



P. D. Agrawal & Co.

Chartered Accountants

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AUDITORS' REPORT

To,
The Members,
UTTARAKHAND POWER CORPORATION LIMITED,
Urja Bhawan, Kanwali Road,
Dehradun 248 001.

We have audited the attached Balance Sheet of Uttarakhand Power Corporation Limited (Formerly known as Uttaranchal Power Corporation Ltd.) at 31.03.2012 and also the Profit & Loss Account for the year ended on that date annexe thereto and also the Cash Flow Statement for the year ended on that date. The name of the Company has been changed from "Uttaranchal Power Corporation Ltd." to "Uttarakhand Power Corporation Ltd." w.e.f. 2nd July, 2007. 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.

We conducted our audit in accordance with the 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 of material mis-statement. 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 Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. The Company has appointed a Statutory Branch Auditors for Kumaun Zone. The branch auditor report dated 31.01.2013 has been forwarded to us and has been appropriately dealt with.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred in paragraph-1 above we report that :
 - a. The accumulated losses of the company are more than fifty percent of its net worth. But the company has incurred cash losses during the financial year covered by our audit. However the management has prepared these financial statements on going concern concept.
 - b. As explained to us that the provision of interest on transfer scheme loan has been done over the years but the same has not been paid/ adjusted so far. As explained to us the transfer scheme loans



have not been decided yet. Thus as referred to in Point no.4 of Note No.9 of Balance sheet, the Company has not made any provision for interest on U. P. Govt. Loan of Rs. 67,73,24,295/- during the year. As a result the profit is overstated by amount of interest for the year, on the final accounts of the Company.

- c. On test check of the Bank Reconciliation, we have observed that cheques issued but not presented for payment are outstanding. Information with regards to all the units was not made available to us by the management. The amount of such cheques cannot be considered as liability of the Company and is required to be credited to profit and loss of the Company.
- d. Records/ Title deeds in respect of Land & Buildings included in Note No. 11(I) of Tangible Fixed Assets to the Balance Sheet have not been produced before us for our verification. The ownership rights and the charges or obligations, if any, against the fixed assets have not been provided for our verification. We are unable to comment upon the impact, if any, on the final accounts of the Company.
- e. The internal control system is not commensurate with the size of the Company and the nature of its business for the Sale of Electricity and Fixed Assets.
 - (a) Sale of Electricity: A major portion of Sales of energy is booked on the basis of provisional billing owing to Defective meter, incorrect meter reading, no reading. Furthermore sale is also being booked on inoperative debtors is not in conformity to the provisions of AS-9 "Revenue Recognition" issued by ICAI.
 - (b) There is inadequate control on the Fixed Assets due to non maintenance of Fixed Assets Register.
- f. The Company is subjected to Wealth Tax however the Company has neither filed return under Wealth Tax Act, 1957 nor made provision for the liability under the Act. The accounts are subject to the provision under the Act. Therefore Loss as well as corresponding liabilities is understated to the extent of non provision of such Wealth Tax Liability effect of which cannot be determined in the absence of proper details.
- g. As referred to Point No. 7.1 of Note no. 26 annexed to the Balance Sheet, the management has stated that the cost of inventories is valued as per weighted average cost method except for site store which are valued at issue price however the valuation of inventory of stock has not been done on 31.03.2012 as required by Accounting Standard-2 "Valuation of Inventories". Further the register containing other than store records displaying values of the stock has not been produced by the management for our verification. Huge inventory of obsolete damaged scrap items were observed for which the management has not made any accounting entries. Hence the impact, if any, on account of the above observation on the financial could not be determined. Profit & Loss account and value of inventory shown in the final accounts are subject to such adjustment.
- h. The Company has not made any accounting policies regarding amortization of lease hold property, in absence of any such policy the impact on the profit & loss cannot be ascertained and quantifies. However Fixed Asset Schedule shows Asset held under Lease.



- i. The balances in personal accounts, other receivables, loans and advances including accounts of Government Companies/ departments have not been reconciled and confirmed. The differences in balances, if any and their impact on the financial results and Balance Sheet could not be determined.
- j. The balances under the head Current Liabilities have not been reconciled and confirmed. The difference in balance and their impact on the financial statement cannot be ascertained.
- k. Interest has been capitalized in proportionate basis as prescribed in Electricity (Supply) (Annual Accounts) Rules, 1985 which overrides the provision of AS-16. Consequently effect of non-compliance of the above Accounting Standard could not be ascertained.
- l. As referred to Note No. 3 of the Balance Sheet, the balance under the head Inter Unit Balance of Rs. 58.11 Crores has not been reconciled. Consequential effect of the same on the financial statements cannot be ascertained. Detailed department wise breakup of inter unit balances has not been provided to us for our verification. Hence, impact if any, of such unexplained balances on the financial result and Balance Sheet could not be determined and commented upon.
- m. The Company has Internal Audit Wigs under the control of General Manager (Finance) to conduct the internal audit for the year 2010-11 and 2011-12. However, the internal audit has not been conducted till date. Department of Internal Audit are supposed to submit their report prior to finalization of accounts and management is required to comply the observation made by the Auditor.
- n. As referred to in Point no. 3 of Note No. 11(I) Tangible Fixed Assets of Balance Sheet, Depreciation on Vehicles has not been charged during the year.
- o. As referred to in Point no.(I) and (iii) of Note No. 11, Rs.5.86 crores- shown under the head Other Tubewell in CWIP, has not been capitalized in Fixed Assets. Profit & Loss shown in final accounts is subject to depreciation thereon.

3. We further Report that :

- a. As referred to in Note No. 14 of the Balance Sheet Rs. 2,018,178,945.00 being Stock Stores & Spares. No valuation certificates have been received and in absence of such report we are unable to comment upon the correctness of the same.

4. Further to our comments given above & comments on the annexure referred to above, we report that:

- i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit, except list of sundry receivable, sundry payables and loans and advances for the purpose of confirmation of balances, segregation of sundry receivables between more than six months and others as referred to point no.1 of note no.15 and Deeds & Documents for the asset owned by the Company, Internal Audit Report.



- ii. In our opinion proper books of accounts as required by law have been kept by the company however so far as it appears from our examination of the books no subsidiary records of capital work in progress and other Liabilities has been kept by the Company.
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts with reference to Point no. 1.2 of Note No.26 annexed to the Balance Sheet.
- iv. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards except AS-2, AS-10, AS-16, AS-28 and AS-29 referred to sub-section (3c) of Section 211 of the Companies Act, 1956.
- v. In pursuance to notification GSR 829 (E) dated 17.07.2003 issued by 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 a Government Company.
- vi. Subject to our observations in Point No. 1, Paras "a to o" of point 2 & Para "a" of point 3 as above and Point No. 1 of Note No.3. Point No. 1 to 6 of Note No.9, Point No. 2 & 4 of Note no.10, Point No. 1 to 4 of Note no.11(i), Point No. 1 of Note No. 11(iii), Point No.1 & 3 of Note. No. 16 and Point No. 1.2, 5, 8, 9.1 9.2. 12 of Note No. 26 of the Balance Sheet, in our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a. In the case of the balance sheet of the state of affairs of the company as at 31st March, 2012.
 - b. In the case of the Profit & Loss account of the Loss for the year ended on that date; and
 - c. In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

FOR P. D. AGRAWAL & CO.
Chartered Accountants

TARUN GUPTA
(Partner)
M.No.: 077468
Firm Regn. No.: 001049C

Place: Kanpur
Date : 28.07.2012



Annexure referred to in paragraph 1 of our Auditors Report of Uttarakhand Power Corporation Limited for the year ended 31st March, 2012.

I. In respect to Fixed Assets :

- a. As explained to us, no Fixed Assets Register has been maintained by the company during the year. The Company is in the process of maintaining records for fixed assets.
- b. As per the information and explanation given to us, the fixed assets of the company have not been physically verified by the management during the financial year 2011-12.
- c. In our opinion, the company has not disposed off a substantial part of fixed assets during the financial year. However, there were few fixed assets that have been disposed off during the year, but they did not affect the going concern.

