

D.L.DUGGAL & Co.

CHARTERED ACCOUNTANTS

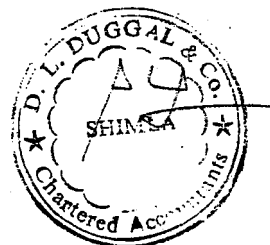
FLAT No.4, BLOCK No. C-16, VIKAS NAGAR, SHIMLA (H.P.)-171009 PH.: 2626895 (M) 9736142644

AUDITOR'S REPORT

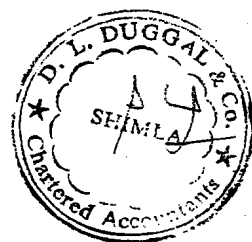
TO THE MEMBERS OF

HIMACHAL PRADESH POWER CORPORATION LIMITED

- 1) We have audited the attached Balance Sheet of Himachal Pradesh Power Corporation Limited, Shimla as at 31st March, 2010 and the Statement of incidental Expenses during construction (pending allocation) for the year ended on 31st March, 2010 annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted the audit in accordance with the Auditing & Assurance Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



- 3) 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 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given thereto, we enclose in annexure-A, a statement on the matters specified in paragraph 4& 5 of the said order.
- 4) Further to our comments in Annexure-A referred to above in paragraph 3, subject to following points:
- i. A number of assets and liabilities have been transferred by Himachal Pradesh State Electricity Board (HPSEB) to Pabbar Valley Corporation Ltd. (PVPCL) and Kinner Kailash Power Corporation Ltd. (KKPCL) which have now become assets and liabilities of the Company by virtue of amalgamation. Besides, HPSEB had been disbursing funds to the Company, PVPCL and KKPCL from time to time. In the absence of relevant details, we are unable to ascertain effect on assets and liabilities of the Company. The reconciliation with HPSEB is yet in progress.
 - ii. The Corporation has incurred an expenditure of Rs. 1,14,18,143/- up to 31.03.2010 (out of which Rs.478555/- incurred by HPSEB). Allotment of Tidong-II Power Project was set aside by High Court of Himachal Pradesh. However, the order was stayed by the Division Bench. No provision thereof has been made pending final decision of the Court (Refer note no.viii).
 - iii. Balances outstanding in the names of various parties appearing under Current Assets, Loans and Advances and Current Liabilities are not confirmed by the parties.

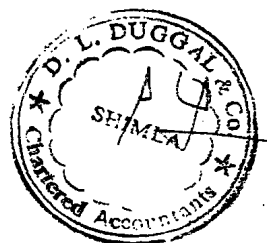


- iv. Fixed Assets of the company are not insured.
- v. Some cases of land acquisition are pending with different authorities the amount of liability is unascertained and therefore no provision thereof has been made in the accounts.
- vi. The Authorized Share Capital of the company is Rs. 400.00 Crores where as the sum total of share application money and paid up share capital is Rs.636.17 Crore. The Company has accepted share application money more than the Authorized Share Capital, which is contrary to the Companies Act, 1956 (Refer note No. ix).

Contrary to the statement that all Accounting Standard have been followed and accounts have been prepared on the basis of the Generally Accepted Accounting principles ,there are material departures from the Accounting Standards which have been appropriately qualified elsewhere in this report.

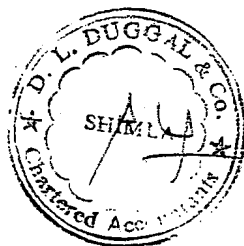
We report that:

- i. 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.
- ii. In our opinion proper books of accounts as required by law have been kept by the company so far as appears form our examination of those books.
- iii. The Balance Sheet and the statement of Incidental Expenditure during Construction (Pending Allocation) dealt with by this report are in agreement with the books of accounts.
- iv. In our opinion, the Balance Sheet and the Statement of Incidental Expenditure during construction (Pending Allocation) dealt with by this report has been prepared in compliance with the applicable accounting



standards referred to in sub-section (3C) of section 211 of the company Act, 1956 except for non compliance of Accounting Standard, AS-3 regarding cash flow statements, AS-15 regarding non-accounting of terminal benefits of employees in the financial statements, AS-18 regarding non-disclosure of related party transactions and AS-28 regarding contingencies and provisions. The AS-13 regarding interest earned on temporary investment of borrowed funds has been complied with, but as per the decision in the case of TUTICORIN ALKALI CHEMCALS AND FERTILIZERS LTD vs. COMMISSIONER OF INCOME TAX by the Hon'ble Supreme Court of India vide 227 (1997) ITR (SC) the interest earned on temporary investments becomes taxable.

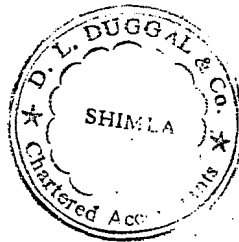
- v. In terms of Govt. of India Ministry of Finance Department of the Company Affairs Notifications No.-GSR 829 (E) 21ST October 2003, Govt. Companies it is exempted from the provision section 274(1)(g) of the Company Act, 1956 regarding disqualification of Directors.
- vi. In our opinion, and to the best of our information and according to the explanations given to us the said Balance sheet and the incidental expenses during the construction (pending allocation), read together with the Significant accounting policies, notes to accounts and qualifications in Para 1 to 6 above, dealt with by this report comply with the accounting standards refer to in sub section 3 (c) of section 211 of the companies Act, 1956 in the manner so required and the said accounts give a true and fair view.



- a) In the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2010. And
- b) In the case of the Statement of Incidental Expenses during construction pending allocation for the year ended as on that date.

Place:- Shimla

Dated:- 17/09/2010



For D.L. DUGGAL & CO.,
Chartered Accountants


(D.L. DUGGAL)

Partner

Membership No. 085692

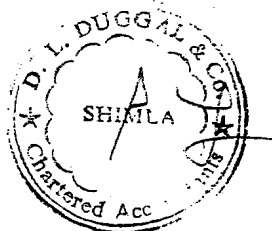
FRN No. 06906N

HIMACHAL PRADESH POWER CORPORATION LIMITED

ANNEXURE -1 REFERRED TO IN PARAGARPAH 3 OF OUR REPORT OF EVEN DATE OF HIMACHAL PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH,2010.

- i) (a) The Corporation has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As per explanation and information given to us, we are of the opinion that, the frequency of physical verification of fixed assets is not reasonable having regard to the size of the Corporation and nature of its assets.
(c) During the year, the Corporation has not disposed off any substantial part of the fixed assets.
- ii) (a) As explained to us, the inventory has not been physically verified during the year by the management.

(b) The Corporation is maintaining proper records of inventory.
- iii) (a) The Corporation has not granted /taken any loan secured or unsecured to /from Companies, Firms or other parties recovered in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of



Corporation and nature of its business with regard to purchase of Consumable Stores, Fixed Assets and other expenses.

v) (a) According to the information & explanation given to us, there is no transaction that needs to be entered in the register maintained under section 301 of the Companies Act, 1956.

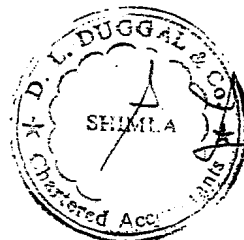
(b) In our opinion and according to the information & explanations given to us, there was no transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.

vi) The Corporation has not accepted any deposit from the public under section 58- A of the Companies Act, 1956.

vii) The Corporation has appointed firms of Chartered Accountants to conduct the Internal Audit and in our opinion, the Internal Audit System is commensurate with the size and nature of the business of the Corporation.

viii) We have been informed that Central Government has not prescribed maintenance of cost accounting records under section 209 (1) (d) of the Companies Act, 1956, in respect of the activities of the corporation.

ix) (a) The Corporation is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, Employees States Insurance, Income Tax, Sales Tax, Wealth Tax, custom duty, excise duty, cess and other material statutory dues applicable to it.



(b) According to the information & explanations given to us, there are no disputed sales tax, income tax, custom duty, wealth duty and cess which have not been deposited as on March 31, 2010.

x) As the Commercial Operation of the Corporation has still not commenced, the provisions of clause of 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Corporation .

