

**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 31<sup>st</sup> March, 2009 and the Statement of incidental Expenses during construction (pending allocation) for the year ended on 31<sup>st</sup> March, 2009 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. Two Companies namely, Kinner Kailash Power Corporation Ltd. (KKPCL) and Pabbar Valley Power Corporation Ltd. (PVPCL) have been

amalgamated with H.P. Power Corporation Ltd. With effect from the appointed date of 31.07.07. The merger has been approved by the members of these Companies "in principle" on 11.09.07 subject to the direction/modifications of Ministry of Corporate Affairs (MCA) and Company Law Board (CLB). The amalgamation in the nature of merger has been accounted for under "pooling of interest Method". All the assets, liabilities and reserves of the transferor companies have been recorded at the existing carrying amount in the same form as they were appearing in the audited account as on 31.07.2007. The accompanying accounts are after incorporating assets and liabilities of KKPC and PVPCL at their respective book values as on 31.07.07 as per the audited accounts.

The final order on company's petition with CLB is pending as on the date of audit. Hence, the Balance Sheet is subject to modifications and conditions that may be imposed by MCA and CLB.

- ii. 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. (KKPC) 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 KKPC 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 HPSB is yet in progress.
- iii. Balance in the account of Beas Valley Power Corporation Ltd. (BVPCL) appears both under Current Liabilities on account of various transactions. The accounts with BVPCL are subject to reconciliation. No balance confirmation was available for verification. In the absence of various details, we are unable to ascertain effect on the assets and liabilities of the company.
- iv. Current liabilities include a sum of Rs. 1,01,79,81,948/- as "Share allotment pending till effective date of amalgamation". This amount represent the value of shares to be issued to transferor company upon

scheme of amalgamation coming into effect after the final decision of CLB on amalgamation of the companies.

- v. Fixed Assets register is not maintained properly at Rohru Branch with in the provisions of Companies Act 1956 making full disclosure of the assets.
  - vi. Balances outstanding in the names of various parties appearing under Current Assets, Loans and Advances and Current Liabilities are not confirmed by the parties.
  - vii. Fixed Assets of the company are not insured.
  - viii. As per an office order issued by H.P. State Electricity Board, Ghanvi HEP which was part of Kailash Power Corporation Ltd. And now amalgamated with HPPCL, has been separated from KKPCL (implying HPPCL) with effect from 01.04.08. All the assets & liabilities related the Ghanvi HEP have been transferred.
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- j) Term loan amounting to Rs. 28,02,21,775.00 have been obtained from Power Finance Corporation Ltd. (PFC) for PVPCL and Rs. 25,50,00,000.00 for KKPCL from PFC
  - k) The incidental expenses pending for allocation as on 31/03/2009 is Rs. 71,85,01,304.00 which includes the preliminary expenses to the extent not written off for Rs. 15,87,51,702.00. Out of this amount, details of expenses of Rs.138112614/- in the nature of prel expenses are not provided during the audit.
  - l) 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.
  - m) The Authorized Share Capital of the company is Rs. 300.00 crores where as the sum total of share application money and paid up share capital is Rs.464.13 crore. The company has accepted share application money more than the Authorized Share Capital, which is contrary to the Companies Act, 1956.

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 and Generally Accepted Accounting Principles of accounting on accrual basis 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-1 regarding non-accounting of some items on accrual basis, 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 and transactions with related party disclosure 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) 21<sup>ST</sup> 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 polices ,notes to accounts and qualifications in Para 1 to 9 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 31<sup>st</sup> March, 2009. And

b) In the case of the Statement of Incidental Expenses during construction pending allocation for the year ended as on that date.

**For: Sharma & Rajeev**

**Associates**

**Chartered Accountants**

**Sd/-**

**(CA Rajeev Sharma)**

**Partner, M. No.- 88586**

Signed at Shimla on dated -31/10/2009

# HIMACHAL PRADESH POWER CORPORATION LIMITED

## ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in Para (3) of our report of even date:

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

### **1) Fixed Assets:**

- a) In respect of fixed assets register maintained at Rohru, the company has not properly maintained record to show full particulars including quantitative detail and situation of fixed assets.
- b) Physical verification of the fixed assets has been done during the years.
- c) The company has not disposed of any assets during the year except transfer of assets belonging to projects transferred to Ghanvi HEP.

### **2) Inventories:**

- a) Physical verification of inventories carried by the management is reasonable and adequate, discrepancy have been attended in such verification.
  - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of business.
  - c) The company has maintained proper records of inventories except a sum of Rs. 20850.00 booked by the Shongtong Branch as there was nil stock of tender document in last year balance sheet.
3. The company has not maintained any register under section 301 of the Companies Act, 1956 as the information is nil.
  - 4.) The internal control procedure needs to be improved.

The company has not maintained any register under section 301 of the Company Act.1956 as such question of entering the transactions does not arise however, the management has given written representation that there is no contract in which any of the directors is having direct or indirect interest.

- a) The company has not accepted deposits from the public during the year and therefore, the provisions of Sections 58A and 58AA of the Act and the rules framed there under are not applicable.
- b) The paid up capital of the Company is above 50 lacks and the company has appointed a firm of Chartered Accountants as internal Auditors.
- c) The Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1) of the Companies Act, 1956 for any of its products.
- d) According to the information's and explanation given to us ,there are no disputed amounts payable in respect of statutory dues including ,Provision Funds ,Investor Education and Protection Fund & Employee's State Insurance ,Income tax ,Sale tax, Wealth Tax ,Service Tax ,Custom Duty ,Excise duty ,Cess and any other statutory dues with the appropriate authorities for a period of more than six months from the date they become payable .
- e) Since the Company has not commenced any commercial operation, the Company has incurred pre-operative expenses in the financial year under report.
- f) The Company took over loan liabilities of amalgamating companies raised loan from Power Finance Corporation Ltd. There is no default.
- g) As per the information and explanations given to us and as per the examination of the books of accounts the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- h) The Provision of any special nature as applicable to chit fund /nidhi/mutual Fund/societies are nil.
- i) The company is not dealing or trading in shares, securities, debentures and other investment.
- j) As per the information and explanation given to us and as per the examination of the books of accounts the company has not given any guarantee for loan taken by others from bank or financial institutions.

