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**P. D. Agrawal & Co.**  
**Chartered Accountants**

15/11- A, Civil Lines, Kanpur 208 001

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**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
UTTARAKHAND POWER CORPORATION LIMITED,  
Urja Bhawan, Kanwali Road,  
Dehradun- 248001.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Uttarakhand Power Corporation Limited (Formerly known as Uttaranchal Power Corporation Ltd.), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information. The name of the Company has been changed from "Uttaranchal Power Corporation Ltd." to "Uttarakhand Power Corporation Ltd." w.e.f. 2<sup>nd</sup> July, 2007.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

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B – 32, Ramprasth, Ghaziabad – 201 001 (Uttar Pradesh)





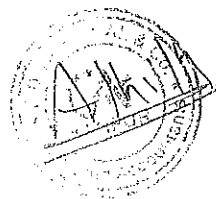
assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Company has appointed a Statutory Branch Auditor for Kumoun Zone. The branch auditor report dated 06.12.2013 has been forwarded to us and has been appropriately dealt with.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

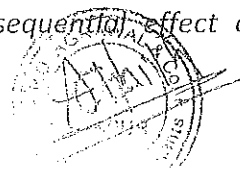
#### **Basis for Qualified Opinion**

- 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 bank reconciliation statements we have observed that there are huge amount of differences between balance as per bank statement and balance as per cash book. The information with regard to such differences was not made available to us. Therefore the financial statements are subject to such adjustment, if any.*
- d. *Records/ Title deeds in respect of Land & Buildings included in Note no. 11(i) 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 financial statements 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, Commercial Diary (CS-4) with corresponding Control ledgers, Capital WIP, Fixed Assets and Interest on Consumer Security Deposits.*
- i) *Sale of Electricity: Some portion of Sales of energy is booked on the basis of average billing of past 3 months owing to Defective meter, incorrect meter reading, no reading as per UERC norms which is not in compliance with AS-9.*
- ii) *Control ledger of Debtors i.e. AG-23 is not being maintained as per the detailed accounting codes prescribed by U.P.S.E.B due to which it is not possible to tally the total of different categories (Domestic, Small Power, Commercial Industrial etc.) with the corresponding Control ledgers (Commercial Diary i.e. CS-4).*





- iii) There is inadequate control on the capitalization of Fixed Assets as well as the pending WIP (work in Progress). The completed capital WIP have been capitalized only at the end of the year in Books of Account and not on the actual completion of the Project without obtaining completion certificate from the appropriate authority. Further no project wise details of the Capital Work in Progress amounting to Rs296.09 crores as shown in note no. 11(iii) of the Balance sheet were provided for our verification.
- iv) There is inadequate control on the fixed assets due to non-maintenance of fixed assets register.
- f) The company has not made the provision for interest on security deposits from consumer s(as shown in note no. 9 of the balance sheet) at most of the distribution units/divisions of the company. Due to which loss is understated to such extent.
- g) The Company is subjected to Wealth Tax and Service tax reverse charge mechanism 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 of the wealth tax and service tax liability. Therefore Loss as well as corresponding liabilities is understated to the extent of non-provision of such Wealth Tax and Service Tax Liability. The effect of which cannot be determined in the absence of proper details.
- h) The valuation of inventory of stock of Rs.166.90 crores as shown in Balance sheet has not been done on 31.03.2013 as required by Accounting Standard-2 "Valuation of Inventories" and no valuation certificates have been received and produced before us for our verification. 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.
- i) 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.
- j) The balances in personal accounts, other receivables, loans and advances including accounts of Government Companies/ departments and advance to suppliers and contractors 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. The classification of trade receivables into secured and unsecured has not been done by the Company in spite of the fact that the trade receivables are secured to the extent of security deposits received from consumers amounting to Rs. 447.78 crores as referred to in note no.9 of the Balance sheet . Further the bifurcation into more than six months and others as referred to in point no.1 of note no.15 of the Balance sheet, and detailed records of Trade Receivables were not made available for our verification.
- k) The balances under the heads Trade Payables and other current liabilities have not been reconciled and confirmed. The difference in balance and their impact on the financial statement cannot be ascertained.
- l) 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.
- m) As referred to in Note No. 3 of the Balance Sheet, the balance under the head Inter Unit Balance of Rs. 66.03 Crores has not been reconciled. Consequently 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.

- n) The Company has Internal Audit Wings under the control of General Manager (Finance/Internal Audit) to conduct the internal audit. However, the internal audit for the year 2012-13 has not been conducted till date.
- o) As referred to in Point no. 3 of Note No.11 of Balance Sheet, Depreciation on Vehicles has not been charged during the year.
- p) Reserve & Surplus includes Grant received from State Government for Capital Works of Rs. 119.48 crores and Consumer contribution for service connection and lines and deposit works amounting to Rs.55.20 crores. The accounting procedure followed by the management in respect of Government Grants is in contradiction to AS-12 "Accounting for Government Grants" issued by The Institute of Chartered Accountants of India. Because of which Capital Reserve and loss has been overstated by the amount of depreciation attributable to Assets created out of Grant and Consumer contribution fund.
- q) The Company has not disclosed in the Notes to accounts the cost of rehabilitation of power distribution system in flood/landslide area and loss on the same due to extensive rainfall in the month of June 2013 which is in contravention with AS-4 'Contingencies and Events Occurring after the Balance Sheet Date'.
- r) As referred to in point no. 1 of note no. 23 of the Balance sheet, the interest of Rs.14.03 crores includes Rs.3.25 crores of previous year is included in the 'interest on other loans and liabilities' which is in contravention with AS-5.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and 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 March 31, 2013;
- b. In the case of the Statement of Profit and Loss, 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.

### **Emphasis of Matter**

We draw attention to the exceptional item of Rs.213.52 crores as shown in the statement of profit and loss is on account of interest liability of CPSU's dues which were converted into share capital of the Company in the financial year 2010-11 and is now written back.

We draw attention to point no. 3 of note no. 15 of the Balance sheet regarding the change in accounting policy of the Company in respect of 'Provision for bad & doubtful debts' which is made @ 2% (67.97 crores) in the current financial year as compared to 5% (141.52 crores) in the previous financial year.





