

HEMANT ARORA & CO. LLP

Chartered Accountants

1, Tyagi Road
Dehradun 248001 India
+ 91 135 262 6795
+ 91 135 262 7795
www.hemantarora.in

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, 2019, 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 (branch) auditor of the Company's zones (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, 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, 2019;
- 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 thereunder, 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 booked 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 has been accounted for after taking into consideration modifications to the scheme, finalised on 26.11.2018. The final scheme has been sent for approval to the Uttarakhand Shasan Energy Department vide Letter No. 5411/T-38 dated 27.05.2019. On notification of the Scheme, if any changes in the figures are made, the same may have an impact on the capital loss booked and hence, impact the financial statements.



HEMANT ARORA & CO. LLP

Chartered Accountants

2. We draw attention to Note no. 27 of the financial statements, the tariff rate for the activities performed by the Company are determined by regulatory authority, i.e. Uttarakhand Electricity Regulatory Commission ("UERC"). This tariff rate for the Company is arrived on provisional basis for financial year 2018-19. During the period under audit, the Company has incurred power costs in excess of the estimated costs and such excess costs are claimed by filing petition with UERC [Pet. No.-2842/UPCL/RM/B-22, dated 03.09.2019]. In accordance with the Guidance Note (A) 30 on "Accounting for Rate Regulated Activities", the Company is required to create a regulatory asset with regard to the amount claimed. The Company has recognized, measured and disclosed regulatory asset of Rs. 2,54,54,00,000 in the financial statements. Such regulatory asset has been created by crediting the amount to the Profit & Loss account.
3. We draw attention to the fact that 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.

Other Matters

The financial statements for the year ended 31st March, 2019 includes comparative financial information for the year ended 31st March, 2018. The Financial Statements for the year ended 31st March, 2018 have been audited by the predecessor auditor, who expressed a modified opinion on those statements on 30th August, 2018.

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 annexures 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 of 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.



HEMANT ARORA & CO. LLP

Chartered Accountants

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 skepticism 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 did not audit the financial information of Kumaon and Rudrapur Zone included in the financial statements of the Company whose financial information reflect total assets of Rs. 1,98,91,91,05,062 as at 31st March, 2019 and the total revenue of Rs. 25,40,03,93,895 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 zones, is based solely on the report of such zonal auditor.

Our opinion is not modified in respect of this matter.

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.



HEMANT ARORA & CO. LLP

Chartered Accountants

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 the matters described in the *Basis for Qualified Opinion* section, 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 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/ zones not audited by us;
 - (c) the reports on the accounts of the zonal (branch) offices of the Company audited under section 143(8) of the Act by the zonal (branch) auditors of the Company have been sent to us and have been properly dealt with by us in preparing this report;
 - (d) the basis of preparing Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, are after incorporating the transactions for the year by generating Trial Balance of units from Financial Accounting System ("FAS") & incorporating the Opening Balances of Assets and Liabilities from previous audited financial statements.
 - (e) subject to the effects of the matters mentioned in the *Basis for Qualified Opinion* section, 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 separate 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 separate report in "*Annexure B*"; and
 - (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:
 - i. The Company has disclosed the impact of pending litigations on its financial positions in the financial statements-Refer *sub note (iii) of note no. 8 of financial statements*.
 - ii. The Company does not have any long-term contracts including derivatives contracts, for which there were any material foreseeable losses.
 - iii. 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 accounts 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.



HEMANT ARORA & CO. LLP

Chartered Accountants

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.