- k) The company has applied the term loan for the purpose for which the loans are taken.
- l) The funds raised on short-term basis have not been used for long term investment or vice –versa.
- m) As explained to us and as shown by the books the company has not made preferential allotment of shares to the parties and companies covered under section 301 of the Act.
- n) The Company has not issued any debentures.
- o) During the checking carried out by us no fraud has been noticed or reported during the year under report.

**For: Sharma & Rajeev Associates**  
**Chartered Accountants**

**Sd/-**

**(CA Rajeev Sharma)**

**Partner, M. No. - 88586**

Signed at Shimla on dated-31/10/2009.



<b>H.P. POWER CORPORATION LIMITED</b>			
<b>Balance Sheet As At 31st March-2009</b>		<b>(Amt. in Rs.)</b>	
Particulars	Schedule No.	Amount	Amount
		<b>As at 31.03.2009</b>	<b>As at 31.03.2008</b>
<b>SOURCES OF FUNDS:</b>			
<b>1. Shareholder's Funds:</b>			
(a) Share Capital	1	2,606,200,000	10,000,000
(b) Share Application Money (State Govt.)		608,100,000	791,100,000
(c) Share Application Money (HPSEB)		1,427,030,646	
(d) Reserves & Surpluses			
I) Capital Reserve		-	123,682,000
II) Grant in aid		-	14,063,000
<b>2. Loan Funds:</b>			
Secured loans	2	547,164,252	751,628,008
(b) Unsecured Loans		-	-
<b>Total</b>		<b>5,188,494,898</b>	<b>1,690,473,008</b>
<b>APPLICATION OF FUNDS:</b>			
<b>1. Fixed Assets:</b>			
Gross Block	3	545,522,032	459,935,030
Depreciation		15,336,531	20,753,987
Net Block		530,185,501	439,181,043
Capital Work in Progress		1,546,217,689	1,134,856,053
Incidental expenses pending Allocation		559,709,602	568,278,408
Total Fixed Assets		2,636,112,792	2,142,315,504
<b>2. Investments</b>			
	4	250,000	250,000
<b>3. Current Assets, Loans &amp; Advances:</b>			
a) Inventories	5	7,012,322	17,793,019
b) Sundry Debtors		-	-
c) Cash & Bank Balances		3,605,675,965	502,900,326
d) Current Assets		343,026,061	73,878,649
e) Loans & Advances		693,451,208	283,030,531
<b>Total (A)</b>		<b>4,649,165,556</b>	<b>877,602,525</b>
<b>4. Less: Current Liabilities &amp; Provisions</b>			
(a) Liabilities	6	2,244,263,869	1,473,476,645
(b) Provisions		11,561,283	2,510,078

<b>Total (B)</b>		<b>2,255,825,152</b>	<b>1,475,986,723</b>
<b>Net Current Assets (A-B)</b>		<b>2,393,340,404</b>	<b>(598,384,198)</b>
5. Miscellaneous Expenditure to the extent not written off: Pre Operating Expenss		158,791,702	146,291,702
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	7		
<b>Total</b>		<b>5,188,494,898</b>	<b>1,690,473,008</b>

Sd/-  
(B.S.Negi)  
**Sr. Manager (Finance)**

Sd/-  
(Sudershan K. Sharma)  
**Company Secretary**

Sd/-  
(B.C.S.Baliga)  
**General Manager (Finance)**

Sd/-  
(C.M.Walia)  
**Director**

Sd/-  
(Tarun Kapoor)  
**Managing Director**

For Sharma Rajiv and Associates  
Chartered Accountants

Sd/-  
(CA Rajiv Sharma)  
Partner  
Membership No. 88586

Place: Shimla  
31/10/2009

<b>H.P. POWER CORPORATION LIMITED</b>			
<b>Schedule-1 SHARE CAPITAL</b>		<b>Amount</b>	<b>Amount</b>
		<b>As at 31.03.2009</b>	<b>As at 31.03.2008</b>
<b>AUTHORISED SHARE CAPITAL</b>			
3000000 Equity Shares of Rs 1000/- each		<b>3,000,000,000</b>	<b>500,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		<b>2,606,200,000</b>	<b>10,000,000</b>
2606200 Shares of Rs. 1000/- each (fully paid up)			
A) Advance Share Capital (State Govt).		<b>608,100,000</b>	<b>791,100,000</b>
B) Advance Share Capital (HPSEB expenditure pending allotment)		<b>1,427,030,646</b>	<b>-</b>
<b>C) Reserves &amp; Surplus</b>			
I) Capital Reserve		<b>-</b>	<b>123,682,000</b>
II) Grants & Incentives (MNES)		<b>-</b>	<b>14,063,000</b>
<b>TOTAL</b>		<b>4,641,330,646</b>	<b>938,845,000</b>

<b>Schedule-2 LOAN FUNDS</b>		<b>Amount</b>	<b>Amount</b>
		<b>As at 31.03.2009</b>	<b>As at 31.03.2008</b>
<b><u>Secured Loans</u></b>			
PFC Loan (PVPCL)		<b>280,221,775</b>	<b>280,221,775</b>
<b><u>Unsecured Loans</u></b>			
PFC Loan (KKPCL)		<b>255,000,000</b>	<b>380,367,833</b>
REC Loan (KKPCL)		<b>-</b>	<b>83,975,000</b>

Interest Accrued but Not Due		11,942,477	7,063,400
<b>TOTAL</b>		<b>547,164,252</b>	<b>751,628,008</b>