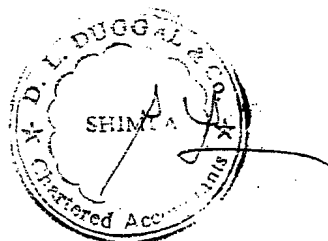
xi) In our opinion, and according to the information and explanations given to us, the Corporation has not defaulted in repayment of dues to financial institutions .

xii) The Corporation has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion , the Corporation is not a chit fund or a nidhi/ mutual benefit fund / society .Therefore, the provisions of clause of 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Corporation .

xiv) In our opinion, the Corporation is not dealing in or trading in share, securities, debentures and other investments. Accordingly , the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Corporation.

xv) The Corporation has not given guarantees for loans taken by other from Banks or Financial Institutions .



xvi) The Corporation has availed Term Loan of Rs.62.34 Crores from H.P. Govt. (ADB) during the year and the same has been utilized for the purpose it was availed.

xvii) According to the information & explanations given to us and on an over all examination of the Balance Sheet of the Corporation, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets.

xviii) The Corporation, during the year, has not made any preferential allotment of shares to any party.

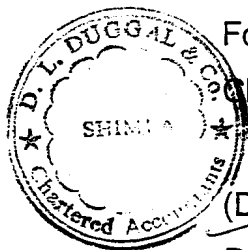
xix) The Corporation has not issued any debentures during the period under audit.

xx) The Corporation has not raised any money by public issues during the year under audit.

xxi) According to the information and explanation given to us and as per our examination of books of accounts, no fraud on or by the Corporation has been noticed or reported during the course of our audit.

Place:- Shimla

Dated:- 17/09/2010



For D.L. DUGGAL & CO.,

Chartered Accountants

(D.L. DUGGAL)

Partner

H.P. POWER CORPORATION LIMITED

Balance Sheet As At 31st March-2010

(in Rs.)

Particulars	Schedule No.	Amount	Amount
		As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
1 Shareholder's Funds:			
(a) Share Capital	1	3,89,97,82,000	2,60,62,00,000
(b) Advance from State Govt. towards Share Capital		1,73,86,07,000	60,81,00,000
(c) HPSEB (Expenditure) Pending Allocation		72,33,23,819	1,42,70,30,646
2. Loan Funds	2		
(a) Secured loans		1,14,88,55,446	54,71,64,252
Total		7,51,05,68,265	5,18,84,94,898
APPLICATION OF FUNDS			
1. Fixed Assets	3		
Gross Block		78,62,23,310	54,55,22,032
Depreciation		3,57,14,824	1,53,36,531
Net Block		75,05,08,486	53,01,85,501
Capital Work in Progress		3,03,85,20,358	1,54,62,17,689
Incidental expenses pending Allocation		88,67,00,423	55,97,09,602
Total		4,67,57,29,267	2,63,61,12,792
2. Investments	4	1,77,50,000	2,50,000
3. Current Assets, Loans & Advances:	5		
a) Inventories		90,79,094	70,12,322
b) Cash & Bank Balances		4,20,27,88,769	3,60,56,75,965
c) Current Assets		25,88,37,702	34,30,26,061
d) Loans & Advances		89,46,94,317	69,34,51,208
Total (A)		5,36,53,99,882	4,64,91,65,556
4. Less: Current Liabilities & Provisions			
(a) Liabilities	6	2,56,92,89,430	2,24,42,63,756
(b) Provisions		87,03,102	1,15,61,396
Total (B)		2,57,79,92,532	2,25,58,25,152
Net Current Assets (A-B)		2,78,74,07,350	2,39,33,40,404
5. Pre Operating Expenss to the extent not written off:		2,96,81,648	15,87,91,702
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	7		
Total		7,51,05,68,265	5,18,84,94,898

(Sudershan K Sharma)

Company Secretary

(B.S. Negi)

Dy. General Manager (Fin)

(B.C.S. Baliga)

Director (Finance)

(Tarun Kapoor)

Managing Director

Place: Shimla

Date: 17/09/2010

For D.L. Duggal & Co.
Chartered Accountants

(C.A. D.L. Duggal)

Partner

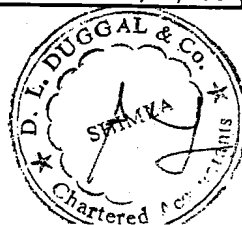
Membership No. 085692

FRN No.06906N

H.P. POWER CORPORATION LIMITED

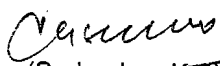
Statement of Incidental Expenses during Construction


Particulars	Schedule 3	Amount As at 31.03.10	Amount FY 2009-10	Amount As at 31.03.09
Employees Renumeration & Benefits	Annexure-3	97,33,30,886	34,77,34,050	62,55,96,836
Interest on Govt Loans (ADB)		1,18,64,269	1,18,64,269	-
Material Issued/Consumed		-	(27,48,305)	27,48,305
Honorarium		67,000	20,000	47,000
Application fee/filing fee		91,795	69,196	22,599
Postage & Telegram		7,10,777	3,29,120	3,81,657
Printing & Stationery Exp.		69,82,920	34,70,549	35,12,371
Hospitality exp.		41,15,984	18,57,637	22,58,347
Hospitality exp. (ADB)		3,93,899	3,93,899	-
Telephone Expenses (MD)		65,714	65,714	-
Telephone Expenses (Directors)		56,899	56,899	-
Telephone Expenses		75,91,117	36,26,875	39,64,242
Elect., Water & Fuel Charges		66,09,174	31,36,387	34,72,787
Bank Charges		2,95,545	87,582	2,07,963
Rent		1,62,83,634	89,97,010	72,86,624
Rates & Taxes		1,08,959	(1,47,400)	2,56,359
News Papers, Books & Periodicals		9,97,387	7,00,017	2,97,370
Fringe Benefit Tax Paid		21,10,584	1,42,132	19,68,452
Legal & Professional Charges		15,19,988	5,39,061	9,80,927
Registration Fees		8,350	(6,550)	14,900
Misc. Expenses		19,95,860	4,85,327	15,10,533
O-Misc		-	(2,13,31,901)	2,13,31,901
Misc. Exp. Not written off		2,96,81,648	90,02,560	2,06,79,088
Freight & labour		10,08,585	5,48,861	4,59,724
Insurance (Vehicle/Others)		5,18,733	2,60,455	2,58,278
Petty balances written off		29	(85)	114
Vehicles Repairs		15,49,279	15,49,279	-
Vehicles Running and maintenance		80,33,040	22,90,705	57,42,335
Hired Vehicle Charges.		2,23,99,827	1,29,78,563	94,21,264
Training & Seminar (ADB)		56,59,813	45,85,167	10,74,646
Training & Seminar		10,43,980	8,47,922	1,96,058
General Repair & Mtc.		14,90,191	(3,20,713)	18,10,904
Repair & Mtc. (computers)		6,75,516	6,75,516	-
Repair & Mtc. Of Building		92,48,672	66,42,005	26,06,667
Repair & Mtc. (Roads& Bridges)		3,88,119	3,88,119	-
Repair & Mtc. (Electro-Mech)		97,689	97,689	-
Repair & Mtc. (P & M)		73,850	73,850	-
Office Mtc.		95,739	50,931	44,808
Office Expenses		2,31,669	2,31,669	-
Gift & Presentation A/c		97,800	(20,543)	1,18,343
Entertainment Exp. A/c		4,58,367	(81,386)	5,39,753
Raising Day Expenses		8,79,770	8,79,770	-
Board Meeting Expenses		75,088	58,919	16,169
Audit fee		2,89,769	34,474	2,55,295
Depreciation		3,57,14,824	2,03,78,293	1,53,36,531
Publicity and Advertisemnet		83,03,843	30,41,971	52,61,872
Interest on Term Loan (PFC)		33,21,19,224	5,52,07,398	27,69,11,826
Transit Camp Expenses		5,20,863	3,27,215	1,93,648
Consultancy Fee		2,45,44,970	17,16,333	2,28,28,637
Consultancy Fee (ADB)		50,56,172	42,05,716	8,50,456
ERP Related Expenses		3,33,338	3,33,338	-




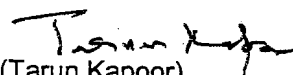
Statement of Incidental Expenses during Construction

