other finance charges paid	(36.30)		(34.56)	
	<b>Net Cash from Financing Activities</b>	<b>50.30</b>	<b>50.30</b>	<b>(24.58)</b>	<b>(24.58)</b>
<b>D</b>	<b>NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>17.57</b>		<b>2.34</b>
<b>E</b>	<b>OPENING CASH &amp; CASH EQUIVALENTS</b>		<b>59.20</b>		<b>61.54</b>
	<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>		<b>76.77</b>		<b>59.20</b>

**For Sharma Kathuria & Co.**

Chartered Accountants

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

Place:- DEHRADUN

Date:-

06082011

For & behalf of Power Transmission Corporation of Uttarakhand

Managing Director

Director

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



# **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 31.03.2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2010.

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

1. As a part of Power reform Process for the State of Uttarakhand brought into effect by the Govt. of Uttarakhand the Uttarakhand Power Corporation Limited (UPCL). Consequent to the unbundling of UPCL On 31.05.2004 The Power Transmission Corporation of Uttaranchal Limited (PTCUL) was incorporated on 27.05.2004 as separate Company under the Companies Act, 1956 and assigned separately the business of Transmission of Electricity and State load dispatch centre (SLDC) Function in the state of Uttaranchal. The Scope of the business, Assets & Liabilities of the said entity and other incidental & Consequential matters were laid down in the detailed transfer scheme notified by the Govt. of Uttaranchal vide Notification No. 86/1/2004-06(3) 2003 dated 31.05.2004 and 87/1/2004-06(3) 2003 dated 31.05.2004. The Name of the Company was changed from Power Transmission Corporation of Uttaranchal Limited to Power Transmission Corporation of Uttarakhand Limited in February, 2007. and further vide its meeting held on 10th June, 2005 Board has directed that the function of State Load Dispatch Centre (SLDC) be separated from Power Transmission Corporation of Uttaranchal Ltd. by 01.10.2005.

The opening balances taken in the books of accounts as on 01-06-2004 during the period ending 31-03-2005 were provisional and subject to finalization and notification by the GoUA. The opening balances transferred from UPCL as on 31-05-2005 in respect of transmission business may undergo change upon finalization of provisional transfer scheme (Transfer of Assets and Liabilities) between UPCL and UPPCL as on 19-11-2001, from where originally the assets and liabilities were transferred.

The variation in value of assets transferred and liabilities taken over as on 31-05-2004, amounting to Rs. 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 by the GOU 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.49.81 Crores (previous year Rs. 19.70 Crores) from the Government of Uttarakhand during the year 2009-10. Allotment of shares against the same has been made to the extent of Rs.37.00 Crores (previous year Rs 5.00 Crores) share Application Money Pending Allotment as on 31.03.2010 is Rs.33.29 Crores.(Previous year Rs. 20.48 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. 294.69 crores (Previous year Rs. 165.57 crores) in respect of contracts executed from the date of incorporation of PTCUL to 31<sup>st</sup> March, 2010.
  - (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.

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5. Provision for Accrued Liabilities on account of Gratuity has been made for ½ month of salary on the amount of Basic Pay and D. A. paid to employees of the non pensioner scheme, however the amount payable as per Gratuity Act and other statutory Act to the employees over and above the provision made will be paid by the corporation. The company is in the process of obtaining a policy from the LIC to provide for the terminal benefits of its employees covered under EPF to comply with the requirement of AS-15 issued by the ICAI, which is mandatory in nature.
6. In case of employees covered under GPF, the Company follows the guidelines as per the provisions contained in G.O. No1.248/9-3-U/ Pension /2002 dated 21.10.2003. The Provisions for retirement benefits is made @2.30% for Gratuity and @16.78% for Pension. The Company is following the specific provision as per the above mentioned G.O. this automatically comply with the requirement of AS-15.
7. Provision has been made for Audit Fees and Expenses of Statutory Auditors for the period 2009-10 as follows:-

(Amount in Rupees)			
Particulars	Year ended 31.03.2010	Year ended 31.03.2009	
Audit fees- Current year (excluding service tax)	166375.00	166375.00	
Provision for Reimbursement of expenses	70000.00	110000.00	
<b>Total</b>	<b>236375.00</b>	<b>276375.00</b>	