<b>Schedule-3 FIXED ASSETS &amp; CWIP &amp; INCIDENTAL EXPENSES</b>		Amount	Amount
		As at 31.03.2009	As at 31.03.2008
Gross Block	<i>Annexure-B1</i>	545,522,032	459,935,030
Less: Depreciation		15,336,531	20,753,987
Net Block		530,185,501	439,181,043
Capital Works in Progress	<i>Annexure-B2</i>	1,546,217,689	1,134,856,053
Incidental expenses pending allocation		559,709,602	568,278,408
<b>TOTAL</b>		<b>2,636,112,792</b>	<b>2,142,315,504</b>

<b>Schedule-4 INVESTMENTS</b>		Amount	Amount
		As at 31.03.2009	As at 31.03.2008
Fully paid -up ordinary shares 25000 of Rs. 10/- each in Himachal EMTA		250,000	250,000
<b>TOTAL</b>		<b>250,000</b>	<b>250,000</b>

H.P. POWER CORPORATION LIMITED

<b>Schedule-5 CURRENT ASSETS, LOANS &amp; ADVANCES</b>		<b>Amount</b>	<b>Amount</b>
		<b>As at 31.03.2009</b>	<b>As at 31.03.2008</b>
<b>CURRENT ASSETS</b>			
<b>(a) Inventories</b>		<b>7,012,322</b>	<b>17,793,019</b>
<b>Total (a)</b>		<b>7,012,322</b>	<b>17,793,019</b>
<b>(b) Cash and Bank Balances</b>			
(1) Cash in hand (including Imprest)		<b>74,861</b>	<b>24,767</b>
(2) Stamps in hand		<b>8,931</b>	<b>-</b>
<b>Bank Balances with schedule bank</b>			
(1) In current Account		<b>74,554,055</b>	<b>61,160,997</b>
(2) In fixed Deposits		<b>3,531,038,118</b>	<b>441,714,562</b>
<b>Total (b)</b>		<b>3,605,675,965</b>	<b>502,900,326</b>
<b>(c) Loans &amp; Advances</b>			
Advances to Govt.		<b>4,231,130</b>	<b>-</b>
GPF Recoverable /Advance (including HPSEB)		<b>301,094</b>	<b>5,932,505</b>
Advances to others/ Contractors		<b>653,152,561</b>	<b>267,161,334</b>
Advances to staff		<b>1,014,087</b>	<b>579,915</b>
Advance to HPTCL against works		<b>1,690,655</b>	<b>-</b>
Loan and Advances(HPTCL)		<b>29,277,700</b>	<b>-</b>
Warm Clothing Advance		<b>163,750</b>	<b>64,770</b>
Advance to HPSEB ( Construction of Power)		<b>-</b>	<b>7,474,900</b>
Car Advance		<b>-</b>	<b>2,250</b>
Travelling Advance		<b>55,100</b>	<b>-</b>
HPSEB Advance (T&C)		<b>3,565,131</b>	<b>1,796,682</b>
HBA		<b>-</b>	<b>18,175</b>
Staff Loan		<b>-</b>	<b>-</b>
<b>Total (c)</b>		<b>693,451,208</b>	<b>283,030,531</b>

<b>(d) Current Assets</b>		
Pre paid expenses	233,055	66,765
TDS recoverable	-	-
Recoverable from HPPTCL	420,800	-
Recoverable from Contractor/Supplier	139,314	1,576,180
Recoverable from Ganvi HEP	54,894,265	-
Security/EMD	195,772	29,100
Forest Department	-	5,853,000
Advance Tax A-Y 2009-10	95,802,904	-
BVPCL (Remittance)	-	1,991,326
HPSEB Shimla ( Sainj)	-	5,900,000
HPSEB Shimla	3,142,611	26,910,206
Advance FBT	233,946	-
Income Receivable from Rest House	600	3,330
PLA to Contractors	7,004,865	1,600
PLA to employees	-	-
Settlement with HPSEB	5,099,795	4,757,783
Bills Recievable	3,000	-
Receivable from BVPCL	-	6,963,368
Receivable From BVPCL(PFC)	-	18,222,592
Interest recoverable	8,158	-
EPF Recoverable From Employees	68,501	-
Recoverable from Sales Tax	25,300	-
Amt Recoverable from Staff	491,093	-
Recoverable from Mining Officer R/Peo	656	-
Pay Advance	101,650	-
HPSEB TAPRI (Advance)	63,750	-
Securities deposit to Govt. Department	8,290	-

Recievable from HPSEB		16,127,283	-
GIS Recievable		22,577	140,168
Misc. Recovery EMD		-	21,510
Tender Documents for New Projects		2,600,000	-
Processing Fee for New projects		13,000,000	-
HPSEB Benovelant Fund		-	104,110
Interest Accrued but not due on F.D.R.		137,244,076	1,290,922
Stores & Spares		237,230	46,689
Self Assesment A.Y: 2008-09		4,809,545	-
Purchase of Stores and Spares		-	-
Interest Accrued but not due on Term Loan		1,047,025	-
<b>Total (d)</b>		<b>343,026,061</b>	<b>73,878,649</b>

<b>H.P. POWER CORPORATION LIMITED</b>			
<b>Schedule-6 CURRENT LIABILITIES AND PROVISIONS</b>		<b>Amount</b>	<b>Amount</b>
		<b>As at 31.03.2009</b>	<b>As at 31.03.2008</b>
<b>A) (I) Current Liabilities</b>			
Retention Money		6,424,504	4,022,079
Audit Fee Payable		124,236	21,236
Payable to Govt. HP (HPIDB)		30,000	30,000
Expenses Payable/Provision for Exp		33,979,803	52,243,904
Payable to Contractors		3,206,040	12,111,138
Salary & Wages payable		7,200,843	5,958,566
E.M.D.		8,857,959	4,171,355
Recovery from staff (HPSEB)		286,349	164,479
Other Payable		294,448	314,163
EPF Payable		861,368	-
Bills Payable/ Expenses Payable		4,519,739	488,966