Particulars	Schedule 3	Amount As at 31.03.10	Amount FY 2009-10	Amount As at 31.03.09
Expenses Relating to P. Year		45,63,994	(10,16,774)	55,80,768
Stores & Spares Consumed		46,85,423	32,80,646	14,04,777
Annual Maintenance Charges		1,96,646	1,57,331	39,315
Fees and Subscription		4,65,640	2,52,484	2,13,156
Recruitment Expenses		13,23,176	5,78,783	7,44,393
Lease Rent to Directors		80,500	48,000	32,500
Lease Rent to Staff		1,04,427	1,04,427	-
Lease Rent (Others)		8,09,550	8,09,550	-
Business Development Expenses		1,58,14,000	1,56,29,565	1,84,435
Compensation (Workman)		2,97,154	2,97,154	-
Land Acquisition Related expenditure		44,04,460	7,40,580	36,63,880
Winter Heating Exp.		10,89,936	4,97,507	5,92,429
Sub-Total		1,55,96,26,055	50,67,04,813	1,05,29,21,242
Less: Miscellaneous Receipts.		-	-	-
Interest On Loans		38,57,633	28,10,608	10,47,025
Interest on FDR's (Gross)		57,57,20,264	28,42,77,854	29,14,42,410
Provision of Income Tax		-	-	-
Sale of Tender Forms		30,81,370	16,90,360	13,91,010
Misc. Receipts		4,44,43,062	39,20,996	4,05,22,066
LD Charges Receipts		1,61,26,796	1,61,26,796	-
House Rent Collection		-	-	-
Interest on Staff loans		14,858	(2,569)	17,427
Total		64,32,43,983	30,88,24,045	33,44,19,938
Less: Pre Operating Expenss. to the extent not written off:		2,96,81,648	(12,91,10,054)	15,87,91,702
Incidental expenses pending allocation transferred to CWIP		88,67,00,423	32,69,90,821	55,97,09,602


(Sudershan K Sharma)
Company Secretary


(B.S. Negi)
Dy. General Manager (Fin)


(B.C.S. Baliga)
Director (Finance)


(Tarun Kapoor)
Managing Director

For D.L.Duggal & Co.
Chartered Accountants


(C.A. D.L. Duggal)
Partner *

Membership No. 085692
FRN No.06906N

Place: Shimla

Date: 17/09/2010

H.P. POWER CORPORATION LIMITED

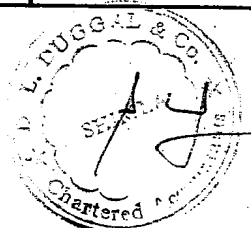
Schedule-1 SHARE CAPITAL			
		Amount	Amount
		As at 31.03.2010	As at 31.03.2009
AUTHORISED SHARE CAPITAL			
4000000 Equity Shares of Rs 1000/- each		4,00,00,00,000	3,00,00,00,000
ISSUED, SUBSCRIBED AND PAID UP			
38,99,782 Equity Shares (Previous Year		3,89,97,82,000	2,60,62,00,000
26,06,200 Equity Shares) of Rs. 1000/- each (fully paid up)			
A) Advance from State Govt. towards Share Capital		1,73,86,07,000	60,81,00,000
B) HPSEB (Expenditure) Pending Allocation		72,33,23,819	1,42,70,30,646
TOTAL		6,36,17,12,819	4,64,13,30,646

Schedule-2 LOAN FUNDS			
		Amount	Amount
		As at 31.03.2010	As at 31.03.2009
Secured Loans			
PFC Loan		50,52,21,775	53,52,21,775
State Govt Loans (ADB)		62,34,44,000	-
Interest Accrued but Not Due		2,01,89,671	1,19,42,477
TOTAL		1,14,88,55,446	54,71,64,252

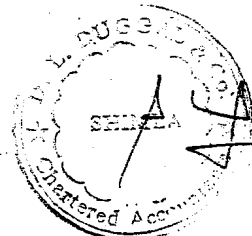
Schedule-3 FIXED ASSETS & CWIP			
		Amount	Amount
		As at 31.03.2010	As at 31.03.2009
Gross Block		78,62,23,310	54,55,22,032
Less Depreciation		3,57,14,824	1,53,36,531
Net Block		75,05,08,486	53,01,85,501
Capital Works in Progress		3,03,85,20,358	1,54,62,17,689
Incidental expenses pending allocation		88,67,00,423	55,97,09,602
TOTAL		4,67,57,29,267	2,63,61,12,792

Schedule-4 INVESTMENTS			
		Amount	Amount
		As at 31.03.2010	As at 31.03.2009
Himachal EMTA		1,77,50,000	2,50,000
TOTAL		1,77,50,000	2,50,000

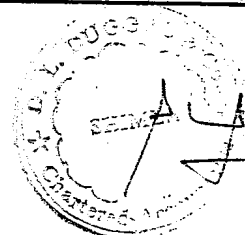
Schedule-5 CURRENT ASSETS, LOANS & ADVANCES			
		Amount	Amount
		As at 31.03.2010	As at 31.03.2009
CURRENT ASSETS			
(a) Inventories		90,79,094	70,12,322



H.P. POWER CORPORATION LIMITED			
(b) Cash and Bank Balances			
(1) Cash in hand (including Imprest)		72,442	74,861
(2) Stamps in hand		7,377	8,931
(3) Bank Balances with schedule bank			
(i) In current Account		43,62,02,660	7,45,54,055
(ii) In Saving Account		80,23,364	-
(iii) In fixed Deposits		3,75,84,82,926	3,53,10,38,118
Total (b)		4,20,27,88,769	3,60,56,75,965
(c) Loans & Advances			
GPF Recoverable /Advance (including HPSEB)		-	3,01,094
Advances to others/ Contractors		89,17,31,127	65,73,83,691
Advance against LC		9,72,660	-
Advances to staff		1,55,869	10,14,087
Advances to Director		20,000	-
Advance to HPTCL against works		16,90,655	16,90,655
Loan and Advances(HPTCL)		-	2,92,77,700
Warm Clothing Advance		88,354	1,63,750
Travelling Advance		35,652	55,100
HPSEB Advance (T&C)		-	35,65,131
Total (c)		89,46,94,317	69,34,51,208
(d) Current Assets			
Pre paid expenses		2,40,913	2,33,055
Advance to Others		-	4,20,800
Recoverable from Contractor/Supplier		2,42,611	1,39,314
Recoverable from Ganvi HEP		-	5,48,94,265
Advance for Land		89,99,287	-
Security Deposits		33,14,986	1,95,772
Advance Tax A-Y 2009-10		9,63,03,144	9,58,02,904
Advance Tax A-Y 2010-11		4,96,99,264	-
Advance Tax A-Y 2008-09		48,09,545	48,09,545
Other Current Assets		57,189	-
Bills Receivable (Staff)		9,166	-
Advance FBT		9,39,178	2,33,946
PLA to Contractors		67,93,389	70,04,865
PLA to employees		2,33,109	-
Settlement with HPSEB		-	72,75,105
Bills Recievable		-	3,000
Interest recoverable		7,71,962	8,158
GPF/EPF Recoverable From Employees		-	68,501
Recoverable from Sales Tax		-	25,300



H.P. POWER CORPORATION LIMITED			
Amt Recoverable from Staff		6,131	4,91,093
Recoverable from Mining Officer R/Peo		-	656
Pay Advance		-	1,01,650
HPSEB TAPRI (Advance)		-	63,750
Securities deposit to Govt. Department		-	8,290
Recievable from Rest House		-	600
Recievable from HPSEB		9,58,159	1,70,94,584
GIS Recievable		-	22,577
Tender Documents for New Projects		-	26,00,000
Processing Fee for New projects		-	1,30,00,000
Interest Accrued but not due on F.D.R.		8,54,59,669	13,72,44,076
Stores & Spares		-	2,37,230
Interest Accrued but not due on Term Loan		-	10,47,025
Total (d)		25,88,37,702	34,30,26,061
Schedule-6 Current Liabilities & Provisions		Amount	Amount
		As at 31.03.2010	As at 31.03.2009
A. Current Liabilities			
Retention Money		3,73,48,424	64,24,504
Audit Fee Payable		55,150	1,24,236
Payable to HPIDB		30,000	30,000
Expenses Payable/Provision for Exp		3,25,51,332	3,39,79,803
Payable to Contractors		1,73,57,304	32,06,040
Salary & Wages payable		1,00,45,828	72,00,843
Priovision for Gratuity		2,02,349	-
E.M.D.		58,77,058	88,57,959
Recovery from staff (HPSEB)		62,983	2,86,349
Other Payable		99,45,443	2,94,448
Payable to Sr. Xen (Elec to TTA Kulu)		-	1,200
Bills Payable/ Expenses Payable		1,79,04,251	76,01,179
Payable to Supplier Material Purchases		18,65,524	22,30,906
Car Advance Payable		1,653	6,560
Car Interest		-	2,000
Sundry Creditors		12,25,327	12,25,327
Suspence Account		60,000	60,000
Legal and Proffesional (Payable)		40,000	2,25,750
EPF/GPF Payable		64,68,915	59,26,173
Security		2,92,71,235	1,55,76,179
Royalty		3,02,148	2,09,106
BVPCL		-	22,16,858
HRA Deduction Payable		15,069	15,083
Interst On HBA Payable		6,560	6,432



