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INDEPENDENT AUDITOR'S REPORT

To the Members of Uttarakhand Power Corporation Limited,

Report on the Audit of Financial statements

Qualified Opinion

We have audited the accompanying financial statements of Uttarakhand Power Corporation Limited ("Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns for the year ended on that date, audited by the zonal auditor of the Company's branches covered under Kumaon and Rudrapur Zone.

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of the matter(s) described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act"), in the manner so required and give a true and fair view in conformity with the accounting standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2021;
- b) in the case of the Statement of Profit & Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the matters described in "*Annexure A*" to this report, the effects of misstatements and possible effects of undetected misstatements on the financial statements due to inability to obtain sufficient and appropriate audit evidence which are material but, not pervasive either individually or in aggregate.

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143 (10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Emphasis on Matter

1. We draw attention to *Note no. 2* of the financial statements wherein the company has carried forward capital loss of Rs. 1,91,99,87,865 on account of transfer of undertaking to Power Transmission Corporation of Uttarakhand Limited pursuant to the Uttarakhand Power Transmission Transfer Scheme, 2004 ("Scheme"), provisionally notified by the Government of Uttarakhand ("GOU"), Department of Energy vide Notification No. 87/1/2004-06(3)/259/2002. Such capital loss had been accounted for after taking into consideration modifications to the scheme, finalised on 26.11.2018. The final scheme had been sent for approvals to the Uttarakhand Shasan Energy Department vide Letter No. 5411/T-38, dated 27.05.2019. Further, the Company has sent reminders for the approval of the said scheme vide Letter No. 64/97, dated 17.10.2020 and Letter No. 1058/97, dated 06.07.2021 however, there has been no response from the Uttarakhand Shasan Energy Department thereon. Hence, the scheme is still pending for approval till the date of signing this audit report. On notification of the Scheme, if any amendments are done in the facts and figures basis which the scheme is finalised, the same may have an impact on the capital loss booked and hence, impact the financial statements.
2. We draw attention to the fact that the accumulated losses of the company have exceeded its net worth. However, financial statements are prepared on going concern basis as the management anticipates profit from operations in future years and continuous financial support from the State Government for continuance of business which will result in positive net worth.

Our opinion is not modified in respect of these matters.



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Other Matter

We did not audit the financials of Kumaon and Rudrapur Zone included in the financial statements of the Company whose financials reflect total revenue of Rs. 27,40,48,38,936 for the year ended on that date. The financial information of these zones has been audited by zonal auditor whose reports have been furnished to us & our opinion in so far as it relates to the amounts and disclosures included in respect of these zones, is based solely on the report of such zonal auditor.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	Amount spent towards CSR Activities	<p>The provisions contained in section 135 of the Act are applicable to the Company. The Company had incurred CSR expenditure during financial year 2016-2017 amounting Rs. 1,46,43,518. The same had not been expended in the eligible CSR activities as specified in Schedule VII to the Act, till the end of financial year 31st March, 2020. However, the Company had earmarked such funds by making fixed deposits with nationalized bank during financial year 2016-2017.</p> <p>During the current financial year 2020-2021, the Company expended Rs. 1,89,73,461 towards CSR activities to Uttarakhand State Disaster Management Authority ("USDMA") which is specified under Schedule VII of the Act. The amount expended includes the interest received on the fixed deposits earmarked for CSR activities.</p> <p>In order to verify the correctness of the CSR expenditure, we have performed the following audit procedures:</p> <ol style="list-style-type: none">Verified that the expenditure is done in the eligible CSR activities specified in Schedule VII of the Companies Act, 2013.Verified the authorization of payment from the board minutes.Verified the payment from the bank statements.Verified the acknowledgements received from USDMA.Verified the accounting treatment done in the books of account with respect to such expenditure.Verified the disclosures made with respect to such expenditure in the financial statements.Procured and verified the report of secretarial audit under the Act for any reservations.
2.	Legal Suit filed against M/s Kreate Energy (I) Private Limited	<p>We draw attention to <i>Note no. 14 sub note (iii)</i> of the financial statements which explains that, trade receivables include Rs. 36.68 Crores (previous year Rs. 86.40 Crores), recoverable on account of sale of power outside the state, from M/s Kreate Energy (I) Private Limited (formerly M/s Mittal Processors Private Limited).</p> <p>During the current financial year, the said accounts receivable had been taken up by the Uttarakhand Shasan Energy Department as a subject matter of inquiry.</p> <p>Further, during the current financial year, the company had received multiple cheques numbered 008044, 008045, 008046, 008047 and 008048 as payment against the aforesaid outstanding. Each cheque was of Rs. 5 Crores and in total aggregated to Rs. 25 Crores. The cheques were dishonoured when presented to the bank for payment. The same</p>



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	<p>constitutes an offence under the Negotiable Instruments Act, 1881. As part of recovery procedures, the Company had issued notice demanding payment under section 138 of the Negotiable Instruments Act, 1881, against which the customer had not shown any intention to clear the outstanding dues.</p> <p>The company's Management has filed legal suits for recovery under the provisions of Negotiable Instruments Act, 1881 with Judicial Magistrate-1, Dehradun, vide Case Nos. 4415/21, 4417/21, 4418/21, 4419/21 and 4420/21.</p> <p>In order to verify the on-going dispute, we have performed the following procedures:</p> <ol style="list-style-type: none">Verified the accounting of trade receivables.Verified the correspondence made with the customer.Verified the compliance with Accounting Standard-9 "Revenue Recognition" with respect to providing for such recoverable as doubtful.Verified the bank memos with respect to dishonouring of such cheques.Verified proper approvals for filing legal suit against such customer for recovery of the dues.Procured and reviewed the legal case file maintained with the legal consultant.
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Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those charged with Governance for the Financial Statements

The Company's Board of Director's is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



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Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

- (a) we have sought and obtained except for the matters described in the *Basis for Qualified Opinion* section of our report, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) except for the effects/ possible effects of the matters stated in the *Basis for Qualified Opinion* section of our report, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit, have been received from the branches not audited by us;
- (c) the reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by the branch auditors of the Company have been sent to us and have been properly dealt with by us in preparing this report;



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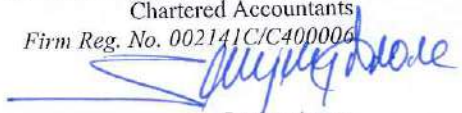
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- (d) the Company's Balance Sheet and the Statement of Profit and Loss, dealt with by this report are in agreement with the books of accounts and returns;
- (e) subject to the effects of the matters mentioned in the *Basis for Qualified Opinion* section of our report, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (f) as per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of directors is not applicable to the Company, since it is a Government Company;
- (g) with respect to maintenance of accounts and other matters connected therewith, refer *Qualified Opinion* section of our report on internal financial controls given at "*Annexure B*".
- (h) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our report on internal financial controls in "*Annexure B*";
- (i) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- the Company has disclosed the impact of pending litigations on its financial positions in the financial statements- Refer *Note no. 7 sub note (ii)* of the financial statements; and
 - the Company does not have any long-term contracts including derivatives contracts, for which there were any material foreseeable losses; and
 - there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. Based on verification of books of account of the Company and according to information and explanations given to us, we give in the "*Annexure C*" a statement on the matters stated in the directions issued by the Comptroller and Auditor General of India in terms of sub section (5) of Section 143 of the Act.
3. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "*Annexure D*" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
4. As per Notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, provisions of section 197 of the Act regarding remuneration to director is not applicable to the Company, since it is a Government Company therefore reporting as required u/s 197(16) of the Act cannot be made.

Place: Dehradun
Date: 25.11.2021
UDIN No.: 21400076AAAAJT2392



For HEMANT ARORA & Co. LLP
Chartered Accountants
Firm Reg. No. 002141C/C400006


Sanjay Arora
Partner
M. No. 400076

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Annexure A – to the INDEPENDENT AUDITOR'S REPORT

(Referred to in our report, under 'Basis for Qualified Opinion' section of our report to the Members of Uttarakhand Power Corporation Limited of even date)

1. Referring to *Para 2* under *Note no. 29* of the financial statements on significant accounting policies, the Company receives contributions/ deposits from consumers towards service connection & lines. The Company is adopting deferred income methodology to account for such contributions/ deposits as explained in the principles laid down in Accounting Standard-12 "Government Grants". As per this method, the contributions/ deposits are to be recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. It has been observed that capital expenditure met out of these contributions/ deposits has been identified for the current financial year. However, the capital expenditure met out of these contributions/ deposits made in the previous financial years remains unidentified. Due to this, the amount of contribution/ deposit relating to the expenditure incurred in previous years and is not identified, has not been recognised in the profit and loss statement. To the extent of such non-recognition of the contribution/ deposit pertaining to previous years, the loss for the current year is over-stated. However, we are unable to quantify the effect of such over-statement in the financial statements.
2. We draw attention to *Note no. 14* of the financial statements, which explain that the company has total outstanding debtors of Rs. 21,84,33,82,139; out of which Rs. 11,77,48,68,891 has been provided for as bad & doubtful, which is 53.91% of the total outstanding. It has been observed that there is no specific identification of bad & doubtful debts. As per the significant accounting policies, the Company had been providing 2% of the non-government assessment in each year till the previous financial year. Resultantly, the provision has accumulated and has become more than 53% of the total outstanding. In our opinion, such a provision is excessive than what may be required. However, we are unable to quantify the effect of such over-statement in the financial statements.
3. Referring to *Para 3.3, 6.2 and 6.3* under *Note no. 29* of the financial statements, as per the significant accounting policies followed by the Company, recording of the acquisition and issue of store and spares, i.e. "Inventories for Capital works" maintained at centralized store, is done at last purchase price without adding any incidentals. As per Accounting Standard- 10 "Property, Plant & Equipment", the accounting of stores and spares which is used for capital works is to be done at the actual cost incurred. Accordingly, the inventory is valued at a price which is other than the actual cost incurred by the Company. Hence, the same is not in accordance with the principles laid down as per the accounting standard however, we are unable to quantify the effect of such non-compliance in the financial statements.

Place: Dehradun
Date: 25.11.2021
UDIN No.: 21400076AAAAJT2392



For HEMANT ARORA & Co. LLP
Chartered Accountants
Firm Reg. No. 002141C/C400006

[Signature]
Sanjay Arora
Partner
M. No. 400076

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Annexure B – to the INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) & (h), under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Uttarakhand Power Corporation Limited of even date)

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") and the SAs, issued by Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Qualified Opinion

According to the information and explanations given to us and based on our audit, the Company has not established its internal control(s) over financial reporting as per the criteria established for the internal control over financial reporting by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31st March, 2021.