Leave Encashment Payable		-	51,355
Payable to Supplier Material Purchases		2,230,906	-
Other Misc. Recoveries Payable		59,891	
Sundry Creditors		1,225,327	1,225,327
Legal and professional (Payable)		225,750	-
GPF Payable (including GPFAG)		5,064,805	490,015
Security		15,576,179	11,216,483
Royalty		209,106	214,236
Payable to HPSEB Pending Allocation		-	345,327,256
Payable to HPSEB (Remittance)		-	352,298
Settlement with HPSEB		-	12,749,816
BVPVCL		2,216,858	1,736,458
Share Allotment Pending till Effective date of Amalgamation		-	1,017,981,948
Suspense A/c		60,000	-
Liability payable		3,081,440	-
Advance from Delhi Jal Board Pending Allocation		2,148,379,755	-
Payable to Ganvi agt Rental for staff Qtrs		148,450	-
Payable to HPSEB		-	2,605,567
TDS Contractor		113	-
Amount Payable		-	-
<b>Sub Total A</b>		<b>2,244,263,869</b>	<b>1,473,476,645</b>
<b>B) Provisions</b>			
TDS Payable		2,439,972	1,362,477
Income Tax Payable		8,545,630	170,685
Sales Tax Payable		575,681	685,340
FBT Payable		-	291,576
<b>Total (B)</b>		<b>11,561,283</b>	<b>2,510,078</b>
<b>Grand Total (A+B)</b>		<b>2,255,825,152</b>	<b>1,475,986,723</b>



<b>H.P. POWER CORPORATION LIMITED</b>		
<i>Annexure-C INTER UNIT BALANCES</i>		Amount
<b>INTER UNIT DEBIT BALANCES</b>		<b>As at 31.03.2009</b>
Sawra Kuddu HEP		895,759,434
Sunder Nagar Design Wing		55,235,448
Sainj HEP		102,118,014
Kashang HEP		455,917,001
Renukaji Dam HEP		-
Songtong- Karchham HEP		35,904,933
Chirgaon-Majhgaon HEP		277,876
Tidong HEP		242,189
Corporate Office		1,953,195,128
<b>Total</b>		<b>3,498,650,023</b>
<b>INTER UNIT CREDIT BALANCES</b>		<b>As at 31.03.2009</b>
Sawra Kuddu HEP		-
Sunder Nagar Design Wing		-
Sainj HEP		-
Kashang HEP		-
Renukaji Dam HEP		1,953,195,128
Songtong- Karchham HEP		-
Chirgaon-Majhgaon		277,876
Tidong HEP		-
Corporate Office		1,545,177,019
<b>Grand Total (A+B)</b>		<b>3,498,650,023</b>
<b>Net Balance</b>		<b>-</b>

**ANNEXURE- A**

<b>H. P. POWER CORPORATION LIMITED</b>				
<b>ANNEXURE TO STATEMENT OF INCIDENTAL EXPENSES</b>		<b>(Amt. in Rs.)</b>		
<b>Employees Remuneration and Benefits:</b>		Amount	Amount	Amount
		<b>As at 31-3-2009</b>	<b>For the Year</b>	<b>As at 31-3-2008</b>
Salary & Wages		602,034,694	352,043,194	368,116,389
Outsource Man Power		7,056,370	5,915,283	1,141,087
Medical re-imburement to Staff		5,626,903	3,803,442	2,099,653
Medical re-imburement to MD		9,922	6,205	3,717
Medical re-imburement to Directors		14,668	14,668	-

TA To Director		152,273	152,273	-
TA To M/D		275,249	235,382	39,867
Travelling & Local conveyance		5,410,784	3,109,473	3,147,241
Staff Welfare		121,476	81,399	43,401
Leave Travel Expenses (LTC/HTL)		-	-	-
Leave Encashment		1,687,851	241,110	1,585,965
Employer Contribution(CPF)		808,741	796,942	11,799
Pension Fund Contribution		38,965	38,965	-
Employer Contribution(EPF)		584,931	411,617	173,314
Administrative Charges		69,934	67,134	2,800
Exgratia		27,067	22,067	10,000
Livery & Uniform Charges		82,887	82,887	-
<b>Total</b>		<b>624,002,715</b>	<b>367,022,041</b>	<b>376,375,233</b>

<b>H. P. POWER CORPORATION LIMITED</b>				
<b>STATEMENT OF INCIDENTAL EXPENSES DURING CONSTRUCTION</b>				<b>(Amt. in Rs.)</b>
		<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
		<b>As at 31-3-2009</b>	<b>For the Year</b>	<b>As at 31-3-2008</b>
Employees Remuneration and Benefits	Annexure -A	624,002,715	367,022,041	376,375,233
Material Issued/Consumed		2,748,305	-	2,748,305
Honorarium		1,568,252	1,556,252	12,000
Application fee/filing fee		22,599	12,599	10,000
Postage & Telegram		381,657	314,720	66,937
Printing & Stationery Exp.		3,512,371	2,410,218	1,192,371
Hospitality exp.		2,258,347	1,918,916	339,431
Telephone Expenses		3,964,242	2,451,250	1,774,459
Elect., Water & Fuel Charges		3,472,787	1,605,141	2,158,083
Bank Charges		207,963	97,278	115,634
Consumable Stock		616,401	457,340	159,061
Rent including Lease Rent		7,286,624	5,222,023	2,155,245
Rates & Taxes		256,359	200,194	56,165
News Papers & Periodicals		84,117	9,572	96,773
Fringe Benefit Tax		1,968,452	1,382,975	609,477
Legal & Professional Charges		980,927	587,854	490,770
Registration Fees		14,900	5,000	9,900
Misc. Expenses (including O-Mis)		21,331,901	-	21,331,901
Sale Tax Paid		-	-	
Freight & labour		459,724	424,358	35,366
Insuarance		258,278	187,213	71,065
Petty balances written off		114	86	28
Vehicles Running and maiteance		5,742,335	3,572,985	4,233,901