Our opinion is not qualified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards except AS-2, AS-4, AS-5, AS-9, AS-10, AS-12, AS-16, AS-28 and AS-29 referred to in subsection (3C) of section 211 of the Companies Act, 1956;*
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For P.D.Agrawal & Co.

Chartered Accountants

Firm Reg. No.: 001049C

CA Ashish Kumar Agrawal

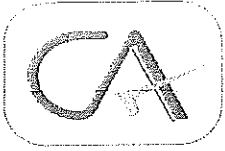
(Partner)

M.No: 077178.

Place: Dehradun

Date: 19.12.2013





**P. D. Agrawal & Co.**

**Chartered Accountants**

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**Annexure referred to in point no.1 of Report on Other Legal and Regulatory Requirements paragraph of our Auditors Report of Uttrakhand Power Corporation Limited for the year ended 31<sup>st</sup> March, 2013.**

**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 2012-13.
- 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 decentralised 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 point (h) Of Basis for Qualified Opinion paragraph of our main Audit Report.
- b. We have been informed that physical verification of stock has been conducted by the management at centralised stores during the financial year 2012-13, but in absence of any supporting documents of decentralised 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 point (h) Of Basis for Qualified Opinion paragraph of our main Audit Report.

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B – 32, Ramprasth, Ghaziabad – 201 001 (Uttar Pradesh)



- c. Records of inventories maintained at the decentralised 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 point (h) Of Basis for Qualified Opinion paragraph of our main Audit Report.
- III. 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.
- IV. 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, Commercial Diary (CS-4) with corresponding Control ledgers, Capital WIP, Fixed Assets and Interest on Consumer Security Deposits. There is continuing failure to correct the major weakness in internal control system as pointed above. Kindly refer point (e) of Basis for Qualified Opinion paragraph of our main Audit Report.
- V. 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.
- VI. 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.
- VII. 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.
- VIII. 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.
- IX. (a) The Company has not paid Electricity Duty and other levies thereon amounting to Rs. 530.66 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

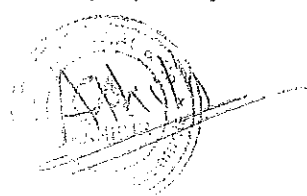


explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Sales Tax were in arrears as at 31<sup>st</sup> March 2013 for a period of more than six months from the date they became payable. Further in the case of Wealth Tax, TCS and service tax reverse charge mechanism in the absence of required details (discussed in point (g) Of Basis for Qualified Opinion paragraph of main report) we are unable to ascertain the arrears of outstanding dues as at the 31<sup>st</sup> March 2013.

(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 31.03.2013 for a period of more than six months from the date they become payable except Electricity Duty and wealth tax. Kindly refer point (g) Of Basis for Qualified Opinion paragraph of our main Audit Report.

Amount of disputed dues and 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 per cent 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 of 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. 173,56,18,896.64/- REC Loans Rs. 47,76,46,297/- CPSU's Liability Rs. 34,42,32,173/- and up Govt. Loan 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. 1,24,02,57,653/-.
- 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.
- XV. 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.
- XVI. According to the information and explanation 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.
- XVII. According to the information and explanation 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 continued with the short term loan (overdraft facility) from Bank during the year which was Prima Facie, applied for the purposes for which they were obtained.





- XVIII. 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.
- XIX. 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.
- XX. 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.
- XXI. 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.

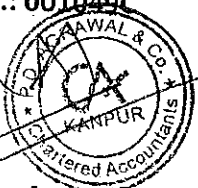
Place: Dehradun

Date: 19.12.2013

For P.D.Agrawal & Co.

Chartered Accountants

Firm Reg. No.: 001049C

*Ashish*  
  
CA Ashish Kumar Agrawal

(Partner)

M.No: 077178.







# UTTARAKHAND POWER CORPORATION LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2013

Amount in Rupees

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	9,68,91,00,000	5,77,00,00,000
(b) Reserves and Surplus	2	(16,93,21,60,596)	(17,94,20,33,311)
(c) Money received against share warrants			-
(2) Share application money pending allotment			-
<b>2A. Inter Unit Transactions Balances</b>	3	(66,02,63,635)	(58,10,93,660)
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	7,16,92,17,572	9,48,11,70,737
(b) Deferred Tax Liabilities (Net)	5	(1,20,90,367)	11,16,49,706
(c) Other Long Term Liabilities	6	61,54,15,865	61,54,15,865
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	7	2,39,51,80,546	1,84,87,13,872
(b) Trade Payables	8	13,44,27,59,335	14,18,90,56,190
(c) Other Current Liabilities	9	25,80,68,50,027	23,82,77,68,525
(d) Short-Term Provisions	10	1,72,29,05,447	2,22,75,21,518
<b>Total Equity &amp; Liabilities</b>		<b>43,23,69,14,194</b>	<b>39,54,81,69,443</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
i) Tangible & Intangible Assets	11	13,54,06,13,094	11,79,99,55,259
ii) Intangible Assets		-	-
iii) Capital Work In Progress	11	5,70,32,18,488	5,43,84,74,762
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	4,66,72,62,329	4,79,96,50,210
(e) Other non-current assets	13	-	-
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	14	1,66,90,47,488	2,01,81,78,945
(c) Trade receivables	15	11,47,35,18,442	10,99,52,59,556
(d) Cash and cash equivalents	16	6,06,05,46,794	4,41,79,65,539
(e) Short-term loans and advances	17	12,27,07,559	7,86,85,172
(f) Other current assets		-	-
<b>Total Assets</b>		<b>43,23,69,14,194</b>	<b>39,54,81,69,443</b>

### SIGNIFICANT ACCOUNTING POLICIES

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Significant Accounting Policies attached thereto form an integral part of Balance Sheet

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

FOR P.D. AGRAWAL & CO.