Based on the limited audit procedures performed by us during the course of our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial control over financial reporting as at 31st March, 2021:

1. The Company does not have an appropriate internal control system for ensuring capitalization of property plant and equipment on the date when it is available for use, due to delay in issuance of work completion certificate by respective engineering departments, which has potentially resulted into under capitalization of property plant and equipment and corresponding impact on operational results due to lower charge of depreciation.
2. During the current financial year, the Company had prepared party-wise details of receivables or payables outstanding however, the Company lacks an appropriate internal control to make management assertions with respect to the "existence" of the opening balances of assets and liabilities pertaining to previous year(s) which are still outstanding at year end, i.e. management is not able to confirm or provide the details regarding the period from when these receivables or payables are outstanding, summarized as under:

Note No.	Management Assertion
6(iii)	Trade Payables- For Capital Supplies/Works
6(iv)	Trade Payables- For O&M Supplies/Works
7(4)(ii)	Deposits & Retention Money from Suppliers/Contractors
7(4)(iii)	Other Deposits Payable
12(A)	Capital Advances: Un-secured & Considered Good
12(B)	Other Loans & Advances: Trade Receivables- Un-secured & Considered Good
16(1)	Others: Advances for O&M Supplies/Works- Un-secured & Considered Good
16(2)	Others: Loans & Advances- Others – Un-secured & Considered Good

Further, referring to Note no. 14 of financial statements, where trade receivables have been explained, the management has aged the receivables for purpose of presentation in the financial statements on an estimated basis. This is due to the inherent incapability/ limitation of the accounting application system, wherein it is not possible to generate a debtor ageing report. Further, there is no conclusive evidence provided by management in support of its assertion of the ageing of receivables. Hence, we are not in a position to comment on the disclosure of the receivables ageing in the financial statements.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

Place: Dehradun
Date: 25.11.2021
UDIN No.: 21400076AAAAJT2392



For HEMANT ARORA & Co. LLP
Chartered Accountants
Firm Reg. No. 002141C/C400006

Sanjay Arora
Partner
M. No. 400076

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Annexure C – to the INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Uttarakhand Power Corporation Limited of even date)

Additional revised general and company/ sector specific directions under section 143(5) of Companies Act, 2013 applicable from the financial year 2015-16 and onwards

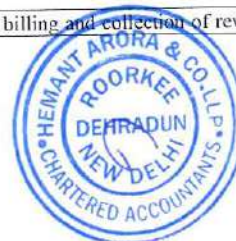
S.No.	Directions	Replies
1.	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available.	Yes, the Company has clear title deeds to the extent verified.
2.	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons there for and the amount involved.	Trade Receivables for Rs. 1,32,14,65,191 have been waived off which has been adjusted against Provision for Bad & Doubtful Debts.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from Government or other authorities.	Yes, proper records are maintained for inventories lying with third parties. i.e. contractors. No assets have been received as gift/ grant(s) from government or other authorities. However, with respect to assets created out of the grants received from government, the records have been properly maintained.

Additional revised general and company/ sector specific directions under section 143(5) of Companies Act, 2013 applicable from the year 2020-21 and onwards

S.No.	Directions	Replies
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	UPCL has IT Systems in place to process all the accounting transactions. All accounting entries are captured in computerised system and account is generated after authorisation and closing of all entries. Hence, there are no implications of processing of accounting transactions outside IT System.
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts / loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There are no such cases during the year.
3.	Whether funds received/ receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Funds received for specific schemes from REC, PFC for RAPDRP/ DDUGJY/ Saubhagya/ IPDS are properly accounted for and utilized in accordance with the terms and conditions of the scheme.

Power Sector specific sub directions under Section 143(5) of the Companies Act, 2013

S. No.	Sub Directions	Replies
1.	Adequacy of steps to prevent encroachment of idle land owned by the company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	The Company does not possess any idle land.
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues is done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	Where land acquisition is involved in setting up new projects, settlement of dues is done expeditiously and in a transparent manner in all cases. No cases of deviations reported/ observed.
3.	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of account in compliance with the applicable Accounting Standards.	The Company has an effective system for recovery of revenue as per contractual terms.
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	No abandoned projects reported/ observed.
5.	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company?	As informed, the Company has not entered into any agreement of franchise for distribution of electricity.
6.	Report on the efficacy of the system of billing and collection of	Adequate system of billing and collection of revenue



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	revenue in the company.	is in place.
7.	Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.	As reported, tamper proof meters have been installed for all consumers.
8.	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	A mechanism for recovery of Fuel Cost Adjustment (FCA) has been provided in the regulations by Uttarakhand Electricity Regulatory Commission. This provision has been implemented and recovery of FCA is being done as and when the same is due as per the provisions contained in the said regulations.
9.	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	The reconciliation of payables to the generation, and transmission companies is carried out from time to time.
10.	Whether the Company is supplying power to franchisees, if so, whether the Company is not supplying power to franchisees at below its average cost of purchase.	No franchise has been appointed.
11.	How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government shortfall if any may be commented?	During the year no tariff roll back subsidies have been allowed.
12.	Examine the system of effective utilization of Loans/ Grant-in-Aid/ Subsidy. List the cases of diversion of funds.	Monies raised by way of term loans were applied for the purpose for which it was raised. Grant-in-Aid received has been utilized for the purpose for which it was received.
13.	Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period.	It is not feasible to ascertain the internal rate of return or payback period for the capital expenditure incurred as the revenue generated cannot be accredited with specific capital expenditure.
14.	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the company is in the electronic format, which of the area such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and the company has evolved proper security policy for data/software/hardware?	The financial accounting data of the Company is being maintained in online Financial Accounting System. For billing of consumers, R-APDRP is in use. Payroll processing is computerized. Inventory at Centralized stores is maintained in online MMS, however, stock records for inventory at decentralized stores at unit level are maintained by the concerned JE manually. Draft security policy for data /software/hardware has been framed which is being finalized. For data security there is provision of regular backup of applications and databases. For RAPDRP application data is also replicated in Disaster Recovery Centre of UPCL. Security Audit work of entire IT infrastructure of Data Centre, Disaster Recovery Centre (Hardware, System Software and Network) and UPCL website has been awarded to M/s Digital Age. The firm is presently doing the security audit of UPCL. ERP SAP implementation process is under implementation phase by M/s PWC comprising the modules for HR, Finance and Material Management.

Place: Dehradun
Date: 25.11.2021
UDIN No.: 21400076AAAAJT2392



For HEMANT ARORA & Co. LLP
Chartered Accountants
Firm Reg. No. 002141C/C400006

Sanjay Arora
Sanjay Arora
Partner
M. No. 400076

HEMANT ARORA & CO. LLP

Chartered Accountants

Annexure D – to the INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3, under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Uttarakhand Power Corporation Limited of even date)

We report that:

i. in respect of its fixed assets:

- (a) the Company has not maintained proper records for Fixed Assets showing full particulars including quantitative details and location of fixed assets. The Company has represented that the Fixed Assets Register has been updated up to financial year 2020-21;
- (b) physical verification of fixed assets has not been carried out;
- (c) considering the voluminous nature and various locations, we have verified the title/ lease deeds of immovable properties on a sample basis and concluded that the deeds were held in the name of the company;

ii. inventories at centralized stores have been physically verified during the year. Discrepancies noticed during physical verification of inventories have been dealt with by the company.

Physical verification of inventory at decentralized stores has not been produced before us.

In absence of the complete record(s), we are unable to report whether frequency of verification is reasonable and the manner in which material discrepancy has been dealt in the books of account;

- iii. according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loan, secured or unsecured to the Companies, Firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year. Therefore, reporting under clause (a) to (c) of paragraph 3(iii) of the order is not applicable to the Company;
- iv. according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loan, made any investments, given any guarantees and security where provisions of Section 185 and Section 186 are to be complied with. Therefore, paragraph 3 (iv) of the Order is not applicable to the Company;
- v. according to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not accepted any deposit from the public covered under Section 73 to 76 or other relevant provisions of the Companies Act, 2013. Therefore, paragraph 3(v) of the Order is not applicable to the Company;
- vi. according to the information and explanations given to us, the Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013;
- vii. in respect of statutory dues:

- (a) undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Goods & Service Tax and other material statutory dues have been generally deposited regularly with the appropriate authorities.

However, undisputed statutory dues on account of Green Energy Cess and Electricity Duty for the previous financial year(s) have not been deposited regularly with the appropriate authorities. The details of such statutory dues, outstanding for the period of more than six months from the date they become payable as at 31st March, 2021 are as follows:

S. No.	Nature of Dues	Amount outstanding as at 31st March, 2021 (In Rs.)
1.	Electricity Duty	4,78,09,81,185
2.	Green Energy Cess	1,36,99,96,824

- (b) there are no dues of income tax, sales tax, duty of customs, duty of excise, value added tax and goods and service tax (GST) pending on account of any dispute.
- viii. according to the information & explanations given to us, the Company has taken loans from Bank and Financial Institutions. During the year, the company has not defaulted in repayment of loan.



HEMANT ARORA & CO. LLP

Chartered Accountants

- ix. in our opinion and according to the information and explanations given to us and on the basis of examination of books of account, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Monies raised by way of term loans were applied for the purpose for which it was raised.
- x. as explained to us, no fraud occurred during the reporting period.
- xi. in view of exemptions given vide in terms of Notification No. G.S.R 463(E) dated 05th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 read with schedule V of the Act regarding Managerial Remuneration are not applicable to the Company.
- xii. the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. in our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013. Details of the related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. in our opinion and according to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the order is not applicable to the company.
- xv. in our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him thus, the provisions of Section 192 of the Companies Act, 2013 are not applicable. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

Place: Dehradun
Date: 25.11.2021
UDIN No.: 21400076AAAAJT2392



For HEMANT ARORA & Co. LLP
Chartered Accountants
Firm Reg. No. 002141C/C400000

[Signature]

Sanjay Arora
Partner
M. No. 400076

UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

BALANCE SHEET AS AT 31st March, 2021

(Amount in Rupees)

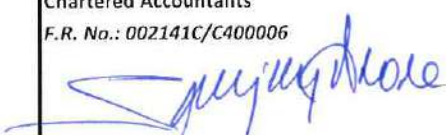

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	14,44,90,84,000	14,44,90,84,000
(b) Reserves and Surplus	2	(13,55,74,36,927)	(16,00,08,95,474)
(1A) Share Application Money Pending Allotment	1	30,00,00,000	
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	14,37,59,64,882	9,13,16,86,090
(b) Other Long-Term Liabilities	4	3,55,97,32,846	2,66,58,02,783
(3) Current Liabilities			
(a) Short-Term Borrowings	5	1,88,96,94,892	7,90,68,19,156
(b) Trade Payables	6	7,57,14,90,425	15,84,76,52,746
(c) Other Current Liabilities	7	54,15,82,15,257	50,83,15,91,684
(d) Short-Term Provisions	8	1,11,30,30,636	1,26,07,88,318
Total		83,85,97,76,011	86,09,25,29,303
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible & Intangible Assets	9	41,02,18,63,834	36,14,20,09,336
ii) Capital Work In Progress	9	9,83,66,64,364	10,67,21,47,848
iii) Inventory for Capital Works	10	5,45,70,94,867	4,46,03,05,103
(b) Deferred Tax Assets (Net)	11	89,79,64,357	1,06,38,35,885
(c) Long-Term Loans and Advances	12	8,89,99,16,024	10,45,71,54,955
(2) Inter Unit Transactions Balances	13	-	3,45,12,026
(3) Current Assets			
(a) Trade Receivables	14	10,06,85,13,248	9,70,10,44,048
(b) Cash and Cash Equivalents	15	7,50,19,84,891	12,87,07,60,331
(c) Short-Term Loans and Advances	16	7,71,69,208	20,64,82,968
(d) Other Current Assets	17	9,86,05,218	48,42,76,803
Total		83,85,97,76,011	86,09,25,29,303
Significant Accounting Policies	29		
Notes to the financial statements attached thereto form an integral part of Financial Statements.	1 to 30		
This is the Balance Sheet referred to in our Report of even date.			
For HEMANT ARORA & CO. LLP Chartered Accountants F.R. No.: 002141C/C400006		For & On Behalf of Board of Directors	
			
			
SANJAY ARORA PARTNER M.No. 400076 DATE: 25-11-2021 PLACE : DEHRADUN		(ANIL KUMAR) MANAGING DIRECTOR DIN: 08480709	
		(N.K. GUPTA) DIRECTOR (FINANCE) DIN: 08338075	
			
		(R.J. MALIK) COMPANY SECRETARY M.No. F4694	

UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2021

(Amount in Rupees)

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue/Income			
Revenue from Operations	18	64,53,92,23,428	68,30,97,01,312
Other Income	19	87,67,64,581	1,09,94,54,064
I. Total Revenue/Income		65,41,59,88,009	69,40,91,55,376
Expenses			
Purchase Cost of Electricity	20	55,74,46,93,769	64,57,18,46,215
Repair and Maintenance Expenses	21	1,94,86,63,553	1,77,67,95,024
Employee Benefit Expenses	22	3,55,99,78,060	3,38,85,05,562
Financial Costs	23	1,89,73,28,128	2,17,66,56,082
Depreciation and Amortization Expenses	24	2,30,21,53,738	2,10,16,57,262
Other Administrative Expenses	25	50,04,27,652	43,46,25,221
Provision for Bad and Doubtful Debts [refer note-30(1)]		-	1,24,87,86,382
II. Total Expenses		65,95,32,44,900	75,69,88,71,748
III. Profit/(Loss) before Exceptional/Prior Period Items, Rate Regulated Activities and Tax (I-II)		(53,72,56,891)	(6,28,97,16,372)
IV. Exceptional/Prior Period Items	26	(81,44,03,968)	3,22,62,28,386
V. Profit/(Loss) before Rate Regulated Activities and Tax (III+IV)		(1,35,16,60,859)	(3,06,34,87,986)
VI. Regulatory Income/ (Expenses)	27	-	(2,54,54,00,000)
VII. Profit/(Loss) before Tax (V+VI)		(1,35,16,60,859)	(5,60,88,87,986)
VIII. Tax Expense:			
Deferred Tax Assets/(Liabilities)		(16,58,71,528)	(16,42,13,787)
IX. Profit(Loss) for the Year (VII-VIII)		(1,51,75,32,387)	(5,77,31,01,773)
X. Basic & Diluted Earning per Equity Share (Face Value of Rs. 1,000/- each)	28	(105.03)	(408.44)
Significant Accounting Policies	29		
Notes to the financial statements attached thereto form an integral part of the Financial Statements.	1 to 30		
This is the Statement of Profit & Loss referred to in our Report of even date.			
For HEMANT ARORA & CO. LLP Chartered Accountants F.R. No.: 002141C/C400006		For & On Behalf of Board of Directors	
 		(ANIL KUMAR) MANAGING DIRECTOR DIN: 08480709	(N.K. GUPTA) DIRECTOR (FINANCE) DIN: 08338075
		(R.J. MALIK) COMPANY SECRETARY M.No. F4694	
SANJAY ARORA PARTNER M.No. 400076 DATE: 25-11-2021 PLACE : DEHRADUN			

UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 1 => Share Capital

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Authorized Capital 2,00,00,000 Equity Shares of Rs. 1,000 each.	20,00,00,00,000	20,00,00,00,000
2	Issued Capital 1,44,49,084, Equity Shares of Rs. 1,000 each.	14,44,90,84,000	14,44,90,84,000
3	Subscribed and Fully Paid up 1,44,49,084, Equity Shares of Rs. 1,000 each fully paid up.	14,44,90,84,000	14,44,90,84,000
	Total	14,44,90,84,000	14,44,90,84,000
	Share Application Money Pending Allotment Nil, Equity Shares of Rs. 1,000 each. [refer sub-note (vi)]	30,00,00,000	-
	Total	30,00,00,000	-

(i) **Rights, preferences and restrictions attached to shares:**

The company has only one class of equity shares. For all matters submitted to vote on a poll in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have voting right in proportion to his share in the paid up Equity Share Capital of the Company. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

(ii) **Reconciliation of number of Shares Outstanding**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening number of Shares Outstanding	1,44,49,084	1,32,10,299
Add: Allotted during the year	-	12,38,785
Less: Bought Back	-	-
Closing number of Shares Outstanding	1,44,49,084	1,44,49,084

(iii) **Reconciliation of number of Shares outstanding**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening number of Shares Outstanding	14,44,90,84,000	13,21,02,99,000
Add: Allotted during the year	-	1,23,87,85,000
Less: Bought Back	-	-
Closing number of Shares Outstanding	14,44,90,84,000	14,44,90,84,000

(iv) **Detail of Shareholders Holding more than 5 percent Shares**

Name of the Shareholder	No. of Shares	% Shareholding
Government of Uttarakhand	1,44,49,074	99.99%

(v) During the year, no shares have been allotted pursuant to contract without payment received in cash by way of bonus shares. Further, no shares have been bought back during the year.

(vi) During the FY 2020-21, Rs. 30,00,00,000 was sanctioned and received pursuant to GO No. 191/I(2)/2021-06/14/2012 dated 09-02-2021, towards share capital of the State Government against which allotment of 3,00,000 equity share is pending on the date these financial statements are drawn.



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 2 => Reserve & Surplus

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
	A. Capital Reserve		
1	Consumer Contribution for Service Connections & Lines and Deposit Works		
	Balance as per last Balance Sheet	5,82,77,35,580	5,68,90,08,714
	Add: Addition/Adjustment during the year	2,97,91,38,662	48,24,79,875
	Less: Amortisation of Contribution	34,90,73,565	34,37,53,009
		8,45,78,00,677	5,82,77,35,580
2	Government Grants towards Capital Works		
	Balance as per last Balance Sheet	17,08,39,54,289	13,96,99,63,768
	Add: Addition/Adjustment during the year	2,09,78,98,236	3,84,41,09,604
	Less: Amortisation of Grants	76,69,72,399	73,01,19,083
		18,41,48,80,126	17,08,39,54,289
3	Transfer Scheme with PTCUL [refer sub-note (i)]		
	Balance as per last Balance Sheet	(1,91,99,87,865)	(1,91,99,87,865)
	Add: Addition/Adjustment during the year	-	-
		(1,91,99,87,865)	(1,91,99,87,865)
	B. General Reserve & Surplus		
1	Surplus (Profit & Loss Account)		
	Balance as per last Balance Sheet	(36,99,25,97,478)	(31,21,94,95,705)
	Add: Transfer from Statement of Profit & Loss	(1,51,75,32,387)	(5,77,31,01,773)
		(38,51,01,29,865)	(36,99,25,97,478)
	Total of (A+B)	(13,55,74,36,927)	(16,00,08,95,474)

- (i) In order to give effect to the provisions of the Electricity Act, 2003, the transmission business from the Company was transferred to a newly formed Company named Power Transmission Corporation of Uttarakhand Limited ("PTCUL"). With effect from 1st June, 2004, certain assets and liabilities of the Transmission Undertaking were transferred to the newly formed Company PTCUL. The company had booked loss of Rs. 1,91,99,87,865 on account of transfer of undertaking to Power Transmission Corporation of Uttarakhand Limited pursuant to the Uttarakhand Power Transmission Transfer Scheme, 2004, provisionally notified by the Government of Uttarakhand ('GOU'), Department of Energy vide Notification No. 87/1/2004-06(3)/259/2002. Such loss had been accounted for after taking into consideration modifications to the scheme, finalised on 26th November, 2018. The Final scheme has been sent to accord approval and thereby notification, to the Uttarakhand Shasan Energy Department vide Letter no. 5411/T-38 dated 27th May, 2019.

On notification of the scheme, if any changes in the figures are made, the same may have an impact on the loss booked and hence, impact the financial statements.



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 3 => Long Term Borrowings

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
A	Secured Borrowings [refer sub-note (i)]		
	R.E.C. Loan (Old)-(Secured by Guarantee of Government of Uttarakhand)	54,50,88,290	81,76,92,218
	R.E.C. Loan (New)-(Secured by hypothecation of New Fixed Assets)	7,99,25,81,544	8,03,19,79,893
	R.E.C. Loan (RGGVY)-(Secured by Government of Uttarakhand)	5,23,98,765	13,20,34,929
	R.E.C. Loan (DDUGJY)-(Secured by hypothecation of New Fixed Assets)	66,08,17,000	66,08,17,000
	R.E.C. Special Loan	4,00,00,00,000	-
	P.F.C. Loan (R-APDRP-Part B)-(Secured by hypothecation of New Fixed Assets)	28,26,67,027	28,42,93,806
	P.F.C. Loan (IPDS)-(Secured by hypothecation of New Fixed Assets)	28,51,58,000	-
	P.F.C. Special Loan	2,00,00,00,000	-
	P.F.C. Loan (R-APDRP-Part A : SCADA)-(Secured by Guarantee of Government of Uttarakhand)	-	14,28,00,000
	Sub Total (A)	15,81,87,10,626	10,06,96,17,846
B	Unsecured Borrowings [refer sub-note (i)]		
	State Government Loans	14,55,71,558	20,79,62,038
	Sub Total (B)	14,55,71,558	20,79,62,038
	Total (A+B)	15,96,42,82,184	10,27,75,79,884
	Less: Current Maturity of Long terms Loans (C)	1,58,83,17,302	1,14,58,93,794
	Total (A+B-C)	14,37,59,64,882	9,13,16,86,090

(i) Details of Long Term Loans & Borrowings

(f) Details of Long Term Loans & Borrowings									
Sr.No.	Name of Loan	Year of Sanction	Moratorium Period in years	Effective Repayment Start	Tenure of Repayment in years	EMI	Rate of Interest	Periodicity	
								Interest	Repayment
Secured Borrowings									
1	R.E.C. Loan-Old	2002	Nil	2002	20	240	9.75	Monthly	Monthly
2	R.E.C. Loan-New	2012-20	3	2016-2021	13	10	10-10.75	Quarterly	Yearly
3	R.E.C. Loan-RGGVY	2005-10	3	2009-2013	13	10	9.75-10.75	Quarterly	Yearly
4	R.E.C. Loan-DDUGJY	2018-19	3	2023	13	10	10-10.75	Quarterly	Yearly
5	R.E.C. Special Loan	2020-21	1	2021	5	48	9.50	Monthly	Monthly
6	P.F.C. Loan-R-APDRP (Part-B)	2014	0.5 years	2015	15	60	10.25-11.00	Quarterly	Quarterly
7	P.F.C. Loan-(IPDS)	2020	0.5 years	2020	15	180	11.15	Monthly	Monthly
8	P.F.C. Special Loan	2020-21	1	2021	5	48	9.50	Monthly	Monthly
Un-Secured Borrowings									
1	District Plan/APDRP/MNP/PMGY	2001-2006	50% for 5 years	2001-2006	20	200	9-13.50	June to March	June to March



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 4 => Other Long Term Liabilities

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Payable to Power Transmission Corporation of Uttarakhand Limited [refer sub-note (i)]	42,29,09,865	42,29,09,865
2	Payable to UJVN Limited [refer sub-note (ii)]	30,08,00,000	41,08,00,000
3	Payable to UPCL GPF Trust [refer sub-note (iii)]	1,79,23,64,596	1,83,20,92,918
4	Provision for Earned Leave Encashment	1,04,36,58,385	-
	Total	3,55,97,32,846	2,66,58,02,783

- (i) In order to give effect to the provisions of the Electricity Act, 2003, the transmission business from the Company was transferred to a newly formed Company named Power Transmission Corporation of Uttarakhand Limited ("PTCUL").

As per the Transfer Scheme finalized in the books of the Company, Rs. 61.54 Crores was shown as payable to PTCUL on account of unutilized portion of REC and NABARD loans obtained for Transmission works. Subsequently, out of the said amount, Rs. 22.20 Crores was paid to PTCUL in December, 2004. Further, after taking into consideration modifications to the scheme finalized on 26.11.2018, an additional sum of Rs. 2.95 Crores pertaining to unutilized amount of REC and NABARD loans was determined as payable to PTCUL.

- (ii) The Company commenced its activities of Transmission and Distribution of electricity w.e.f. 09.11.2001 by taking over assets and liabilities of the Uttar Pradesh Power Corporation Ltd. (UPPCL). In the said transfer scheme, General Provident Fund ("GPF") liability pertaining to employees then transferred from UPPCL to the Company was also assigned to the Company and hence, payable by the Company. The said liability was subsequently transferred to a Trust namely, "UPCL Employees GPF Trust".

During the previous financial year 2019-20, the said liability had been crystallized after joint meeting held at Chief Secretary level of Uttar Pradesh & Uttarakhand on 17.08.2019 and final adjustments had been made to the payables and receivables recorded. The major financial implications on the crystallization of the GPF liabilities were:

- A sum of Rs. 1.56 Crores is receivable from UPPCL and the same had been received in the financial year 2019-20.
- A sum of Rs. 42.64 Crores is payable to UJVN Limited towards the GPF liabilities discharged by it. Out of the said payable Rs. 12.56 Crores has been duly paid during the financial year 2020-21 & 2019-20.
- A sum of Rs. 183.21 Crores is payable to GPF Trust towards the GPF liability including the interest accrued over the years. The said sum can be partly paid before retirement or in full at the time of full and final settlement of the respective employee covered in this scheme. Out of the said payable Rs. 3.97 Crores has been duly paid during the financial year 2020-21.

The financials of the UPCL Employees GPF Trust for the financial year 2019-20 & 2020-21 are under finalisation.



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 5 => Short Term Borrowings

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Secured Borrowings [refer sub-note (i) (ii) & (iii)]		
	<u>From Banks</u>		
	Punjab National Bank	92,66,48,780	4,30,68,67,502
	HDFC Bank	46,37,17,483	1,49,53,69,048
	State Bank of India	49,93,28,629	1,10,47,86,817
	Bank of India	-	99,97,95,789
	Total	1,88,96,94,892	7,90,68,19,156

- (i) Borrowings from Banks have been secured against Fixed Deposits made with the banks. [refer sub-note (ii) to Note no. 15]
- (ii) Rate of interest applicable on above borrowings is a certain basis points above the applicable rate of interest receivable on the fixed deposits.
- (iii) During the year, the Overdraft facility from Bank of India has been repaid and no objection certificate has been obtained with respect to the same.



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 6 => Trade Payables

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Summary of Trade Payables		
	i. For Power Purchase	6,53,19,02,424	14,20,90,89,904
	ii. For Bills Payables [refer sub-note (i)]	-	37,26,65,476
	iii. For Capital Supplies/Works	61,25,46,134	81,72,85,709
	iv. For O&M Supplies/Works	42,70,41,867	44,86,11,657
	Total	7,57,14,90,425	15,84,76,52,746

(i) In the financial year 2019-20, the Company has accepted the liability amounting to Rs. 55,89,98,214 on account of power purchase cost incurred from NHPC Limited ("vendor"). The Vendor has entered into financial arrangements with its Banker for discounting of such bills. As per the agreement with the vendor, UPCL is required to pay the dues directly to the vendor's Banker. The said amount is payable in six monthly installments of Rs. 9,31,66,369 each. Two instalments have fallen due and duly paid in financial year 2019-20 and remaining four instalments have fallen due and duly paid during the financial year 2020-21.

(ii) Dues to micro, small and medium enterprises:

The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006", has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Principal amount remaining unpaid to the suppliers at the end of the year.	Rs. 40,20,93,262	Rs. 29,99,97,441
(b) Interest due & remaining unpaid to the suppliers at the end of the year	The Company has not provided for any interest as no claims has been received by the Company.	The Company has not provided for any interest as no claims has been received by the Company.
(c) Amount of interest paid in terms of Section 16 along with the amount of payment made to the supplier beyond the appointed day during the year		
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under the act.		
(e) The amount of interest accrued and remaining unpaid at the end of the year.		
(f) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.		



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Note No. 7 => Other Current Liabilities

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Interest Accrued and due on Security Deposits	39,23,51,025	83,89,75,671
2	Interest Accrued but not due on Borrowings	-	5,07,20,257
3	<u>Other Payables</u>		
	i) Deposits for Electrification, Service Connections etc.	1,48,44,90,772	3,32,02,78,621
	ii) Deposits & Retention Money from Supplier / Contractors	3,30,17,09,738	4,19,11,47,973
	iii) Other Deposits Payable	23,20,92,237	8,68,18,240
	iv) Other Liabilities & Provisions	37,65,44,064	47,18,26,106
	v) E.D. & Other levies Payable to Government [refer sub-note (iii)]	36,99,10,71,894	31,88,15,44,112
	vi) Security Deposit from Consumers	9,79,16,38,225	8,84,43,86,910
4	Current Maturities of Long Term Debts	1,58,83,17,302	1,14,58,93,794
	Total	54,15,82,15,257	50,83,15,91,684

(i) **Contingent liabilities and commitments:**

(a) There are some pending court cases against the Corporation, which are lying undecided in various courts and thus an approximate amount to the extent of Rs. 66,29,06,239 (Previous Year Rs. 81,92,43,971) is foreseen as a Contingent Liability.

(b) Estimated value of contracts remaining to be executed on capital account and not provided for (contracts exceeding Rs 50 lakhs) is Rs. 322 Crores (Previous Year Rs. 124 Crores) as at 31st March, 2021.

(c) Demand amounting to Rs. 1,13,42,696 (Previous Year Rs. 76,81,878) on account of outstanding TDS defaults in TRACES as on 31st March, 2021.

(d) Rs. 29.44 Crores (Previous Year Rs.17.11 Crores) is foreseen as Contingent Liability towards Green Energy Cess.

(ii) **This includes the following amounts:**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Electricity Duty Payable to Govt.	6,76,15,87,623	7,02,91,98,050
(b) Green Energy Cess Payable to Govt.	1,80,32,65,802	1,76,68,71,584
(c) Free Power Payable to Govt.	15,68,89,24,443	13,30,27,01,454
(d) Water Tax Payable to Govt. (UJVNL)	6,23,23,06,128	4,49,36,01,718
(e) Water Tax Payable to Govt. (Uttar Bharat)	-	59,00,946
(f) Water Tax Payable to Govt. (Him Urja)	6,08,560	1,89,20,333
(g) Cess & Royalty Payable to Govt. (UJVNL)	6,50,43,79,339	5,26,43,50,028



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 8 => Short Term Provisions

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Provision for Employee Benefits		
	Staff Salary	23,75,19,681	24,73,54,241
	Staff Earned Leave Encashment & Others	9,59,45,351	23,42,58,788
2	Other Provision		
	For Expenses	77,95,65,604	77,91,75,289
	Total	1,11,30,30,636	1,26,07,88,318



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 9 => Fixed Assets & Capital Work In Progress

(i) Tangible & Intangible Fixed Assets

S.No.	Assets Group	Gross Block				Depreciation Block				Net Block	
		As at 1st April, 2020	Additions other than Assets created out of Grants & Consumer Contributions	D	E	Deductions during the year	As at 31st March, 2021	Accumulated Depreciation as at 31st March, 2021	Total Depreciation charged during the year	As at 31st March, 2021	As at 31st March, 2020
A	B	C	D	E	F	G	H	I	J	K	L
1	Land and Rights- Freehold	16,64,12,598	-	-	-	16,64,12,598	2,31,15,046	-	-	16,64,12,598	16,64,12,598
2	Land held under lease	17,97,19,859	1,11,74,121	-	-	19,08,93,981	55,91,81,148	-	-	16,17,14,535	15,66,04,813
3	Buildings	1,77,67,96,464	1,53,37,778	86,40,162	42,910	1,94,06,31,493	5,41,38,358	48,07,429	5,89,45,787	1,93,26,23,867	1,21,78,15,318
4	Plant & Machinery	11,66,64,95,993	1,73,97,97,393	53,24,05,364	49,21,33,794	13,44,65,68,556	1,71,81,33,264	8,95,11,285	62,65,79,629	11,87,82,37,443	10,44,83,66,729
5	Lines & Cable Network	46,31,69,78,482	4,04,16,15,324	2,15,32,79,007	19,93,20,847	52,31,25,52,146	23,47,02,77,892	84,11,37,113	2,69,74,40,742	25,82,05,56,860	22,94,67,00,570
6	Furniture and Fixtures	10,46,47,587	63,19,069	-	-	11,09,66,656	5,73,26,555	67,69,694	67,69,694	6,40,36,249	4,73,21,032
7	Vehicles	3,19,50,149	-	-	-	3,19,50,149	2,38,99,699	20,85,320	20,85,320	2,59,85,019	59,73,130
8	Office Equipment	73,72,45,339	1,36,18,596	-	-	75,08,63,935	31,44,40,247	3,44,01,494	35,39,63,595	28,24,60,093	42,28,03,092
9	Other Civil Works	2,15,57,563	39,02,074	-	-	2,54,59,637	1,07,68,456	43,22,300	43,87,872	1,51,56,328	1,07,85,107
10	Intangible Fixed Assets	77,92,99,092	-	-	-	77,92,99,092	6,19,62,463	-	6,19,62,463	1,03,03,309	71,73,35,629
	Total	61,78,11,11,106	5,97,16,64,356	5,97,16,64,356	2,69,43,26,593	69,14,97,351	25,63,91,04,770	2,30,21,53,738	1,11,60,45,964	41,02,18,63,834	36,14,20,09,336
	Previous Year	58,64,59,41,648	4,24,42,69,598	4,24,42,69,598	2,69,43,26,593	1,10,90,97,140	22,80,68,66,104	2,10,16,57,262	1,07,38,72,092	36,14,20,09,336	35,83,90,75,464

(i) The Gross Block balance as on 1st April, 2020 w.r.t. the assets group Land and Rights- Freehold (previous year Rs. 19,93,48,276) and Land held under lease (previous year Rs. 14,67,84,182) has been re-grouped by an amount of Rs. 17,56,785.

(ii) UPCL was formed as a consequence of Uttar Pradesh Reorganisation Act, 2000. In the formation scheme various assets and liabilities were transferred to UPCL. Fixed Assets taken over by the UPCL from Uttar Pradesh Power Corporation Limited (UPPCL) on 8th November, 2001, at Gross Value of Rs. 10,98,18,00,000 with accumulated depreciation thereon of Rs. 3,97,10,00,000. Individual block of assets have been taken at values as per the transfer scheme finalized between UPCL & UPPCL.

(iii) In order to give effect to the provisions of the Electricity Act, 2003, the transmission business of the Company was transferred to a newly formed Company, named Power Transmission Corporation of Uttarakhand Limited (PTCUL). With effect from 1st June, 2004, certain assets and liabilities of the Transmission Undertaking were transferred to the newly formed Company PTCUL. Fixed assets transferred to PTCUL from the Company on 1st June, 2004, of Gross Value Rs. 2,63,39,08,561 on which accumulated depreciation charged was Rs. 1,12,96,30,101.

(iv) The Company has charged Depreciation in P.T. 2020-21 on the value of Fixed Assets in use as on 31st March 2021 (which month is in accordance with Straight Line Method as per Depreciation rates as prescribed by the Uttarakhand Electricity Regulatory Commission).

(v) As per Accounting Policy, Depreciation shall be charged to the extent of maximum 80% of the Capital cost of the assets except electric Road.

(vi) Gross Block as on 31.03.2021, Intangible Assets created out of grants is consumer contribution for Rs. 20,64,45,73,093 (Previous Year Rs. 18,25,42,48,557) & accumulated Depreciation thereon for Rs. 11,81,65,43,514 (Previous Year Rs. 10,70,04,97,250).

(ii) Capital Work In Progress

S.No.	Particulars	[Amount in Rupees]	
		As at 31st March, 2021	As at 31st March, 2020
1	Capital Work In Progress		
	Balance as per last balance sheet	10,67,21,47,848	6,63,74,63,338
	Add: Additions during the year	7,79,64,32,121	7,84,38,90,218
	Less: Capitalisation during the year	8,63,19,15,605	3,80,92,11,708
	Total	9,83,66,64,364	10,67,21,47,848



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 10 => Inventory for Capital Works

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Capital Inventory and Stores [refer sub-note (i),(ii)&(iii)]	5,45,70,94,867	4,46,03,05,103
	Total	5,45,70,94,867	4,46,03,05,103

- (i) Inventory for Capital works lying with the third parties i.e. works contractors are classified as loans and advances recoverable from them due to non-segregation of advance between monetary advance and material advance. Inventory for Capital works lying with the third parties is shown under long term loans and advances. (refer note no. 12)
- (ii) Based on the consumption pattern of inventory comprising of stores and spares in the past, company is of the view that substantial portion of such inventory shall be consumed in future for construction/erection of the capital assets. Since the identification/determination of inventory to be consumed for other than capital purpose is not possible at this stage, the whole inventory of stores and spares has been classified as "Inventory for Capital Works".
- (iii) The company has not identified any obsolete, slow moving and dead stock except for those lying in the Centralised Stores Division as all the items in the store are usable inspite of the fact that they are very old.



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 11 => Deferred Tax Assets (Net)

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Balance as per last Balance Sheet	1,06,38,35,885	1,22,80,49,672
	Add/Less: Deferred Tax on account of timing differences		
	i) Depreciation	(16,58,71,528)	(16,42,13,787)
	Total	89,79,64,357	1,06,38,35,885

- (i) During the financial year, the Company has not recognised any further deferred tax asset keeping in view the principles laid down in Paragraph 15 and 17 of the Accounting Standard- 22 "Accounting for taxes on income".



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 12 => Long Term Loans and Advances

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
A	Capital Advances		
	Un-Secured & Considered Good [refer sub-note (i) & (ii)]	8,21,73,50,376	9,35,84,22,719
	SUB Total (A)	8,21,73,50,376	9,35,84,22,719
B	Other Loans & Advances		
	Un-Secured & Considered Good	68,25,65,648	1,09,87,32,236
	SUB TOTAL (B)	68,25,65,648	1,09,87,32,236
	TOTAL (A+B)	8,89,99,16,024	10,45,71,54,955

- (i) This includes advances against material given to contractors for carrying out capital works.
- (ii) Inventory for Capital works lying with the third parties i.e. works contractors are classified as loans and advances recoverable from them due to non-segregation of advance between monetary advance and material advance. Inventory for Capital works lying with the third parties is shown under long term loans and advances. (refer note no. 10)



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 13 => Inter Unit Transactions

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Inter Unit Transactions Balances	-	3,45,12,026
	<i>Total</i>	-	3,45,12,026



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 14 => Trade Receivables

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Un-Secured, Considered Good		
	For a period exceeding Six Months from due date of payment	4,63,16,94,294	4,73,38,25,581
	Others	5,43,68,18,954	4,96,72,18,467
	Sub Total (A)	10,06,85,13,248	9,70,10,44,048
2	Un-Secured, Considered Doubtful [refer sub-note (iii)]		
	Exceeding Six Months from due date of payment	10,65,81,22,915	11,85,41,56,330
	Others	1,11,67,45,976	1,24,21,77,752
	Sub Total (B)	11,77,48,68,891	13,09,63,34,082
	Total (A+B)	21,84,33,82,139	22,79,73,78,130
	Less: Provision for Bad & Doubtful Debts (C) [refer sub-note (ii)]	11,77,48,68,891	13,09,63,34,082
	Total (A+B-C)	10,06,85,13,248	9,70,10,44,048

- (i) Classification of Debtors has been made into Secured and Un-secured and further less than or more than six months by management's assessment.
- (ii) During the year, the Company has deviated from its significant accounting policy of providing for bad & doubtful debts (refer note 29), as on the date of drawing up of these financial statements the provision for bad & doubtful debts stands at Rs. 11,77,48,68,891 out of the total outstanding trade receivables of Rs. 21,84,33,82,139 which is more than 50% of the total outstanding. In the view of management the Company has already sufficiently provided for bad debts. Further, the Company is in the process of specifically identifying cases of bad debts.
- (iii) Trade receivables includes Rs. 36.68 Crores (previous year Rs. Rs. 86.40 Crores), recoverable on account of sale of Power outside the State, from M/s Krete Energy (I) Private Limited (formerly known as M/s Mittal Processors Private Limited).



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 15 => Cash & Cash Equivalent

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Cash Balance		
	Cash in Hand	11,37,17,315	90,31,462
	Cheques/DD in Hand	62,47,00,956	4,41,87,147
	Sub Total (A)	73,84,18,271	5,32,18,609
2	Bank Balance		
	With Scheduled Banks		
	- In Current Account	2,83,48,13,610	3,45,37,94,770
	- In Deposits Account [refer sub-note (i) & (ii)]	3,92,87,53,010	9,36,37,46,952
	Sub Total (B)	6,76,35,66,620	12,81,75,41,722
	Total (A+B)	7,50,19,84,891	12,87,07,60,331

- (i) The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.
- (ii) Deposits include Fixed Deposit Receipts given as security for overdraft facility, are as under:-
- (a) Rs. 150,00,00,000 pledged with Punjab National Bank, Astley Hall Branch.
- (b) Rs. 50,00,00,000 pledged with State Bank of India Main Branch.
- (c) Rs. 50,00,00,000 pledged with HDFC Bank Ltd., Arhat Bazar Branch.



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 16 => Short Term Loans and Advances

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Advances for O&M Supplies/Works		
	Secured & Considered Good	-	-
	Un-Secured & Considered Good	6,70,94,097	18,95,99,608
	<i>Sub Total (A)</i>	<i>6,70,94,097</i>	<i>18,95,99,608</i>
2	Loans & Advances- Others		
	Secured & Considered Good	-	-
	Un-Secured & Considered Good	1,00,75,111	1,68,83,360
	<i>Sub Total (B)</i>	<i>1,00,75,111</i>	<i>1,68,83,360</i>
	<i>Total (A+B)</i>	<i>7,71,69,208</i>	<i>20,64,82,968</i>



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 17 => Other Current Assets

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Advance Tax/TDS Receivable	3,45,57,663	17,48,41,914
2	Interest Accrued on FD	6,40,47,555	30,94,34,889
	Total	9,86,05,218	48,42,76,803



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 18 => Revenue from Operations

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Revenue from Sale of Power to Consumers [refer sub-note (i) to (vi)]	64,53,92,23,428	68,30,97,01,312
	Total	64,53,92,23,428	68,30,97,01,312

- (i) The energy is billed on the basis of categories of consumers i.e residential, commercial, industrial etc. at the tariff rates notified/approved by the Uttarakhand Electricity Regulatory Commission.
- (ii) The tariff rates stated above have been notified by Uttarakhand Electricity Regulatory Commission vide their Tariff Order dated 18.04.2020 effective from 01.04.2020 and onwards.
- (iii) The above includes Rs.204.80 Crores (Previous year Rs.171.47 Crores) on account of Delayed Payment Surcharge.
- (iv) The above includes Rs. 64.91 Crores (Previous year Rs. 143.12 Crores) on account of revenue from surplus power supplied outside the state.
- (v) The operation of the Company comprises of purchase & distribution of electricity which is considered as a single business segment. Further, the Company's operations are confined to one geographical segment i.e. the State of Uttarakhand. Hence, Segment Reporting as required under Accounting Standard (AS)-17, "Segment Reporting", is not required to be disclosed.



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 19 => Other Income

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Interest on Deposits	42,62,00,366	66,26,11,343
2	Miscellaneous Receipts	17,36,05,817	14,85,73,416
3	Income from Staff Welfare Activities [refer sub-note (i)]	6,92,943	3,23,219
4	Rebate/Incentives on Power Purchase	11,73,08,551	1,36,09,499
5	Material Cost Variance	15,89,56,904	27,43,36,587
	Total	87,67,64,581	1,09,94,54,064

(i) Income from staff welfare activities comprises of rentals from accomodation provided to staff.



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Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 20 => Purchase Cost of Electricity

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A	Power Purchase from CSGS		
1	NTPC	8,43,12,52,143	8,21,35,08,700
2	NPCL	63,01,84,782	1,45,09,71,135
3	NHPC	2,76,79,06,674	2,76,03,96,049
4	Satluj Jal Vidyut Nigam	1,25,03,53,862	2,17,24,27,445
5	THDC	81,66,60,174	1,00,16,21,094
6	Aravali Power Company Private Limited (APCPL)	23,72,60,944	20,25,19,490
	Total (A)	14,13,36,18,579	15,80,14,43,913
B	Power Purchase from IPPS		
1	Solar	2,04,26,93,297	1,99,13,47,545
2	UREDA	1,89,61,923	2,59,35,992
3	Hydro	3,31,79,71,881	2,61,81,08,316
4	Co. Generation	77,25,14,373	62,33,70,727
5	Gas Based	6,71,70,11,477	13,99,66,19,805
6	Other Large Pvt.	1,71,75,48,921	1,21,08,30,654
7	Others- Pine	2,26,787	1,88,624
	Total (B)	14,58,69,28,659	20,46,64,01,663
C	Power Purchase from UJVNL		
1	UJVNL	8,46,37,29,723	8,75,00,13,874
	Total (C)	8,46,37,29,723	8,75,00,13,874
D	State Royalty Power		
1	Free Power (State Royalty Power)	2,38,62,22,989	2,26,24,69,822
	Total (D)	2,38,62,22,989	2,26,24,69,822
E	PGCIL- (Wheeling Charges)		
1	PGCIL- (Wheeling Charges)	4,41,17,06,720	5,84,57,96,798
2	NRLDC	81,69,16,670	67,38,80,171
3	Short Term Open Access Charges	8,79,84,538	62,75,40,111
4	Arunachal Pradesh Power Corporation Pvt. Ltd.	22,84,746	4,04,22,359
5	UP Power Transmission Corporation Limited (UPPTCL)	3,73,72,472	-
6	Central Transmission Utility of India Ltd.	71,39,88,391	-
	Total (E)	6,07,02,53,537	7,18,76,39,439
F	Open Market Purchases & Unscheduled Interchange (UI)		
1	PTC India Ltd.	5,13,23,40,995	3,35,47,88,551
2	GMR Energy Trading Ltd.	5,42,50,560	62,39,76,517
3	TATA Power Trading Company Ltd.	-	82,73,66,080
4	Mittal Processors Pvt. Ltd.	-	3,18,37,038
	Total (F)	5,18,65,91,555	4,83,79,68,186
G	PTCUL		
1	PTCUL- (Wheeling Charges)	2,88,82,33,727	3,05,84,37,152
	Total (G)	2,88,82,33,727	3,05,84,37,152
H	Cess & Royalty Payable to Govt. of Uttarakhand (UJVNL)		
1	PDF to Govt.	1,63,00,29,311	1,78,69,61,622
	Total (H)	1,63,00,29,311	1,78,69,61,622
I	LPS on Power Purchase (Surcharge)		
1	LPS on Power Purchase (Surcharge)	44,80,21,673	46,52,86,543
	Total (I)	44,80,21,673	46,52,86,543
	Total Cost (Including Transmission Charges) (J=A+B+C+D+E+F+G+H+I)	55,79,36,29,753	64,61,66,22,214
	Less:- Unscheduled Interchange Charges Received (K)	4,89,35,984	4,47,75,999
	Net Cost (J-K)	55,74,46,93,769	64,57,18,46,215



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 21=> Repair and Maintenance Expenses

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Repair and Maintenance-Plant and Machinery	39,64,16,401	37,03,02,919
2	Repair and Maintenance-Building & Civil Works	7,92,17,680	12,56,43,304
3	Repair and Maintenance-Lines, Cables Works, etc.	1,41,05,99,170	1,22,92,96,517
4	Repair and Maintenance-Others	6,24,30,302	5,15,52,284
	Total	1,94,86,63,553	1,77,67,95,024



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR20015GC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 22 => Employment Benefit Expenses

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Salaries, Wages, Allowances and Bonus	2,24,45,49,854	2,30,10,77,175
2	Key Managerial Persons Remuneration [refer sub-note (i)]	1,75,34,620	1,46,66,187
3	Terminal Benefits	38,92,63,353	38,94,25,487
4	Other Staff Costs	1,12,16,67,630	1,07,23,86,440
5	Earned Leave Encashment [refer sub-note (ii)]	29,12,71,364	17,72,39,859
6	Gratuity	8,01,70,363	7,97,30,694
	Total (A)	4,14,44,57,184	4,03,45,25,842
	Less: Employee Cost Charged to Capital WIP (B)	58,44,79,124	64,60,20,280
	Total (A-B)	3,55,99,78,060	3,38,85,05,562

(i) The amount of Remuneration payable to Key Managerial Persons during the year is as follows:

Name of Key Managerial Persons with Designation	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Sh. B.C.K. Mishra, Managing Director	20,76,640	30,45,358
(b) Sh. N.K. Gupta, Director (Finance)	28,44,590	18,28,355
(c) Sh. J.M.S. Rauthan, Director (Project)	31,95,924	21,30,316
(d) Sh. Atul Kumar Agarwal, Director (Operation)	33,24,324	32,94,950
(e) Sh. Anil Kumar Singh, Director (HR)	32,58,412	-
(f) Sh. R.J. Malik, Company Secretary	28,34,730	17,71,682
(g) Sh. P.C. Dhyani, Director (HR)	-	25,95,526
Total	1,75,34,620	1,46,66,187

(ii) During the year, the Company has provided for Leave Encashment liability of Rs. 1,13,96,03,736 based on actuarial valuation done as per the principles laid down in Accounting Standard-15 "Employee Benefits". Of the total liability provided for, Rs. 9,59,45,351 has been recognised as current year expense and the remaining liability of Rs. 1,04,36,58,385 has been recognised as prior period expense. (refer note no. 26)



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 23 => Financial Cost

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A	Interest Expense		
1	Interest on State Govt. Loans	1,96,99,877	2,68,21,627
2	Interest on Other Loans & Liabilities	1,12,98,54,366	1,10,63,85,950
3	Interest on Consumers Security Deposit	39,32,94,055	56,86,29,351
	Sub Total (A)	1,54,28,48,298	1,70,18,36,928
B	Other Borrowing Costs		
1	Guarantee Fees to Uttarakhand Govt.	54,76,000	1,24,48,000
2	Other financial and bank charges	42,39,81,155	64,33,29,052
	Sub Total (B)	42,94,57,155	65,57,77,052
C	Rebate allowed to consumer on sale of Electricity		
1	Rebate on Payment of Electricity Bills by the Consumers through Digital Mode [refer sub-note (i)]	17,49,18,923	-
	Sub Total (C)	17,49,18,923	-
	Less: Interest and other financial charges charged to Capital WIP (D)	24,98,96,248	18,09,57,898
	Total (A+B+C-D)	1,89,73,28,128	2,17,66,56,082

(i) During the current financial year the Company provided rebate to consumers on payment of electricity dues through online/ digital mode, vide Office Memorandum No. 3361 dated 30-04-2020 and 3391 dated 02-05-2020.



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 24 => Depreciation & Amortised Cost

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Depreciation	2,30,21,53,738	2,10,16,57,262
	<i>Total</i>	<i>2,30,21,53,738</i>	<i>2,10,16,57,262</i>



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 25 => Other Administrative Expenses

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Rent Rates & Taxes	90,70,446	85,52,942
2	Electricity and Water	10,71,28,856	7,07,98,491
3	Insurance	18,83,523	15,10,578
4	Communication	1,85,96,869	1,80,40,776
5	Printing and Stationery	2,19,56,358	1,53,29,894
6	Travelling and Conveyance	7,98,14,752	8,53,71,900
7	Legal & Professional	10,32,25,489	10,11,32,380
8	Fees & Subscription	9,37,570	10,70,578
9	Auditors Remuneration- Audit fees [refer sub-note (i)]	6,78,500	6,78,500
10	Departmental Training	14,21,260	33,41,862
11	Advertisement and Promotion	5,22,49,542	4,87,66,364
12	Miscellaneous Expenses	6,87,33,460	7,08,41,156
13	Other debit to Revenue A/c, Compensation expenses to staff & outsiders, Arbitration Award, Court Orders, etc.	3,34,81,577	2,03,69,112
14	Bandwidth & Facility Management Services (FMS) Charges	11,90,07,691	11,40,31,472
15	U.E.R.C. Fees	3,65,70,071	3,63,36,129
16	Contribution Towards CSR activities [refer sub-note (ii)]	43,29,943	-
17	Provision for Impairment of Assets [refer sub-note (iii)]	36,51,568	-
	Total (A)	66,27,37,475	59,61,72,134
	Less: Expenses charged to Capital WIP (B)	16,23,09,823	16,15,46,913
	Total (A-B)	50,04,27,652	43,46,25,221

(i) Breakup of Audit Fees:

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Statutory Auditor:		
Audit Fees	4,50,000	4,50,000
Add: GST @18%	81,000	81,000
Total	5,31,000	5,31,000
b) Branch Auditor:		
Audit Fees	1,25,000	1,25,000
Add: GST @18%	22,500	22,500
Total	1,47,500	1,47,500

- (ii) During the current financial year 2020-2021 the Company expended Rs. 1,89,73,461 (included interest received on Fixed Deposit) towards CSR activities to Uttarakhand State Disaster Management Authority (USDMA) which is specified under Schedule VII of the Company Act 2013.
- (iii) During the current financial year the Company has provided for Impairment on Assets identified as, to be scrapped. The amount of impairment has been ascertained taking into account the average loss in book value while selling the scrapped asset.



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR20015GC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 26 => Exceptional/Prior Period items

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Exceptional Items [refer sub-note (i)]	(14,94,81,624)	
2	Prior Period Items [refer sub-note (ii)]	(66,49,22,344)	3,22,62,28,386
	Total	(81,44,03,968)	3,22,62,28,386

- (i) During the year, the Company has borne contractual damages of Rs. 14,94,81,624. The said damages were due to non payment of dues, owed on account of capital works performed in excess of the work agreed upon, in the agreement entered with M/s Jitco Overseas Projects & M/s JOP Power Infra Engineering Ltd. The damages were ascertained vide order dated 09-01-2019 by the Hon'ble sole arbitrator appointed by Hon'ble High Court of Nainital. The settlement agreement has been executed with M/s Jitco Overseas Projects & M/s JOP Power Infra Engineering Ltd. on 19-12-2020 and thereafter, paid the damages due in current financial year.
- (ii) During the year, the Company has provided for Leave Encashment liability of Rs. 1,13,96,03,736 based on actuarial valuation done as per the principles laid down in Accounting Standard-15 "Employee Benefits". Of the total liability provided for, Rs. 9,59,45,351 has been recognised as current year expense and the remaining liability of Rs. 1,04,36,58,385 has been recognised as prior period expense. (refer note no. 22)



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 27 => Regulatory Income/ Expenses

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Regulatory Income/(Expense)	-	(2,54,54,00,000)
	Total	-	(2,54,54,00,000)

- (i) Uttarakhand Power Corporation Limited ("UPCL"), a Government of Uttarakhand Undertaking is a sole electricity distribution licensee of the state. UPCL charges its consumers towards the electricity distributed and consumed by them on the basis of a pre-defined tariff rate which is applicable for an entire financial year. Such tariff rate with respect to the activities performed by UPCL are determined by the state regulatory authority, i.e. Uttarakhand Electricity Regulatory Commission ("UERC"). As per the applicable regulatory mechanism, UPCL is permitted to apply for rate review for every financial year with the UERC, i.e. truing up of expenses and revenue based on audited accounts. In accordance with the Guidance Note (A) 30 on "Accounting for Rate Regulated Activities", UPCL is required to recognize regulatory asset/ liability.
- During the financial year 2020-21, no regulatory assets/Liability has been reconznised in the books of account. The company's decision to not account for regulatory assets in the books of account has been taken basis the guidelines issued for Revamped Distribution Sector Scheme by the Ministry of Power where in guideline 3.1.5.4 states that no regulatory assets should be created. Further, no regulatory liability has arisen for which treatment is required in the books of account.



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 28 => Earning per Equity share

S.No.	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Opening Number of Shares	1,44,49,084	1,32,10,299
	Addition		
	In FY 2019-20		
	Share Capital for 10,78,785 Eq. Shares was made on 19-06-2019	-	8,42,985
	In FY 2019-20		
	Share Capital for 1,60,000 Eq. Shares was made on 27-09-2019	-	81,311
	Weighted average closing Number of Shares (A)	1,44,49,084	1,41,34,595
2	Net Profit/(Loss) for the Year (B)	(1,51,75,32,387)	(5,77,31,01,773)
3	Basic and Diluted Earning per Share (B ÷ A)	(105.03)	(408.44)



UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 29 => Significant Accounting Policies

A. GENERAL INFORMATION

UPSEB was unbundled on 14.01.2000 into three different entities namely U.P. Power Corporation Limited (UPPCL), U.P. Jal Vidyut Nigam Limited (UPJVNL) and U.P. Rajya Vidyut Utpadan Nigam Limited. UPPCL was one of the successor companies responsible for carrying out the business of Transmission and Distribution in the undivided Uttar Pradesh. State of Uttaranchal (now State of Uttarakhand) came into existence on 09.11.2000. In accordance with the provisions of U.P. Reorganisation Act, 2000, a separate company was established as Uttaranchal Power Corporation Ltd. (UPCL) under the Companies Act, 1956, by the Government of Uttaranchal (now Government of Uttarakhand) on 12.02.2001 for the purpose of Distribution and Transmission of Electricity in the State of Uttarakhand. Thus, UPCL came into being as successor of UPPCL to take over the functions of transmission and distribution of electricity in the State of Uttarakhand. As per the Memorandum of Understanding dated 13.03.2001 between Government of Uttar Pradesh and Government of Uttarakhand, the undertaking of transmission and distribution of electricity situated in the State of Uttarakhand was transferred to UPCL w.e.f. 01.04.2001. UPCL commenced the activities of Transmission and Distribution w.e.f. 09.11.2001 by taking over all the assets & liabilities of the UPPCL.

As per the provisions of Electricity Act, 2003, the transmission business of the Company was mandatorily transferred to a newly formed State owned Company named as "Power Transmission Corporation of Uttarakhand Limited" from 01-06-2004. Since then, UPCL is a sole distribution licensee for distribution of electricity in the state.

B. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- 1.1 The Uttarakhand Power Corporation Limited is a Company registered under the erstwhile Companies Act, 1956, now Companies Act, 2013. The Uttarakhand Power Corporation Limited is an electricity distribution company and hence, regulated by Electricity Act, 2003. While preparation of these Financial Statements the provisions of Electricity Act, 2003 and the regulations made thereunder are being followed. In case of matters where the said Act or Regulation are silent, the provisions of Companies Act, 2013, are being followed.
- 1.2 The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014. These Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006 as amended] and other relevant provisions of Companies Act, 2013, where applicable.
- 1.3 Subsidy, Grant, Insurance and other statutory transactions, Interest on Income Tax and Goods and Service Tax, if any, are recognized on Cash Basis.

2. GOVERNMENT GRANTS

- 2.1 Government Grants (including subsidies) are not recognized until there is reasonable assurance that it will be received. The company complies with the conditions associated with the grants.
- 2.2 Government Grants/ Subsidies received from the Central/State Government or other authorities towards Capital Expenditure as well as Consumers Contribution to Capital Works are treated as Capital Reserve.
- 2.3 Grants that compensate the company for the cost of an asset and contributions by consumer towards items of property, plant and equipment, are initially set up as deferred income and recognized in Profit or Loss on a systematic basis over the period and proportions of depreciation expense of the assets.



- 2.4 Grants that compensate the company for expenses incurred are recognized over the period in which the related costs are incurred and shown separately.

3. FIXED ASSETS

- 3.1 Purchased Fixed Assets are shown at Historical Cost less accumulated depreciation. Self-constructed Fixed Assets are shown at Capitalized value less accumulated depreciation.
- 3.2 All cost relating to acquisition and installation of Fixed Assets including departmental overhead costs till the date of commissioning are capitalized.
- 3.3 Fixed Assets booked under the head of "Fixed Assets not in use" are transferred to "Stock"/ "Other Stock Account Head" at depreciated value and the accumulated depreciation thereon is reversed by debiting "Provision for Depreciation on Fixed Assets". The damaged Fixed Assets under the category "Transformers" after repair are accounted for at stock issue rate applicable as on date of reissue. Price difference between the cost of assets and value as stock issue rate is transferred to material cost variance account. The same is transferred to Profit & Loss a/c.

4. CAPITAL WORKS IN PROGRESS

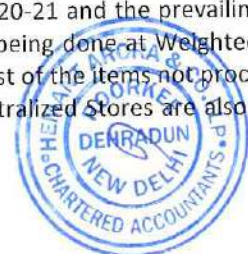
- 4.1 In the case of Commissioned Assets, where final settlement of bills with Contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
- 4.2 Claims of the Price Variation in case of contracts are accounted for on acceptance of Bills.
- 4.3 Value of Construction Stores is charged to Capital Works-in-Progress when material is issued. The material at the year end and lying at site is treated as part of the Capital Work-in-Progress, but the material lying in the stores is grouped under the head Stores and Spares.
- 4.4 Due to multiplicity of functional units as well as multiplicity of functions in a particular unit, Employees Cost and Administrative & General Expenses incurred on supervision of Capital works are capitalized @ 18.45% of the amount of total Capital Expenditure.
All expenses in respect of construction / secondary works units are fully capitalized.
- 4.5 The Capital Works completed during the year have been capitalized at the year end.

5. BORROWING COST

Funds borrowed specifically for the purpose of obtaining a qualifying asset, amount of related borrowing cost is capitalized as part of the cost of the specific qualifying asset. Whereas, funds which are borrowed generally and difficult to be related or rather cannot be related to any specific asset, borrowing cost of such funds has been capitalized on weighted average basis. Other Borrowing Costs are recognized as expense in the period in which they are incurred.

6. INVENTORIES FOR CAPITAL WORKS

- 6.1 The Inventory of Stores & Spares are being held both for use in Capital works, and partly for O&M works and not for sale. Therefore, Accounting Standard (AS) 2, "Valuation of Inventories" is not applicable.
- 6.2 The stock/stores at centralized store are accounted for at stock issue rate applicable as on date of issue. Price difference between the cost of stock/stores and value at stock issue rate is transferred to Profit & Loss a/c.
- 6.3 Stores & Spares at the centralized store are accounted for at Issue Price. Issue price was fixed in the beginning of the Financial Year 2019-20 on the basis of FOR destination rate (including all taxes) and Price Variation for the immediately preceding year plus 3% annual variation (increasing) and 3% Storage & handling cost of Stores wings. No change in Issue Price was done in FY 2020-21 and the prevailing rates of FY 2019-20 continued in FY 2020-21 till 31.01.2021. Issuance of Stores is being done at Weighted Average Rate since February 2021 for the items procured in FY 2020-21 & for the rest of the items not procured in FY 2020-21, issues are made at Issue Price of FY 2019-20. Issues from Decentralized Stores are also valued at Issue Price.



6.4 Any shortage/excess of materials found during the physical verification at the year end are first shown as material short/excess pending investigation till the finalization of investigation and thereafter any excess, if established, is shown under the head of income. Similarly, shortages are either recovered from staff concerned or charged to the profit and loss account as the case may be.

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

7. INCOME RECOGNITION

7.1 Sale of Energy is accounted for on the basis of Tariff Rates, notified/approved by the Uttarakhand Electricity Regulatory Commission.

7.2 Interest/Surcharge recoverable on Advances to Suppliers as well as warranty Claims/Liquidity Damages are recognized on receipt basis.

7.3 The Sale of Electricity does not include Electricity duty and Green Energy Cess payable to the State Government as the same is not the Income of the Corporation.

7.4 Assessment of own Power Consumption at Sub-stations/Offices is done on the basis of connected load/ Hours of Supply. Own consumption is charged to expense at commercial rate.

8. DEPRECIATION AND AMORTIZATION

8.1 Depreciation on tangible assets is charged on Straight Line Method at the depreciation rates as prescribed by Uttarakhand Electricity Regulatory Commission.

8.2 Depreciation/ amortization is charged on pro-rata basis on the assets acquired or disposed during the year. Accordingly, depreciation on additions to fixed assets during the year is charged on pro-rata basis from the beginning of next month in which the asset is available for use and depreciation on deductions/ deletions during the year is charged upto the month in which the asset is disposed/ deleted.

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

8.4 Kutch Road is depreciated fully in the year of actual expenditure.

8.5 Depreciation on intangible assets is charged on Straight Line Method at the depreciation rates as prescribed by Uttarakhand Electricity Regulatory Commission.

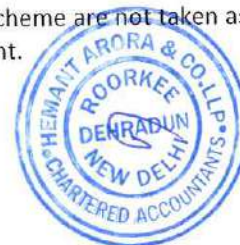
9. EMPLOYEE RETIREMENT BENEFITS

9.1 The contribution for Retirement Benefits in respect of "Gratuity Liability" of employees covered under EPF Scheme has been made to Life Insurance Corporation of India.

9.2 Contribution for pension and gratuity in respect of employees not covered under EPF Scheme is @ 16.70% and 2.38% respectively on the amount of basic pay and DA.

9.3 Encashment of leave is accounted for on cash basis. Earned leave is fixed at 31 days in each calendar year. In respect of Gazetted officers, Encashment for leave is allowed only at the time of retirement, but in case of Non-Gazetted employees, leave encashment facility is available upto 30 days every year. However, maximum upto 300 days leave encashment can be availed both by Gazetted officers and Non-Gazetted employees at the time of their retirement

9.4 All the retirement benefits accruing to the employees before the transfer scheme are not taken as liabilities of the company since the same has been taken over by the state government.



10. INVESTMENTS

Short term investments/deposits are made in Scheduled Banks to utilize idle money from time to time and, are stated at cost.

11. PROVISIONS AND CONTINGENCIES

11.1 Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

11.2 Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

12. PROVISION FOR BAD AND DOUBTFUL DEBTS

The provision for Bad and Doubtful Debts is made @ 2 % of the Total Non-Govt. Assessment made during the year.

13. CURRENT TAX & DEFERRED TAX

Deferred Tax Asset/Liability is recognized subject to the consideration of prudence on timing differences between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognized and carried forward to the extent that there is a reasonable certainty that the assets will be realized in future.

14. REGULATORY ASSETS/LIABILITIES

The rate for the activities performed by the Company are determined by regulatory authority i.e. Uttarakhand Electricity Regulatory Commission. This regulated rate for the Company is arrived on advance basis for the financial year. The Company is recognizing regulatory Assets/ Liabilities in accordance with the accounting treatment prescribed by Guidance Note No. 30 "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India.

15. OTHER INCOME

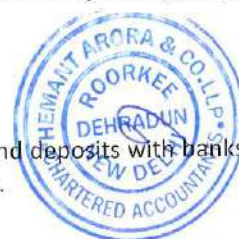
Other income includes interest on FDR, Sale of tender forms, penalty from contractors, Rebate/Incentives on timely payments of purchase bills, and other service charges, staff rental, etc.

16. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus share, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

17. CASH AND CASH EQUIVALENTS

In the cash flow statement, cash and Cash Equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.



18. USE OF ESTIMATES

18.1 The preparation of financial Statements in conformity with generally accepted accounting principles (GAAP) in India, requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities including the recoverability of tangible and intangible assets, disclosures of contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reported period. On an ongoing basis, management evaluates the estimates.

18.2 The most significant estimates relate to contingencies and litigations. Management bases its estimates on historical experiences and on various other assumptions that are believed to be reasonable under the circumstances, the results of which, form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. The actual amounts may differ from the estimates used in the preparation of the financial statements.

19. IMPAIRMENT OF ASSETS

19.1 An impairment loss is recognized whenever the carrying value of an asset exceeds its recoverable amount. The management periodically assesses using internal sources, whether there is an indication that an asset may be impaired.

For HEMANT ARORA & CO. LLP
Chartered Accountants
F.R. No.: 002141C/C400006



(SANJAY ARORA)
PARTNER
M.No. 400076
DATE: 25-11-2021
PLACE: DEHRADUN

For & On Behalf of Board of Directors

(ANIL KUMAR)
MANAGING DIRECTOR
DIN: 08480709

(R.J. MALIK)
COMPANY SECRETARY
M.No. F4694

(N.K. GUPTA)
DIRECTOR (FINANCE)
DIN: 08338075

UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR20015GC025867

Notes Forming Integral Part of the Financial Statements as at 31st March, 2021

Note No. 30 => Other Notes to the Financial Statements:

1. PROVISION FOR BAD & DOUBTFUL DEBTS

During the year, the Company has deviated from its significant accounting policy of providing for bad & doubtful debts (refer note 29), as on the date of drawing up of these financial statements the provision for bad & doubtful debts stands at Rs. 11,77,48,68,891 out of the total outstanding trade receivables of Rs. 21,84,33,82,139 which is more than 50% of the total outstanding. In the view of management the Company has already sufficiently provided for bad debts. Further, the Company is in the process of specifically identifying cases of bad debts.

2. ENERGY

During the year, the Corporation has total input energy, billed energy and distribution losses as detailed below:

S. No.	Details	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Total Input Energy at Distribution periphery (MU)	13,287.59	13,880.96
2	Total Billed Energy (MU)	11,432.59	12,021.35
3	Total Distribution loss (MU) (1-2)	1,855.00	1,859.61
4	Total Distribution loss (%) (3/1)	13.96%	13.40%

3. SUBSEQUENT EVENTS

- (i) The Company is of the view that there will be no significant impact on the business prospects due to ongoing situation of COVID-19 pandemic. The Company believes this slowdown in the economic activities is temporary and the management is confident of realising the Company's assets and consequently meeting the Company's liabilities over the foreseeable future.

4. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.

For HEMANT ARORA & CO. LLP
Chartered Accountants
F.R. No.: 002141C/C400006

(SANJAY ARORA)
PARTNER
M.No. 400076
DATE: 25-11-2021
PLACE: DEHRADUN



For & On Behalf of Board of Directors

(ANIL KUMAR)
MANAGING DIRECTOR
DIN: 08480709

(R.J. MALIK)
COMPANY SECRETARY
M.No. F4694

(N.K. GUPTA)
DIRECTOR (FINANCE)
DIN: 08338075

UTTARAKHAND POWER CORPORATION LIMITED

CIN: U40109UR2001SGC025867

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2021

(Amount in Rupees)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
Cash Flow From Operating Activities (A)				
Net Profit/(Loss) before Tax and Exceptional & Extra-ordinary Items	(53,72,56,891)		(6,28,97,16,372)	
Adjustments for:				
i) Depreciation	2,30,21,53,738		2,10,16,57,262	
ii) Interest Paid	89,96,57,996		95,22,49,679	
iii) Interest Income	(42,62,00,366)		(66,26,11,343)	
iv) Prior Period Items	(81,44,03,968)		3,22,62,28,386	
v) Regulatory Income/(Expense)	-		(2,54,54,00,000)	
Operating Profit before Working Capital Changes	1,42,39,50,509		(3,21,75,92,388)	
Adjustment for Working Capital Changes				
i) Debtors	(36,74,69,200)		(5,01,23,18,056)	
ii) Other Current Assets, Loans and Advances	54,94,97,371		2,34,42,69,826	
iii) Current Liabilities & Provisions	(5,09,72,96,430)		6,82,66,23,753	
Cash generated from Operations	(3,49,13,17,751)		94,09,83,135	
Net Cash from Operating Activities		(3,49,13,17,751)		94,09,83,135
Cash Flow From Investing Activities (B)				
i) Purchase & Sale of Fixed Assets	(8,29,80,54,200)		(3,47,84,63,226)	
ii) Capital Work in Progress	83,54,83,484		(4,03,46,78,510)	
iii) Capital Advances & Other Loans & Advances	1,55,72,38,931		22,43,57,227	
vi) Interest Income	42,62,00,366		66,26,11,343	
v) Inventory for Capital Works	(99,67,89,764)		(1,01,09,43,547)	
Net Cash used in Investing Activities		(6,47,59,21,183)		(7,63,71,16,713)
Cash Flow From Financing Activities (C)				
i) Increase in Loan Balances & Cash Credit	12,10,84,591		1,49,46,70,558	
ii) Increase in Share Capital/Application	30,00,00,000		16,00,00,000	
iii) Interest paid	(89,96,57,996)		(95,22,49,679)	
iv) Increase in Capital Reserve	5,07,70,36,898		4,32,65,89,479	
Net Cash from Financing Activities		4,59,84,63,494		5,02,90,10,358
Net Increase in Cash & Cash Equivalents [A+B+C]		(5,36,87,75,440)		(1,66,71,23,220)
Cash & Cash Equivalents as at 1st April [Opening Balance]		12,87,07,60,331		14,53,78,83,551
Cash & Cash Equivalents as at 31st March [Closing Balance]		7,50,19,84,891		12,87,07,60,331

The above Cash Flow has been prepared under indirect method as set out in AS-3 (Revised) on Cash Flow Statement.

Significant Accounting Policies

Notes to the financial statements attached thereto form an integral part of the Financial Statements.

This is the Cash Flow Statement referred to in our Report of even date.

For HEMANT ARORA & CO. LLP

Chartered Accountants

F.R. No.: 002141C/C400006

SANJAY ARORA
PARTNER
M.No. 400076
DATE: 25-11-2021
PLACE : DEHRADUN



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