Hired Vehicle Charges.	9,421,264	6,878,560	2,542,704
Training & Seminar	1,270,704	1,259,704	11,000
General Repair & Mtc.	1,810,904	1,377,213	3,030,634
Repair & Mtc. Of Building	2,606,667	2,576,863	29,804
Office Mtc.	44,808	35,498	9,310
Livery Charges	10,031	10,031	
Books & Periodicals	213,253	213,253	-
Gift & Presentation A/c	118,343	83,224	35,119
Misc Expenses	1,510,533	443,748	2,221,211
Entertainment Exp. A/c	539,753	438,062	105,342
Board Meeting Expenses	16,169	-	16,169
Survey & Investigation		(75,301,278)	75,301,278
Incidental Store Expenses	-	-	174,928
Audit fee	255,295	153,000	102,295
			Cont.
Misc Expenses (Audit)	-	-	
Depreciation	15,336,531	10,307,214	20,753,987
Publicity and Advertisemnet	5,261,872	3,709,927	1,598,733
Interest on Term Loan	276,911,826	100,635,016	200,184,753
Transit Camp Expenses	193,648	76,990	116,658
Consultancy Fee	23,679,093	9,114,257	14,564,836
Expenses Relating to P. Year	5,580,768	282,408	5,338,360
Stores & Spares Consumed	788,376	702,816	85,560
EDLI Charges	28,467	28,467	-
Annual Maintenance Charges	39,315	39,315	-
Fees and Subscription	213,156	213,156	-
Recruitment Expenses	744,393	744,393	-
Lease Rent to Directors	32,500	32,500	-

Excess Interest Written Back		5,303	5,303	-
Employees Contri. HRTC Fund		34,371	34,371	-
Business Promotion Expenses		184,435	184,435	-
Taxes Vehicle		-	-	-
Land Acquisition Related expenditure		3,663,880	3,663,880	-
Winter Heating Exp.		592,429	592,429	-
Establishment Charges		-	-	-
<b>Total</b>		<b>1,032,247,457</b>	<b>457,972,770</b>	<b>740,264,786</b>
Less: Miscellaneous Receipts.		-	-	-
Interest On Loans		1,047,025	1,047,025	-
Interest on FDR's (Gross)		291,447,713	276,469,969	15,944,653
Less: Provision of Income Tax		-	(1,880,230)	1,880,230
		<b>291,447,713</b>	<b>278,350,199</b>	<b>14,064,423</b>
Sale of Tender Forms		1,391,010	1,134,110	453,800
Misc. Income/excess provision written back/other income		40,522,066	22,632,387	19,347,579
House Rent Collection		-	-	-
Interest on Staff loans		17,427	15,468	7,962
<b>Total</b>		<b>334,425,241</b>	<b>303,179,189</b>	<b>33,873,764</b>
Net transferred to CWIP and Misc. Exp. To the extent not written off		697,822,216	154,793,581	706,391,022
<b>Total</b>		<b>1,032,247,457</b>	<b>457,972,770</b>	<b>740,264,786</b>

Sd/- (B.S.Negi) Sr. Manager (Finance)	Sd/- (Sudershan K. Sharma) Company Secretary	Sd/- (B.C.S.Baliga) General Manager (Finance)	Sd/- (C.M.Walia) Director	Sd/- (Tarun Kapoor) Managing Director
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HIMACHAL PRADESH POWER CORPORATION LIMITED

Annexure-B-1 FIXED ASSETS & DEPRECIATION														
Particulars	Dep. Rates	Balance As at 1-4-2008	Transfer to Ganvi	GROSS BLOCK					DEPRECIATION				NET BLOCK	
				Balance As at 1.4.2008	Addition	Transfer/Sale	Total As at 31.03.2009	Up to 31.03.2008	Transfer to Ganvi	Up to 31.03.2008	For the Year	Total Depreciation	As at 31.03.09	up to 31.03.2008
Land	0%	366145654		366145654	76275404	0	442421058	0		0	0	0	442421058	366145654
Land Lease Hold		0		0	78300	0	78300	0		0	0	0	78300	0
Residential Building	5%	61731273	55281353	6449920	31505734	0	37955654	10775013	9858327	916686	2483740	3400426	34555228	50956260
Non-Residential Building	5%	178523		178523	1429764	0	1608287	86826		86826	147562	234388	1373899	91697
Office Equipments	13.91%	2232387	330824	1901563	4463701	0	6365264	350198	78038	272160	469341	741501	5623763	1882188
Plant & Machinery	13.91%	5590312	4255195	1335117	1743355	0	3078472	3176309	2871948	304361	227047	531408	2547064	2414003
Wireless System	13.91%	6105428	5937603	167825	0	0	167825	1351099	1308279	42820	17388	60208	107617	4754329
Furniture & Fixtures	18.10%	4233805	125510	4108295	10807742	126704	14789333	543809	40574	503235	2283542	2786777	12002556	3689996
Vehicles	25.89%	9377343	2612599	6764744	2833566	0	9598310	2932719	1462005	1470714	1883407	3354121	6244189	6444624
Project Planner	40%	0						0						
Computer	40.00%	4241797	233720	4008077	6055664	0	10063741	1439507	105499	1334008	2201856	3535864	6527877	2802291
Shed	100%	98508		98508	471024	0	569532	98507		98507	471024	569531	1	1

Software		0						0						
Transit camp		0		0	47409	0	47409	0		0	4741	4741	42668	0
Recreation Centre		0		0	461805	0	461805	0		0	46181	46181	415624	0
Testing Labs		0		0	46360	0	46360	0		0	4636	4636	41724	0
Water Treatment System Plant		0		0	356400	0	356400	0		0	44757	44757	311643	0
Jeeps & Car		0		0	0	0	0	0		0	0	0	0	0
Roads and Bridges		0		0	17541645	0	17541645	0		0	2403	2403	17539242	0
Misc. Fixed Assets		0		0	372637	0	372637	0		0	19589	19589	353048	0
		0												
		0												
<b>Total</b>		<b>459935030</b>	<b>68776804</b>	<b>391158226</b>	<b>154490510</b>	<b>126704</b>	<b>545522032</b>	<b>20753987</b>	<b>15724670</b>	<b>5029317</b>	<b>10307214</b>	<b>15336531</b>	<b>530185501</b>	<b>439181043</b>
Previous Year		0	-	0	459935030	-	459935030	0	0	0	20753987	20753987	439181043	0