H.P. POWER CORPORATION LIMITED			
Benovalent Fund Payable		3,570	270
Staff Deduction Payable (Others)		1,15,052	19,150
Contibution Pension Scheme (CPS)		3,026	2,446
Advances from Other States Pending Allocation		2,39,83,79,755	2,14,83,79,755
Conveyance deduction Payable		-	6,750
Payable to Ganvi agt Rental for staff Qtrs		1,51,474	1,48,450
Sub Total A		2,56,92,89,430	2,24,42,63,756
B. Provisions			
Income Tax Payable		-	85,45,630
Sales Tax Payable		31,03,567	5,75,681
Labour Cess Payable		15,43,945	-
TDS Payable		19,13,578	24,39,972
TDS Contractor		21,42,012	113
Total (B)		87,03,102	1,15,61,396
Grand Total (A+B)		2,57,79,92,532	2,25,58,25,152

Sudershan K Sharma
(Sudershan K Sharma)

Company Secretary Dy. General Manager (Fin)

B.S. Negi
(B.S. Negi)

Director (Finance)

B.C.S. Baliga
(B.C.S. Baliga)

Tarun Kapoor
(Tarun Kapoor)

Managing Director



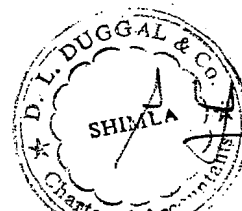
Annexure-1

HIMACHAL PRADESH POWER CORPORATION LIMITED

CAPITAL WORK IN PROGRESS & INCIDENTAL EXPENDITURE

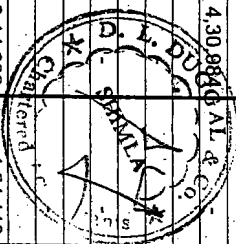
[A] CAPITAL WORK IN PROGRESS

Particulars	Schedule 3	As at 31.03.2010	As at 31.03.2009
Land		3,57,016	-
Head Race Tunnel		27,51,38,725	11,43,62,721
Adits		10,10,79,712	14,76,592
Site Development		6,78,205	11,98,088
Building (Residential)		-	67,36,013
Diversion Dam		8,89,093	5,88,866
Civil Works		1,45,81,600	23,40,64,299
Civil Works (Others)		1,48,85,848	1,57,80,691
Barrage (Main Civil Works)		7,26,95,677	-
Roads		16,06,39,965	2,11,02,513
Traffic Tunnel		20,97,818	-
Line Cable Network		1,49,74,900	14,96,52,100
Power House		-	6,13,36,687
Power House (Civil Works)		34,54,47,366	-
J-Power (Civil Works)		-	2,03,69,074
Surge Shaft		1,22,90,751	66,03,050
K-Building		17,39,72,820	7,95,20,197
O-Miscellaneous		4,11,52,423	-
Main Access Tunnel		4,70,917	2,75,75,282
R-Roads & Bridges		10,68,38,511	8,17,23,232
Intake		43,46,524	2,31,415
Non Residential Building-Guest House & Canteen		-	1,66,065
Non Residential Building- (Others)		30,58,847	3,43,134
Non Residential Building- (Office)		1,60,28,496	5,07,252
Hydraulic Works		1,65,55,357	25,15,638
Construction Power HPSEB		28,07,62,770	1,96,65,809
DAM		-	20,29,190
Pressure Shaft		-	3,17,608
EMP		67,66,631	7,01,579
Survey, Investigation & Associated Expenditure		92,94,72,422	57,35,67,666
Preliminary Expenses (Projects)		1,24,310	-
Site Development		31,102	-
Environment & Ecology		4,03,58,660	1,16,46,208
LADA		8,74,79,075	5,97,98,078
Study & Research		53,00,227	33,33,743
CAT-Plan		19,00,03,442	4,18,81,720
Cost of Forest Trees		3,53,08,040	-
Compensatory Afforestation		94,92,116	-
Plantation		71,77,321	71,77,321
R/R Plan		85,21,571	2,45,858
Land Acquisition (R&R Plan)		5,95,42,100	-
Total		3,03,85,20,358	1,54,62,17,689
[B] INCIDENTAL EXPENDITURE PENDING ALLOCATION		88,67,00,423	55,97,09,602
Total [A+B]		3,92,52,20,781	2,10,59,27,291



Annexure 2 to Schedule-3

Annexure-B-1 FIXED ASSETS & DEPRECIATION										
GROSS BLOCK					DEPRECIATION			NET BLOCK		
Particulars	Dep. Rates	Balance As at 1.4.2009	Addition	Transfer/ Sale	Total As at 31.03.2010	Up to 31.03.2009	For the Year	Total Depreciation	As at 31.03.2010	up to 31.03.2009
Land	0%	44,24,21,058	16,41,70,836	3,06,204	60,62,85,690	-	-	-	60,62,85,690	44,24,21,058
Land Lease Hold	0%	78,300	4,29,71,421	-	4,30,49,721	-	-	-	4,30,49,721	78,300
Residential Building	5%	3,79,55,654	-	24,58,710	3,54,96,944	34,00,426	16,04,826	50,05,252	3,04,91,692	3,45,55,228
Non- Residential Building	10%	16,08,287	-	-	16,08,287	2,34,388	1,33,035	3,67,423	12,40,864	13,73,899
Office Equipments	13.91%	63,65,264	41,53,378	-	1,05,18,642	7,41,501	11,54,134	18,95,635	86,23,007	56,23,763
Plant & Machinery	13.91%	30,78,472	17,56,153	1,40,400	48,94,225	5,31,408	4,74,876	10,06,284	36,87,941	25,47,064
Wireless System	13.91%	1,67,825	8,07,202	-	9,75,027	60,208	73,195	1,33,403	8,41,624	1,07,617
Transit Camp	10.00%	47,409	11,98,471	-	12,45,880	4,741	75,518	80,259	11,65,621	42,668
Furniture & Fixtures	18.10%	1,47,89,333	82,84,945	-	2,30,74,278	27,86,777	27,69,036	55,55,813	1,75,18,465	1,20,02,556
Vehicles	25.89%	95,98,310	1,01,548	-	96,99,858	33,54,121	16,29,191	49,83,312	47,16,546	62,44,189
Project Planner	40.00%	2,60,000	-	-	2,60,000	1,96,352	25,459	2,21,811	38,189	63,648
Computers	40.00%	97,41,341	1,22,32,433	13,66,271	2,06,07,503	33,25,015	48,26,967	81,51,982	1,24,55,521	64,16,326
Shed	100.00%	5,69,532	60,09,465	-	65,78,997	5,69,531	60,09,465	65,78,996	1	1
Software	40.00%	62,400	25,70,659	-	26,33,059	14,497	5,50,585	5,65,082	20,67,977	47,903
Recreation Centre	10.00%	4,61,805	-	-	4,61,805	46,181	41,562	87,743	3,74,062	4,15,624
Survey Instrument	13.91%	-	1,24,876	-	1,24,876	-	13,087	13,087	1,11,789	-
Laboratory equipments	13.91%	-	4,30,984	-	4,30,984	-	39,184	39,184	3,91,800	-
Testing Labs	10.00%	46,360	-	-	46,360	4,636	4,172	8,808	37,552	41,724
Water Treatment System Plant	15.33%	3,56,400	-	-	3,56,400	44,757	47,775	92,532	2,63,868	3,11,643
Roads and Bridges	5.00%	1,75,41,645	-	-	1,75,41,645	2,403	8,76,962	8,79,365	1,66,62,280	1,75,39,242
Misc. Fixed Assets	13.91%	3,72,637	3,14,602	1,54,110	5,33,129	19,589	29,264	48,853	4,84,276	3,53,048
Total		54,55,22,032	24,51,26,973	44,25,695	78,62,23,310	1,53,36,531	2,03,78,293	3,57,14,824	75,05,08,486	53,01,85,501
Previous Year		45,99,35,030	15,44,90,510	6,89,03,508	54,55,22,032	50,29,317	1,03,07,214	1,53,36,531	53,01,85,501	45,49,05,713