For HEMANT ARORA & Co.LLP

Chartered Accountants

Firm Reg. No. 002141C/C400006



Sanjay Arora

Sanjay Arora

Partner

M. No.400076

Place: Dehradun

Date: 12th September, 2019

HEMANT ARORA & CO. LLP

Chartered Accountants

Annexure A

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

1. Referring to *Para 4.3 of significant accounting policies*, the Company is carrying its damaged fixed assets at the cost less accumulated depreciation. As per AS-28 "Impairment of assets", physical damage to an asset is an internal source of indication that the asset may be impaired. An asset is said to be impaired when the carrying amount of such asset exceeds its recoverable amount. In such a case, the Company is required to provide for impairment loss [*Carrying Value minus Recoverable Amount*] by estimating the recoverable amount of the asset at each balance sheet date. However, the Company has not provided for such impairment loss. To the extent of such provision not made, the loss of the Company is understated. In the absence of information provided by management, we are unable to quantify such understatement.
2. It has been observed that the Company is accounting for its revenue on the basis of units billed during the financial year. The Company bills its revenue to consumers on a periodical basis like monthly, bi-monthly or half-yearly basis, etc. depending upon the nature or type of consumer as stipulated in Tariff Regulations notified by Uttarakhand Electricity Regulatory Commission. In cases where billing is done bi-monthly or half yearly, the units that are consumed in current year and have not been billed till the Balance sheet date are being accounted for as revenue in the next financial year. Such trade practice is not in conformity with the method of accounting employed by the Company, i.e. accrual basis of accounting. Further, the Company is not complying with the recognition criteria established by AS-9 "Revenue Recognition". Its total impact on the loss for the financial year has not been ascertained.
3. Referring to *Para 5.6 of significant accounting policies*, the Employees Cost and Administration & General Expenses incurred on supervision of Capital Works are capitalized to the cost of asset @ 18.45% of the total amount of capital expenditure incurred during the year. On evaluation of appropriateness of this accounting policy, we could not find a reasonable basis for determination of such loading rate. Further, referring to *point 6* below where the capitalised value of fixed assets has been qualified, the inaccuracy in rate of loading creates a cascading effect of notional cost in the carrying amount of the fixed asset. In our opinion, there should be an appropriate basis after taking into consideration the actual cost attributable to capital works for ascertaining quantum of loading.
4. Referring to *note no. 3 of the financial statements*, the amount standing under the head Inter Unit transaction Balance of Rs. 15,42,96,513 (Cr.) has not been reconciled upto the balance sheet date. Consequential effect of the same on the financial statements cannot be ascertained.
5. Referring to *Para 12 of the accounting policy*, the Company is providing for bad and doubtful debts @2% of the total Non- Government assessment. The company has total outstanding debtors of Rs. 16,77,87,34,753 out of which Rs. 12,09,00,08,761 has been provided for as bad & doubtful, which is 72.05% of the total outstanding. It has been observed that the provision for bad & doubtful debts is not reviewed each year. The amount provided for @ 2% of the Non-Government assessment in each year is accumulated to the provision, due to which the balance in provision account has become more than 70% of the total outstanding. In our opinion such a provision is excessive than what is required. Further, there is no policy drawn by the Company for revision of the provision. To the extent of such excessive provision, loss for the year is overstated and assets undervalued.
6. Referring to *Para 3.2, 4.3 and 7.2 of significant accounting policies* relating to accounting and issue of store and spares i.e. "Inventories for Capital works" at centralised store at issue price is not in accordance with AS-10 "Property, Plant & Equipment". The stores and spares are accounted for at issue price, which is higher than the cost, due to this loss of the company is understated by Rs. 21,57,03,144.
7. Provision for leave encashment has not been made in accordance with AS-15 'Employee Benefits'.



HEMANT ARORA & CO. LLP

Chartered Accountants

8. Referring to *Para 2 of 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 AS-12 "Government Grants". As per this method, the contributions/ deposits are 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. However, it has been observed that capital expenditure met out of these contributions/ deposits has not been identified for the past few years. Due to this, the amount of contribution/ deposit proportionate to the depreciation charged on the related asset has not been amortized (credited) in the profit and loss account. To the extent of such non-recognition of the contribution/ deposit, the losses for the year are over-stated however, we are unable to quantify such over-statement.
9. Referring to *Para 8.2.2 of 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 "Property, Plant & Equipment". To the extent of non-charging of depreciation on additions of fixed assets during the year has resulted in understatement of loss and overstatement of fixed assets by an amount which is unascertained.



HEMANT ARORA & CO. LLP

Chartered Accountants

Annexure B – to the INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(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, 2019 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 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 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:

- (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.



HEMANT ARORA & CO. LLP

Chartered Accountants

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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the Company has not established its internal control over financial reporting on criteria 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. 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, 2019.