H. P. POWER CORPORATION LIMITED		Annexure- B-2		
CAPITAL WORK IN PROGRESS & INCIDENTAL EXPENDITURE		(Amt. in Rs)		
		Amount	Amount	Amount
		As at 31-3-2009	For the Year	As at 31-3-2008
<b>C.W.I.P.</b>				
Head Race Tunnel		114,362,721	-	42,236,082
Adits		1,476,592	-	
Land (Site Development)		1,198,088	-	18,527,236
Building		6,736,013	-	10,934,247
Diversion Dam		588,866	-	
Civil Works		234,064,299	-	286,943,405
Civil Works (Others)		15,780,691	-	
Roads		21,102,513	-	
Line Cable Network		149,652,100	-	145,160,513
Power House		61,336,687	-	29,460,431
J-Power (Civil Works)		20,369,074	-	20,369,074
Surge Shaft		6,603,050	-	317,608
K-Building		79,520,197	-	46,629,796
Main Access Tunnel		27,575,282	-	2,005,563
R-Communications		81,723,232	-	81,723,232
Intake		231,415	-	231,415
Non Residential Building-Guest House & Canteen		166,065	-	
Non Residential Building- (Others)		343,134	-	
Non Residential Building- (Office)		507,252	-	
Hydrolic Works		2,515,638	-	21,764,703
Construction Power HPSEB		19,665,809	-	
DAM		2,029,190	-	
Pressure Shaft		317,608	-	
EMP		701,579	-	
Survey, Investigation & Associated Expenditure		573,567,666	75,301,278	373,327,785
Fixed Capital Expenditure Not Represented by Asse		-	-	
Enviornment & Ecology		11,646,208	-	5,666,818
LADA		59,798,078	-	19,495,104
Study & Research		3,333,743	-	22,900,720
CAT-Plan		41,881,720	-	
Plantation		7,177,321	-	7,162,321
R/R Related Expenditure		245,858	-	
<b>TOTAL (A)</b>		<b>1,546,217,689</b>	<b>75,301,278</b>	<b>1,134,856,053</b>
<b>Incidental Expenses Pending Allocation (B)</b>		559,709,602	154,793,581	568,278,408



<b>TOTAL (A+B)</b>		2,105,927,291	230,094,859	1,703,134,461
Misc. Expenditure to the extent not written off		158,791,702		146,291,702
<b>GRAND TOTAL</b>		<b>2,264,718,993</b>	<b>230,094,859</b>	<b>1,849,426,163</b>

# 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 09

( 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**

7 4 4 4 3 2 0

**Total Assets**

7 4 4 4 3 2 0

**Sources of Funds**

**Paid Up Capital**

2 6 0 6 2 0 0

**Reserves & Surplus**

N I L

**Share Application Money**

2 0 3 5 1 3 1

**Unsecured Loans**

N I L

**Secured Loans**

5 4 7 1 6 4

**Application of Funds**

**Net Fixed Assets**

5 3 0 1 8 5

**Investments**

2 5 0

**Net Current Assets**

2 3 9 3 3 4 0

**Work In Progress**

2 1 0 5 9 2 7

**Accumulated Losses**

N I L

**Misc. Expenditure not written off**

1 5 8 7 9 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

Sd/-

**Sr. Manager (Finance)**

Sd/-

**Company Secretary**

Sd/-

**General Manager (F)**

Sd/-

**Director**

Sd/-

**Managing Director**

## Schedule-7

### NOTES ON ACCOUNTS FORMING PART OF BALANCE SHEET

#### 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/Liabilities made/provided provisionally towards award, compensation, rehabilitation and other expenses other than the amount deposited with land acquiring authorities are 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 being included under Capital work in Progress and the same 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 company has yet not started commercial operation. However, the statement showing incidental expenditure during construction (pending allotment) has been prepared.

##### h) Accounting on amalgamation

Accounting for amalgamation is done under pooling of interest method as per Accounting Standard-14 issued by the Institute of Chartered Accountants of India.

**i) Retirement benefits**

Actual liabilities in respect of earned leaves and gratuity will be accounted for at the time of actual encashment of leave / payment of gratuity on death / resignation / superannuation.

**j) Prior period adjustments**

The corporation follows the practice of making the adjustments through expenses / income related to earlier years in respect of prior period items.

**NOTES ON ACCOUNT**

**i) Amalgamation**

a) Kinner Kailash Power Corporation Ltd. and Pabbar Valley Power Corporation Ltd. were engaged in setting up of Hydro power generation projects in the State of Himachal Pradesh. Consequent upon the decision of Govt. of Himachal Pradesh vide its notification no. MPP-F(2)-5/2005-II dated 31<sup>st</sup> July 2007, both the companies were merged with the H.P. Power Corporation Ltd. The Amalgamation is 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 Board of Directors as well as Shareholders of the respective corporations have also approved the merger "in principle" in their meetings held on 11<sup>th</sup> Sept. 2007. HPPCL has filed petition for merger with CLB which is pending for final orders. As the result of decision of Board of Directors and Share holders approving the amalgamation for KKPCL and PVPCL, all the assets and liabilities of these Companies as of 31.07.07 have been taken over at their respective book value in the accounts of the Company and all the expenditure incurred by these companies have been incorporated in the accounts of HPPCL after 31.07.07. Upon the scheme of merger coming into effect and upon vesting of transferor companies into transferee company the shares will be issued as under:-

b) The transferee company shall (without further application, act or deed) issue at par and allot to the shareholders (HPSEB) of the transferor companies equity shares in transferee company in the following proportions.

- 1) 406920 Equity Shares of Rs. 1000/- each in the Transferee Company fully paid up for all the equity shares held by them in the transferor company No. 1 (PVPCL) on the effective date.
- 2) 611062 Equity shares of Rs. 1000/- each in the Transferee Company fully paid up for all the equity shares held by them in the transferor company No. 2 (KKPCL) on the effective date.

c) The said Equity shares in the Transferee Company to be issued to the share holders of the transferor companies shall rank pari-passu in all respects, to the existing Equity shares in the transferee company from the appointed date. Such shares of the transferee company to be issued to the shareholders of the transferor company will, for all purposes, be deemed to have been held by each such member from the appointed date.