8. Liabilities towards Staff Training, Medical Reimbursement & Leave Travel Concession (LTC) has been provided to the extent established.
9. The Depreciation has been provided at the Corporate Accounts Office w.e.f. 01.06.04 on Straight Line method on the value of Fixed Assets in use as on 31.05.2004 and pro-rata on additions made during the year in accordance with the rates prescribed in Appendix VI to Para 362 of Chapter IX of Central Electricity Regulatory Commission and also adopted by the State Commissions.
10. Inter-Units Balances amounting to Rs 75.44 crore (net) (Previous year 8.62 Crores (net)) as per schedule 8 are under reconciliation and the effect of reconciliation shall be provided in the ensuing years.
11. On an overall basis the Current Assets (Except Inventory for which decrease & depletion in not yet worked out), Loans and Advances have a value on realization in the ordinary course of business at least equal to amounts that are stated in the Balance Sheet.
12. As there is Business Loss during the year and also after considering depreciation as per Income Tax Act., no provision for Income Tax has been made for the Financial Year.
13. Provision for Leave Salary Contribution fund in the current year has been provided @ 11% of basic pay and DA, as provided earlier by UPCL.
14. An amount of Rs 11.24 crores (Previous year Rs 11.06 crores) as per schedule 9 shown under "Other Liabilities and Provisions" payable to UPCL represents amounts directly transferred by UPCL to various PTCUL units between 01.06.04.to 31.03.10 which is under reconciliation with UPCL.

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15. The employees cost charged to Capital WIP during the year amounting to Rs 4.34 crores (Previous year Rs. 2.67 crores) as per schedule 13 is based on actual expenditure of Projects.

**16. Director's Remuneration:**

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Salaries and Allowances	1519232.00	1487884.00
Perquisites/reimbursement	53488.00	110716.00
<b>Total</b>	<b>1572720.00</b>	<b>1598600.00</b>

**17. Related Party Disclosure:**

**KEY MANGEMENT PERSONNEL:**

Shri S. Singh	Chairman (w.e.f. 19.08.09 to 31.03.10)
Shri P.K Sarangi	Chairman (w.e.f. 30.01.2009 to 18.08.2009)
Shri U.K Singh	Director ( w.e.f. 31.03.10)
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 S.Jain	Director (w.e.f. 01.12.2008 to 31.03.2010)
Shri N.K Jha	Director (w.e.f. 31.03.2010)
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)
Shri J. M. Lal	MD ( I/C ) ,PTCUL (w.e.f. 18.07.2009)
Shri R.C.Agarwal	Director (F) (w.e.f. 30.09.2009 to 31.03.2010)

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 80921082.05(Previous year Rs. 80857865.05) 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 had been amortized over the period of 30 years on notional basis.





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 31<sup>st</sup> March, 2010. No payment is due for more than 30 days as at 31<sup>st</sup> March, 2010 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 <sup>st</sup> March 2010

(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.	370000
Bonus Issue	NIL

(iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :

(Amount in thousands)

Total Liabilities	8558524
Total Assets	8558524
<b>Sources of funds</b>	
Paid up Capitals	1388000
Share Application money	332934
Reserve and Surplus	392824
Secured Loans	4556759
Unsecured Loans	1888007
Grants in Aid	NIL
<b>Application of funds</b>	
Net Fixed Assets	3587230
Capital Work-in-Progress (including Construction, Stores and Advances)	3121512
Investments	NIL
Net Current Assets	976656
Miscellaneous Expenditure	NIL

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Accumulated Losses	873126
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(iv) PERFORMANCE OF COMPANY :

(Amount in thousands)

Turnover/ Income	758100
Other Income	28739
Total Expenditure	1056498
Profit / (Loss) before Tax	(269659)
Profit/ (Loss) after MAT and Deferred tax	(269659)
Prior Period expenditures (Extra Ordinary item written off )	430
Profit /(Loss) for the year brought down	(270089)
*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. 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% 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 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 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 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.
- 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% 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).





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 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

Place: DEHRADUN

Date:

06082011

Managing Director

Director

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

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