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FIXED ASSETS AND DEPRECIATION FOR FY 2009-10 (CORPORATE OFFICE)										
		GROSS BLOCK				DEPRECIATION			NET BLOCK	
Particulars	Dep. Rates	As at 1.4.2009	Addition	Transfer/Sale	Total	up to 31.03.2009	For the Year	Total	WDV As at 31.03.10	WDV As at 31.03.2009
Vehicles	25.89%	31,61,413	64,316	-	32,25,729	11,05,135	5,37,890	16,43,025	15,82,704	20,56,278
Furniture & Fixtures	18.10%	65,75,568	35,79,301	-	1,01,54,869	9,59,423	12,38,759	21,98,182	79,56,687	56,16,145
Office Equipments	13.91%	21,54,407	6,60,594	-	28,15,001	2,59,112	3,19,726	5,78,838	22,36,163	18,95,295
Computers	40.00%	56,60,898	41,86,017	13,66,271	84,80,644	12,58,988	26,91,985	39,50,973	45,29,671	44,01,910
Software	40.00%	-	12,48,633	-	12,48,633	-	3,68,689	3,68,689	8,79,944	-
Total		1,75,52,286	97,38,861	13,66,271	2,59,24,876	35,82,658	51,57,049	87,39,707	1,71,85,169	1,39,69,628

Annexure 2(b) to Schedule-3

FIXED ASSETS AND DEPRECIATION FOR FY 2009-10 (INTEGRATED KASHANG)										
GROSS BLOCK						DEPRECIATION			NET BLOCK	
Particulars	Dep. Rates	As at 1.4.2009	Addition	Transfer/Sale	Total	up to 31.03.2009	For the Year	Total	WDV As at 31.03.10	WDV As at 31.03.2009
Land (Freehold)	0%	13,04,64,359	8,02,52,643	-	21,07,17,002	-	-	-	21,07,17,002	13,04,64,359
Misc. Fixed Assets	13.91%	2,18,527	3,14,602	-	5,33,129	13,851	35,002	48,853	4,84,276	2,04,676
Wireless System	13.91%	1,67,825	2,79,502	-	4,47,327	60,208	15,076	75,284	3,72,043	1,07,617
Plant and Machinery	13.91%	9,11,531	-	-	9,11,531	2,57,993	90,907	3,48,900	5,62,631	6,53,538
Vehicles	25.89%	22,61,921	-	-	22,61,921	8,89,642	3,55,283	12,44,925	10,16,996	13,72,279
Furniture and Fixture	18.10%	19,63,477	11,18,863	-	30,82,340	2,53,594	4,28,073	6,81,667	24,00,673	17,09,883
Office Equipments	13.91%	5,02,978	1,22,055	-	6,25,033	31,912	69,308	1,01,220	5,23,813	4,71,066
Computers	40%	12,09,961	12,88,543	-	24,98,504	4,88,742	3,71,505	8,60,247	16,39,257	7,21,219
Software	40%	-	3,10,249	-	3,10,249	-	8,507	8,507	3,01,742	-
Temporary Shed	100.00%	4,71,024	60,09,465	-	64,80,489	4,71,024	60,09,465	64,80,489	-	-
Survey Instrument	13.91%	-	1,24,876	-	1,24,876	-	13,087	13,087	1,11,789	-
Laboratory equipments	13.91%	-	4,30,984	-	4,30,984	-	39,184	39,184	3,91,800	-
Project Planner	40.00%	2,60,000	-	-	2,60,000	1,96,352	25,459	2,21,811	38,189	63,648
Roads and Bridges	5.00%	1,75,41,645	-	-	1,75,41,645	2,403	8,76,962	8,79,365	1,66,62,280	1,75,39,242
Total		15,59,73,248	9,02,51,792	-	24,62,25,030	26,65,721	83,37,818	1,10,03,539	23,52,21,491	15,33,07,527

Annexure2(c) to Schedule-3

FIXED ASSETS AND DEPRECIATION FOR FY 2009-10 (CHIRGAON MAJGAON)						Annexure to Schedule-3	
Particulars	Dep. Rates	GROSS BLOCK			DEPRECIATION		NET BLOCK
		Addition	Transfer/Sale	Total	up to 31.03.2009 For the Year	Total	WDV As at 31.03.10 WDV As at 31.03.2009
Plant and Machinery	13.91%	2,25,376	-	2,25,376	1,46,385	1,46,385	78,991
Total		2,25,376	-	2,25,376	-	1,46,385	78,991

Annexure2(d) to Schedule-3

FIXED ASSETS AND DEPRECIATION FOR FY 2009-10 (THANA PLAIN/NICHALI BERI)						Annexure to Schedule-3	
Particulars	Dep. Rates	GROSS BLOCK			DEPRECIATION		NET BLOCK
		Addition	Transfer/Sale	Total	up to 31.03.2009 For the Year	Total	WDV As at 31.03.10 WDV As at 31.03.2009
Plant and Machinery	13.91%	0	0	0	0	0	0
Total		0	0	0	0	0	0

Annexure2(e) to Schedule-3

FIXED ASSETS AND DEPRECIATION FOR FY 2009-10 (RENUKAJIDAM)						Annexure to Schedule-3	
Particulars	Dep. Rates	GROSS BLOCK			DEPRECIATION		NET BLOCK
		Addition	Transfer/Sale	Total	up to 31.03.2009 For the Year	Total	WDV As at 31.03.10 WDV As at 31.03.2009
Land (Free hold)	0.00%	39,58,142	-	3,67,11,191	-	-	3,67,11,191
Residential Building	0.00%	24,58,710	24,58,710	-	-	-	24,58,710
Vehicle	25.89%	12,84,440	-	12,84,440	2,98,967	5,54,106	7,30,334
Shed	100.00%	98,508	-	98,508	98,507	98,507	1
Building (Office store)	5.00%	1,78,523	-	1,78,523	91,411	96,767	82,756
Furniture and fixture	18.10%	22,35,867	4,63,476	26,99,343	10,59,718	12,93,560	14,05,783
Computer	40.00%	1,96,720	18,50,213	20,46,933	66,743	3,93,907	16,53,026
Office Equipments	13.91%	10,65,059	18,78,038	29,43,097	1,24,523	4,51,262	24,91,835
Plant and machinery	13.91%	71,443	-	71,443	708	10,547	60,896
Software	40.00%	62,400	2,33,329	2,95,729	14,497	41,459	2,54,270
Total		1,16,09,812	3,71,78,105	4,63,29,207	17,54,074	29,39,115	4,33,90,092

Annexure2(i) to Schedule-3

FIXED ASSETS AND DEPRECIATION FOR FY 2009-10 (SAMVARA KUDDU)										Annexure to Schedule-3	
GROSS BLOCK						DEPRECIATION				NET BLOCK	
Particulars	Dep. Rates	As at 1.4.2009	Addition	Transfer/Sale	Total	up to 31.03.2009	For the Year	Total	WDV As at 31.03.10	WDV As at 31.03.2009	
Land	0%	30,73,86,149	5,10,59,422	-	35,84,45,571	-	-	-	35,84,45,571	30,73,86,149	
Building	5.00%	1,72,42,771	-	-	1,72,42,771	24,87,717	7,37,753	32,25,470	1,40,17,301	1,47,55,054	
Computer	40.00%	25,91,322	14,17,864	-	40,09,186	14,90,657	5,11,150	20,01,807	20,07,379	11,00,665	
Software	40.00%	-	-	-	-	-	-	-	-	-	
Furniture and Fixture	18.10%	15,18,215	3,47,573	-	18,65,788	4,03,162	2,29,603	6,32,765	12,33,023	11,15,053	
Office Equipments	13.91%	6,95,568	3,98,737	-	10,94,305	2,88,604	72,264	3,60,868	7,33,437	4,06,964	
Vehicles	25.89%	14,87,179	-	-	14,87,179	7,88,350	1,80,927	9,69,277	5,17,902	6,98,829	
Plant and Machinery	13.91%	4,23,586	10,95,893	-	15,19,479	1,89,747	34,615	2,24,362	12,95,117	2,33,939	
Total		33,13,44,790	5,43,19,489	-	38,56,64,279	56,48,237	17,66,312	74,14,549	37,82,49,730	32,56,96,553	

Annexure2(g) to Schedule-3

FIXED ASSETS AND DEPRECIATION FOR FY 2009-10 (SUNDER NAGAR)										Annexure to Schedule-3	
GROSS BLOCK						DEPRECIATION				NET BLOCK	
Particulars	Dep. Rates	As at 1.4.2009	Addition	Transfer/Sale	Total	up to 31.03.2009	For the Year	Total	WDV As at 31.03.10	WDV As at 31.03.2009	
Furniture & Fixtures	18.10%	38,673	11,04,761	-	11,43,434	2,433	38,412	40,845	11,02,589	36,240	
Computers	40%	-	11,28,787	-	11,28,787	-	2,63,084	2,63,084	8,65,703	-	
Office Equipments	13.91%	15,14,975	2,41,756	-	17,56,730	6,778	2,31,865	2,38,643	15,18,087	15,08,197	
Software	40%	-	3,34,805	-	3,34,805	-	21,673	21,673	3,13,132	-	
Plant & Machinery	13.91%	-	2,02,746	-	2,02,746	-	6,336	6,336	1,96,410	-	
Total		15,53,648	30,12,854		45,66,502	9,211	5,61,370	5,70,581	39,95,921	15,44,437	

Annexure2(h) to Schedule-3

FIXED ASSETS AND DEPRECIATION FOR FY 2009-10 (TIDONG)										Annexure to Schedule-3	
GROSS BLOCK						DEPRECIATION			NET BLOCK		
Particulars	Dep. Rates	As at 1.4.2009	Addition	Transfer/Sale	Total	up to 31.03.2009	For the Year	Total	WDV As at 31.03.10	WDV As at 31.03.2009	
Furniture & Fixtures	18.10%	-	10,38,614	-	10,38,614	-	92,547	92,547	9,46,067	-	
Office Equipments	13.91%	-	3,30,404	-	3,30,404	-	18,147	18,147	3,12,257	-	
Total	-	-	13,69,018	-	13,69,018	-	1,10,694	1,10,694	12,58,324	-	

Annexure2(i) to Schedule-3

FIXED ASSETS AND DEPRECIATION FOR FY 2009-10 (SAINJ)										Annexure to Schedule-3			
GROSS BLOCK										DEPRECIATION		NET BLOCK	
Particulars	Dep. Rates	As at 1.4.2009	Addition	Transfer/Sale	Total	up to 31.03.2009	For the Year	Total	WDV As at 31.03.10	WDV As at 31.03.2009			
Land free Hold	0%	6,12,408	1,05,722	3,06,204	4,11,926	-	-	-	4,11,926	6,12,408			
Land Lease Hold	0%	78,300	4,29,71,421	-	4,30,49,721	-	-	-	4,30,49,721	78,300			
Residential Building	5%	1,82,54,173	-	-	1,82,54,173	9,12,709	8,67,073	17,79,782	1,64,74,391	1,73,41,464			
Non Residential Building	10%	14,29,764	-	-	14,29,764	1,42,977	1,28,679	2,71,656	11,58,108	12,86,787			
Transit camp	10%	47,409	11,98,471	-	12,45,880	4,741	75,518	80,259	11,65,621	42,668			
Recreation Centre	10%	4,61,805	-	-	4,61,805	46,181	41,562	87,743	3,74,062	4,15,624			
Testing Labs	10%	46,360	-	-	46,360	4,636	4,172	8,808	37,552	41,724			
Others Electronics Items	13.91%	3,29,666	1,05,760	-	4,35,426	28,343	48,274	76,617	3,59,809	3,01,323			
Plant & Machinery-Survey Instrum	13.91%	7,91,960	2,613	-	7,94,573	61,343	1,01,828	1,63,171	6,31,402	7,30,617			
Water Treatment System Plant	15.33%	3,56,400	-	-	3,56,400	44,757	47,775	92,532	2,63,868	3,11,643			
Furniture & Fixtures	18.10%	14,34,869	1,50,282	-	15,85,151	87,302	2,57,790	3,45,092	12,40,059	13,47,567			
Computer	40.00%	-	15,76,557	-	15,76,557	-	4,33,081	4,33,081	11,43,476	-			
Software	40.00%	-	3,21,277	-	3,21,277	-	95,337	95,337	2,25,940	-			
Vehicles	25.89%	6,87,207	-	-	6,87,207	1,50,621	1,38,922	2,89,543	3,97,664	5,36,586			
Total		2,46,30,321	4,64,32,103	3,06,204	7,06,56,220	14,83,610	22,40,011	37,23,621	6,69,32,599	2,30,46,711			

FIXED ASSETS (AND DEPRECIATION FOR FY 2009-10) (SHONGTONG KARCHHAM)										Annexure to Schedule-3
GROSS BLOCK						DEPRECIATION		NET BLOCK		
Particulars	Dep. Rates	As at 1.4.2009	Addition	Transfer/Sale	Total	up to 31.03.2009	For the Year	Total	WDV As at 31.03.10	WDV As at 31.03.2009
Wireless System	13.91%		5,27,700		5,27,700		58,119	58,119	4,69,581	-
Plant and Machinery	13.91%	8,79,952	12,289	1,40,400	7,51,841	21,617	79,036	1,00,653	6,51,188	8,58,335
Vehicles	25.89%	7,16,150	37,232		7,53,382	1,21,406	1,61,030	2,82,436	4,70,946	5,94,744
Furniture and Fixture	18.10%	10,22,664	4,82,075		15,04,739	21,145	2,50,010	2,71,155	12,33,584	10,01,519
Office Equipments	13.91%	1,02,611	3,10,715		4,13,326	2,229	56,055	58,284	3,55,042	1,00,382
Computers	40%	82,440	7,84,452		8,66,892	20,865	2,27,998	2,48,863	6,18,009	61,555
Softwares	100%	-	4,946		4,946		1,734	1,734	3,212	-
	40%	-	1,17,420		1,17,420		27,683	27,683	89,737	-
Misc. Fixed Assets	13.91%	1,54,110	-	1,54,110	-	5,738	(5,738)	-	-	1,48,372
Electronic & Elect. Items	13.91%	-	1,05,320		1,05,320		11,756	11,756	93,564	-
Electro Mech. Equipment	13.91%	-	2,17,236		2,17,236		5,930	5,930	2,11,306	-
Total		29,57,927	26,99,385	2,84,510	52,62,802	1,93,020	8,73,613	10,66,633	41,96,169	27,64,907

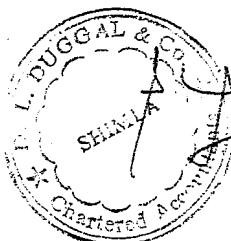
Employees Renumeration & Benefits		Annexure-3		
H.P. POWER CORPORATION LIMITED				
Particulars		Amount	Amount	Amount
		As at 31.03.10	FY 2009-10	As at 31.03.09
Salary & Wages		90,72,41,434	30,72,34,263	60,00,07,171
Salary (MD)		20,40,399	11,53,808	8,86,591
Salary (Director)		19,42,246	8,01,314	11,40,932
Outsource Man Power		2,54,64,347	1,84,07,977	70,56,370
Stipend		50,59,736	35,38,484	15,21,252
Gratuity to Staff		2,44,627	2,44,627	-
Medical re-imbursement to Staff		97,42,795	41,15,892	56,26,903
Medical re-imbursement to MD		16,660	6,738	9,922
Medical re-imbursement to Directors		32,111	17,443	14,668
TA To Director		2,12,349	60,076	1,52,273
TA To Director (ADB)		16,527	16,527	-
TA To M/D		5,09,959	2,34,710	2,75,249
TA To Consultant (ADB)		2,86,554	2,79,573	6,981
Travelling & Conryn. To Consultant		13,571	13,571	-
Travelling & Local conveyance		82,06,791	28,02,988	54,03,803
Travelling & Local conveyance (ADB)		3,63,052	3,63,052	-
Conveyance Charges to Directors		17,869	17,869	-
Conveyance Charges to MD		1,01,847	1,01,847	-
Staff Welfare		4,53,214	3,31,738	1,21,476
Leave Travel Expenses (LTC/HTL)		3,44,228	3,44,228	-
Leave Encashment		13,12,880	(3,74,971)	16,87,851
EDLI Charges		1,32,085	1,03,618	28,467
Pension Fund Contribution		2,02,882	1,29,546	73,336
Employer Contribution P.Fund		44,38,851	30,45,179	13,93,672
Administrative Charges		3,07,139	2,37,205	69,934
Exgratia		27,067	-	27,067
Livery & Uniform Charges		45,99,666	45,06,748	92,918
Sub-Total		97,33,30,886	34,77,34,050	62,55,96,836