- d) The shares to be allotted to the shareholders of the transferor companies upon this scheme coming in to effect are shown as "Advance Share Capital (*HPSEB expenditure pending allotment*).
- ii) Contingent Liability not provided for**
- a) The corporation is functioning from rented premises acquired from HIMFED at Tutikandi (Shimla) and from private parties at Chakkar (Shimla). The owners of the premises are insisting for higher rent but the company has not agreed to it being high as compared to PWD rates. The liability on this account works out to Rs.9,58,790/- has not been provided pending settlement of rent.
- iii) There is no deferred tax liability for the period.
- iv) 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.
- v) 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.
- vi) The corporation has made an investment of Rs. 250000/- with Eastern Minerals and Trading Agency (Himachal EMTA) for setting up a (2\*250 MW) thermal power project in joint venture with 50% equity participation. An MOU was signed on 4<sup>th</sup> January, 2007.
- vii) None of the employees of company are covered under Sec. 217 (2A) of the Company Act, 1956.
- viii) The Renuka Dam Hydro Electric project is being constructed by HPPCL with the contribution of Government of India and some State Governments. Delhi Jal Board is acting as Nodal agency for the construction of dam. Thus, the amount received from Delhi Jal Board amounting to Rs. 2,148,379,755/- has been shown under the head "Current Liability"
- ix) Consequent upon the Government orders referred to at (i) of "Notes on Accounts", all the assets and liabilities of both the amalgamating Companies has been taken over by HPPCL alongwith its staff strength as on 31<sup>st</sup> July, 2007. Thus, the expenditures made after 1<sup>st</sup> Aug, 2007 on KKPCL & PVPCL has also been incurred by HPPCL.
- x) Consequent upon filing of revised income tax return for the Assessment Year 2008-09 (FY 2007-08) the provisions made in the books of account for F.Y. 2007-08 has been reversed during the current year.
- xi) In pursuance of office order No. 77-HPSEB (Sectt./2007 dated 20.12.2007 issued by the Secretary HPSEB, the Ganvi hydroelectric power project, a unit of erstwhile Kinner Kailash Power Corporation Ltd., was detached from HPPCL w. e. f. 1<sup>st</sup> April, 2008. Accordingly, all the assets and liabilities pertaining to Ganvi Project has been handed over to HPSEB at their book values stated as on 01.04.2008.
- xii) The details of preoperative expenditures kept under head incidental expenditure pending allocation of all units of the Corporation which are to be allocated in projects at the time of operation of unit are shown below:

**TABLE SHOWING EXPENDITURES PENDING ALLOCATION AS ON 31-3-2009**

(Rs.in Lacs)

PARTICULARS	CHIRGAON-MAJHGAON HEP	SAWARA-KUDDU HEP	RENUKAJI HEP	SAINJ HEP	INTEGRATED KASHANG HEP	SHONGTONG KARCHHAM HEP	TIDONG -II HEP	DESIGN WING	CORPORATE OFFICE	GRAND TOTAL
Employees Remuneration and Benefits	140.69	987.24	325.78	1527.37	2083.31	117.91	2.78	575.29	479.65	6240.02
Material Issued/Consumed	0.00	27.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.48
Honorarium	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.27	15.21	15.68
Application fee/filing fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.23
Postage & Telegram	0.00	0.79	0.20	0.28	0.77	0.13	0.00	0.26	1.39	3.82
Printing & Stationery Exp.	0.00	8.60	2.79	4.95	4.48	0.93	0.00	5.47	7.90	35.12
Hospitality exp.	0.00	3.83	5.57	1.26	0.00	0.23	0.00	0.39	11.31	22.59
Telephone Expenses	0.00	8.52	3.28	3.94	6.64	0.73	0.01	5.29	11.23	39.64
Elect., Water & Fuel Charges	0.00	5.78	0.76	3.44	13.42	0.24	0.00	6.32	4.75	34.71
Bank Charges	0.00	1.05	0.53	0.19	0.12	0.16	0.00	0.02	0.01	2.08
Consumable Stock	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.05	5.67	6.17
Rent including Lease Rent	0.00	9.21	3.30	2.55	18.44	2.23	0.00	0.00	37.14	72.87
Rates & Taxes	0.00	1.65	0.00	0.26	0.33	0.00	0.00	0.06	0.26	2.56
News Papers & Periodicals	0.00	0.29	0.15	0.08	0.00	0.00	0.00	0.00	0.32	0.84
Fringe Benefit Tax paid	0.00	4.05	2.03	2.13	2.38	0.75	0.00	2.29	6.05	19.68
Legal & Professional Charges	0.00	3.23	0.15	0.00	3.28	0.00	0.00	0.00	3.15	9.81
Registration Fees	0.00	0.10	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.15
Misc. Expenses (including O-Mis)	0.00	213.32	0.00	0.00	55.54	0.00	0.00	0.00	151.25	420.11
Sale Tax Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Freight & labour	0.00	0.03	0.00	0.16	0.00	0.26	0.00	0.00	4.14	4.59
Insurance	0.00	0.21	0.43	0.28	0.00	0.01	0.00	0.00	1.66	2.59
Petty balances written off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicles Running and maintenance	0.00	7.71	4.65	9.86	16.11	1.46	0.00	5.10	12.53	57.42
Hired Vehicle Charges.	0.00	38.69	11.35	10.96	0.00	6.51	0.00	0.85	25.86	94.22
Training & Seminar	0.00	1.28	0.23	0.40	0.05	0.00	0.00	0.00	10.75	12.71
General Repair & Mtc.	0.00	4.44	2.93	6.73	3.75	0.07	0.00	0.12	0.07	18.11
Repair & Mtc. Of Building	0.00	4.10	3.71	18.25	0.00	0.00	0.00	0.00	0.00	26.06
Office Mtc.	0.00	0.00	0.00	0.00	0.21	0.15	0.00	0.00	0.09	0.45
Livery Charges	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10
Books & Periodicals	0.00	0.00	0.00	0.00	0.52	0.06	0.00	0.10	1.46	2.14
Gift & Presentation A/c	0.00	0.00	0.00	0.00	0.00	0.22	0.00	0.00	0.97	1.19
Misc Expenses	0.00	0.62	0.82	1.01	11.58	0.00	0.00	0.99	0.08	15.10
Entertainment Exp. A/c	0.00	0.00	0.00	0.00	0.81	0.00	0.00	0.00	4.58	5.39
Board Meeting Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.16
Incidental Store Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Audit fee	0.00	0.70	0.00	0.00	0.00	0.30	0.00	0.00	1.55	2.55
Misc Expenses (Audit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Survey, Investigation etc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	0.00	56.48	17.54	14.84	26.66	1.93	0.00	0.09	35.83	153.37
Publicity and Advertisement	0.00	13.98	5.94	3.84	3.05	0.79	0.00	0.00	25.02	52.62
Interest on Term Loan	0.00	809.80	0.00	0.00	1959.32	0.00	0.00	0.00	0.00	2769.12
Transit Camp Expenses	0.00	1.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.94
Consultancy Fee	0.00	227.62	0.00	0.00	0.00	0.50	0.00	0.17	8.50	236.79