CHARTERED ACCOUNTANTS

(CA ASHISH KUMAR AGRAWAL)  
PARTNER

DATED: 19.12.2013

PLACE : DEHRADUN

(S.S. YADAV)  
MANAGING DIRECTOR

(ANIL MITTAL)  
DIRECTOR(FINANCE)

(R.J. MALIK)  
COMPANY SECRETARY

FOR & ON BEHALF OF BOARD



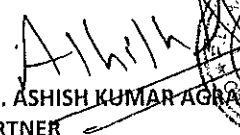
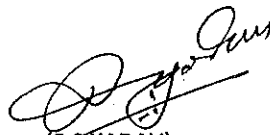
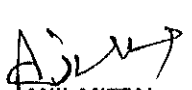
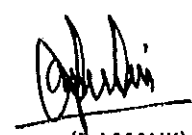




# UTTARAKHAND POWER CORPORATION LTD.

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rupees

Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>I. INCOME/REVENUE</b>			
Revenue from operations	18	34,32,70,41,820	30,29,01,61,001
Other Income	19	91,21,07,519	1,37,06,61,281
<b>Total Revenue</b>		<b>35,23,91,49,339</b>	<b>31,66,08,22,282</b>
<b>II. EXPENSES</b>			
Purchase cost of electricity	20	31,76,62,45,167	30,64,52,34,281
Repair and Maintenance Expenses	21	76,59,59,523	70,37,79,863
Employee Benefit Expenses	22	2,24,04,04,830	2,10,71,43,474
Financial Costs	23	1,21,24,13,741	94,72,63,056
Depreciation and Amortization Expense	24	82,31,19,140	37,90,94,365
Other Administrative Expenses	25	16,78,64,553	30,03,69,694
Provision for bad and doubtful debts		67,97,15,000	1,41,52,85,000
<b>Total Expenses</b>		<b>37,65,57,21,955</b>	<b>36,49,81,69,734</b>
<b>III. Profit before exceptional and extraordinary items and tax</b>	(I - II)	<b>(2,41,65,72,616)</b>	<b>(4,83,73,47,451)</b>
Exceptional Items			
- Depreciation written back on account of AS-12		-	4,19,14,55,000
- Interest on Institutional/Govt. Loan/Liabilities for previous years written back		2,13,52,83,836	-
Extraordinary Items		-	-
<b>IV. Profit before tax</b>		<b>(28,12,88,780)</b>	<b>(64,58,92,451)</b>
<b>V. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		(12,37,40,073)	(9,79,45,901)
<b>VI. Profit(Loss) from the Year</b>		<b>(15,75,48,707)</b>	<b>(54,79,46,550)</b>
<b>VII. Earning per Equity share: (Face Value of Rs. 1000/- each)</b>			
(1) Basic		-	-
(2) Diluted		-	-
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	26		
<i>Significant Accounting Policies attached there to form an integral part of Profit &amp; Loss Statement</i>			
<p><i>This is the Profit &amp; Loss Statement referred to in our Report of even date.</i></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p><b>FOR P.D. AGRAWAL &amp; CO.</b> <b>CHARTERED ACCOUNTANTS</b></p> <p> (CA. ASHISH KUMAR AGRAWAL) PARTNER DATED : 19.12.2013 PLACE: DEHRADUN</p> </div> <div style="width: 30%;"> <p> (S.S. YADAV) MANAGING DIRECTOR</p> </div> <div style="width: 30%;"> <p><b>FOR &amp; ON BEHALF OF BOARD</b></p> <div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p> ANIL MITTAL DIRECTOR(FINANCE)</p> </div> <div style="width: 45%;"> <p> (R.J. MALIK) COMPANY SECRETARY</p> </div> </div> </div> </div>			







# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

## Note No.1 => Share Capital

Amount in Rupees

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
1	<b>AUTHORIZED CAPITAL</b> 20,000,000 Equity Shares of Rs. 1000/- each.	20,00,00,00,000	20,00,00,00,000
2	<b>ISSUED CAPITAL</b> 5858000, Equity Shares of Rs.1000 each	5,85,80,00,000	5,77,00,00,000
3	<b>SUBSCRIBED AND PAID UP CAPITAL (a)</b> 5858000, Equity Shares of Rs.1000 each fully paid up.	5,85,80,00,000	5,77,00,00,000
	<b>Share Capital Pending Allotment (b)</b> 3831100, Equity Shares of Rs.1000 each	3,83,11,00,000	-
	<b>Total in Rs.</b>	<b>9,68,91,00,000</b>	<b>5,77,00,00,000</b>

Share capital schedule (no. of shares outstanding)	As at 31-03-2013	As at 31-03-2012
Opening number of shares outstanding	5,77,00,00,000 (5770000 shares)	5,77,00,00,000 (5770000 shares)
Add: Allotment during the year	8,80,00,00,00,00 (88000 shares)	-
Less: Bought Back	-	-
Closing number of shares outstanding	5,85,80,00,000 (5858000 shares)	5,77,00,00,000 (5770000 shares)

### 1 Detail of Shareholders Holding more than 5 percent Shares

Name of the Shareholder	No. of Shares	% Shareholding
Uttarakhand Govt.	58,58,000	100%

### 2 Details of Allotment of Shares (last 5 years)

Year	No. of Shares	Amount in Rupees
2008-09	-	-
2009-10	-	-
2010-11	57,20,000	5,72,00,00,000
2011-12	-	-
2012-13	88,000	8,80,00,000

- During the FY 2012-13, a GO No. 342/I(2)/2012-06/14/2012 dated 28/02/2013 was issued vide which UPCL's Liabilities for Rs.368.11 Crore pertaining to State Govt. Loan under District Plan / State Plan, Electricity duty payable to State Govt. along with Interest payable was converted into Share Capital of the State Govt. but allotment of shares is pending.
- During the FY 2012-13, a GO No. 1845/I(2)/2012-06/14/2012 dated 30/11/2012 was issued vide which a sum of Rs.8.80 Crore was sanctioned towards Share Capital of the State Govt. Accordingly, Rs.8.50 Crores was received on 13/12/12 and Rs.30 Lacs was received on 18/12/2012 from the State Govt.
- During the FY 2012-13, a GO No. 781/I(2)/2013-06/14/2012 dated 28/03/2013 was issued vide which UPCL's Liabilities for free power from various Jal Vidyut projects amounting to Rs.15 Crores was converted into Share Capital of the State Government, but allotment of shares is pending









**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

**Note No.2 => Reserve & Surplus**

Amount in Rupees

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
	<b>A. Capital Reserve</b>		
1	<b>Consumer contribution for service connections &amp; lines and Deposit Works</b>		
	Balance as per last balance sheet	8,98,36,727	3,89,25,39,319
	Add: Addition during the year	46,21,97,705	41,28,38,515
	Less: Deductions/Adjustments during the year	-	(1,16,107)
	Less: Adjustments on account of AS-12	-	(4,21,54,25,000)
		<b>55,20,34,432</b>	<b>8,98,36,727</b>
2	<b>Government grants towards capital works</b>		
	Balance as per last balance sheet	1,02,79,09,271	9,77,34,53,271
	Add: Addition during the year	16,69,08,600	14,00,000
	Less: Deductions/Adjustments during the year	-	-
	Less: Adjustments on account of AS-12	-	(8,74,69,44,000)
		<b>1,19,48,17,871</b>	<b>1,02,79,09,271</b>
	<b>B. General Reserve &amp; Surplus</b>		
1	<b>Transitory reserve</b>		
	Balance as per last balance sheet	1,03,05,811	1,03,05,811
		<b>1,03,05,811</b>	<b>1,03,05,811</b>
2	<b>Material Cost Variance Reserve</b>		
	Balance as per last balance sheet	96,01,32,182	93,76,05,511
	Add: Addition during the year	53,83,15,116	2,25,26,671
	Less: Deductions/Adjustments during the year	-	-
		<b>1,49,84,47,298</b>	<b>96,01,32,182</b>
3	<b>Surplus (Profit &amp; Loss Account)</b>		
	Balance as per last balance sheet	(20,03,02,17,302)	(19,48,22,70,752)
	Add: Transfer from Statement of Profit & loss	(15,75,48,707)	(54,79,46,550)
		<b>(20,18,77,66,009)</b>	<b>(20,03,02,17,302)</b>
	<b>Total of ( A and B )</b>	<b>(16,93,21,60,596)</b>	<b>(17,94,20,33,311)</b>

- 1 Material Cost Variance Reserve Includes Rs.49.35 Crores being adjustment made for previous years during FY 2012-13.
- 2 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 in FY 2011-12.









# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

## Note No.3 => Inter Unit Transactions

Amount in Rupees				
Sr. No	Particulars		As at 31st March,2013	As at 31st March,2012
1	Inter Unit Transactions Balances		(66,02,63,635)	(58,10,93,660)
	Total in Rs		(66,02,63,635)	(58,10,93,660)

- 1 Inter-Units Transfers amounting to Rs.66.02 Crores (net) are under reconciliation and the effect of reconciliation shall be provided in the coming years.







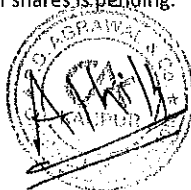


**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

**Note No.4 =>Long Term Borrowings**

		Amount in Rupees	
Sr. No	Particulars	As at 31st March,2013	As at 31st March,2012
1	<b>Secured Borrowings</b>		
	R.E.C. LOANS-(Secured By Guarantee of Uttaranchal Govt.)	1,12,05,90,618	1,21,32,42,618
	AERP-(REC Loan)-(Secured by Uttaranchal Govt.)	33,47,59,340	41,50,04,150
	REC 33KV (Secured Rs. 31.39 Cr. by hypothecation of Fixed Assets)	20,54,28,230	12,93,65,225
	REC(NEF)(Secured Rs. 42.05 Cr. by hypothecation of Fixed Assets)	33,12,23,550	-
	R.E.C. LOANS-RGGVY (Secured By Guarantee of Uttaranchal Govt.)	59,20,09,639	64,18,42,369
	R-APDRP-Part A (Secured By Guarantee of Uttaranchal Govt.)	71,33,60,000	71,33,60,000
	R-APDRP-Part-B (Secured By Guarantee of Uttaranchal Govt.)	1,17,79,00,000	-
		<b>4,47,52,71,377</b>	<b>3,11,28,14,362</b>
2	<b>Unsecured Borrowings</b>		
	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.	74,56,21,900	4,42,00,32,080
		<b>2,69,39,46,195</b>	<b>6,36,83,56,375</b>
	<b>Total in Rs.</b>	<b>7,16,92,17,572</b>	<b>9,48,11,70,737</b>

- 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. 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.
- 3 During the FY 2012-13, a GO No. 342/I(2)/2012-06/14/2012 dated 28/02/2013 was issued vide which UPCL's Liabilities for Rs.368.11 Crore pertaining to State Govt. Loan under District Plan / State Plan, Electricity duty payable to State Govt. along with Interest payable was converted into Share Capital of the State Govt. but allotment of shares is pending.









**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013*

**Note No.5 => Deferred Tax Liabilities**

Amount in Rupees

Sr. No	Particulars	As at 31st March,2013	As at 31st March,2012
1	Balance as per last balance sheet	11,16,49,706	20,95,95,607
	Add/Less: Deffered Tax Liability on account of timing differences		
	i) Depreciation	(5,46,81,031)	(4,11,16,537)
	ii) Interest on GPF loan claimed now u/s 43B	(6,90,59,042)	(5,68,29,364)
	<b>Total in Rs.</b>	<b>(1,20,90,367)</b>	<b>11,16,49,706</b>









# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

## Note No.6 => Other Long Term Liabilities

Amount in Rupees

Sr. No	Particulars	As at 31st March,2013	As at 31st March,2012
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

- 1 The above mentioned amount pertains to Transfer Scheme with PTCUL which is yet to be finalised.