H.P. POWER CORPORATION LIMITED

Annexure-4

<i>INTER UNIT DEBIT BALANCES</i>		Amount	Amount
		As at 31.03.2010	As at 31.03.2009
HEP Sawra Kuddu		2,00,83,50,231	89,54,81,558
HEP Sunder Nagar		12,56,75,208	5,52,35,448
HPPCL Sainj HEP		47,41,67,049	10,21,18,014
Integrated Kashang HEP		1,53,01,22,024	45,59,17,001
Song-tong-Karchham HEP		7,46,10,290	3,59,04,933
Chirgaon-Majhgaon		37,16,999	2,77,876
Tidong HEP		1,09,39,588	2,42,189
Corporate Office		1,89,75,58,225	40,80,18,109
Nichali Beri HEP		20,00,000	-
Sub-Total		6,12,71,39,613	1,95,31,95,128
<i>INTER UNIT CREDIT BALANCES</i>			
		As at 31.03.2010	As at 31.03.2009
Corporate Office		4,22,95,81,388	
Renuka Dam HEP		1,89,75,58,225	1,95,31,95,128
Sub-Total		6,12,71,39,613	1,95,31,95,128
Total		-	-



CASH & BANK BALANCE AS ON 31.03.2010

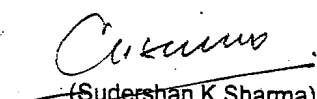
BANK BALANCE AS ON 31.03.2010	
CORPORATE OFFICE	
FDR	
Oriental Bank of Commerce	319000000
PNB New Shimla	265000000
State Bank of Patiala	340700000
Bank of Maharashtra	67500000
IndusInd Bank	280000000
Axis Bank	162500000
UCO Bank	543800000
YES Bank	280000000
Canara Bank	579500000
Bank of Baroda	450000000
Allahabad Bank	470482926
Total	3758482926.00
CURRENT ACCOUNT	
Corporate Office	
SBOP East	282373049.22
Axis Bank	884317.00
HDFC	1169945.38
HDFC (Renuka) Saving Account	8023363.54
Axis Bank (Delhi)	11860.00
Corporation Bank	2934.00
PNB New Shimla	636794.76
Sub-Total	293102263.90
Corporate Office	
Sunder Nagar	1931722.00
Sawara	48529279.00
Renukaji	5807812.00
Intrigated Kashang	3526011.00
Shongtong	3620232.00
Sainj	84053356.00
Cirgaon-Majgaon	0.00
Thanaplaun & Nichali Beri	1975000.00
Tidong	1680348.00
Total	444226023.90


Cash in Hand including Imperest	
Corporate Office	10170.00
Sunder Nagar	0.00
Sawara	16762.00
Renukaji	13561.00
Intrigated Kashang	6116.00
Shongtong	0.00
Sainj	833.00
Cirgaon-Majgaon	0.00
Thanaplaun & Nichali Beri	25000.00
Tidong	0.00
Total	72442.00
Stamps in Hand	
Corporate Office	48
Sunder Nagar	3521
Sawara	0
Renukaji	0
Intrigated Kashang	1259
Shongtong	1172
Sainj	1377
Cirgaon-Majgaon	0
Thanaplaun & Nichali Beri	0
Tidong	
Total	7377.00
Gr. Total	4202788768.90


FDR	3758482926.00
CURRENT ACCOUNT	436202660.36
SAVING ACCOUNT	8023363.54
Cash in Hand including Imp	72442.00
Stamps in Hand	7377.00
	4202788768.90
	0.00

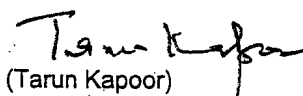


H.P. POWER CORPORATION LTD.		
CASH FLOW STATEMENT FOR THE FY 2009-10		
PARTICULARS	FY 2009-10	FY 2008-09
	AMOUNT	AMOUNT
A-SOURCE OF CASH IN FLOW		
Share Capital	1,29,35,82,000	2,59,62,00,000
Share Application Money	50,28,89,110	(18,30,00,000)
Current Liabilities	28,92,80,262	2,19,77,57,870
Term Loan	62,34,44,000	-
Capital Reserve	-	(12,36,82,000)
Grants	-	(1,40,63,000)
TOTAL	2,70,91,95,372	4,47,32,12,870
B-OUT FLOW OF CASH		
Fixed Assets	24,07,01,278	8,55,87,002
Capital Work in Progress (Capital Assets)	1,47,85,16,787	33,60,60,358
Capital Work in Progress (Incidental Expenditure Pending Allocation)	7,95,05,754	8,50,02,206
Inventories	18,29,542	(1,07,80,697)
Loans & Advances	20,12,43,109	41,04,20,677
Repayment of Loans	3,00,00,000	20,44,63,756
Current Assets	6,27,86,098	25,96,83,929
Investment	1,75,00,000	-
TOTAL	2,11,20,82,568	1,37,04,37,231
Net Increase in Cash & Cash Equivalents	59,71,12,804	3,10,27,75,639
Opening Balance of Cash & Cash Equivelant	3,60,56,75,965	50,29,00,326
Closing Balance of Cash & Cash Equivelant	4,20,27,88,769	3,60,56,75,965


(Sudershan K Sharma)
Company Secretary


(B.S. Negi)
Dy. General Manager (Fin)


(B.C.S. Baliga)
Director (Finance)


(Tarun Kapoor)
Managing Director



HIMACHAL PRADESH POWER CORPORATION LTD.

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2010**

1. Significant Accounting Policies:

a) Basis of Preparation of Financial Statements.

The Corporation follows the mercantile system of Accounting and recognizes income and expenditure on accrual basis.

b) Fixed Assets:

- (i) Fixed Assets are stated at cost of procurement/construction inclusive of freight, taxes, duties and incidental expenses.
- (ii) Payment/Liability made / provided provisionally towards award, compensation, rehabilitation and other expenses other than the amount deposited with land acquiring authorities is treated as cost of land. No provisions are made for land yet to be acquired.

c) Depreciation:

Depreciation has been provided for on Written Down Method at the rates and in the manner specified in schedule XIV of Companies Act, 1956.

d) Capital Work in Progress:

Expenditure during construction period is included under Capital work in Progress and shall be allocated to respective fixed assets on completion of construction.

e) Investments:

Investments are stated at Cost.

f) Inventories:

Inventories are valued at cost (FIFO Method).

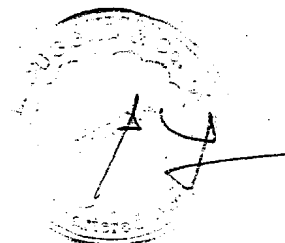
g) Incidental Expenses during Construction:

The Profit and Loss Account has not been prepared as the corporation has yet not started commercial operations. However, the statement showing incidental expenditure during construction (pending allotment) has been prepared.

h) Retirement Benefit:

a) Defined Contribution Plan (Provident Fund):

Corporation's Contribution paid/payable during the year to Provident Fund is recognized in the statement of incidental expenses during construction Pending allocation.



b) Defined Benefit Plan (Gratuity):

Liability towards Gratuity for the year has been provided on the basis of Payment of Gratuity Act, 1972.

C) Defined Benefit Plan (Leave Encashment):

Payment towards encashment of earned leaves will be accounted for at the time of actual encashment of leave.

i) Prior period adjustments:

The corporation follows the practice of making adjustments for prior period items through expenses / income for the current year.

NOTES ON ACCOUNT:

i) Contingent Liability not provided for:

- a) The corporation has taken premises on rental basis from a private party at Chakkar (Shimla). The owner is demanding higher rent which has not been accepted by the corporation as it is high compared to PWD rates. The contingent liability on this account works out to Rs.4,42,500/- which has not been provided for in the books pending settlement of the dispute.
- b) The project affected families had preferred suit(s) against the amount of compensation paid for land acquisition in different Ld. Courts. As likely outcome of these suits cannot be ascertained, no liability has been provided for in the books.
- c) Arbitration proceeding in the case of M/S Bahu Fort Colonizers (P) Ltd. V/S HPPCL is pending before the Arbitrator. The claim amount is Rs.65,89,955/- including interest. This liability has not been provided for as the case is still pending.
- d) Two Court cases for claim aggregating Rs.2,36,388/- including interest are pending in Ld. Courts. No provisions have been made in the books as the cases are sub-judicious.
- e) Outstanding commitments for capital expenditure unascertained.

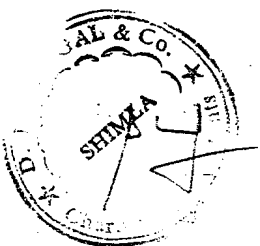
ii) Amalgamation:

Consequent upon the decision of Govt. of Himachal Pradesh vide its notification no. MPP-F (2)-5/2005-II dated 31st July 2007, Kinner Kailash Power Corporation Ltd. and Pabbar Valley Power Corporation Ltd. have merged with the H.P. Power Corporation Ltd. The Amalgamation was in the nature of Merger as per Accounting Standard 14 issued by the Institute of Chartered Accountants of India. So, all the assets and liabilities are taken over at their book values stated as on 31.07.2007. The merger petition filed with CLB has been decided as per merger scheme approved by transferee Company and transferor companies on 29th January 2010. Accordingly, the HPPCL (Transferee Company) has allotted equity Share to the shareholders of the transferor companies in the following proportions:

- 1) 406920 Equity Shares of Rs. 1000/- each in the Transferee Company fully paid up in respect of the transferor company, Pabbar Valley Power Corporation Ltd (PVPCL).
- 2) 611062 Equity shares of Rs. 1000/- each in the Transferee Company fully paid up in respect of the transferor company Kinner Kailash Power Corporation Ltd. (KKPCL).



- iii) There is no deferred tax liability for the period.
- iv) All generating units of HPPCL are currently under construction. Hence, no Profit & Loss Account has been prepared and no provision for tax has been made.
- v) The Corporation has made an investment of Rs. 177.50 lakh in the equity of Himachal EMTA Power Limited (HEPL) which has been established as HPPCL's joint venture with EMTA for setting up a (2*250 MW) thermal power plant. HPPCL has 50% equity participation in HEPL.
- vi) The Renukaji Dam Hydro Electric project is being implemented by HPPCL as a national project and is fully funded by the Government of India and Governments of beneficiary states. Contributions received from the Delhi Jal Board and the Haryana Government aggregating Rs. 2,398,379,755/- has been shown as "Advances from other States Pending Allocation" under the head "Current Liability" as no MOU has yet been finalized.
- vii) Consequent upon the Government orders referred to at (ii) of "Notes on Accounts", all assets and liabilities of both the amalgamated Companies have been taken over by HPPCL along with the staff as on 31st July, 2007. Expenditures incurred on and after 1st Aug, 2007 on KKPCL & PVPCL have been borne by HPPCL.
- viii) The Tidong-II Power Project was allotted to HPPCL on 24.10.2008. The expenditure on this power project was Rs.1,14,18,143/- which includes Rs.4,78,555/- expended by HPSEB and Rs.1,09,39,588/- expended by HPPCL. The allotment of this project to HPPCL has been set aside by the Ld. Single Bench of the Hon'ble High Court of Himachal Pradesh vide its order dated 5th January 2010. The H.P. Government has preferred a revision petition before DB of Hon'ble High Court of HP. The operation of the impugned order dated 5th January 2010 has been stayed by DB on 20th May 2010. Hence, Tidong-II project has been treated as a unit of HPPCL for the purpose of these accounts.
- ix) The authorized share capital of the company as on 31.03.10 is Rs. 40000 lakh. Increasing the authorized share capital of HPPCL is under active consideration of the management. Pending increase in authorized share capital, the share application money received from shareholders exceeds the authorized share capital as on the date of the balance sheet.
- x) In addition to the investment of Rs. 1,01,79,82,000/- made by HPSEB which had been accounted for till 31 July 2007, shares in respect of which have already been issued to as referred to at (ii) above, HPPCL has also accepted and accounted for an additional expenditure of Rs. 40,36,35,106/- incurred by HPSEB on KKPCL and PVPCL after the date of amalgamation. This amount has been included under the head "HPSEB (Expenditure) Pending Allocation".
- xi) In the opinion of the Board of Directors, the value of current assets, loans and advances etc. if realized in ordinary course of business, shall not be less than the amount at which the same are stated in the Balance-Sheet.
- xii) As per the information available with the company there is no amount due to any party under Micro, Small and Medium Enterprises Development Act, 2006.
- xiii) None of the employees of company are covered under Sec. 217 (2A) of the Company Act, 1956.
- xiv) No Director of the company is interested in any contract awarded within the provisions of Section 301 of the Companies Act, 1956.



xv) The details of amount due from Directors of the company:

(1) Amount due from Director:

	Current Year	Previous year.
Amount due from Managing Director	NIL	NIL
Amount due from Directors.	NIL	NIL

(2) Expenses of Chairman

	Current Year	Previous year.
A. Remuneration	NIL	NIL
B. Telephone Expenses	NIL	4743
C. Vehicle Expense.	NIL	99885
D. Medical Expenses.	NIL	NIL

(3) Expenses of Managing Director

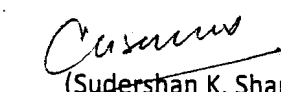
	Current Year	Previous Year
A. Remuneration	1153808	886591
B. Telephone Expenses.	65714	98948
C. Vehicle Expenses	127447	137421
D. Medical Expenses	6738	6205

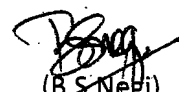
(4) Expenses of Directors


	Current Year	Previous Year
A. Remuneration	801314	1140932
B. Telephone Expenses.	56899	80495
C. Vehicle Expenses	197340	236492
D. Medical Expenses	17443	14668

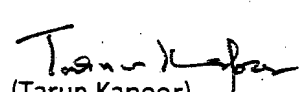
xvi) The previous year's figures have been regrouped /recasted wherever felt necessary.

xvii) Figures appearing have been rounded off to the nearest rupee.


(Sudershan K. Sharma)
Company Secretary


(B.S. Negi)
Dy. General Manager
(Finance)

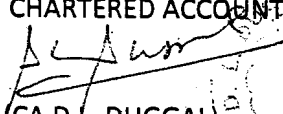

(B.C.S. Baliga)
Director (Finance)


(Tarun Kapoor)
Managing Director

Place: Shimla

Date: 17/09/2010

AS PER OUR REPORT OF EVEN DATE
FOR D.L. DUGGAL & COMPANY,
CHARTERED ACCOUNTANTS


(CA D.L. DUGGAL)
Partner

Membership No. 085692
FRN No. 06906N

HIMACHAL PRADESH POWER CORPORATION LTD.

Balance Sheet abstract and company's general business profile

I. Registration details

Registration No. U40101HP2006SGC030591

State code 0 6

Balance Sheet date

31 03 10

(Rs. in '000)

II. Capital raised during the year

Public issue

N I L

Right issue

N I L

Bonus issue

N I L

Private placement

N I L

III. Position of Mobilisation and Deployment of Funds

Total Liabilities

1 0 0 8 8 5 6 1

Total Assets

1 0 0 8 8 5 6 1

Sources of Funds

Paid Up Capital

3 8 9 9 7 8 2

Reserves & Surplus

N I L

Share Application Money

2 4 6 1 9 3 1

Unsecured Loans

N I L

Secured Loans

1 1 4 8 8 5 5

Application of Funds

Net Fixed Assets

7 5 0 5 0 8

Investments

1 7 7 5 0

Net Current Assets

2 7 8 7 4 0 7

Work In Progress

3 0 3 8 5 2 0

Accumulated Losses

N I L

Misc. Expenditure not written off

2 9 6 8 2

IV. Performance of Company

Turnover

N I L

Total Expenditure

N I L

+

Profit/ Loss before tax

N I L

+

Profit/ Loss after tax

N I L

Earning Per Share in Rs.

N I L

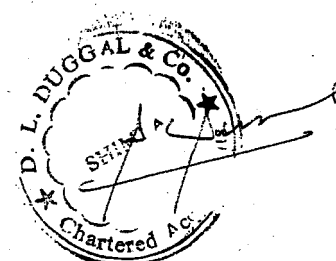
Dividend rate %

V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)

Product

Item Code No.

1	Generation of Hydro Power	N.A
2	Maintenance of Power	N.A
3	Management of Power Stations/ Projects	N.A



(Sudershan K Sharma)

(B.S. Negi)

(B.C.S. Baliga)

(Tarun Kapoor)

Company Secretary Dy. General Manager (Fin)

Director (Finance)

Managing Director