II. In respect of inventories:

- a. The records of decentralized stores in respect of the physical verification of inventory have not been produced before us for verification. In absence of the complete record we are not in a position to comment whether frequency of verification is reasonable or not. Kindly refer paragraph 2(g) & 3(a) of our main Audit Report.
- b. We have been informed that physical verification of stock has been conducted by the management at centralized stores during the financial year 2011-12, but in absence of supporting documents of decentralized stores we are not in a position to comment whether procedures of physical verification of inventory followed as a whole by the management are reasonable and adequate in relation to the size of the company and the nature of its business. Kindly refer paragraph 2(g) & 3(a) of our main Audit Report.
- c. Records of inventories maintained at the decentralized stores in the computer are incomplete. In absence of complete records we are not in a position to comment whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so whether those material discrepancies have been properly dealt with in the books of account. Kindly refer paragraph 2(g) & 3(a) of our main Audit Report.



The Company has not taken/ granted any loan secured or unsecured from/ to companies; firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company had neither granted nor taken any loans, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and therefore paragraph 4(iii) of the said order is not applicable.

On the basis of our observations, we are of the opinion that the Company's Internal Control Systems are not commensurate with the size of the Company and the nature of its business for the Sale of Electricity and Fixed Assets. There is failure to correct the weakness in internal control system as pointed above. Kindly refer paragraph 2(e) of our main Audit Report.

In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.

The Company has not accepted any deposits from the public during the year except the security deposit received at the time of new connections under Audit within the meaning Section 58A & 58AA or any other relevant provisions of the companies Act, 1956. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this respect.

On the basis of our observation, we are of the opinion that Internal Audit system of the company is not adequate and commensurate with size and nature of the business of the company. The company has independent internal audit department but the internal audit department of the Corporation has not conducted the Internal Audit during the year, hence no Internal Audit Report has been produced before us to verify.

We have broadly reviewed the books of account maintained by the company relating to material, labour and other items of cost maintained by the company, pursuant to the Rules made by the Central Government for the maintenance of cost records as prescribed under Section 209 (1) (d) of the Companies Act 1956 and we are of the opinion that Prima Facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of records with a view to determine whether they are true or not.

- (a) The Company has not paid Electricity Duty and other levies thereon amounting to Rs. 375.73 Crores clubbed with other current liabilities in Note no. 9 of Balance Sheet subject to our observations in Main Audit Report. The Company has neither paid nor ascertained and provided for the applicable liability, if any, on account of Wealth Tax. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Sales Tax were in arrears as at 31st March 2012 for a period of more than six months from the date they became payable. Further in the case of Wealth Tax and TCS in the absence of required details (discussed in para 2(f) of main report) we are unable to ascertain the arrears of outstanding dues as at the 31st March 2012.
- (b) According to the information and explanation given to us there are no undisputed amount payable including Provident Fund, investor Education and Protection Fund, Employees' State insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other Statutory dues as



at 31.03.2012 for a period of more than six months from the date they become payable except Electricity Duty and wealth tax. Kindly refer paragraph 2(f) of our main Audit Report.

According to the information and explanation given to us, an amount of Rs. 61.68 lacks is determined as disputed dues however the particulars of such disputed dues on account of sales tax, Income Tax and custom duty have not been furnished before us as per prescribed format.

- X. In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit. However the management has prepared these financial statements on going concern concept.
- XI. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayments of dues to banks and financial institution except repayment the interest on the loan and other capital liability received as a result of transfer of assets and liabilities from UP Power Corporation Limited of GPF accumulated balance of Rs. 1,51,21,26,851.64/- REC Loans Rs. 47,76,46,297/-, CPSU's Dues (as per Ahluwalia Report) Rs. 1,24,92,11,256/- CPU's Liability Rs. 1,23,03,04,753/- and up Govt. Loan Rs. 1,25,85,35,606/-.
- XII. According to the information and explanations given to us and based on the documents and records produced, the Company has not taken or granted any loans or advances on the basis of security by way of pledge of shares, debentures & other securities.
- XIII. The Company is not a chit fund or a Nidhi/ Mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the companies (Auditor's Report) order 2003 are not applicable to the company.
- XIV. As per information & explanation given to us & on the basis of examination of records, the Company is not dealing or trading in shares, securities, debentures & other investment. Further the Company has received a sum of Rs. 5.3144 Crores as refund of development surcharge from CPSUs. During the year amount of interest of Rs. 7,81,660/- has been recognized as income in the F.Y. 2011-12. The unmatured amount of Rs. 1.5487 crores in the shape of Units/ Bonds has been shown as current investment under the head of Current Assets.
- V. According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- VI. According to the information and explanations given to us the company has not raised any new term loan during the year. The term loans outstanding at the beginning of the year were Prima Facie, applied for the purposes for which they were obtained.
- VII. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has not raised any funds on long term basis during the year. The company has raised short term loan (overdraft facility) from Bank during the year were Prima Facie, applied for the purposes for which they were obtained.
- III. The Company has not made any preferential allotment of shares to parties & Companies covered in register maintained under section 301 of the Companies Act, 1956. As such provisions of clause 4(xviii)



of the order are not applicable.

- IX. According to the information and explanations given to us during the period covered by our audit report, the Company has not issued any debentures. As such provisions of clause 4(xix) of the order are not applicable.
- X. Since the Company has not raised money by way of Public issue during the year provisions of clause 4(xx) of the order are not applicable.
- XI. In our opinion and according to the information and explanation given to us by the Management, we report that no fraud on or by the company has been noticed or Reported during the year.

FOR P. D. AGRAWAL & CO.
Chartered Accountants

TARUN GUPTA
(Partner)
M.No.: 077468
Firm Regn. No.: 001049C

Place: Kanpur
Date : 28.07.2012

UTTARAKHAND POWER CORPORATION LTD.

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	Amount in Rupees	
		As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	5,77,00,00,000	5,77,00,00,000
(b) Reserves and Surplus	2	(17,94,20,33,311)	(4,86,83,66,840)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
2A. Inter Unit Transactions Balances	3	(58,10,93,660)	(1,07,42,96,806)
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	9,48,11,70,737	6,41,65,15,095
(b) Deferred Tax Liabilities (Net)	5	11,16,49,706	20,95,95,607
(c) Other Long Term Liabilities	6	61,54,15,865	61,54,15,865
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	7	1,84,87,13,872	-
(b) Trade Payables	8	14,18,90,56,190	12,64,28,15,621
(c) Other Current Liabilities	9	23,82,77,68,525	21,46,45,41,913
(d) Short-Term Provisions	10	2,22,75,21,518	1,91,32,39,321
Total Equity & Liabilities		39,54,81,69,443	43,08,94,59,776
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible & Intangible Assets	11	11,79,99,55,259	17,34,59,20,670
ii) Intangible Assets		-	-
iii) Capital Work In Progress	11	5,43,84,74,762	5,79,10,46,490
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	4,79,96,50,210	4,48,24,87,964
(e) Other non-current assets	13	-	39,18,400
(2) Current Assets			
(a) Current investments	14	2,01,81,78,945	1,49,84,93,063
(b) Inventories	15	10,99,52,59,556	10,20,49,35,427
(c) Trade receivables	16	4,41,79,65,539	3,68,80,31,232
(d) Cash and cash equivalents	17	7,86,85,172	7,46,26,530
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
Total Assets		39,54,81,69,443	43,08,94,59,776

SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies attached there to form an integral part of Balance Sheet

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This is the Balance Sheet referred to in our Report of even date.

FOR P.D. AGRAWAL & CO.