**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013*

**Note No.7 => Short Term Borrowings**

Amount in Rupees			
Sr. No	Particulars	As at 31st March,2013	As at 31st March,2012
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	2,39,51,80,546	1,84,87,13,872
	iii) Other Loans and Advances		
	Total in Rs.	2,39,51,80,546	1,84,87,13,872

- 1 The Bank Overdraft of Rs. 31350 Lacs, taken from Punjab National Bank, Astley Hall branch against pledge of Fixed Deposit of Rs.34850 Lacs, have been classified as Secured Loans and no charge has been created on the Assets of the Company. Besides above, Overdraft against Gross Block for Rs.15000 Lacs has also been taken from Punjab National Bank, Astley Hall branch.









**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

**Note No.8 => Trade Payables**

		Amount in Rupees	
Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
	<b><u>Summary of Trade Payables</u></b>		
i	For Power Purchase	12,36,99,59,939	12,69,59,07,199
ii	For Capital Supplies/Works	88,37,81,487	1,29,35,18,605
iii	For O&M Supplies/Works	18,90,17,909	19,96,30,387
	<b>Total in Rs.</b>	<b>13,44,27,59,335</b>	<b>14,18,90,56,190</b>

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, 2013	As at 31st March, 2012
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 2013

## Note No.9 => Other Current Liabilities

Amount in Rupees			
Sr. No	Particulars	As at 31st March,2013	As at 31st March,2012
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	3,40,11,31,690	5,31,29,23,481
3	Interest Accrued but not due on Security Deposits	53,93,05,408	55,13,39,917
4	Interest Accrued but not due on Borrowings	8,77,994	-
5	<u>Other Payables</u>		
	i) Deposits for Electrification, Service Connections etc.	1,87,11,26,633	1,78,48,00,156
	ii) Deposits & Retention Money from supplier / contractors	77,65,84,531	92,72,27,636
	iii) Other Deposits Payable	5,95,05,915	3,33,07,040
	iv) Other Liabilities & Provisions	8,89,38,25,471	7,17,51,78,194
	v) E.D. & Other levies Payable To Government	5,30,90,04,075	3,75,73,70,921
	vi) Security Deposit from Consumers	4,47,78,42,014	3,80,79,74,883
	<b>Total In Rs.</b>	<b>25,80,68,50,027</b>	<b>23,82,77,68,525</b>

- The provision for interest on GPF liability payable to Trust has been made @ 8.80% which was the applicable rate on G.P.F. balances during the financial year 2012-13. 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.1,73,56,18,896.64, REC Loans- Rs. 47,76,46,297/-, CPSUs Liabilities- Rs.34,42,32,173/- & 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. 1,24,02,57,653/-.
- Security Deposits from Consumers has been shown as 'Other Payables' keeping in view the nature of transactions. Interest on security deposit has been provided/paid by concerning units.
- 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.1.23 Crores is foreseen as a Contingent Liability.
- Since the payment of interest on Govt. Loan has been paid for the financial year 2012-13, no provision is required.
- Interest accrued but not due on borrowings of Rs. 8,77,994.00 is the interest payable on loan from REC for construction of 33/11 kv sub-stations for 12 days (20.3.2013 to 31.3.2013) @ 13% p.a.









**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

**Note No.10 =>Short Term Provisions**

		Amount in Rupees	
Sr. No	Particulars	As at 31st March,2013	As at 31st March,2012
1	<b>Provision for Employee Benefits</b>		
	Staff related liabilities & provisions	1,59,77,15,637	2,09,96,49,103
	Staff Pension ,Gratuity & Leave Salary Fund	11,22,19,566	11,50,87,619
2	<b>Other Provision</b>		
	For Expenses	1,29,70,244	1,27,84,796
	<b>Total In Rs.</b>	<b>1,72,29,05,447</b>	<b>2,22,75,21,518</b>

- 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 01-04-2012 to 31-03-2013 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 @ 20.15% (Previous Year 13.78%) of basic pay & dearness pay.









# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of Balance Sheet as at 31st MARCH 2013

Amount in Rupees

## Note No. 11 - Tangible Fixed Assets

SL. No.	Assets Group	Gross Block					Depreciation Block					Net Block	
		Opening Bal. As on 1-04-2012 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Adjustments (Rs.)	Adjustments Account of AS-12 (Rs.)	Balance as on 31.03.13 (Rs.)	Depreciation upto 1-04-2012 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Balance as on 31-03-13 (Rs.)	As at 31.3.2013 (Rs.)	As at 31.3.2012 (Rs.)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Land and Rights	11,71,13,640	40,27,233	-	-	-	12,11,40,873	-	-	-	-	12,11,40,873	11,71,13,640
	Land held under lease	1,76,05,786	34,46,663	(1,93,51,428)	-	-	17,01,021	-	-	-	-	17,01,021	1,76,05,786
2	Buildings	76,04,36,420	47,58,69,195	-	-	-	1,23,63,05,615	21,98,53,692	1,23,95,114	-	23,22,48,805	1,00,40,56,809	54,05,82,728
3	Plant & Machinery	4,14,35,20,333	1,06,36,67,764	(61,61,96,886)	-	-	4,59,09,91,212	3,33,69,083	26,92,99,519	(23,82,16,843)	6,44,51,759	4,52,65,39,453	4,11,01,51,250
4	Lines & Cable Network	12,78,04,09,497	2,14,51,69,975	(75,58,01,729)	-	-	14,16,97,77,744	5,83,71,57,410	53,45,69,451	(1,92,80,882)	6,35,24,45,979	7,81,73,31,765	6,94,33,52,088
5	Furniture and Fixtures	5,09,03,461	27,15,281	-	-	-	5,36,18,742	2,10,23,146	32,22,189	-	2,42,45,335	2,93,73,407	2,98,80,315
6	Vehicles	2,93,12,424	-	-	-	-	2,93,12,424	2,78,86,939	-	-	2,78,86,939	14,25,485	14,25,485
7	Office Equipment	9,41,75,837	23,01,682	(12,24,140)	-	-	9,52,53,379	6,56,90,813	31,16,415	(11,99,063)	6,76,08,225	2,76,45,155	2,84,85,025
8	OTHERS:-	-	-	-	-	-	-	-	-	-	-	-	-
	-1. Hydraulic Works	65,88,122	-	-	-	-	65,88,122	30,33,102	3,12,936	-	33,46,038	52,42,084	35,55,020
	-2. Other Civil Works	1,24,85,699	4,56,637	-	-	-	1,29,42,336	45,81,777	2,03,517	-	47,85,294	81,57,042	79,03,922
	TOTAL	18,01,25,51,220	3,69,76,54,430	(1,39,25,74,183)	-	-	20,31,76,31,468	6,21,25,95,961	82,31,19,140	(25,86,96,728)	6,77,70,18,374	13,54,06,13,094	11,79,99,55,259