PARTICULARS	CHIRGAON-MAJHGAON HEP	SAWARA-KUDDU HEP	RENUKAJI HEP	SAINJ HEP	INTEGRATED KASHANG HEP	SHONGTONG KARCHHAM HEP	TIDONG -II HEP	DESIGN WING	CORPORATE OFFICE	GRAND TOTAL
Expenses Relating to P. Year	0.00	45.47	10.26	0.00	0.08	0.00	0.00	0.00	0.00	55.81
Stores & Spares Consumed	0.00	1.01	2.94	3.34	0.00	0.00	0.00	0.00	0.59	7.88
EDLI Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.28
Annual Maintenance Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.39
Fees and Subscription	0.00	0.01	0.00	0.21	0.00	0.00	0.00	0.23	1.69	2.14
Recruitment Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.44	7.44
Lease Rent to Directors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.33
Excess Interest Written Back	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.05
Employees Contri. HRTC Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.34
Business Promotion Expenses	0.00	0.00	0.00	0.26	0.52	0.33	0.00	0.74	0.00	1.85
Taxes Vehicle	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land Acquisition Related expenditure	0.00	0.00	36.64	0.00	0.00	0.00	0.00	0.00	0.00	36.64
Winter Heating Exp.	0.00	0.00	0.00	0.00	4.99	0.94	0.00	0.00	0.00	5.93
Establishment Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL(A)</b>	<b>140.69</b>	<b>2489.23</b>	<b>442.68</b>	<b>1616.59</b>	<b>4216.46</b>	<b>136.84</b>	<b>2.79</b>	<b>604.10</b>	<b>879.88</b>	<b>10529.26</b>
Less: Miscellaneous Receipts-										
Interest On Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.47	10.47
Interest on FDR's (Gross)	0.00	22.92	0.00	0.00	3.98	0.82	0.00	0.00	2886.76	2914.48
Sale of Tender Forms	0.00	1.99	1.59	1.66	1.08	0.21	0.00	0.01	7.37	13.91
Misc. Income/excess provision written back/other income	0.00	388.64	0.29	0.00	8.77	0.02	0.00	7.52	0.15	405.39
<b>TOTAL(B)</b>	<b>0.00</b>	<b>413.55</b>	<b>1.88</b>	<b>1.66</b>	<b>13.83</b>	<b>1.05</b>	<b>0.00</b>	<b>7.53</b>	<b>2904.75</b>	<b>3344.25</b>
<b>TOTAL (A - B)</b>	<b>140.69</b>	<b>2075.68</b>	<b>440.80</b>	<b>1614.93</b>	<b>4202.63</b>	<b>135.79</b>	<b>2.79</b>	<b>596.57</b>	<b>-2024.87</b>	<b>7185.01</b>

xiii) The authorized share capital of the company as on 31.03.09 was Rs. 30000 lacs. The matter of increasing the share capital is to be considered after finalization of merger process which is in final stage with CLB. Thus, the share application money received from State Government during the year under report exceeds authorized share capital.

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
Maximum Amount Due at any time during the year.	NIL	NIL

Amount due from Directors.	NIL	NIL
Maximum amount due at any time during the year	NIL	NIL

(2) Expenses of Chairman

	Current Year	Previous year.
A. Remuneration	NIL	NIL
B. Travelling Allowances	NIL	NIL
C. Telephone Expenses	4743	NIL
D. Vehicle Expense.	99885	24548
E. Medical Expenses.	NIL	NIL

(3) Expenses of Managing Director

	Current Year	Previous Year
A. Remuneration	886591	440398
B. Travelling & Allowances.	235382	62606
C. Telephone Expenses.	98948	13407
D. Vehicle Expenses	137421	99286
E. Medical Expenses	6205	3717

(4) Expenses of Directors

	Current Year	Previous Year
A. Remuneration	1140932	498639
B. Travelling & Allowances.	133216	20960
C. Telephone Expenses.	80495	14764
D. Vehicle Expenses	236492	52032
E. Medical Expenses	14668	1528

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

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

Sd/-  
(B.S.Negi)  
Sr. Manager  
(Finance)

Sd/-  
(Sudershan K. Sharma)  
Company Secretary

Sd/-  
(B.C.S Baliga)  
General Manager  
(Finance)

Sd/-  
(C.M.Walia)  
Director

Sd/-  
(Tarun Kapoor)  
Managing Director

As per our report of even date  
For Sharma Rajeev & Associates  
Chartered Accountants

Sd/-  
(CA Rajeev Sharma)  
Partner  
Membership No. 088586

Place: Shimla  
Date: