

INDEPENDENT AUDITOR'S REPORT

To
The Members of
UTTARAKHAND POWER CORPORATION LIMITED,
Kanwali Road,
Dehradun-248001

Report on the Financial Statements

We have audited the accompanying financial statements of **Uttarakhand Power Corporation Limited** (Formerly known as Uttaranchal Power Corporation Ltd.), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information annexed thereto, in which are incorporated the accounts of Dehradun & Haridwar zone audited by us and Kumaon & Rudrapur Zone audited by Branch Statutory Auditors duly appointed and whose report has been considered by us in framing our report.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 adequate internal financial controls, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the



Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- a) *The Assets and Liabilities of the company contain balances transferred under the transfer scheme as on 01st June, 2004 by virtue of Notification no. 87/1/2004-06(3) 259/2003 dated May 31, 2004. As per the information given to us, these balances of Fixed Assets, Non-Current Assets, Current Assets, Non-Current Liabilities and Current Liabilities as approved by the Government of Uttarakhand (GoU) have been incorporated in the books of accounts. Final Transfer Scheme is yet to be notified by the Government of Uttarakhand (GoU). Any changes in the figures, if made at the time of final notification may have an impact on Balance Sheet and the statement of Profit and Loss Account.*
- b) *As on 31.03.2018 the balance of Power Transmission Corporation Of Uttarakhand Limited in the books of Uttarakhand Power Corporation Limited is not matching with the balance of Uttarakhand Power Corporation Limited in the books of Power Transmission Corporation Of Uttarakhand Limited. The impact, if any, can't be determined, as a result we are unable to comment on the impact, if any, on the financial statements of the company.*
- c) *Accounting policy no. 3.2, 4.3 and 7.2 relating to accounting and issue of store and spares i.e., "Inventories for capital works" at centralized store at issue price is not in accordance with AS-10 "Accounting for Fixed Assets". The stores and spares are accounted for and issued at issue price, which is higher than the cost, due to this profits of the company are overstated by Rs. 30,41,39,619 and overstatement of the Fixed assets by the same amount.*
- d) *As referred to in Note No. 3 of the Balance Sheet, the balance under the head Inter Unit Balance of Rs.6,52,75,901 has not been reconciled. Consequential effect of the same on the financial statements cannot be ascertained.*
- e) *As per point 8.2.2 of Note No. 28 'Significant Accounting Policies', depreciation on fixed assets is provided only on the assets in existence at the beginning of the year and no depreciation is provided on the additions made during the year. Charging of depreciation is not in accordance with AS-10 "Accounting for Fixed Assets". To the extent of non charging of depreciation on additions of fixed assets during the year has resulted in overstatement of profit and fixed assets by an amount which is unascertained.*
- f) *Provision for leave encashment has not been made in accordance with the requirements of AS-15 "Employee Benefits".*
- g) (i) *Capital Work in progress includes an amount of Rs. 664037/ and miscellaneous advances includes an amount of Rs. 4225848/- in respect of a project which has been ordered for demolition by Hon'ble High Court of Uttarakhand in February 2013. As the referred situation could not be constructed further, therefore the provision for loss should have been made in*



the accounts. This has resulted in overstatement of capital work in progress by Rs.664037/- and miscellaneous advances by Rs.4225848/- and understatement of loss by the Rs.4889885/-.

(ii) Capital work in progress includes Rs. 4.11 crores being the amount of various 33/11 KV sub-stations and their associated lines energized and put to use in commercial operation during 2013-14 to 2014-15. Non-capitalizing of the same has resulted in overstatement of CWIP by Rs. 4.11 crore and understatement of Tangible Fixed assets by Rs. 3.67 crores and loss by Rs. 0.44 crore.

(iii) Capital work in progress includes Rs. 9.61 crores being the amount of various 33/11 KV sub-stations and their associated lines energized in 2016-17. Non-capitalizing of the same has resulted in overstatement of CWIP by Rs.9.61 crore and understatement of Tangible Fixed assets Rs. 9.10 crores and loss by Rs. 0.51 crore.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) in case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our report, we draw attention to fact that the accumulated losses of the company are more than 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 Government for continuance of business which will result in positive net worth. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section 11 of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, in terms of clause (i) of Sub-section 3 of Section 143 of the Act, refer to our separate report in Annexure 2.



3. We are enclosing our report in terms of Section 143(5) of the Act on the basis of such checks of the Books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure 3 on the Directions /Sub-Directions issued by Comptroller & Auditor General of India.
4. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained *except the matter described in the Basis for Qualified Opinion paragraph*, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) *Except for the effects of the matter described in the basis for Qualified Opinion paragraph*, in our opinion, the aforesaid financial statements comply with the Accounting Standards as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) In view of exemptions given vide Notification No. G.S.R 463(E) dated 05th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of section 164(2) of the Act are not applicable to the company.
 - (f) With respect to the other matters to be 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements – Refer point no.4 of footnotes to the note no.8 to the financial statements;
 - ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii. The Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with relevant provisions of the Companies Act and the Rules made there under.

For Gianender & Associates
Chartered Accountants
Firm Regn. No. 004661N



G K Agrawal
G K Agrawal
Partner
M. No. 081603

Place: New Delhi
Date : 30.08.2018

Annexure to the Independent Auditor's Report of Uttarakhand Power Corporation Limited for the Year ended as on 31st March 2018

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i.
 - a) *The Company has not maintained proper records for Fixed Assets showing full particulars including quantitative and location of fixed assets. The Company has represented that the fixed assets Register is updated up to Financial Year 2016-17. The company is in the process of updating the same for F.Y. 2017-18.*
 - b) *Physical verification of fixed assets has not been carried out.*
 - c) *The title deeds of immovable properties are held in the name of the company.*
- ii.
 - a) *Physical verification of inventory at decentralized stores has not been produced before us for verification. In absence of the complete record we are not in a position to comment whether frequency of verification is reasonable or not in respect of decentralized stores.*
 - b) *Physical verification of inventory at centralized stores has been conducted by the management. In our opinion, procedures of physical verification of inventory followed as a whole by the management are reasonable and adequate in relation to the size of the company and the nature of its business.*
 - c) *Records of inventories in respect of the centralized stores are maintained. Stock records for inventory at decentralized stores at unit level are maintained by the concerned Junior Engineer. Item wise list of quantity with value in support of closing stock as on 31.03.2018 has not been made available to us at some of the divisions. As per information and explanation given to us, the company is maintaining proper records of inventory (at Centralized store) and material discrepancies, if any have been properly dealt with in the books of account.*
- iii. *The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.*
- iv. *The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.*
- v. *The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.*
- vi. *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. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, VAT, Service Tax, GST and other Statutory dues with appropriate authorities. As per records produced before us and as per information & explanation given to us, there are no undisputed statutory dues which were outstanding as at 31st March 2018 for a period of more than Six months from the date they payable *except the Electricity Duty and other levies thereon amounting to Rs. 2,702,436,077 (Previous Year Rs2,519,071,626) and Green Cess Rs.590,976,539 (Rs.502,634,362) and interest of Rs. 3,225,864,666 (Previous year Rs.2,901,456,196) on liabilities from UP Power Corporation Limited of GPF.*
- b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT,GST, custom duty and cess etc. on account of any dispute.
- viii. The company has taken term loans from bank, financial institutions and government. During the year the company has not defaulted in repayment of loan and interest thereon.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- 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 para 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information provided to us, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the Order is not applicable to the company.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not



applicable to the company.

- xvi. According to the information provided to us, 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: New Delhi
Date : 30.08.2018

For Gianender & Associates
Chartered Accountants

Firm Regn. No. 004661N



G K Agrawal
Partner
M. No. 081603

Annexure-2 referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Uttarakhand Power Corporation Limited** ("the Company") as on March 31, 2018 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 adequate internal financial controls 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 (the "Guidance Note") and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was 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 over financial reporting 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 my /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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 except as stated in para no. (i) and (ii) of 'Report on Other Legal and Regulatory Requirements' of our report and paras (b) to (g) of the Basis for Qualified Opinion of our report.

Place: New Delhi
Date : 30.08.2018

For Gianender & Associates
Chartered Accountants
Firm Regn. No. 004661N



G K Agrawal
Partner
M. No. 081603

Annexure 3

Annexure referred to in our report of even date to the Members of **Uttarakhand Power Corporation Limited** on the Accounts for the year ended 31st March 2018. Sub-directions under section 143(5) of the Companies Act, 2013.

S.No	Directions	Action Taken	Impact on Financial Statements
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.	NIL
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues 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.	NIL
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 accounts in compliance with the applicable Accounting Standards.	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 accounts in compliance with the applicable Accounting Standards.	NIL
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.	NIL
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 such agreements.	NIL
6.	Report on the efficacy of the system of billing and collection of revenue in the company.	Adequate system of billing and collection of revenue is in place.	NIL
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.	NIL
8.	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase	A mechanism for recovery of Fuel Cost Adjustment (FCA) has been provided in the regulations by Uttarakhand	NIL



	Adjustment Cost (FPPCA)?	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. However balance of Power Transmission Corporation of Uttarakhand Ltd is not matching with the balance of books in UPCL as at 31.03.2018. The reason of difference is attributed to non-accounting of some entries.	Though the reasons for differences and related amounts have been identified but accounting thereof is pending as related obligations are yet to be admitted by the effected parties. Hence, at this stage, correct impact on financial statements, is unascertainable.
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.	NIL
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.	NIL
12.	Examine the system of effective utilization of Loans/Grant-in-Aid/Subsidy. List the cases of diversion of funds.	Money raised by way of Term Loans were applied for the purpose for which it was raised. Grant-in-Aid received are utilized for the purpose for which it was received.	NIL
13.	Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period.	The cost benefit analysis of major capital expenditure is to strengthen and augment	NIL



		distribution network infrastructure for ensuring reliable and quality power supply in distribution areas.	
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 Sales, R-APDRP and KCC systems are in use. Pay roll 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. For RAPDRP application data is also replicated in Disaster Recovery Center of UPCL. Security Audit of Data Centre and Disaster Recovery Centre has been done.	NIL

Place: New Delhi
Date : 30.08.2018

For Gianender & Associates
Chartered Accountants
Firm Regn. No. 004661N



G K Agrawal
Partner
M. No. 081603

Additional revised general and company/sector specific directions under Section 143(5) of the Companies Act, 2013.

S.N.	Directions	Action Taken	Impact on Financial Statements
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	Yes	NIL
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons there for and amount involved.	Trade Receivables for Rs.52,48,27,464.50 have been waived off, out of which Rs. 47,16,72,904.50 adjusted against Provision for Bad & Doubtful Debts and Rs.5,31,54,560/- directly charged to Profit & Loss account.	a) Trade Receivables reduced by Rs.52,48,27,464.50 b) Provision for Bad & Doubtful Debts reduced by Rs.47,16,72,904.50 c) Rs.5,31,54,560/- is debited to Profit & Loss account.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	Yes, proper records are maintained for inventories lying with third parties. i.e. contractors.	NIL

Place: New Delhi
Date : 30.08.2018

For Gianender & Associates
Chartered Accountants
Firm Regn. No. 004661N



G K Agrawal
Partner
M. No. 081603

UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

BALANCE SHEET AS AT 31st MARCH, 2018

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	13,06,02,99,000	12,84,02,99,000
(b) Reserves and Surplus	2	(14,27,85,05,774)	(12,87,64,30,647)
2 Inter Unit Transactions Balances	3	(6,52,75,901)	(6,48,60,884)
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	13,54,31,98,574	13,31,41,51,877
(b) Other Long Term Liabilities	5	61,54,15,865	61,54,15,865
(4) Current Liabilities			
(a) Short-Term Borrowings	6	4,52,93,14,901	3,13,97,88,533
(b) Trade Payables	7	23,55,07,10,805	22,31,50,12,065
(c) Other Current Liabilities	8	26,59,48,26,405	23,55,39,87,101
(d) Short-Term Provisions	9	1,96,05,74,386	2,06,53,37,490
Total		69,51,05,58,261	64,90,27,00,400
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible & Intangible Assets	10	28,70,87,56,226	26,74,61,21,935
ii) Capital Work In Progress	10	8,77,95,07,544	8,12,90,57,939
iii) Inventory for Capital Works	11	3,14,62,16,307	3,07,97,31,107
(b) Deferred Tax Assets (net)	12	1,11,13,55,094	94,09,90,481
(c) Long term Loans and Advances	13	11,04,42,66,390	9,78,10,45,598
(2) Current Assets			
(a) Trade Receivables	14	3,67,69,44,912	4,03,48,79,418
(b) Cash and Cash Equivalents	15	12,45,13,54,580	11,54,50,54,711
(c) Short-term Loans and Advances	16	19,71,29,707	14,51,00,083
(d) Other Current Assets	17	39,50,27,501	50,07,19,128
Total		69,51,05,58,261	64,90,27,00,400

SIGNIFICANT ACCOUNTING POLICIES

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

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

FOR GIANENDER & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Reg. No.: 04661N

FOR & ON BEHALF OF BOARD OF DIRECTORS

(G.K. AGRAWAL)

PARTNER

M.No. 081603

DATE: 30-08-2018

PLACE : NEW DELHI



(R.J. MALIK)

COMPANY SECRETARY

(L.M. VERMA)

DIRECTOR (FINANCE)

DIN: 07033447

(B.C.K. MISHRA)

MANAGING DIRECTOR

DIN: 02467498

UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Amount in Rupees)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I. Revenue from Operations	18	57,81,30,54,649	50,09,54,89,493
II. Other Income	19	1,30,30,72,782	1,61,22,17,241
III Total Revenue (I+II)		59,11,61,27,431	51,70,77,06,734
IV. EXPENSES			
Purchase Cost of Electricity	20	52,11,97,72,755	45,26,91,69,664
Repair and Maintenance Expenses	21	1,29,92,00,345	1,11,24,07,037
Employee Benefit Expenses	22	2,94,04,07,185	3,05,64,14,649
Financial Costs	23	2,09,90,56,615	2,02,35,14,540
Depreciation and Amortization Expense	24	1,60,93,96,896	1,48,94,57,193
Other Administrative Expenses	25	42,71,27,284	39,61,85,785
Provision for bad and doubtful debts		1,10,97,03,402	93,07,40,852
Total Expenses		61,60,46,64,482	54,27,78,89,720
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(2,48,85,37,051)	(2,57,01,82,986)
VI. Exceptional/Prior Period items	26	(2,59,75,599)	54,89,89,774
VII. Profit/(Loss) before extraordinary items and tax (V-VI)		(2,46,25,61,452)	(3,11,91,72,760)
VIII. Extraordinary Items			
IX. Profit/(Loss) before tax (VII-VIII)		(2,46,25,61,452)	(3,11,91,72,760)
X. Tax expense:			
(1) Current tax			
(2) Deferred tax		17,03,64,613	23,13,68,644
XI. Profit(Loss) for the Year from Continuing Operations (VII-VIII)		(2,29,21,96,839)	(2,88,78,04,116)
XII. Profit(Loss) for the Year		(2,29,21,96,839)	(2,88,78,04,116)
XIII. Earning per Equity share: (Face Value of Rs. 1000/- each)			
(1) Basic	27	(176.47)	(236.63)
(2) Diluted	27	(176.47)	(236.63)
Significant Accounting Policies attached thereto form an integral part of Profit & Loss Statement	28		

This is the Profit & Loss Statement referred to in our Report of even date.

FOR GIANENDER & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No.: 04661N

(G.K. AGRAWAL)
PARTNER
M.No. 081603
DATED: 30-08-2018
PLACE : NEW DELHI



FOR & ON BEHALF OF BOARD OF DIRECTORS

(R.J. MALIK)
COMPANY SECRETARY

(L.M. VERMA)
DIRECTOR (FINANCE)
DIN: 07033447

(B.C.K. MISHRA)
MANAGING DIRECTOR
DIN: 0467498

UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note No.1 => Share Capital

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	AUTHORIZED CAPITAL 20,000,000 Equity Shares of Rs. 1000 each.	20,00,00,00,000	20,00,00,00,000
2	ISSUED CAPITAL 13060299, Equity Shares of Rs.1000 each.	13,06,02,99,000	12,84,02,99,000
3	SUBSCRIBED AND FULLY PAID UP 13060299, Equity Shares of Rs.1000 each fully paid up.	13,06,02,99,000	12,84,02,99,000
	Total	13,06,02,99,000	12,84,02,99,000

Reconciliation of no. of shares outstanding		As at 31-03-2018	As at 31-03-2017
<u>Opening number of shares outstanding</u>		12840299 shares (12840299000)	10869000 Shares (10869000000)
Add:	Allotted during the year	220000 shares (2200000000)	1971299 shares (1971299000)
Less:	Bought Back	-	-
Closing number of shares outstanding		13060299 shares (13060299000)	12840299 shares (12840299000)

1 Detail of Shareholders Holding more than 5 percent Shares

Name of the Shareholder	No. of Shares	% Shareholding
Uttarakhand Govt. & its nominees	13060299	100%

2 Additional Information

	Particulars	No. of Shares	Amount in Rupees
A	Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash.	Nil	Nil
B	Aggregate number and class of shares allotted as fully paid-up by way of Bonus Shares.	Nil	Nil
C.	Aggregate number and class of shares bought back.	Nil	Nil

- 3 During the FY 2017-18, a GO No. 529/I(2)/2017-06/14/2012 dated 04-05-2017 for Rs. 22,00,00,000.00 was sanctioned towards Share Capital of the State Govt. Accordingly, Rs.22,00,00,000.00 was received from the State Government & allotment of 2,20,000 Equity Shares was made on 18-07-2017.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note No.2 => Reserve & Surplus

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
	A. Capital Reserve		
1	Consumer contribution for service connections & lines and Deposit Works		
	Balance as per last balance sheet	4,52,91,47,286	4,10,53,89,097
	Add: Addition/Adjustment during the year	82,23,43,701	66,84,19,046
	Less: Deductions/Adjustments during the year	-	-
	Less: Depreciation	24,46,60,857	24,46,60,857
		5,10,68,30,130	4,52,91,47,286
2	Government grants towards capital works		
	Balance as per last balance sheet	5,98,94,67,200	6,03,18,11,287
	Add: Addition/Adjustment during the year	81,33,12,996	45,85,30,041
	Less: Deductions/Adjustments during the year	-	-
	Less: Depreciation	50,08,74,128	50,08,74,128
		6,30,19,06,068	5,98,94,67,200
	B. General Reserve & Surplus		
1	Surplus (Profit & Loss Account)		
	Balance as per last balance sheet	(23,39,50,45,133)	(20,50,72,41,017)
	Add: Transfer from Statement of Profit & loss	(2,29,21,96,839)	(2,88,78,04,116)
		(25,68,72,41,972)	(23,39,50,45,133)
	Total of (A and B)	(14,27,85,05,774)	(12,87,64,30,647)



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note No.3 => Inter Unit Transactions

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	Inter Unit Transactions Balances	(6,52,75,901)	(6,48,60,884)
	Total	(6,52,75,901)	(6,48,60,884)

- 1 Inter-Unit Transfers amounting to Rs.6,52,75,901.00 (net) are under reconciliation and the effect of reconciliation shall be provided in the coming years.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note No.4 =>Long Term Borrowings

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	Secured Borrowings		
	R.E.C. LOANS-(Secured by Guarantee of Uttarakhand Govt.)	1,29,00,64,213	1,49,42,23,036
	(This loan pertains to transfer scheme between UPPCL & UPCL. The EMI of principle for Rs. 77.21 lac is payable upto Dec.2022 at the annual rate of interest of 9.75%)		
	AERP-(REC Loan)-(Secured by Uttarakhand Govt.)	-	1,37,80,100
	(This loan pertains to Rural Electrification & funding agency is M/s REC Ltd.The yearly repayment of loan was Rs. 8.02 crores. The repayment has been completed in the 1st half of FY 2017-18. The annual rate of interest was 3.00%.)		
	NEW REC Loan (Secured by hypothecation of New Fixed Assets)	7,09,47,51,730	6,39,60,79,806
	(These loans pertains to system improvement & funding agency is M/s REC Ltd. The moratorium period of loans is 3 years from the date of receipt of each tranche of loan amount and each tranche of loan received is repayable in 10 equal yearly installments. The rate of interest is 10.25% p.a..)		
	R.E.C. LOANS-RGGVY (Secured by Uttarakhand Govt.)	29,13,07,269	37,09,43,439
	(This loan pertains to Rural Electrification & funding agency is M/s REC Ltd. The yearly repayment of loan is Rs. 6.85 crores. The repayment shall be completed by FY 2021-2022. The average rate of interest is 11.00%.)		
	R-APDRP-Part A (Secured by Guarantee of Uttarakhand Govt.)	93,84,67,551	93,84,67,551
	(This loan pertains to system improvement & funding agency is M/s PFC Ltd. The loan is convertible into grant on completion of work and fulfilling terms and conditions. The average rate of interest is 11.50%)		
	R-APDRP-Part A : SCADA (Secured by Guarantee of Uttarakhand Govt.)	8,25,00,000	8,25,00,000
	(This loan pertains to system improvement & funding agency is M/s PFC Ltd. The loan is convertible into grant on completion of work and fulfilling terms and conditions. The average rate of interest is 11.50%)		
	R-APDRP-Part B (Secured by Guarantee of Uttarakhand Govt.)loan	32,18,26,661	34,80,98,221
	(This loan pertains to system improvement & funding agency is M/s PFC Ltd. Each tranche of loan is repayable in ten years, in quarterly installments from the date of receipt of each tranche and the rate of interest is 10.50%)		
	R-APDRP-Part B (Secured By Guarantee of Uttarakhand Govt.)	2,73,15,00,000	2,73,15,00,000
	(This loan pertains to system improvement & funding agency is M/s PFC Ltd.The loan is convertible in grant on completion of work and fulfilling terms and conditions. The average rate of interest is 10.50%)		
	Sub Total (A)	12,75,04,17,424	12,37,55,92,153
2	Unsecured Borrowings		
	G.P.F. LOAN	1,27,10,00,000	1,27,10,00,000
	(This loan pertains to transfer scheme between UPPCL & UPCL.)		
	STATE GOVERNMENT LOANS	33,27,42,998	39,51,33,478
	(This loan pertains to system improvement & rural electrification and funding agency is State Government. 10 instalments in a year of Rs.62.39 lacs each is payable upto FY 2023-24, and the average rate of interest is 10.00%)		
	Sub Total (B)	1,60,37,42,998	1,66,61,33,478
	Total (A+B)	14,35,41,60,422	14,04,17,25,631
	Less: Current Maturity (C)	81,09,61,848	72,75,73,754
	Total (A+B-C)	13,54,31,98,574	13,31,41,51,877

1 The Loans, Guaranteed by the Government of Uttarakhand, have been classified as Secured Loans and no charge has been created on the Assets of the Company.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note No.5 => Other Long Term Liabilities

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	Trade Payables	-	-
2	Others		
	-Payable to PTCUL (Transfer of Assets/Liabilities)	61,54,15,865	61,54,15,865
	Total	61,54,15,865	61,54,15,865

- 1 The above mentioned amount pertains to Transfer Scheme with PTCUL dated 01.06.2004 which is yet to be finalised.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note No.6 => Short Term Borrowings

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
	Secured Borrowings		
	Loans repayable on demand	-	-
	<u>From Banks</u>		
	Punjab National Bank	4,02,64,00,887	3,13,97,88,533
	Bank of Baroda	50,29,14,014	-
	Secured against Deposits of the Company.		
	Total	4,52,93,14,901	3,13,97,88,533

- 1 Rate of interest applicable on above limit is some percentage points above the applicable rate of interest payable on the deposits.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note No.7 => Trade Payables

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
	Summary of Trade Payables		
i	For Power Purchase	22,59,91,38,980	21,59,11,60,835
ii	For Capital Supplies/Works	50,51,58,235	31,83,00,704
iii	For O&M Supplies/Works	44,64,13,590	40,55,50,525
	Total	23,55,07,10,805	22,31,50,12,065

Dues to Micro, Small and Medium Enterprises

The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding the following have not been provided :

- Principal amount remaining unpaid at the end of the year to Micro, Small & Medium enterprise;
- Interest accrued & remaining unpaid at the end of the year to Micro, Small & Medium enterprise for the current year;
- Amount of interest paid during the year along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery / rendering of service;
- Amount of interest carried forward from last accounting year with interest for the current year on such interest.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note No.8 => Other Current Liabilities

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	Interest Accrued and due on Un-secured Borrowings-GPF Liability.	3,22,58,64,666	2,90,14,56,197
2	Interest Accrued and due on Security Deposits	55,00,30,542	54,15,62,291
3	Interest Accrued but not due on Borrowings	1,72,47,94,209	1,32,05,75,441
4	<u>Other Payables</u>		
	i) Deposits for Electrification, Service Connections etc.	2,95,17,43,303	2,73,37,72,064
	ii) Deposits & Retention Money from supplier / contractors	2,08,52,86,113	2,04,11,04,160
	iii) Other Deposits Payable	3,91,81,643	3,17,92,056
	iv) Other Liabilities & Provisions	2,01,37,50,916	1,43,87,72,128
	v) E.D. & Other levies Payable to Government	5,57,92,65,670	4,88,33,62,438
	vi) Security Deposit from Consumers	7,61,39,47,495	6,93,40,16,572
5	Current Maturities of Long Term Debts	81,09,61,848	72,75,73,754
	Total	26,59,48,26,405	23,55,39,87,101

- 1 The provision for interest accrued & due on unsecured borrowings-GPF Liability is provided at the applicable rate of 7.90 % from April to June 17, 7.80% from July to December 17 & 7.60 % from January 18 to March 18. This GPF Liability/Loan was received as a result of Transfer of Assets and liabilities from UP Power Corporation Limited.
- 2 Interest accrued but not due on borrowings of Rs.172,47,94,209.00 is the interest payable on loan from PFC for R-APDRP (Part A), (Part B) and REC for construction of 33/11 kv sub-stations and NEF schemes.
- 3 As per the UERC RE Regulations 2013, there is shortfall in procurement of power from Renewable energy sources (solar 60.50 MU & non-solar 103.56 MU).
- 4 Contingent liabilities and commitments (to the extent not provided for):
 - i) There are some pending court cases against the Corporation, which are lying undecided in various courts and thus an approximate amount to the tune of Rs. 141,27,00,000.00 (Rs. 128,48,68,340.00 in FY 2016-17) is foreseen as a Contingent Liability.
 - ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (contracts exceeding Rs 50 lakhs) is Rs.110.10 crore (Rs.207.55 crore in FY 2016-17) as on 31st March 2018.
 - iii) Demand amounting to Rs.1,17,95,301.26 (Rs. 2,50,32,812.00 in FY 2016-17) on account of TDS defaults in TRACES.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.9 =>Short Term Provisions

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	Provision for Employee Benefits		
	Staff related liabilities & provisions	99,05,13,598	1,23,99,82,919
	Staff Pension ,Gratuity & Leave Salary Fund	10,28,22,062	10,28,22,062
2	Other Provision		
	For Expenses	86,72,38,726	72,25,32,509
	Total	1,96,05,74,386	2,06,53,37,490

- 1 Liabilities towards Medical Reimbursement & Leave Travel Concession (LTC) has been provided to the extent established.
- 2 No provision for Income Tax has been made on account of Unabsorbed Depreciation and Brought Forward Losses.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No. 10 - i) Tangible Fixed Assets

(Amount in Rupees)

S.No.	Assets Group	Gross Block					Depreciation Block					Net Block	
		Opening Bal. As on 1-04-2017	Additions during the year	Deductions during the year	Adjustments	Adjustments on Account of AS-12	Balance as on 31.03.18	Depreciation upto 1- 04-2017	Additions during the year	Deductions during the year	Adjustments on Account of AS-12	Balance as on 31- 03-18	As at 31.3.2018
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Land and Rights	19,63,17,114	12,86,740	-	-	-	19,76,03,854	-	-	-	-	-	19,76,03,854
	Land held under lease	10,58,03,986	2,44,61,420	-	-	-	13,02,65,406	1,02,81,584	35,33,853	-	-	1,38,15,437	11,64,49,969
2	Buildings	1,25,92,82,034	10,22,27,519	-	-	-	1,36,15,09,553	41,32,88,992	3,72,98,449	-	-	45,53,49,012	90,61,60,541
3	Plant & Machinery	8,08,03,65,415	1,18,33,36,022	(60,15,30,464)	22,80,890	-	8,66,44,51,863	64,34,68,310	40,54,50,692	(30,22,54,804)	1,86,46,927	76,53,11,125	7,89,91,40,738
4	Lines & Cable Network	35,26,69,77,004	3,27,26,43,383	(7,43,44,337)	2,64,70,759	-	38,29,17,46,809	17,27,96,95,564	1,13,56,62,014	(3,74,52,966)	72,19,88,420	19,09,98,93,032	19,39,18,53,777
5	Furniture and Fixtures	11,83,84,131	58,03,426	-	(2,87,51,649)	-	9,54,35,908	4,05,39,547	56,73,736	(8,26,522)	-	4,53,86,761	5,00,49,147
6	Vehicles	3,08,97,135	26,014	-	-	-	3,09,23,149	2,31,97,608	7,00,551	(14,93,914)	-	2,24,04,245	85,18,904
7	Office Equipment	20,87,07,676	5,94,61,430	(1,461)	-	-	26,81,67,645	12,20,80,890	2,03,07,545	-	-	14,23,88,435	12,57,79,210
8	OTHERS:-	80,20,227	-	-	-	-	80,20,227	52,52,031	3,50,974	-	-	56,75,500	23,44,727
	-1.Hydraulic Works	1,83,05,187	21,68,272	-	-	-	2,04,73,459	91,33,446	4,19,082	-	-	96,18,100	1,08,55,359
	-2.Other Civil Works	45,29,30,59,907	4,65,11,4,226	(67,58,76,362)	-	-	49,26,85,97,873	18,54,69,37,972	1,60,93,96,896	(34,20,28,206)	74,53,34,985	20,55,98,41,647	28,70,87,56,226
	TOTAL	42,91,01,70,542	3,21,96,95,922	(83,70,06,357)	-	-	45,29,30,59,907	16,68,48,15,124	1,48,94,57,193	(37,28,69,331)	74,53,34,985	18,54,69,37,972	26,74,61,21,935
	PREVIOUS YEAR	42,91,01,70,542	3,21,96,95,922	(83,70,06,357)	-	-	45,29,30,59,907	16,68,48,15,124	1,48,94,57,193	(37,28,69,331)	74,53,34,985	18,54,69,37,972	26,74,61,21,935

1 Fixed Assets have been taken over by the company from UPCL on 09.11.2001 gross Rs. 1058,18,00,000.00 with accumulated depreciation of Rs. 397,10,00,000.00. Details of the individuals' block of assets have been taken as per the transfer scheme finalized between UPCL & IPPCL and the total value of Rs. 1058,18,00,000.00 has been treated as gross block and Rs. 397,10,00,000.00 as accumulated depreciation. As on 1st June, 2004 Power Transmission Corporation of Uttarakhand Limited (PTCUL) has been separated from corporation and Rs. 263,39,06,961.00 from Gross block transferred to PTCUL and Rs. 112,95,30,101.00 from accumulated depreciation has been transferred from Fixed Assets.

2 The Company has charged Depreciation in FY 2017-18 on the value of Fixed Assets in use as on 01-04-2017 in accordance with Straight Line Method as per rates prescribed in Appendix VI to para 362 of Chapter: IX of CER and also adopted by the State Commission.

3 As per Accounting policy, Depreciation shall be charged to the extent of maximum 90% of the Capital cost of the assets.

4 Gross Block as on 31.03.2018 includes Assets created out of grants & consumer contribution for Rs.1428,03,33410.00 & accumulated Depreciation thereon for Rs.888,11,17,108.00 (Previous Year Rs. 813,55,82,123.00).

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

iii) Capital Work in Progress

Sr.	Particulars	Current year	Previous Year
1	Capital Work in Progress		
	Balance as per last balance sheet	8,12,90,57,939	6,29,77,11,980
	Additions during the year	5,30,03,35,801	5,04,74,35,999
	Less: Capitalisation during the year	4,64,99,36,196	8,77,95,07,544
	Total	8,77,95,07,544	8,12,90,57,939



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.11 => Inventory for Capital Works

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	Capital inventory and stores	3,14,62,16,307	3,07,97,31,107
	Total	3,14,62,16,307	3,07,97,31,107

- 1 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".
- 2 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 useable in spite of the fact that they are very old.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.12=> Deferred Tax Assets

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	Balance as per last balance sheet	94,09,90,481	70,96,21,837
	Add/Less: Deffered Tax on account of timing differences		
	i) Depreciation	(11,33,32,122)	(4,35,74,286)
	ii) Interest on GPF loan u/s 43B	10,12,15,442	9,60,55,309
	iii) Prov. for bad Debts	18,24,81,293	17,88,87,621
	Total	1,11,13,55,094	94,09,90,481



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.13 => Long Term Loans and Advances

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
A	Capital Advances :		
	Secured & Considered good	-	-
	Un-Secured , Considered good	6,65,15,11,749	5,59,24,15,644
		6,65,15,11,749	5,59,24,15,644
B	OtherLoans & Advances:		
1	Sundry Receivables		
	Secured & Considered good	-	-
	Un-Secured & Considered good	2,50,46,14,328	2,30,04,89,642
		2,50,46,14,328	2,30,04,89,642
2	Recoverable from state Govt.(On finalisation of transfer scheme of PTCUL)		
	Secured & Considered good	-	-
	Un-Secured & Considered good	1,88,81,40,313	1,88,81,40,313
		1,88,81,40,313	1,88,81,40,313
	Total	11,04,42,66,390	9,78,10,45,598



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.14 =>Trade Receivables

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	Un-Secured ,Considered Good		
	For a period exceeding Six Months from due date of payment	2,11,48,62,547	2,40,24,68,104
	Others	1,56,20,82,365	1,53,01,39,954
	SUB TOTAL (1)	3,67,69,44,912	3,93,26,08,058
2	Un-Secured, Considered Doubtful		
	Exceeding Six Months from due date of payment	10,27,26,05,078	9,94,99,74,851
	Others	1,26,55,27,112	1,10,55,52,761
	SUB TOTAL (2)	11,53,81,32,190	11,05,55,27,612
	TOTAL (1 + 2)	15,21,50,77,102	14,98,81,35,670
	Less: Provision for bad & doubtful debts	(11,53,81,32,190)	(10,95,32,56,252)
	Total	3,67,69,44,912	4,03,48,79,418

- 1 Classification of Debtors has been made into Secured and Un-secured and further less than or more than six months by management on fair estimated basis.
- 2 Provision for Bad & Doubtful Debts is made @2% of the Total Non Govt. Assessment.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.15 => Cash & Cash Equivalent

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
	1. Cash Balance		
	Cash in Hand	10,33,51,236	6,24,62,350
	Cheques / DD in hand	1,12,13,11,702	87,34,78,916
		1,22,46,62,938	93,59,41,266
	2. Bank Balance		
	With scheduled banks		
	- In current account	2,54,90,98,677	1,90,14,21,329
	- In Deposits account	8,67,75,92,965	8,70,76,92,116
		11,22,66,91,642	10,60,91,13,445
	Total	12,45,13,54,580	11,54,50,54,711

- 1 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.
- 2 Cash and cash equivalents as of March 31, 2018 include Fixed Deposit Receipts of Rs.500,00,00,000.00 pledged with Punjab National Bank, Astley Hall Branch & Rs.50,00,00,000.00 pledged with Bank of Baroda, Kishan Nagar Branch for overdraft.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.16 => Short Term Loans and Advances

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
A	To related parties	-	-
B	Others		
1	Advances for O&M Supplies/Works		
	Secured & Considered good	-	-
	Un-Secured & Considered good	19,16,89,314	13,99,35,678
		19,16,89,314	13,99,35,678
2	Loans & Advances -others		
	Secured & Considered good	-	-
	Un-Secured & Considered good	54,40,393	51,64,405
		54,40,393	51,64,405
	Total	19,71,29,707	14,51,00,083



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.17 => Other Current Assets

(Amount in Rupees)

Sr. No	Particulars	As at 31st March,2018	As at 31st March,2017
1	Advance Tax/ TDS Receivable	16,94,22,599	22,18,19,988
2	Income Accured on FD	22,56,04,902	27,88,99,139
	Total	39,50,27,501	50,07,19,128



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.18 => Revenue from Operations

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
1	Revenue from Sale of Power to Consumers	57,81,30,54,649	50,09,54,89,493
	Total	57,81,30,54,649	50,09,54,89,493

- 1 The operation of the Corporation comprise of purchase & distribution of electricity is considered as a single segment, which operates in one geographical segment, hence segment Reporting as required under Accounting Standard (AS) -17 is not applicable.
- 2 The energy is billed on the basis of categories of consumers i.e residential, commercial, industrial etc. at the tariff rates notified/approved by the Uttarakhand Electricity Regulatory Commission.
- 3 The tariff rates stated above have been notified by Uttarakhand Electricity Regulatory Commission vide their Tariff Order dated 29.03.2017 effective from 01.04.2017 and onwards.
- 4 The above includes Rs. 173.10 Crore (Previous year Rs. 183.91 Crore) on account of Delayed Payment Surcharge.
- 5 The above includes Rs. 129,72,96,444.00 (Previous year Rs. 17,19,89,706.00) on account of revenue from surplus power supplied outside the state.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.19 => Other Income

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
1	Interest on Deposits	61,69,74,298	57,09,26,119
2	Miscellaneous Receipts	15,58,97,190	22,37,05,442
3	Income from Staff Welfare Activities	14,09,559	16,29,971
4	Rebate/Incentives on power purchase	22,46,52,116	44,06,83,889
5	Material Cost Variance	30,41,39,619	37,52,71,819
	Total	1,30,30,72,782	1,61,22,17,241



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.20 => Purchase Cost of Electricity

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
1	BALLUPUR SOLAR POWER PROJECT PVT. LTD.	8,36,08,013	6,81,464
2	SUNHETI SOLAR PROJECT PVT. LTD.	3,33,69,014	7,817
3	SHAKUMBHARI SOLAR POWER PROJECT PVT. LTD.	8,42,08,518	49,11,535
4	AR SOLAR POWER	1,30,76,513	-
5	IMPEX INDIA	1,44,18,609	-
6	MAKIN DEVELOPERS PVT. LTD.	74,25,865	-
7	HYDRO POWER ENGINEERS	64,39,489	-
8	CHUDIALA SOLAR POWER PROJECT PVT. LTD.	8,60,31,067	54,23,540
9	HIMALAYA PLASTIC PRODUCTS (PUNEET PANT)	5,46,050	-
10	PRADYOT KANSAL	5,53,143	-
11	AB RENEWABLE ENERGY PVT. LTD.	3,59,43,740	-
12	RAJESH KUMAR SINGH	8,79,043	-
13	SANJAY P GARG	6,47,807	-
14	RAKESH KUMAR	27,09,061	-
15	BHAGWATI PRASAD	83,697	-
16	ANIL KUMAR GUPTA	1,08,753	-
17	USA SOLAR SYSTEMS	28,06,073	-
18	SOLAR POWER PURCHASE (EDD - TEHRI)	17,677	-
19	NTPC	6,50,11,64,987	8,48,68,75,958
20	NPCL	1,36,85,90,731	89,47,92,411
21	NHPC	2,74,42,11,152	2,46,95,31,594
22	NRLDC	30,56,42,923	75,90,86,126
23	UJVNL	8,07,77,26,680	7,65,80,88,001
24	SATLUJ JAL VIDYUT NIGAM	1,01,98,97,911	98,61,00,966
25	NVVNL	-	2,59,92,44,820
26	THDC	81,08,31,885	91,64,89,373
27	HIM URJA PVT. LTD.	37,86,84,443	11,25,92,624
28	PDF TO GOVT.	1,04,45,37,222	-
29	UREDA	60,10,593	1,61,85,442
30	REGENCY AQUAELECTRO & MOTEL RESORTS, PONTA	55,01,281	1,44,71,786
31	PTC INDIA LTD.	3,14,85,83,994	2,26,94,48,662
32	RBNS SUGAR MILL	25,92,03,939	16,38,33,574
33	CHAMOLI HYDRO POWER PROJECT	6,64,22,815	6,59,72,885
34	BIRAHU GANGA HYDRO POWER LIMITED	9,14,86,740	10,28,04,786
35	PARVTIYA POWER (P) LTD, RANIKHET	6,45,63,137	6,49,15,491
36	GUNSOLA HYDRO POWER GENERATION PVT. LTD.	5,30,81,190	5,36,05,245
37	SWASTI POWER	32,29,76,657	30,24,47,091
38	UTTAM SUGAR MILL	19,69,38,280	13,01,54,610
39	TATA POWER TRADING COMPANY LTD.	73,35,73,396	2,11,26,37,164
40	HIMALAYA HYDRO PRIVATE LIMITED.	20,23,04,298	10,72,49,279
41	SHREE CEMENT LIMITED.	-	2,67,49,145
42	RISHIGANGA POWER CORPORATION LTD.	-	2,53,91,240
43	MITTAL PROCESSORS PVT. LTD.	61,00,51,335	-
44	RV AKASH GANGA INFRASTRUCTURE LTD.	1,36,01,268	1,34,86,085
45	GMR ENERGY TRADING LIMITED	74,31,29,331	22,38,91,945
46	METRO FROZEN FRUITS & VEGETABLES PVT. LTD.	69,17,138	78,00,101
47	JAY ACE TECHNOLOGIES LTD.	1,19,47,699	1,42,37,799
48	ARAVALI POWER COMPANY PRIVATE LIMITED (APCPL)	36,61,75,431	22,84,02,982
49	SASAN POWER LTD.	1,07,41,37,911	89,17,00,601
50	LAKSHMI SUGAR MILS CO. LTD.	36,38,08,544	28,32,22,528
51	REGENCY GANGANI ENERGY PVT. LIMITED	17,45,33,616	15,59,91,429
52	MANIKARAN POWER LTD.	-	79,56,83,918
53	REGENCY YAMUNA ENERGY PVT. LTD.	7,17,59,332	7,14,54,725
54	UTTAR BHARAT HYDRO POWER PVT. LTD.	21,71,58,622	21,21,67,576
55	SOURABH ARORA	-	39,82,858
56	ASHOK ANEJA	64,65,038	28,41,846
57	OM PRAKASH AGRAWAL	12,92,833	48,281



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.20 => Purchase Cost of Electricity

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
58	PRADEEP KUMAR BANSAL	-	17,42,700
59	GREENKO BUDHIL HYDRO POWER PVT LTD	94,69,25,675	1,02,86,98,024
60	PURAN CHAND	-	29,60,584
61	S.K.SOLAR POWER	67,85,010	25,31,213
62	S.R.SOLAR ENERGY PARK	30,72,073	21,61,814
63	GAMA INFRAPROP (P) LTD.	3,06,47,27,605	2,46,94,55,200
64	M/S BHAGWATI PRASAD	-	31,362
65	MADHAV INFRA PROJECTS LIMITED	14,99,98,104	15,46,70,742
66	AMPLUS ENERGY SOL. PVT. LTD.	-	12,36,409
67	AMPLUS INFRASTRUCTURE DEVELOPERS PRIVATE LTD	-	7,61,871
68	RAJ KUMAR	31,84,675	16,75,585
69	SAI YSH SOLAR SYSTEMS	26,91,052	15,40,068
70	MUDIT GARG	22,03,455	15,19,197
71	PURSHOTAM INDUSTRIES	1,96,84,772	1,47,06,750
72	DHARMENDRA KUMAR	24,94,914	7,04,676
73	EASTMAN INTERNATIONAL	79,04,606	73,02,987
74	VIVAAN SOLAR PVT. LTD.	3,09,63,004	2,44,14,503
75	PURSHOTAM ISPAT	2,31,34,010	1,81,87,980
76	Wg.Cdr. KAMAL SHUMSHER RANA / M/S GAYATRI FARMS	-	2,84,420
77	SRAVANTHI ENERGY PVT. LTD.	6,64,58,00,851	3,02,82,26,525
78	R C ENERGY	94,68,336	58,97,796
79	ADVIKA ENERGIES (P) Ltd.	1,01,18,858	61,96,345
80	PUSHPA SHARMA	-	1,39,336
81	NBU ENERGY PARK	22,33,088	4,77,781
82	MANISH GUPTA	16,30,989	1,59,830
83	SUNWORLD ENERGY PRIVATE LIMITED	11,69,47,238	29,32,194
84	DEVISHI SOLAR POWER PRIVATE LIMITED	11,13,89,627	1,14,97,305
85	DEVISHI RENEWABLE ENERGY PRIVATE LIMITED	11,04,78,435	87,98,823
86	EMINENT SOLAR POWER PRIVATE LIMITED	12,34,70,618	1,43,90,466
87	EMAMI POWER LIMITED	15,57,22,010	1,18,244
88	TECHNIQUE SOLAIRE INVEST 1 INDIA PVT. LTD.	4,09,18,421	14,145
89	PL SOLAR RENEWABLE LTD.	8,55,01,892	16,03,080
90	PL SUNRAYS POWER LIMITED	8,79,70,608	8,74,959
91	PL SURYA VIDYUT LIMITED	8,18,84,680	-
92	HARIDWAR SOLAR PROJECT PVT. LTD.	15,34,15,592	3,28,556
93	BINDOOKHADAK SOLAR PROJECTS PVT. LTD.	3,80,03,833	18,164
94	BHAGWANPUR SOLAR PROJECTS PVT. LTD.	4,24,83,464	2,67,880
95	SHORT TERM OPEN ACCESS CHARGES	34,31,60,714	22,77,27,439
96	FREE POWER (STATE ROYALTY POWER)	2,02,44,86,835	1,62,03,85,142
97	BANKING OF POWER	-	-
		45,88,46,39,528	41,91,92,45,398
98	PGCIL -(Wheeling Charges)	3,81,04,03,172	4,15,37,09,276
99	PTCUL -(Wheeling Charges)	2,54,33,47,655	2,73,78,49,099
	Total Cost (Including Transmission Charges)	52,23,83,90,355	48,81,08,03,773
	Less:-		
	BANKING OF POWER RETURNED	-	3,50,26,44,000
	U.I. CHARGES RECEIVED	11,86,17,600	3,89,90,109
	Net Cost	52,11,97,72,755	45,26,91,69,664



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.21=> Repair and Maintenance Expenses

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
1	Repair and maintenance-Plant and machinery	28,35,00,176	26,55,49,174
2	Repair and maintenance-Building & Civil works	5,15,61,036	3,22,75,503
3	Repair and maintenance-Lines, cables works, etc.	95,41,18,166	80,80,49,383
4	Repair and maintenance-Others	1,00,20,967	65,32,977
	Total	1,29,92,00,345	1,11,24,07,037



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.22 => Employment Benefit Expenses

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
1	Salaries, wages, allowances and bonus	2,14,24,48,884	2,43,68,28,414
2	Directors Remuneration	1,27,75,763	1,11,68,797
3	Terminal Benefits	45,40,64,590	40,71,51,411
4	Other staff costs	87,20,05,206	76,75,07,472
	Less: Employee cost charged to Capital WIP	(54,08,87,258)	(56,62,41,446)
	Total	2,94,04,07,185	3,05,64,14,649

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

Sr. No	Name of Director with Designation	For the year ended 31st March,2018	For the year ended 31st March,2017
1	Sh. Sumer Singh Yadav, Managing Director	-	10,73,435
2	Sh.Sharad Krishna, Director (HR)	-	13,57,706
3	Sh. B.C.K. Mishra, Managing Director	23,37,613	-
4	Sh.P.C. Dhyani, Director (HR)	25,54,965	18,29,054
5	Sh. Mohammed Afaq Khan, Director (Finance)	15,58,501	23,43,082
6	Sh. Atul Kumar Agarwal, Director (Operation)	31,69,092	22,78,200
7	Sh. Manoj Kumar Jain, Director (Project)	31,55,592	22,87,320
	Total	1,27,75,763	1,11,68,797



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.23 => Financial Cost

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
A	Interest Expense		
1	Interest on State Govt.Loans	4,13,87,634	5,23,74,463
2	Interest on Other Loans & Liabilities	1,70,99,92,927	1,58,84,49,729
3	Interest on Consumers Security Deposit	42,00,35,508	46,22,49,409
	Total -A	2,17,14,16,069	2,10,30,73,601
B	Other Borrowing Costs		
1	Guarantee Fees to Uttarakhand Govt.	10,72,88,000	11,30,76,000
2	Other financial and bank charges	34,37,33,228	28,76,34,295
	Total -B	45,10,21,228	40,07,10,295
	Total (A+B)	2,62,24,37,297	2,50,37,83,896
	Less: Interest and other financial charges charged to Capital WIP	(52,33,80,682)	(48,02,69,356)
	Total	2,09,90,56,615	2,02,35,14,540



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.24 => Depreciation & Amortised Cost

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
1	Depreciation	1,60,93,96,896	1,48,94,57,193
	Total	1,60,93,96,896	1,48,94,57,193



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.25 => Other Administrative Expenses

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
1	Rent Rates & Taxes	51,17,714	64,26,538
2	Electricity and water	10,10,64,256	5,76,39,455
3	Insurance	12,34,077	11,29,655
4	Communication	2,12,74,219	2,23,12,052
5	Printing and stationery	1,42,65,487	1,52,54,773
6	Travelling and conveyance	5,67,86,918	5,23,39,602
7	Legal & professional	7,29,35,724	6,75,60,877
8	Fees & Subscription	17,69,280	11,76,618
9	Statutory auditors Remuneration- Audit fees	5,90,000	5,75,000
10	Honorarium	10,18,202	3,81,783
11	Departmental Training	35,30,025	12,97,535
12	Advertisement and Promotion	4,11,28,867	4,06,34,836
13	Miscellaneous Expenses	6,08,43,790	4,71,88,683
14	Other debit to Revenue A/c/Compensation expenses to staff/outside	7,26,68,064	12,97,53,255
15	Bandwidth, Software Licence Renewal Charges	8,36,03,358	2,30,19,731
16	U.E.R.C. Fees	2,51,50,975	2,19,22,065
17	AMC of Hardware	2,41,69,532	2,45,66,770
	Less: Expenses charged to Capital WIP	(16,00,23,204)	(11,69,93,443)
	Total	42,71,27,284	39,61,85,785



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.26 => Exceptional/Prior Period items

(Amount in Rupees)

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
1	Prior Period Expenses - Depreciation	(3,47,85,669)	(85,74,358)
2	Prior Period Income - Others	(1,00,67,976)	-
3	Power Purchase Liabilities written back	-	(10,92,50,496)
4	Prior Period Expenses - Interest on Loan	-	68,13,46,497
5	Prior Period Income - Power Purchase	(2,23,65,334)	-
6	Prior Period Expenses - Power Purchase	1,69,69,078	30,22,653
7	Other Income relating to prior periods- Assessment	-	(1,75,54,522)
8	Prior Period Exp. - Assessment	2,42,74,302	-
	Total	(2,59,75,599)	54,89,89,774



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2018

Note No.27 => Earning per Equity share

Sr. No	Particulars	For the year ended 31st March,2018	For the year ended 31st March,2017
1	Opening Number of Shares	1,28,40,299	1,08,69,000
	Addition:		
	In FY 2016-17		
	Share Capital for 1511300 Eq. Shares was made on 24-06-2016	-	11,63,494
	Share Capital for 149999 Eq. Shares was made on 27-08-2016	-	89,177
	Share Capital for 160000 Eq. Shares was made on 29-09-2016	-	80,658
	Share Capital for 150000 Eq. Shares was made on 28-03-2017	-	1,644
	In FY 2017-18		
	Share Capital for 220000 Eq. Shares was made on 28-07-2017	1,48,877	-
	Weighted average closing Number of Shares	1,29,89,176	1,22,03,973
2	Net Profit/ (Loss) for the Year	(2,29,21,96,839)	(2,88,78,04,116)
	Basic Earning per Share	(176.47)	(236.63)
	Diluted Earning per Share	(176.47)	(236.63)



UTTARAKHAND POWER CORPORATION LIMITED

SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- 1.1 The Uttarakhand Power Corporation Limited 'Corporation' is a Company registered under the erstwhile Companies Act, 1956 and therefore the same is governed by the provisions of the Companies Act, 2013 and rules made there under. However, where there is a deviation from the provisions of the Companies Act, 2013 in preparation of these accounts, the corresponding provisions of Electricity Act, 2003 have been adopted.
- 1.2 Annual Accounts are prepared after incorporating the transactions for the year by generating Trial Balance of units through Financial Accounting System (FAS) & incorporating the Opening Balances of Assets and Liabilities at consolidation level done at Head office.
- 1.3 The Financial Statements are prepared under the Historical Cost Convention following Accrual System of Accounting unless otherwise stated and on accounting assumption of going concern along with all the applicable Accounting Standards as notified under section 133 of Companies act 2013.
- 1.4 Accounting Policies are consistent with Generally Accepted Accounting Principal (GAAP) except wherever stated otherwise.
- 1.5 Subsidy, Grant, Insurance and other statutory transactions, Refund of Custom Duty, and Interest on Income Tax and Trade Tax, if any, are recognized on Cash Basis.

2. GRANT-IN-AID

- 2.1 Government Grants/Subsidies are recognized only on reasonable assurance through Government order and compliance to the conditions attached thereto by the Corporation
- 2.2 Grants-in-Aid/Subsidies received from the Central/State Government or other authorities towards Capital Expenditure as well as Consumers Contribution to Capital Works are treated as Capital Reserve.
- 2.3 Consumer's contribution & deposit Works, Grants and subsidies received towards cost of Capital asset are treated initially as Capital reserve and subsequently amortized in the proportion in which depreciation on related assets is charged.

3. RESERVES AND SURPLUS

- 3.1 Contribution received for deposit works are treated as capital reserve on capitalization of the specific Fixed Assets against which it has been received.
- 3.2 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.

4. FIXED ASSETS

- 4.1 Fixed Assets are shown on Historical Cost less accumulated depreciation.
- 4.2 All cost relating to acquisition and installation of fixed assets including departmental overhead costs till the date of commissioning are capitalized.



- 4.3 Fixed Assets booked under the head of "Fixed Assets not in use" are transferred to "Stock" / "Other Stock Account Head" at depreciated value and the accumulated depreciation thereon are transferred to "Provision for Depreciation on Fixed Assets". The damaged Fixed Assets 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.

5. CAPITAL WORKS IN PROGRESS

- 5.1 Capital Expenditure on Assets not owned by the Corporation is reflected as a distinct item in Capital Works-in-Progress till the period of completion and thereafter transferred to Fixed Assets, if the ownership devolved upon the Corporation.
- 5.2 In the case of Commissioned Assets, where final settlement of bills with Contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of Final Settlement.
- 5.3 In respect of supply-cum-erection contracts (Turn-Key Contracts), the value of supplies received at site and accepted, is treated as Capital Works-in-Progress.
- 5.4 Claims of the Price Variation in case of contracts are accounted for on acceptance of Bills.
- 5.5 Value of Construction Stores is charged to Capital Works-in-Progress when material is issued. The material at the year end and lying at site is treated as part of the Capital Work-in-Progress, but the material lying in the stores is grouped under the head Stores and Spares.
- 5.6 Due to multiplicity of functional units as well as multiplicity of functions in a particular unit, Employees Cost and Administrative & General Expenses incurred on supervision of Capital works are capitalized @ 18.45% of the amount of total Capital Expenditure.
- 5.5 The Capital Works completed during the year have been capitalized at the year end.

6. BORROWING COST

- 6.1 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.

7. INVENTORIES FOR CAPITAL WORKS:

- 7.1 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.
- 7.2 Stores & Spares at the centralized store are accounted for at Issue Price. Issue price is fixed at in the beginning of the Financial Year on the basis of FOR destination rate (including all taxes) and Price Variation for the immediately preceding year plus 10% annual variation (increasing) and 3% Storage & handling cost of Stores wings. Issues from Centralised stores are valued at Issue Price. At Decentralised stores, the Stores and Spares are accounted for at cost. Issues from Decentralised Stores are valued by using FIFO method. Inventories of Miscellaneous Scrap and empties are not valued being insignificant.
- 7.3 Any shortage/excess of materials found during the physical verification at the year end are first shown as material short/excess pending investigation till the finalization of investigation and



thereafter any excess, if established, is shown under the head of income. Similarly shortages are either recovered from staff concerned or charged to the profit and loss account as the case may be.

- 7.4 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.

8. PROFIT AND LOSS ACCOUNT:

8.1 INCOME RECOGNITION

- 8.1.1 Sale of Energy is accounted for on the basis of Tariff Rates, notified/approved by the Uttaranchal Electricity Regulatory Commission.
- 8.1.2 Interest/Surcharge recoverable on Advances to Suppliers as well as warranty Claims/Liquidity Damages are recognized on receipt basis.
- 8.1.3 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.
- 8.1.4 Cash Discount/Rebates allowed, if any, for timely payment is shown separately as an expense in the Accounts under the head Other Financial Charges.
- 8.1.5 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.

8.2 EXPENDITURE

- 8.2.1 Depreciation is charged on Straight Line Method in accordance with the rates prescribed in Appendix VI to Para 362 of Chapter IX of Central Electricity Regulatory Commission and also adopted by the State Commission.
- 8.2.2 Depreciation on Fixed Assets is provided only on the assets in existence at the beginning of the year and no depreciation is provided on the additions made during the year.
- 8.2.4 The Fixed Assets are depreciated up to 90% of original cost of assets after considering 10% as the residual value of the assets.
- 8.2.5 Kutchha Road is depreciated fully in the year of actual expenditure.

9. 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

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

11. CONTINGENT LIABILITIES

11.1 Contingent Liabilities are disclosed in respect of which there are possible or present obligations that arise from past events but their existence is confirmed on occurrence or non-occurrence of one or more uncertain future events and in respect of which there may not probably be any outflow of resources.

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

12. PROVISION FOR BAD AND DOUBTFUL DEBTS

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

13. DEFERRED TAX ASSET/LIABILITY

13.1 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. OTHER INCOME

14.1 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/ vehicles income, etc.

15. GENERAL NOTES ON ACCOUNTS

15.1 Previous year figures have been regrouped, re-arranged and re-casted according to guidance of Revised Schedule-III of Companies Act, 2013, wherever necessary, to compare the figures of current year.

15.2 No transaction is made during the year by the Corporation in the books of accounts in which foreign exchange is involved.

For Gianender & Associates



(R.J. Malik)
Company Secretary

FOR & ON BEHALF OF BOARD

(L.M. Verma)
Director(Finance)
DIN:07033447

(B.C.K. Mishra)
Managing Director
DIN:02467498

Place : New Delhi
Date : 30-08-2018

UTTARAKHAND POWER CORPORATION LIMITED

CIN: U40109UR2001SGC025867

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2018

(AMOUNT IN RUPEES)

SR NO.	PARTICULARS	2017-18		2016-17	
A.	<u>CASH FLOW FROM OPERATING ACITIVITIES</u>				
	Net Profit/(Loss) before tax and Exceptional & extra-ordinary items	(2,48,85,37,051)		(2,57,01,82,986)	
	Adjustments for:				
	i) Depreciation	1,60,93,96,896		1,48,94,57,193	
	ii) Interest paid	1,02,27,53,324		99,42,02,369	
	iii) Power Purchase Liabilities written back	-		10,92,50,496	
	iv) Prior Period Expenses - Depreciation	3,47,85,669		85,74,358	
	v) Prior period Expenses - Interest on Loan	-		(68,13,46,497)	
	vi) Interest Income	(61,69,74,298)		(57,09,26,119)	
	vii) Prior Period Expenses -Power Purchase	(1,69,69,078)		(30,22,653)	
	viii) Prior Period Income - Others	1,00,67,976		-	
	ix) Prior Period Income - Assessment	-		1,75,54,522	
	x) Prior Period Income - Power Purchase	2,23,65,334		-	
	xi) Prior Period Exp. - Assessment	(2,42,74,302)		-	
	xii) Provision for Bad & Doubtful debts	1,10,97,03,402		93,07,40,852	
	Operating profit before working capital changes	66,23,17,872		(27,56,98,465)	
	<u>Adjustment for Working Capital Changes</u>				
	i) Debtors	35,79,34,506		2,62,63,06,687	
	ii) Other Current Assets, Loans and Advances	5,32,46,986		20,68,63,893	
	iii) Current Liabilities & Provisions	4,17,17,74,939		(1,71,23,68,693)	
	Cash generated from Operations	5,24,52,74,303		84,51,03,422	
	Net Cash from Operating Activities		5,24,52,74,303		84,51,03,422
B.	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>				
	i) Purchase & Sale of Fixed Assets	(4,31,75,66,170)		(2,75,57,58,696)	
	ii) Capital Work in Progress	(65,04,49,605)		(1,83,13,45,960)	
	iii) Interest paid	(1,02,27,53,324)		(99,42,02,369)	
	iv) Capital Advances & Other Loans & Advances	(1,26,32,20,791)		(1,36,16,25,239)	
	v) Interest Income	61,69,74,298		57,09,26,119	
	vi) Inventory for Capital Works	(6,64,85,200)		48,32,50,270	
	Net Cash from Investing Activities		(6,70,35,00,793)		(5,88,87,55,875)
C.	<u>CASH FLOW FROM FINANCING ACITIVITIES</u>				
	i) Increase in Loan Balances & Cash Credit	1,61,85,73,065		5,60,82,11,877	
	ii) Increase in Share Capital/Application	22,00,00,000		45,99,99,000	
	iii) Increase in Capital Reserve	1,63,56,56,697		1,12,69,49,087	
	iv) Provision for Bad & Doubtful Debts	(1,10,97,03,402)		(93,07,40,852)	
	Net Cash from Financing Activities		2,36,45,26,359		6,26,44,19,112
	NET INCREASE IN CASH & CASH EQUIVALENTS [A+B+C]		90,62,99,869		1,22,07,66,659
	CASH & CASH EQUIVALENTS AS AT 1ST APRIL [OPENING BALANCE]		11,54,50,54,711		10,32,42,88,052
	CASH & CASH EQUIVALENTS AS AT 31st MARCH [CLOSING BALANCE]		12,45,13,54,580		11,54,50,54,711

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

"NOTE NO. 1 TO 28 FORM AN INTEGRAL PART OF THE BALANCE SHEET"

AUDITOR'S REPORT

"AS PER OUR SEPARATE REPORT OF EVEN DATE"

FOR: GIANENDER & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No.: 04661N

(G.K. AGRAWAL)

PARTNER

M.No. 081603

DATED: 30-08-2018

PLACE : NEW DELHI



FOR & ON BEHALF OF BOARD OF DIRECTORS

(Signature)
(R. J. MALIK)

COMPANY SECRETARY

(Signature)
(L.M. VERMA)

DIRECTOR (FINANCE)

DIN: 07033447

(Signature)
(B.C.K. MISHRA)

MANAGING DIRECTOR

DIN: 0467498