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 individuals' block of assets have been taken at values as per the transfer scheme finalized between UPCL & UPCL 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 (PTCLU) has been separated from corporation and Rs. 263.39 crores from Gross block transferred to PTCLU and Rs. 112.95 crores from accumulated depreciation has been transferred from Fixed Assets.
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2 The Depreciation has been provided at the Corporate Accounts Office on the value of Fixed Assets in use as on 01-04-2012 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 the fact that the balance in block of assets after charging depreciation was nil.

## 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	2,48,08,72,098	2,45,70,68,578
	Add: Additions during the year	3,45,54,69,065	3,71,00,16,839
	Less: Capitalisation during the year	2,97,53,90,554	3,68,62,13,120
	Less: Adjustments during the year	-	-
		2,96,09,50,609	2,48,08,72,097
2	Advances to Suppliers & Contractors		
	Balance as per last balance sheet	2,95,76,02,665	3,33,39,78,112
	Add: Additions during the year	23,58,80,217	27,81,29,306
	Less: Capitalisation during the year	45,12,15,002	65,45,04,753
	Less: Adjustments during the year	2,74,22,67,880	2,95,76,02,665
		5,70,32,15,488	5,43,84,74,762
	Total	5,70,32,15,488	5,43,84,74,762

1 The value of contracts more than Rs. 50.00 lacs remaining to be executed as on 31/03/2013 is Rs.310.49 Crores.









**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013*

**Note No.12 => Long Term Loans and Advances**

Amount in Rupees

Sr. No	Particulars	As at 31st March,2013	As at 31st March,2012
1	<b>Other Loans &amp; Advances:</b> <b>Sundry Receivables</b> Secured & Considered good		
	Un-Secured & Considered good	2,77,91,22,016	2,91,15,09,897
	Considered doubtful	-	-
2	<b>Recoverable from state Govt.(On finalisation of transfer scheme of PTCUL)</b> Secured & Considered good	2,77,91,22,016	2,91,15,09,897
	Un-Secured & Considered good	1,88,81,40,313	1,88,81,40,313
	Considered doubtful	-	-
		1,88,81,40,313	1,88,81,40,313
	<b>Total in Rs.</b>	<b>4,66,72,62,329</b>	<b>4,79,96,50,210</b>









**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013*

**Note No.13 => Other Non Current Assets**

Amount in Rupees

Sr. No	Particulars		As at 31st March,2013	As at 31st March,2012
1	Unamortised Expenses i) Deferred Revenue Expenditure (To the extent not written off)			
	Total in Rs.			









**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013*

**Note No.14 => Inventories**

Sr. No	Particulars	Amount in Rupees	
		As at 31st March,2013	As at 31st March,2012
1	Stores & Spares	1,66,90,47,488	2,01,81,78,945
	<b>Total in Rs.</b>	<b>1,66,90,47,488</b>	<b>2,01,81,78,945</b>

1 Stores & Spares includes obsolete and scrap materials.









**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

**Note No.15 => Trade Recievables**

		Amount in Rupees	
Sr. No	Particulars	As at 31st March,2013	As at 31st March,2012
1	Un-Secured & Considered Good		
	Exceeding Six Months from due date of payment	8,28,65,39,462	8,16,32,72,084
	Others	3,18,69,78,979	2,72,23,72,472
	<b>SUB TOTAL (1)</b>	<b>11,47,35,18,441</b>	<b>10,88,56,44,556</b>
2	Un-Secured & Considered Doubtful		
	Exceeding Six Months from due date of payment	8,82,78,63,711	7,96,25,82,635
	Others	67,97,15,001	1,41,52,85,000
	<b>SUB TOTAL (2)</b>	<b>9,50,75,78,712</b>	<b>9,37,78,67,635</b>
	<b>TOTAL (1 + 2 )</b>	<b>20,98,10,97,153</b>	<b>20,26,35,12,191</b>
	Less: Provision for bad & doubtful debts	(9,50,75,78,711)	(9,26,82,52,635)
	<b>Total in Rs.</b>	<b>11,47,35,18,442</b>	<b>10,99,52,59,556</b>

- 1 Since there are huge numbers of consumers, trade receivables are taken on basis of grouping of receivables against supply of power (AG-23).
- 2 The above Includes Rs.120.23 Cr. due from M/s IDPL Rishikesh since Oct.1989. The total receivable including delayed payment surcharge from M/s IDPL is 250.28 Cr.
- 3 Provision for Bad & Doubtful Debts Is made @2% (Previous year 5%).









**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

**Note No.16 => Cash & Cash Equivalent**

Sr. No	Particulars	Amount in Rupees	
		As at 31st March,2013	As at 31st March,2012
1	<b>Cash Balance</b>		
	Cash in Hand/Cheques in hand	45,55,88,061	26,25,15,322
2	<b>Bank Balance</b>		
	With scheduled banks		
	- In current account	1,18,33,27,717	1,25,96,69,060
	- In Deposits account	4,42,16,31,015	2,89,57,81,158
		5,60,49,58,732	4,15,54,50,218
	<b>Total [ A + B + C ]</b>	<b>6,06,05,46,794</b>	<b>4,41,79,65,539</b>

- 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. 34850 Lacs has been pledged with Punjab National Bank, Astley Hall Branch for overdraft facility of Rs. 31350 Lacs. Also, OD against Gross Block for Rs.15000 Lacs is also taken from PNB, Astley Hall Branch.
- 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 2013*

**Note No.17 => Short Terms Loans and Advances**

Amount in Rupees

Sr. No	Particulars	As at 31st March,2013	As at 31st March,2012
1	Advances for O&M Supplies/Works		
	Secured & Considered good	-	-
	Un-Secured & Considered good	8,83,02,809	7,46,66,497
	Considered doubtful	-	-
		<b>8,83,02,809</b>	<b>7,46,66,497</b>
2	Loans & Advances to staff/ others		
	Secured & Considered good	-	-
	Un-Secured & Considered good	3,44,04,750	40,18,675
	Considered doubtful	-	-
		<b>3,44,04,750</b>	<b>40,18,675</b>
	<b>Total in Rs.</b>	<b>12,27,07,559</b>	<b>7,86,85,172</b>









**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013*

**Note No.18 => Revenue from Operations**

Amount in Rupees			
Sr. No	Particulars	For the year ended 31st March,2013	For the year ended 31st March,2012
1	Revenue from Sale of Power to Consumers	32,50,21,87,183	28,30,57,03,989
2	Miscellaneous charges from Consumers	1,66,15,11,604	1,89,52,58,380
3	Delayed payment charges from Consumers	16,33,43,033	8,91,98,632
	<b>Total in Rs.</b>	<b>34,32,70,41,820</b>	<b>30,29,01,61,001</b>

- 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 categories of consumers 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 Uttarakhand Electricity Regulatory Commission vide their Tariff Order dated 11.04.2012 effective from 01.04.2012 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 2013*

**Note No.19 => Other Income**

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2013	For the year ended 31st March,2012
1	Interest on Deposits	26,70,89,152	85,48,46,603
2	Miscellaneous Receipts	14,95,84,502	3,95,90,200
3	Income from Staff Welfare Activities	18,88,410	13,23,909
4	Rebate/Incentives on power purchase	49,35,45,455	47,49,00,569
	<b>Total</b>	<b>91,21,07,519</b>	<b>1,37,06,61,281</b>

- 1 Miscellaneous receipts includes penalty deducted for delay in supplies/execution of works from M/s ICOMM Tele. Ltd. of Rs.8.92 Cr.









**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

**Note No.20 => Purchase Cost of Electricity**

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2013	For the year ended 31st March,2012
1	NTPC	7,51,37,83,382	8,04,15,74,736
2	NPCL	76,04,54,677	78,06,16,666
3	NHPC (Including Tanakpur Power)	2,10,88,87,765	2,37,17,10,702
4	NRLDC	1,95,21,44,337	1,93,09,28,222
5	UJVNL	4,56,72,81,355	6,31,08,80,830
6	Satluj Jal Vidyut Nigam	10,97,48,503	9,80,19,611
7	NVVNL	28,28,33,179	
8	THDC	1,80,29,28,405	1,73,53,67,280
9	HIM URJA PVT. LTD.	18,43,17,010	20,89,41,835
10	PDF to Govt.	1,10,68,39,041	
11	UREDA	38,66,118	12,92,091
12	Regency Aquaelectro & Motel rescrts, Ponta	2,15,36,930	5,01,65,694
13	PTC India Ltd.	1,94,87,73,547	
14	Short Term Open Access Charges	13,02,00,354	53,00,40,933
15	PARVTIYA POWER (P) LTD, RANIKHET	6,26,12,550	7,33,81,470
16	RBNS Sugar Mill	16,70,99,473	21,56,06,995
17	VishnuPrayag HEP	45,53,89,590	48,19,30,866
18	Chamoli Hydro Power Project	5,70,83,095	6,21,80,021
19	Gunsola Hydro Power Generation Pvt. Ltd.	6,05,76,015	6,14,35,746
20	Swasth Power	27,29,89,084	24,98,81,827
21	M/S Adani Enterprise Ltd	46,75,88,784	
22	BIRAH GANGA HYDRO POWER LIMITED	7,86,95,400	3,47,07,200
23	M/S Tata Power Trading Company Ltd.	2,06,77,33,471	36,56,44,310
24	Himalaya Hydro Private Limited.	4,76,47,600	4,71,31,000
25	Shree Cement Limited.	95,13,63,936	3,18,99,69,646
26	Rishiganga Power Corporation Ltd.	6,80,72,450	2,09,58,000
27	MITTAL PROCESSORS PVT. LTD.		42,98,958
28	Global Energy Private Limited	74,02,53,877	37,88,65,198
29	BHILANGANA HYDRO POWER LIMITED	3,09,99,928	4,34,09,880
30	RV Akash Ganga Infrastructure Ltd.	4,89,95,811	80,23,411
31	Relaince Energy Trading		
32	Uttam Sugar Mill	11,28,71,711	10,02,50,096
33	GMR Energy Trading Limited	13,84,63,879	
34	Metro Frozen Fruits & Vegetables Pvt. Ltd.	2,20,59,654	
35	Jay Ace Technologies Ltd.	4,70,10,794	
36	ARAVALI POWER COMPANY PRIVATE LIMITED (APCPL)	12,32,24,344	
	<b>Total Purchase cost of Electricity</b>	<b>28,51,43,26,049</b>	<b>27,39,72,13,224</b>
37	PGCIL -(Wheeling Charges)	1,55,34,99,555	2,11,02,40,814
38	PTCUL -(Wheeling Charges)	1,69,87,91,670	1,31,82,00,000
	<b>Total Cost (Including Transmission Charges)</b>	<b>31,76,66,17,274</b>	<b>30,82,56,54,038</b>
39	<b>LESS : U.I. Charges received</b>	<b>3,72,107</b>	<b>18,04,19,757</b>
	<b>Net Cost</b>	<b>31,76,62,45,167</b>	<b>30,64,52,34,281</b>









# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

## Note No.21 => Repair and Maintenance Expenses

Amount In Rupees

Sr. No	Particulars	For the year ended 31st March,2013	For the year ended 31st March,2012
1	Repair and maintenance-Plant and machinery	24,36,66,438	21,79,14,973
2	Repair and maintenance-Building & Civil works	3,90,19,020	2,84,52,496
3	Repair and maintenance-Lines, cables works, etc.	48,11,18,601	45,54,17,291
4	Repair and maintenance-Others	21,55,464	19,95,103
	Total	76,59,59,523	70,37,79,863









# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

## Note No.22 => Employment Benefit Expenses

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2013	For the year ended 31st March,2012
1	Salaries, wages, allowances and bonus	1,80,12,79,518	1,85,98,37,685
	Contribution to provident and other funds		
2	Directors Remuneration	47,96,933	51,63,882
3	Terminal Benefits	26,92,02,443	31,32,85,992
4	Other staff costs	50,45,01,255	39,72,73,578
	Less: Employee cost charged to Capital WIP	(33,93,75,319)	(46,84,17,663)
	<b>Total</b>	<b>2,24,04,04,830</b>	<b>2,10,71,43,474</b>

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,2013	For the year ended 31st March,2012
1	Sh.Jag Mohan Lal Managing Director		1,27,715
2	Sh. A.K. Jain (M.D.)	1,74,417	10,74,858
3	Sh.Anil Kumar Johari, Managing Director / Director (Operations)	14,65,424	15,56,286
4	Sh.Sharad Krishna Director (IIT)	15,78,546	18,08,137
5	Sh.G.K.Sharma Director (Projects)	15,78,546	5,96,886
	<b>Total</b>	<b>47,96,933</b>	<b>51,63,882</b>









# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

## Note No.23 => Financial Cost

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2013	For the year ended 31st March,2012
1	Interest on State Govt.Loans	36,85,95,959	15,85,84,656
2	Interest on Other Loans & Liabilities	49,26,16,795	50,64,26,811
3	Interest on Consumers Security Deposits	8,49,40,469	20,35,91,394
4	Guarantee Fees to U.A.Govt.	2,35,01,000	2,50,00,000
5	Other financial and bank charges	33,55,82,613	9,86,60,195
	Less: Interest and other financial charges charged to Capital WIP	(9,28,23,095)	(4,50,00,000)
	<b>Total</b>	<b>1,21,24,13,741</b>	<b>94,72,63,056</b>

- 1 Interest on other loans and liabilities includes Rs. 14.0355 Cr. of earlier years which is now converted into share capital vide G.O.No342/I(2)/2012-06/14/2012 dated 28/02/2013.









**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013*

**Note No.24 => Depreciation & Amortised Cost**

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2013	For the year ended 31st March,2012
1	Depreciation	82,31,19,140	37,51,75,965
2	Amortised Cost of deferred revenue expenditure	-	39,18,400
	<b>Total in Rs.</b>	<b>82,31,19,140</b>	<b>37,90,94,365</b>

- 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 in FY 2011-12.









# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2013

## Note No.25 => Other Administrative Expenses

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2013	For the year ended 31st March,2012
1	Rent Rates & Taxes	40,69,803	36,50,057
2	Electricity and water	3,43,28,356	3,37,94,231
3	Insurance	9,02,542	9,20,480
4	Communication	2,43,52,140	2,06,68,557
5	Printing and stationery	1,59,09,700	1,76,31,900
6	Travelling and conveyance	3,81,14,339	4,06,68,413
7	Legal & professional	2,71,32,193	2,25,55,004
8	Fees & Subscription	18,32,101	10,27,340
9	Remuneration to auditors	27,26,510	10,43,715
10	Honorarium	1,76,023	-
11	Departmental Training	8,97,822	-
12	Advertisement and promotion	2,20,38,326	2,25,22,661
13	Miscellaneous Expenses	3,16,06,081	3,25,82,204
14	Other debit to Revenue A/c/Compensation expenses to staff/outside	11,94,218	21,44,870
15	U.E.R.C. Fees	1,56,13,518	1,35,03,652
16	Rebate/ discount allowed to consumer on sale of electricity	-	14,37,76,999
	Less: Expenses charged to Capital WIP	(5,30,29,118)	(5,61,20,388)
	<b>Total</b>	<b>16,78,64,553</b>	<b>30,03,69,694</b>

1 Rebate/ discount allowed to consumer on sale of electricity pertaining to voltage rebate has been adjusted against assessment in current year. The same was shown as an expense in FY 2011-12.





## 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. 10<sup>th</sup> 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, 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. They are subsequently shown as a deduction from the Gross Value of the Asset concerned in arriving at its Book Value and therefore recognized over the useful life of a depreciable asset by way of a reduced Depreciation charge.
- 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" / "Other Stock Account Head" at depreciated value and the accumulated depreciation thereon are transferred to "Provision for Depreciation on Fixed Assets". The damaged Fixed Assets like Transformers, Electricals equipments etc. after repair 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.

*Akhil*



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 Stationery is charged as expense to P/L account at the time of purchase itself. Hence the closing stock of stationary as on 31.03.2013 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.

Akhil



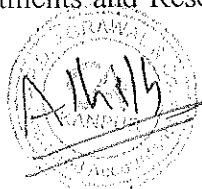
## **8. PROFIT AND LOSS ACCOUNT:**

### **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 Delayed Payment Surcharge is charged against the payment of bills beyond the due date in the subsequent bill and is shown distinctly under the head "Revenue from Operations".
- 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 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 company 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 Non-Gazetted employees, leave encashment facility is available upto 30 days every year. However, maximum upto 300 days leave encashment can be availed both by Gazetted officers and Non-Gazetted employees at the time of their retirement.

## **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 AND DOUBTFUL DEBTS:**

- 12.1 The provision for Bad and Doubtful Debts is made up to 5.00 % based on an overall assessment of the Revenue. (In earlier years it was made @ 5%).





- 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 company 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 Non-Gazetted employees, leave encashment facility is available upto 30 days every year. However, maximum upto 300 days leave encashment can be availed both by Gazetted officers and Non-Gazetted employees at the time of their retirement.

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### **13. OTHER INCOME**

- 13.1 Other income includes interest on FDR, Sale of tender forms, penalty from contractor, Rebate/Incentives on timely payments of purchase bills, 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 in case 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**

**(S.S. Yadav)**  
**Managing Director**

**(R.J. Malik)**  
**Company Secretary**

**Place : Dehradun**  
**Dated:**