CHARTERED ACCOUNTANTS

KANPUR

(CA TARUN GUPTA)

PARTNER

DATED: 11.08.2013

PLACE: DEHRADUN

(A.K. JOHARI)
MANAGING DIRECTOR

(ANIL MITTAL)
DIRECTOR (FINANCE)

FOR & ON BEHALF OF BOARD
(R.J. MALIK)
COMPANY SECRETARY

UTTARAKHAND POWER CORPORATION LTD.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Amount in Rupees			
Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
I. INCOME/REVENUE			
Revenue from operations	18	30,29,01,61,001	26,49,92,94,041
Other Income	19	1,37,06,61,281	41,28,57,100
Total Revenue		31,66,08,22,282	26,91,21,51,141
II. EXPENSES			
Purchase cost of electricity	20	30,64,52,34,281	23,05,33,12,768
Repair and Maintenance Expenses	21	70,37,79,863	55,55,45,561
Employee Benefit Expenses	22	2,10,71,43,474	2,15,79,54,185
Financial Costs	23	94,72,63,056	84,84,83,143
Depreciation and Amortization Expense	24	37,90,94,365	1,08,13,93,139
Other Administrative Expenses	25	30,03,69,694	14,76,85,977
Provision for bad and doubtful debts		1,41,52,85,000	1,25,45,98,000
Total Expenses		36,49,81,69,734	29,09,89,72,773
III. Profit before exceptional and extraordinary items and tax	(I - II)	(4,83,73,47,451)	(2,18,68,21,632)
Exceptional Items		4,19,14,55,000	0
- Depreciation written back on account of AS-12			
Extraordinary Items		0	0
IV. Profit before tax		(64,58,92,451)	(2,18,68,21,632)
V. Tax expense:			
(1) Current tax		0	0
(2) Deferred tax		(9,79,45,901)	(14,21,79,270)
VI. Profit(Loss) from the Year		(54,79,46,550)	(2,04,46,42,362)
VII. Earning per Equity share: (Face Value of Rs. 1000/- each)			
(1) Basic			
(2) Diluted			
SIGNIFICANT ACCOUNTING POLICIES	26		
Significant Accounting Policies attached there to form an integral part of Profit & Loss Statement			
<p>This is the Profit & Loss Statement referred to in our Report of even date.</p> <p>FOR P.D. AGRAWAL & CO.</p> <p>CHARTERED ACCOUNTANTS</p> <p>(CA. TARUN GUPTA) PARTNER DATED: 11.08.2013 PLACE: DEHRADUN</p> <p>(A.K. JOHARI) MANAGING DIRECTOR</p> <p>ANIL MITTAL DIRECTOR(FINANCE)</p> <p>FOR & ON BEHALF OF BOARD (R.J. MALIK) COMPANY SECRETARY</p>			

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UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.1 => Share Capital

		Amount in Rupees	
Sr. No	Particulars	As at 31st March, 2012	As at 31st March, 2011
1	AUTHORIZED CAPITAL 20,000,000 Equity Shares of Rs. 1000/- each. (Previous Year 10,000,000 Equity Shares of Rs. 1000/- each.)	20,00,00,00,000	10,00,00,00,000
2	ISSUED CAPITAL 5770000, Equity Shares of Rs.1000 each	20,00,00,00,000 5,77,00,00,000	10,00,00,00,000 5,77,00,00,000
3	SUBSCRIBED AND PAID UP CAPITAL 5770000, Equity Shares of Rs.1000 each fully paid up.	5,77,00,00,000	5,77,00,00,000
	Total in Rs.	5,77,00,00,000	5,77,00,00,000
Share capital schedule (no. of shares outstanding)		As at 31-03-2012	As at 31-03-2011
opening number of shares outstanding		5,77,00,00,000 (5770000 shares)	5,00,00,000 (50000 shares)
Add: Allotment during the year		-	5,72,00,00,000 (5720000 shares)
Less: Bought Back		-	-
Closing number of shares outstanding		5,77,00,00,000 (5770000 shares)	5,77,00,00,000 (5770000 shares)

Detail of Shareholders Holding more than 5 percent Shares

Sr. No	Name of the Shareholder	No. of Shares	% Shareholding
1	Uttarakhand Govt.	57,70,000	100%

- The Company increased its Authorized Share Capital from Rs.1000 Crores to Rs.2000 Crores during the year.
- ALLOTMENT OF SHARES
NIL 5720000
- During the FY 2009-10, a GO no. 258/(2)/2010-05/81/2006 of GOU dated 09/02/2010 was issued vide which CPSU's liabilities for power purchase amounting to Rs.572 crores was converted into Share capital of the state government. The same has been transferred.



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.2 => Reserve & Surplus

		Amount in Rupees	
Sr. No	Particulars	As at 31st March, 2012	As at 31st March, 2011
	A. Capital Reserve		
1	Consumer contribution for service connections & lines and Deposit Works		
	Balance as per last balance sheet	3,89,25,39,319	3,51,54,14,405
	Add: Addition during the year	41,28,38,515	37,73,59,988
	Less: Deductions/Adjustments during the year	(1,16,107)	2,35,074
	Less: Adjustments on account of AS-12	(4,21,54,25,000)	
		8,98,36,727	3,89,25,39,318
2	Government grants towards capital works		
	Balance as per last balance sheet	9,77,34,53,271	9,67,63,61,268
	Add: Addition during the year	14,00,000	9,71,37,418
	Less: Deductions/Adjustments during the year		45,415
	Less: Adjustments on account of AS-12	(8,74,69,44,000)	
		1,02,79,09,271	9,77,34,53,271
	B. General Reserve & Surplus		
1	Transitory reserve		
	Balance as per last balance sheet	1,03,05,811	1,03,05,811
		1,03,05,811	1,03,05,811
2	Material Cost Variance Reserve		
	Balance as per last balance sheet	93,76,05,511	91,22,43,684
	Add: Addition during the year	2,25,26,671	2,62,95,027
	Less: Deductions/Adjustments during the year		9,33,200
		96,01,32,182	93,76,05,511
3	Surplus (Profit & Loss Account)		
	Balance as per last balance sheet	(19,48,22,70,752)	(17,43,76,28,390)
	Add: Transfer from Statement of Profit & loss	(54,79,46,550)	(2,04,46,42,362)
		(20,03,02,17,302)	(19,48,22,70,752)
	Total of (1, 2, 3, 4 and 5)	(17,94,20,33,311)	(4,86,83,66,841)

- 1 In accordance with AS-12, the corporation has made adjustment of Govt. Grants and Consumers contribution for service connection & lines and Deposit works by netting off assets created out of such grant and writing off accumulated depreciation thereon.



(5)

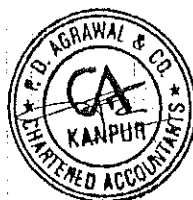
UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.3 => Inter Unit Transactions

Sr. No	Particulars	Amount in Rupees	
		As at 31st March,2012	As at 31st March,2011
1	Inter Unit Transactions Balances	(58,10,93,660)	(1,07,42,96,806)
	Total in Rs.	(58,10,93,660)	(1,07,42,96,806)

- 1 Inter-Units Transfers amounting to Rs. 58.11 Crores (net) are under reconciliation and the effect of reconciliation shall be provided in the coming years.



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.4 =>Long Term Borrowings

Sr. No	Particulars	Amount in Rupees	
		As at 31st March,2012	As at 31st March,2011
1	Secured Borrowings		
	R.E.C. LOANS-(Secured By Guarantee of Uttaranchal Govt.)	1,21,32,42,618	1,30,58,94,618
	AERP-(REC Loan)-(Secured By Guarantee of Uttaranchal Govt.)	41,50,04,150	49,52,48,960
	REC 33KV (Secured Rs. 313878000/- by hypothecation of Fixed Assets)	12,93,65,225	-
	R.E.C. LOANS-RGGVY	64,18,42,369	66,53,30,962
	R-APDRP (Secured By Guarantee of Uttaranchal Govt.)	71,33,60,000	37,74,60,000
		3,11,28,14,362	2,84,39,34,540
2	Unsecured Borrowings		
	U.P. GOVERNMENT LOAN	67,73,24,295	67,73,24,295
	G.P.F. LOAN	1,27,10,00,000	1,27,10,00,000
	STATE GOVERNMENT LOANS	4,42,00,32,080	1,62,42,56,260
		6,36,83,56,375	3,57,25,80,555
	Total in Rs.	9,48,11,70,737	6,41,65,15,095

- 1 The Loans, Guaranteed by the Government of Uttarakhand, have been classified as Secured Loans and no charge has been created on the Assets of the Company.
- 2 The work of R-APDRP scheme is under implementation stage & shall be completed soon & amount received under the scheme is not a loan but grant amount. The provision for any expense is made only if it is ascertainable & foreseeable that the same expense shall be incurred in future. In said case though the amount is ascertainable but it is not definite that the same shall be incurred also as it is conditional that only in case that the scheme is not implemented that such grant shall be converted into loan. Thus, foreseeing that UPCL shall successfully implement the scheme no provision on account of interest has been made into the books during the year.

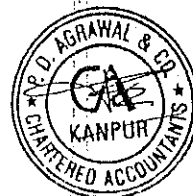


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UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.5 => Deferred Tax Liabilities

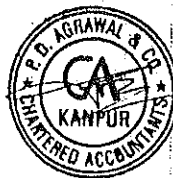
Sr. No	Particulars	Amount in Rupees	
		As at 31st March,2012	As at 31st March,2011
1	Balance as per last balance sheet	20,95,95,607	35,17,74,878
	Add/Less: Deffered Tax Liability on account of timing differences		
	i) Depreciation	(4,11,16,537)	(8,95,59,489)
	ii) Interest on GPF loan claimed now u/s 43B	(5,68,29,364)	(5,26,19,781)
	Total in Rs.	11,16,49,706	20,95,95,607



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.6 => Other Long Term Liabilities

Sr. No	Particulars	Amount In Rupees	
		As at 31st March,2012	As at 31st March,2011
1	Payable to PTCUL (Transfer of Assests/Liabilities)	61,54,15,865	61,54,15,865
	Total in Rs.	61,54,15,865	61,54,15,865



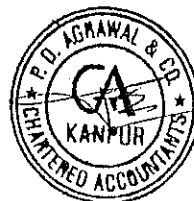
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UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.7 => Short Term Borrowings

Sr. No	Particulars	Amount in Rupees	
		As at 31st March,2012	As at 31st March,2011
1	Secured Borrowings		
	i) Loans and Advances from related parties	-	-
	ii) <u>Short Term Loans from Banks</u>		
	a) PUNJAB NATIONAL BANK- Overdraft against Deposits	1,84,87,13,872	-
	iii) Other Loans and Advances		-
	Total In Rs.	1,84,87,13,872	-

- 1 The Bank Overdraft of Rs. 23850 Lacs, taken from Punjab National Bank, Astley Hall, branch against pledge of Fixed Deposit of Rs.26500 Lacs, have been classified as Secured Loans and no charge has been created on the Assets of the Company.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.8 => Trades Payable

Amount in Rupees

Sr. No	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Summary of Trade Payable		
I	For Power Purchase	12,69,59,07,199	11,59,39,96,813
II	For Capital Supplies/Works	1,29,35,18,605	94,87,90,273
III	For O&M Supplies/Works	19,96,30,387	7,52,60,183
	Total In Rs.	14,18,90,56,190	12,61,80,47,271

The details of liability to Micro, Small and Medium Enterprises (MSME), to the extent information available with the Corporation are given under. These liabilities are not Due for payment as per the contractual term of payment.

Sl. No.	Due to MSME Enterprise	As at 31st March, 2012	As at 31st March, 2011
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year (No amount is due for more than 45 days & Interest due Rs. Nil)	Nil	Nil
2	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006, alongwith the amounts of the payment made to the supplier beyond appointed day during each accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years. Until such date when the interest dues as above are actually paid to the small enterprise for the purpose of Disallowance as a deductible expenditure under Section 23 o	Nil	Nil



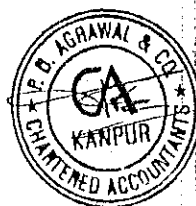
UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.9 => Other Current Liabilities

Sr. No	Particulars	Amount in Rupees	
		As at 31st March,2012	As at 31st March,2011
1	Interest Accrued and due on Secured Borrowings	47,76,46,297	47,76,46,297
2	Interest Accrued and due on Un-secured Borrowings	5,31,29,23,481	5,12,90,09,681
3	Interest Accrued but not due on Security Deposits	55,13,39,917	41,69,72,306
4	Interest Accrued but not due on Borrowings		-
5	<u>Other Payables</u>		
	i) Deposits for Electrification, Service Connections etc.	1,78,48,00,156	1,72,01,96,099
	ii) Deposits & Retention Money from supplier / contractors	92,72,27,636	91,45,31,808
	iii) Other Deposits Payable	3,33,07,040	3,06,19,097
	iv) Other Liabilities & Provisions	7,17,51,78,194	5,23,22,33,778
	v) E.D. & Other levies Payable To Government	3,75,73,70,921	4,56,49,27,922
	vi) Security Deposit from Consumers	3,80,79,74,883	2,97,84,04,925
	Total In Rs.	23,82,77,68,525	21,46,45,41,912

- The provision for interest on GPF liability payable to Trust has been made @ 8% which was the applicable rate on G.P.F. balances during the financial year 2011-12. Irrespective of other loans and dues, the liability of interest has been calculated at the applicable rates.
- The Interest on the Loans and other Capital Liabilities received as a result of Transfer of Assets & Liabilities from U. P. Power Corporation Ltd. has been shown separately and the same is detailed as :-
GPF accumulated Balances- Rs.1,51,21,26,851.64/-, REC Loans- Rs. 47,76,46,297/-, CPSU's. Dues (as per Ahluwalia Report)- 1,24,92,11,256/-, CPSUs Liabilities- Rs.1,23,03,04,753/ & U. P. Government Loans including Liabilities of Power Purchased due to U.P.P.C.L., U.P.R.V.N.L. & U.P.J.V.N.L. amounting to Rs. 1,25,85,35,606/-
- Security Deposits from Consumers has been shown as 'Other Payables' keeping in view the nature of transactions. Provision for interest has been made @ 6% per annum as per order of Uttarakhand Electricity Regulatory Commission.
- Interest on U.P. Govt. Loan Of Rs. 67,73,24,295/- has not been provided during the year as the said liabilities pertain to transfer scheme adjustments & also are not in the nature of commercial borrowings & thus interest provision on same is not justified
- There are some pending court cases against the corporation, which are lying undecided in various courts and thus an approximate amount to the tune of Rs.61.68 Lakhs is foreseen as a Contingent Liability.
- Since the payment of interest on Govt. Loan has been paid for the financial year 2011-12, no provision is required.



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.10 =>Short Term Provisions

		Amount in Rupees	
Sr. No	Particulars	As at 31st March,2012	As at 31st March,2011
1	Provision for Employee Benefits		
	Staff related liabilities & provisions	2,09,96,49,103	1,79,51,55,912
	Staff Pension ,Gratuity & Leave Salary Fund	11,50,87,619	11,80,83,409
2	Other Provision		
	For Expenses	1,27,84,796	2,47,68,350
	Total in Rs.	2,22,75,21,518	1,93,80,07,671

- 1 Liabilities towards, Medical Reimbursement & Leave Travel Concession (LTC) has been provided to the extent established.
- 2 Provision for Accrued Liabilities on account of Pension for the period from 01-04-2011 to 31-03-2012 has not been made as the same is being paid by state government.
- 3 As there is Business Loss and also after considering Depreciation as per Income Tax Act and brought forward Losses, no provision for Income Tax has been made.
- 4 Provision for Leave Salary Contribution Fund in the current year has been provided @ 13.78% (Previous Year 11%) of basic pay & dearness pay.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No. 11:- i) Tangible Fixed Assets

Sl. No.	Assets Group	Gross Block						Depreciation Block					Net Block		Amount in Rupees
		Opening Bal. As on 1-04-2011	Additions during the year	Deductions during the year	Adjustments of previous years	Adjustments on Account of AS-12	Balance as on 31.03.12	Depreciation upto 1-04-2011	Depreciation written back on account of AS-12 upto FY 2010-11	Additions during the year	Deductions during the year	Balance as on 31-03-12	As at 31.3.2012	As at 31.3.2011	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	Land and Rights	15,35,54,780	96,79,860	-	-	(4,60,91,000)	11,71,13,640	-	-	-	-	-	11,71,13,640	15,35,54,780	
	Land held under lease	1,90,67,011	75,38,775	-	-	-	1,76,05,786	-	-	-	-	-	1,76,05,786	1,90,67,011	
2	Buildings	79,96,68,382	10,33,30,037	-	-	(14,25,61,000)	76,04,36,420	26,22,09,097	(5,04,64,000)	81,08,595	-	21,98,53,692	54,05,82,728	53,74,59,185	
3	Plant & Machinery	3,88,70,73,142	1,53,80,39,293	(1,06,47,96,184)	6,02,80,983	(27,70,77,000)	4,14,35,20,333	19,20,22,590	(10,57,45,000)	16,74,81,919	(21,73,90,425)	3,33,69,083	4,11,01,51,250	3,69,50,50,552	
4	Lines&Cable Network	22,17,74,83,853	4,39,65,01,943	(1,65,19,05,437)	35,09,73,133	(12,49,26,44,000)	12,78,04,09,497	9,70,84,52,962	(4,03,14,86,000)	17,09,15,483	(1,07,25,035)	5,83,71,57,410	6,94,37,52,088	12,46,90,30,892	
5	Furniture and Fixtures	5,24,71,335	40,21,767	-	(55,89,641)	-	5,09,03,461	1,77,01,710	-	33,21,435	-	2,10,23,146	2,98,80,315	3,47,69,624	
6	Vehicles	2,85,13,542	8,35,155	(36,273)	-	-	2,93,12,424	2,80,06,493	-	-	(1,19,554)	2,78,86,939	14,25,485	5,07,049	
7	Office Equipment	47,29,61,639	2,68,89,873	(11,200)	(40,56,64,475)	-	9,41,75,837	4,07,37,237	-	2,49,53,576	-	6,56,90,813	2,84,85,025	43,22,34,402	
8	OTHERS:-														
	1.Hydraulic Works	61,63,622	17,97,500	-	-	(13,73,000)	65,88,122	28,77,230	(1,27,000)	2,82,772	-	30,33,102	35,55,020	32,86,292	
	2.Other Civil Works	1,51,03,374	4,326	-	-	(26,22,000)	1,24,85,699	51,02,592	(6,33,000)	1,12,185	-	45,81,777	79,03,922	1,00,00,781	
	TOTAL	27,60,30,30,680	6,08,86,38,629	(2,71,67,49,089)	0	(12,96,23,69,000)	18,01,25,51,220	10,25,71,10,611	(4,19,14,55,000)	37,51,75,965	(22,87,36,014)	6,21,25,95,961	11,79,99,55,259	17,34,59,20,670	
	PREVIOUS YEAR	23,30,18,00,643	6,28,77,40,883	(1,98,62,10,846)	0	-	27,60,33,30,680	9,36,84,98,213	-	1,07,74,63,339	(18,08,51,542)	10,26,51,10,011	17,34,59,20,670	13,94,33,02,431	

1. Fixed Assets have been taken over by the company from UPCL on 09.11.2001 gross Rs. 1,058.18 Crores with accumulated depreciation of Rs. 397.10 Crores. Details of the individual block of assets have been taken at values as per the transfer scheme finalized between UPCL and UPPCL and the total value of Rs. 1,058.18 crores has been treated as gross block and Rs. 397.10 crores as accumulated depreciation. As on 1st June, 2004 Power Transmission Corporation of Uttarakhand Limited (PTCU) has been separated from corporation and Rs. 263.39 crores from Gross block transferred to PTCU and Rs. 112.95 crores from accumulated depreciation has been transferred from Fixed Assets.

2. The Depreciation has been provided at the Corporate Accounts Office on the value of Fixed Assets in use as on 01-04-2011 in accordance with the rates prescribed in Schedule XIV of The Companies Act, 1956. The Accumulated Depreciation which was so worked out has, however, been withdrawn by the field units on any asset ceases to be used due to obsolescence, inadequacy, superfluousness or for any other reason.

3. Depreciation on vehicles has not been charged during the year due to exhaust of written down balance in block of assets after charging depreciation.

4. In accordance with AS-12, the corporation has made adjustment of Govt. Grants and Consumers contribution for service connection & lines and Deposit works by netting off assets created out of such grants and writing off accumulated depreciation thereon in proportion to the grant utilised.

ii) There are no Intangible Assets as such shown as Nil.

iii) Capital Work In Progress

Sr. No.	Particulars	Current year	Previous Year
1	Capital Work In Progress		
	Balance as per last balance sheet	4,11,72,20,143	2,45,70,68,378
	Additions during the year	3,25,61,09,217	3,32,51,35,611
	Less: Capitalisation during the year	4,91,62,60,982	46,02,68,648
	Less: Adjustments during the year	0	0
		2,48,04,72,098	2,45,70,68,378
2	Advances to Suppliers & Contractors		
	Balance as per last balance sheet	3,33,39,78,112	3,32,51,35,611
	Additions during the year	27,81,29,306	46,02,68,648
	Less: Capitalisation during the year	-	0
	Less: Adjustments during the year	65,45,04,753	45,14,06,127
		2,95,76,02,665	3,33,39,78,112
	TOTAL	5,43,84,74,762	5,79,10,46,490



(14)

UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.12 => Long Term Loans and Advances

		Amount in Rupees	
Sr. No	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Other Loans & Advances:		
1	Sundry Receivables		
	Secured & Considered good	2,91,15,09,897	2,59,43,47,651
	Un-Secured & Considered good		
	Considered doubtful	2,91,15,09,897	2,59,43,47,651
2	Recoverable from state Govt. (On finalisation of transfer scheme of PTCUL)		
	Secured & Considered good	1,88,81,40,313	1,88,81,40,313
	Un-Secured & Considered good		
	Considered doubtful	1,88,81,40,313	1,88,81,40,313
	Total in Rs.	4,79,96,50,210	4,48,24,87,964



(15)

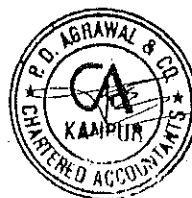
UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.13 => Other Non Current Assets

Amount in Rupees			
Sr. No	Particulars	As at 31st March,2012	As at 31st March,2011
1	Unamortised Expenses i) Deferred Revenue Expenditure (To the extent not written off)		39,18,400
	Total in Rs.	-	39,18,400

- 1 According to Revised Schedule VI the Company has written off the balance amount of expenditure incurred in earlier year for enhancement of share capital i.e. Rs. 39,18,400/- in profit & loss account under the head Fees and subscription.



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UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.14 => Inventories

		Amount in Rupees	
Sr. No	Particulars	As at 31st March,2012	As at 31st March,2011
1	Stores & Spares Less: Provision for obsolete & scrap material	2,01,81,78,945	1,64,36,93,063 (14,52,00,000)
	Total In Rs.	2,01,81,78,945	1,49,84,93,063

- 1 Stores & Spairs includes absolute and scrap materials. The company has passed the adjustment entry to remove the auditors' observation vide point No. 2(b) of their Audit Report for the financial year 2010-11.



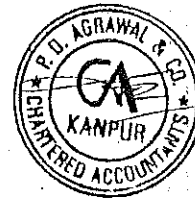
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UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.15 => Trade Recievables

		Amount in Rupees	
Sr. No	Particulars	As at 31st March,2012	As at 31st March,2011
1	Un-Secured & Considered Good		
	Exceeding Six Months from due date of payment	8,16,32,72,084	6,22,50,08,477
	Others	2,72,23,72,472	3,97,99,26,950
	SUB TOTAL (1)	10,88,56,44,556	10,20,49,35,427
2	Un-Secured & Considered Doubtful		
	Exceeding Six Months from due date of payment	7,96,25,82,635	6,70,79,84,635
	Others	1,41,52,85,000	1,25,45,98,000
	SUB TOTAL (2)	9,37,78,67,635	7,96,25,82,635
	TOTAL (1 + 2)	20,26,35,12,191	18,16,75,18,062
	Less: Provision for bad & doubtful debts	(9,26,82,52,635)	(7,96,25,82,635)
	Total in Rs.	10,99,52,59,556	10,20,49,35,427

- 1 Since there are huge numbers of consumers, trade receivables are taken on basis of grouping of receivable against supply of power (AG-23). The figures of exceeding six months has been taken on the basis of outstanding balances of receivables as on 30th Sep,2011.

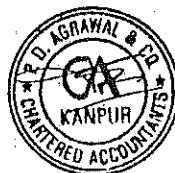


UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.16 => Cash & Cash Equivalent

		Amount in Rupees	
Sr. No	Particulars	As at 31st March,2012	As at 31st March,2011
1	Cash Balance		
	Cash In Hand/Cheques in hand	26,25,15,322	20,42,61,636
2	Bank Balance		
	With scheduled banks	1,25,96,69,060	2,20,09,77,648
	- In current account	2,89,57,81,158	1,28,27,91,948
	- In Deposits account	4,15,54,50,218	3,48,37,69,596
	Total [A + B + C]	4,41,79,65,539	3,68,80,31,232

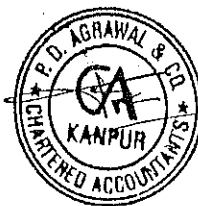
- 1 The FDR's made with various banks are automatically renewed as and when they are matured at market available rate of interest.
- 2 FDR of Rs. 26500 Lacs has been pledged with Punjab National Bank, Astley hall, Branch for overdraft facility of Rs. 23850 Lacs
- 3 UPCL had received a sum of Rs.5.3144 Cr.as refund of Development surcharge from CPSU's during the year 2005-06 in shape of Units/Bonds. The un-matured amount of Rs.1.5487 Cr. in the shape of units/bonds has been shown as Deposits under the head of current assets.



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.17 => Short Terms Loans and Advances

Amount in Rupees			
Sr. No	Particulars	As at 31st March,2012	As at 31st March,2011
1	Advances for O&M Supplies/Works		
	Secured & Considered good	-	-
	Un-Secured & Considered good	7,46,66,497	7,02,93,109
	Considered doubtful	-	-
		7,46,66,497	7,02,93,109
2	Loans & Advances to staff		
	Secured & Considered good	-	-
	Un-Secured & Considered good	40,18,675	43,33,421
	Considered doubtful	-	-
		40,18,675	43,33,421
	Total in Rs.	7,86,85,172	7,46,26,530



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UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.18 => Revenue from Operations

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2012	For the year ended 31st March,2011
1	Revenue from Sale of Power to Consumers	28,30,57,03,989	25,09,19,57,161
2	Miscellaneous charges from Consumers	1,89,52,58,380	1,32,51,93,109
3	Delayed payment charges from Consumers	8,91,98,632	8,21,43,771
	Total	30,29,01,61,001	26,49,92,94,041

- 1 The operation of the Corporation of distribution of electricity is considered as a single segment, which operates in one geographical segment, hence segment Reporting as required under Accounting Standard (AS) -17 is not applicable.
- 2 The energy is billed on the basis of customers i.e residential, commercial and Industrial at the tariff rates notified/approved by the Uttarakhand Electricity Regulatory Commission.
- 3 The tariff rates stated above have been notified by State Government vide their notification No. 1496 dated 26/05/2011 effective from 01.05.2011 and onwards.
- 4 Interest charged to customer for delayed payment is accounted as and when the bill is raised for the same and accounted for as per accounting policy of the company. Income accrued on interest from delayed payment charges is Nil for the year.
- 5 Miscellaneous charges from customers includes Fues Charges, Reconnection/Disconnection Fees, Load Connection Charges, Recoveries for thefts and others recoveries.

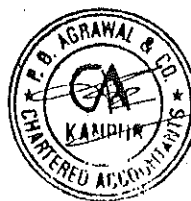


UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.19 => Other Income

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2012	For the year ended 31st March,2011
1	Interest on Deposits	85,48,46,603	9,35,35,311
2	Miscellaneous Recelpts	3,95,90,200	2,95,61,075
3	Income from Staff Welfare Activities	13,23,909	11,80,221
4	Rebate/Incentives	47,49,00,569	28,85,80,493
	Total	1,37,06,61,281	41,28,57,100



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.20 => Purchase Cost of Electricity

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
1	NTPC	8,04,15,74,736	6,88,23,76,299
2	NPCL	78,06,16,666	49,31,60,921
3	NHPC (Including Tanakpur Power)	2,37,17,10,702	1,57,59,33,559
4	NRLDC	1,93,09,28,222	2,28,95,48,830
5	UJVNL	6,31,08,80,830	6,47,84,89,980
6	Satluj Jal Vidyut Nigam	9,80,19,611	13,40,84,652
7	THDC	1,73,53,67,280	1,29,00,16,683
8	HIM URJA PVT. LTD.	20,89,41,835	13,44,99,388
9	UREDA	12,92,091	-
10	Regency Aquaelectro & Motel resorts, Ponta	5,01,65,694	3,80,63,589
11	Short Term Open Access Charges	53,00,40,933	9,76,60,898
12	PARVATIYA POWER (P) LTD, RANIKHET	7,33,81,470	5,81,97,449
13	RBNS Sugar Mill	21,56,06,995	12,32,72,556
14	VishnuPrayag HEP	48,19,30,866	43,26,00,000
15	Chamoli Hydro Power Project	6,21,80,021	6,02,42,229
16	Gunsola Hydro Power Generation pvt. Ltd.	6,14,35,746	4,32,23,031
17	Swasti Power	24,98,81,827	19,28,17,070
18	BIRAH GANGA HYDRO POWER LIMITED	3,47,07,200	-
19	M/S Tata Power Trading Company Ltd.	36,56,44,310	-
20	Himalaya Hydro Private Limited.	4,71,31,000	-
21	Shree Cement Limited.	3,18,99,69,646	-
22	Rishiganga Power Corporation Ltd.	2,09,58,000	-
23	MITTAL PROCESSORS PVT. LTD.	42,98,958	-
24	Global Energy Private Limited	37,88,65,198	-
25	BHILANGANA HYDRO POWER LIMITED	4,34,09,880	-
26	RV Akash Ganga Infrastructure Ltd.	80,23,411	-
27	Relaince Energy Trading	-	1,01,42,94,648
28	Uttam Sugar Mill	10,02,50,096	6,83,87,445
	Total Purchase cost of Electricity	27,39,72,13,224	21,40,68,69,227
29	PGCIL -(Wheeling Charges)	2,11,02,40,814	1,25,92,85,373
	Wheeling Charges for Return Banking	-	-
30	PTCUL -(Wheeling Charges)	1,31,82,00,000	1,01,73,00,000
	Total Cost (Including Transmision Charges)	30,82,56,54,038	23,68,34,54,600
31	LESS : U.I. Charges received from NREB	(18,04,19,757)	(63,01,41,832)
	Net Cost	30,64,52,34,281	23,05,33,12,768

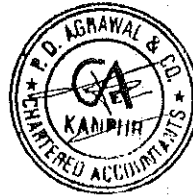


UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.21 => Repair and Maintenance Expenses

Amount in Rupees			
Sr. No.	Particulars	For the year ended 31st March,2012	For the year ended 31st March,2011
1	Repair and maintenance-Plant and machinery	21,79,14,973	12,32,94,098
2	Repair and maintenance-Building & Civil works	2,84,52,496	1,86,61,958
3	Repair and maintenance-Lines, cables works, etc.	45,54,17,291	41,15,90,027
4	Repair and maintenance-Others	19,95,103	19,99,478
	Total	70,37,79,863	55,55,45,560



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.22 => Employment Benefit Expenses

Amount in Rupees			
Sr. No	Particulars	For the year ended 31st March,2012	For the year ended 31st March,2011
1	Salaries, wages, allowances and bonus	1,85,98,37,685	1,94,51,67,328
2	Contribution to provident and other funds		
3	Directors Remuneration	51,63,882	49,14,181
4	Terminal Benefits	31,32,85,992	27,69,99,129
	Other staff costs	39,72,73,578	32,14,19,684
	Less: Employee cost charged to Capital WIP	(46,84,17,663)	(39,05,46,137)
	Total	2,10,71,43,474	2,15,79,54,185

1 None of the employee were in receipt of remuneration which was more than Rs. 24,00,000/- p.a. or Rs.2,00,000/- p.m., if employed for a part of the year.

2 The details of Managerial Remuneration paid during year is as below :-

Sr. No	Name of Director Designation	For the year ended 31st March,2012	For the year ended 31st March,2011
1	Sh.Jag Mohan Lal Managing Director	1,27,715	14,45,979
2	Sh.Anil Kumar Johari Director (Operations)	15,56,286	15,43,063
3	Sh.Sharad Krishna Director (HR)	18,08,137	19,25,139
4	Sh.A.K.Jain (M.D.)	10,74,858	
5	Sh.G.K.Sharma Director (Projects)	5,96,886	
	Total	51,63,882	49,14,181



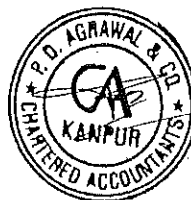
UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.23 => Financial Cost

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2012	For the year ended 31st March,2011
1	Interest on State Govt.Loans	15,85,84,656	15,40,05,761
2	Interest on Other Loans & Liabilities	50,64,26,811	49,10,19,055
3	Interest on Consumers Security Deposit	20,35,91,394	16,57,95,990
4	Guarantee Fees to U.A.Govt.	2,50,00,000	1,40,00,000
5	Other financial and bank charges	9,86,60,195	4,66,62,337
	Less: Interest and other financial charges charged to Capital WIP	(4,50,00,000)	(2,30,00,000)
	Total	94,72,63,056	84,84,83,144



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UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.24 => Depreciation & Amortised Cost

Sr. No	Particulars	Amount in Rupees	
		For the year ended 31st March,2012	For the year ended 31st March,2011
1 Depreciation			
2 Amortised Cost of deferred revenue expenditure		37,51,75,965	1,07,74,63,339
		39,18,400	39,29,800
	Total in Rs.	37,90,94,365	1,08,13,93,139

- 1 According to Revised Schedule VI the Company has written off the balance amount of expenditure incurred in earlier year for enhancement of share capital i.e. Rs. 39,18,400/- in profit & loss account under the head Fees and subscription.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2012

Note No.25 => Other Administrative Expenses

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2012	For the year ended 31st March,2011
1	Rent Rates & Taxes	36,50,057	43,51,004
2	Electricity and water	3,37,94,231	3,73,05,341
3	Insurance	9,20,480	6,38,644
4	Communication	2,06,68,557	2,06,67,126
5	Printing and stationery	1,76,31,900	1,65,47,385
6	Travelling and conveyance	4,06,68,413	3,39,18,537
7	Legal & professional	2,25,55,004	1,74,68,768
8	Fees & Subscription	10,27,340	41,32,300
9	Remuneration to auditors	10,43,715	5,44,836
10	Advertisement and promotion	2,25,22,661	1,52,27,664
11	Miscellaneous Expenses	3,25,82,204	3,35,58,476
12	Other debit to Revenue A/c/Compensation expenses to staff/outsidrs	21,44,870	44,82,938
13	U.E.R.C. Fees	1,35,03,652	1,38,51,173
14	Rebate/ discount allowed to consumer on sale of electricity	14,37,76,999	12,51,810
	Less: Expenses charged to Capital WIP	(5,61,20,388)	(5,23,30,225)
	Total	30,03,69,695	15,16,15,778

- 1 Cash Discount/Rebates allowed for timely payment is shown separately as an expense in the Accounts under the head Other Financial Charges.



UTTARAKHAND POWER CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2012

AMOUNT IN RUPEES

SRL NO.	PARTICULARS	2011-12		2010-11	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit/(Loss) before tax and extra-ordinary Items	(4,83,73,47,452)		(2,18,68,21,632.42)	
	Adjustments for:				
	i) Depreciation	37,51,75,965		1,07,74,63,339.37	
	ii) Interest Paid	57,56,37,381		47,46,97,244.00	
	iii) Deferred Revenue Expenditure			(9,68,200.00)	
	iv) Interest Income	(85,48,46,603)		(9,35,35,311.04)	
	Operating profit before working capital changes	(4,74,13,80,709)		(72,91,64,560)	
	Adjustment for Working Capital Changes				
	i) Inventory	(51,96,85,882)		(38,30,33,752.13)	
	ii) Debtors	(79,03,24,129)		(1,16,44,73,872.50)	
	iii) Other Current Assets, Loans and Advances	17,59,00,659		(26,65,65,621.79)	
	iv) Current Liabilities & Provisions	4,22,37,49,379		4,75,30,91,261.63	
	Cash generated from Operations	(1,65,17,40,683)		2,20,98,53,455	
	Net Cash from Operating Activities		(1,65,17,40,683)		2,20,98,53,455
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	i) Purchase & Sale of Fixed Assets	(3,60,01,24,554)		(4,48,20,81,579)	
	ii) Capital Work in Progress	35,25,71,728		1,65,12,89,264	
	iii) Interest Income	85,48,46,603		9,35,35,311	
	Net Cash from Investing Activities		(2,39,27,06,224)		(2,73,72,57,004)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	i) Increase in Loan Balances & Cash Credit	4,91,33,69,514		2,66,12,465	
	ii) Increase in Deposits from consumers			60,34,09,662	
	iii) Interest paid	(57,56,37,381)		(47,46,97,244)	
	iv) Increase in General Reserve	43,66,49,079		49,95,78,744.43	
	Net Cash from Financing Activities		4,77,43,81,212		65,49,03,627
	NET INCREASE IN CASH & CASH EQUIVALENTS [A+B+C]		72,99,34,307		12,75,00,077
	CASH & CASH EQUIVALENTS AS AT 1ST APRIL 2011 [OPENING BALANCE]		3,68,80,31,232		3,56,05,31,154
	CASH & CASH EQUIVALENTS AS AT 1ST APRIL 2012 [CLOSING BALANCE]		4,41,79,65,539		3,68,80,31,232

" SCHEDULE 1 TO 18 FORM AN INTEGRAL PART OF THE BALANCE SHEET"
AUDITOR'S REPORT

"AS PER OUR SEPARATE REPORT OF EVEN DATE"

FOR P.D. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF BOARD

104 TARUN GUPTA
PARTNER
DATED: 11
PLACE: DEHRADUN

A.K. JOHARI

MANAGING DIRECTOR

(ANIL MITTAL)

DIRECTOR (FINANCE)

(R. L. MATHI)

COMPANY SECRETARY

UTTARAKHAND POWER CORPORATION LIMITED

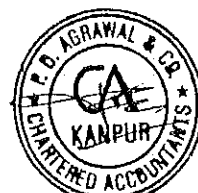
SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

- 1.1 The Uttarakhand Power Corporation Limited '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. However, where there is a deviation from the provisions of the Companies Act, 1956 in preparation of these accounts. The corresponding provisions of Electricity (Supply) Act, 1948 and The Electricity (Supply) (Annual Accounts) Rules 1985 have been adopted. The Electricity (Supply) Act, 1948 which was repealed w.e.f. 10th June, 2003 (the repealed Electricity Act) remained applicable for part of the current accounting year in respect of the operations of the company.
- 1.2 Annual Accounts are prepared after incorporating the transactions for the year by generating trial balance of units through FAS & incorporating the Opening Balances of Assets and Liabilities at consolidation level done at Head office.
- 1.3 The Financial Statements are prepared under the Historical Cost Convention following Accrual System of Accounting unless otherwise stated and on accounting assumption of going concern along with all the applicable Accounting Standards as recommended by the Institute of Chartered Accountants of India.
- 1.4 Accounting Policies are consistent with Generally Accepted Accounting Principal (GAAP) except wherever stated otherwise.
- 1.5 The Corporation recognizes significant items of Income and Expenditure on Accrual Basis and the same are charged to Natural Heads of Accounts.
- 1.6 Subsidy, Grant, Insurance and other Statutory transactions, Refund of Custom Duty, Surcharge from consumers, and Interest on Income Tax and Trade Tax, U.I. charges, if any are to be accounted for on Cash Basis.
- 1.7 Delayed payment on surcharge against the payment of bills is accounted for on receipt basis.

2. GRANT-IN-AID:

- 2.1 According to the provisions of the Electricity (Supply), 1948 Grants-in-Aid/Subsidies received from the Central/State Government or other authorities towards Capital Expenditure as well as Consumers Contribution to Capital Works are treated initially Capital Reserve.
- 2.2 Government Grants/Subsidies are recognized only on reasonable assurance through Government order and compliance to the conditions attached thereto by the Corporation.



3. RESERVES AND SURPLUS :

- 3.1 Contribution received for deposit works are taken to consumer contribution on capitalization of the specific Fixed Assets against which it has been received.
- 3.2 Consumer's contributions & Deposit Works, Grants and subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related assets is charged.
- 3.3 Transitory reserve has been created on 09/11/2001 on preparation of transfer scheme between UPCL & UPPCL.
- 3.4 The stock/stores are accounted for at stock issue rate applicable as on date of issue. Price difference between the cost of stock/stores and value as stock issue rate is transferred to material cost variance account & is shown as Material Cost Variance Reserve.

4. FIXED ASSETS:

- 4.1 Fixed Assets are shown on Historical Cost less accumulated depreciation.
- 4.2 All cost relating to acquisition and installation of fixed assets including departmental overhead costs till the date of commissioning are capitalized.
- 4.3 Fixed Assets booked under the head of "Fixed Assets not in use" are transferred to "Stock" or "Other Account Head" at depreciated value and the accumulated depreciation there on. The damaged Fixed Assets like Transformers, Electricals equipments etc. after repaired are accounted for at stock issue rate applicable as on date of reissue. Price difference between the cost of assets and value as stock issue rate is transferred to material cost variance account.

5. CAPITAL WORKS IN PROGRESS:

- 5.1 Capital Expenditure on Assets not owned by the Corporation is reflected as a distinct item in Capital Works-in-Progress till the period of completion and thereafter transferred to Fixed Assets if the ownership devalued upon the Corporation.
- 5.2 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.
- 5.3 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.
- 5.4 Claims of the Price Variation in case of contracts are accounted for on acceptance of Bills.
- 5.5 Value of Construction Stores is charged to Capital Works-in-Progress 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.



5.6 Due to multiplicity of functional units as well as multiplicity of functions in a particular unit, Employees Cost and General & Administrative expenses incurred on supervision of Capital works are Capitalized @ 18.45% of the amount of total Capital Expenditure. However interest cost attributable to Capital WIP has been taken on estimated basis into consideration for capitalization.

5.7 The Capital Works completed during the year have been capitalized at the year end.

6. BORROWING COST:

6.1 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.

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

7. INVENTORIES

7.1 The cost of inventories is valued as per weighted average cost method except for site stores which are valued at issue price.

7.2 Stores and spares are valued at cost.

7.3 Stock of unserviceable material and steel scrap is valued at realizable value.

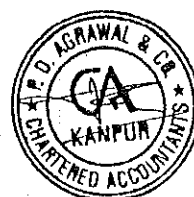
7.4 Value of scrap other than steel scrap is accounted for in the accounts as and when sold.

7.5 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.

7.6 Shortage/loss due to theft or any other reason are first debited to the head Misc. Advance against staff and are shown as Current Assets till the finalization of enquiry/settlement of the case.

7.7 Stationary is charged as expense to P/L account at the time of purchase itself. Hence the closing stock of stationary as on 31.03.2012 is not taken as inventory. However the stock of stationary is not material considering the size and business of the company.

7.8 The company has not identified any obsolete, slow moving and dead stock of stores and spares as all the items in the store are useable in spite of the fact that they are very old.



8. PROFIT AND LOSS ACCOUNT:

8.1 INCOME RECOGNITION

- 8.1.1 Sale of Energy is accounted for on the basis of Tariff Rates, notified/approved by the Uttaranchal Electricity Regulatory Commission.
- 8.1.2 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.
- 8.1.3 Late Payment Surcharge is charged against the payment of bills beyond the due date in the subsequent bill and is shown distinctly under the head "Other Income".
- 8.1.4 The Sale of Electricity does not include Electricity duty payable to the State Government as the same is not the Income of the Corporation.
- 8.1.5 The Liability for Electricity Duty is accounted for as and when the assessment of Supply of Electricity is made and the bill is raised on the Consumer.
- 8.1.6 Cash Discount/Rebates allowed for timely payment is shown separately as an expense in the Accounts under the head Other Financial Charges.
- 8.1.7 Income arisen from the bills raised, for theft of energy in respect of Consumers, is accounted for on Accrual Basis.
- 8.1.8 Domestic Light & Fan and Power Consumers are billed on Bi-monthly basis except in case of Spot billing, where these consumers are billed on monthly basis. Remaining categories of Consumers are billed on monthly basis.
- 8.1.9 Assessment of own Power Consumption at Sub-stations/Offices is done on the basis of connected load/ Hours of Supply.
- 8.1.10 Revision of Tariff is given effect from the effective date specified in the notification. In case of current bills, which include the applicable period of tariff revision, the effect of revised tariff is given for the period.
- 8.1.11 All prior period income and expenditure are shown in the current period as a distinct item.

8.2 EXPENDITURE

- 8.2.1 Depreciation is charged on Straight Line Method as per the rates prescribed under Schedule XIV of The Companies Act, 1956 and as notified from time to time.
- 8.2.2 Depreciation on Fixed Assets is provided only on the assets in existence at the beginning of the year and no depreciation is provided on the additions made during the year.
- 8.2.3 Expenses on Training Recruitments and Research Development are charged to Revenue in the year of incurrence.



- 8.2.4 The fixed assets are depreciated up to 90% of original cost of assets after considering 10% as the residual value of the assets.

8.3 PURCHASE OF POWER

- 8.3.1 Power purchased from suppliers has been accounted for on the basis of bills raised by them.

9. RETIREMENT BENEFITS:

- 9.1. The liability for Retirement Benefits in respect of Gratuity of employees covered under EPF Scheme has been provided on basis of actuarial valuation provided by Life Insurance Corporation of India under Group Gratuity Scheme as per Gratuity Act, 1972 and accounted on accrual basis.
- 9.2 Liability for pension and gratuity in respect of employees not covered under EPF Scheme has been accounted for on the basis of 16.70% and 2.38% respectively on the amount of basic pay and DA paid to the employees
- 9.3 The liabilities for Leave Encashment to employees have been provided on accrual basis.
- 9.4 All the retirement benefits accruing to the employees before the transfer scheme are not taken as liabilities of the companies since the same has been taken over by the state government.
- 9.5 Earned leave is fixed at 31 days in each calendar year. Provision for leave encashment has been made in the books of account on the basis of records available with the company. In respect of Gazetted officers, Encashment for leave is allowed only at the time of retirement, but in case of other employees claimed leave encashment allowed every year as of balance of earned leaves up to 30 days.

10. INVESTMENTS:

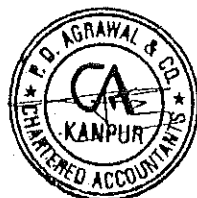
- 10.1 There is no investment policy framed by the company. However, short term investments are made in scheduled banks to utilize idle money from time to time. Investments, if any, are stated at cost.

11. CONTINGENT LIABILITIES:

- 11.1 These, if any, are disclosed in the notes to the Accounts. Provision is made in the Accounts in respect of those contingencies only which are likely to materialize into Liabilities at the year end and have any material effect on the position stated in the Balance Sheet.

12. PROVISION FOR BAD DOUBTFUL DEBTS:

- 12.1 The provision for Bad Doubtful Debts @ 5% is based in an overall assessment of the Revenue.




13. OTHER INCOME

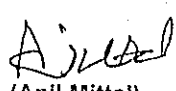
- 13.1 Other income includes interest on FDR, Rebate/Incentives on timely payments of purchase bills, recovery from malpractices and other service charges, staff rental/ vehicles income etc.
- 13.2 Late payment surcharge is calculated as per provision of tariff order issued by Uttarakhand Electricity Regulatory Commission.
- 13.3 As per clause no.4 the electricity (supply) Annual Account Rules 1985 the delayed payment surcharge which has been charged against payment of the bill beyond the due date should be booked on recovered basis and shown separately. The delayed Payment surcharge is accounted on cash basis due to its uncertainty in realization. Accordingly, delayed payment surcharge recovered from consumers have been booked on actual record basis and shown separately.
- 13.4 In case of confide consumers indulged in theft/illegal use of electricity, the revenue is recognized on accrual basis. However incase of non-confide consumers i.e. Katia Connections and of temporary connections i.e. Marriages, New construction of houses etc. the revenue is recognized on cash basis.

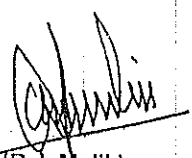
14. GENERAL NOTES ON ACCOUNTS

- 14.1 Previous year figures have been regrouped, re-arranged and re-casted according to guidance of Revised Schedule-VI of Companies Act, 1956, wherever necessary to compare the figures of current year.
- 14.2 No transaction is made during the year by the Corporation in the books of accounts in which foreign exchange is involved.

FOR & ON BEHALF OF BOARD


(Anil Kumar Johari)
Managing Director


(Anil Mittal)
Director Finance


(R.J. Malik)
Company Secretary

Place : Dehradun
Dated : 11.08.2013