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, 2019:

1. The Company does not have an appropriate internal control system for ensuring capitalisation of property, plant and equipment, on the date available for use, due to delay in issuance of work completion certificate by respective engineering departments which has potentially resulted into under capitalisation of property, plant and equipment and corresponding impact on operational results due to lower charge of depreciation.
2. The Company does not have an appropriate internal control system for determining employee cost, administrative & general expenses actually attributable to capital works for the purpose of capitalisation but, are made on ad-hoc basis @ 18.45% of the amount of total capital expenditure incurred during the year thereby, resulting in over/ understatement of fixed assets and correspondingly under/ overstating of, as the case may be.
3. The Company does not have an integrated ERP system which has led to accounting lapses especially in the area of inter unit transactions, mainly with respect to transfer of inventory for capital works from one unit to other. As a result, inter-unit balances are not reconciled which in turn has impaired financial reporting.
4. The Company does not have an appropriate internal control system to reconcile the financial accounts pertaining to Goods and Services Tax etc. with the relevant tax records and returns which can possibly result into under/over statement of such amounts in the financial statements.
5. The Company does not have appropriate internal control to make management assertions with respect to "existence" of balances of assets and liabilities at the year end. The company is unable to provide vendor wise information with respect to balances tabulated as under:

Note No.	Particulars	Balance (In Rs.)
8.4ii)	Deposits & Retention Money from Suppliers/Contractors	3,32,10,11,015 (Cr.)
8.4iii)	Other Deposits Payable	11,84,34,585 (Cr.)
13.A	Capital Advances: Un-secured & Considered Good	8,30,12,49,613 (Dr.)
13.B1	Other Loans & Advances: Sundry Receivables- Un-secured & Considered Good	2,38,02,62,569 (Dr.)
16.B1	Others: Advances for O&M Supplies/Works- Un-secured & Considered Good	20,64,86,391 (Dr.)
16.B2	Others: Loans & Advances- Others - Un-secured & Considered Good	67,52,810 (Dr.)

6. During the year, various heads of accounts of Fixed Assets and Capital Work in Progress have been regrouped/ re-classified. However, during such activity, the corresponding provision for depreciation on fixed assets accounts has not been completely regrouped/ re-classified. The written down value of fixed asset ledger head impacted by such activity is incorrect. However, this has no financial impact on net block of fixed assets in aggregate.



HEMANT ARORA & CO. LLP

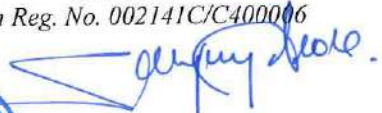
Chartered Accountants

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

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.

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




Sanjay Arora
Partner
M. No. 400076

Place: Dehradun
Date: 12th September, 2019

HEMANT ARORA & CO. LLP

Chartered Accountants

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. 59,27,87,002 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.

Additional revised general and company/sector specific directions under section 143(5) of Companies Act 2013 applicable from the year 2018-19 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.



HEMANT ARORA & CO. LLP

Chartered Accountants

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 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 accounts in compliance with the applicable Accounting Standards.	The Company has an effective system for recovery of revenue as per contractual terms. In respect of booking of revenue, refer <i>point no. 2 of Annexure A</i> to our report of even date.
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 revenue in the company.	Adequate system of billing and collection of revenue 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. However, balance of Power Transmission Corporation of Uttarakhand Ltd. is not matching with the balance of books in UPCL as at 31.03.2019. The reason of non-reconciliation is attributed to non-accounting of some entries.
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.	Money raised by way of term loans were applied for the purpose for which it was raised. Grant-in-Aid received is 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	The financial accounting data of the Company is being maintained in online Financial Accounting System. For billing of consumers, R-APDRP is



HEMANT ARORA & CO. LLP

Chartered Accountants

	<p>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?</p>	<p>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. A tender for conducting the Security Audit of entire IT infrastructure of Data Centre, Disaster Recovery Centre (Hardware, System Software and Network) and UPCL website is also under process.</p>
--	---	--

For HEMANT ARORA & Co. LLP

Chartered Accountants

Firm Reg. No. 002141C/C400006



Sanjay Arora
Partner
M. No. 400076

Place: Dehradun

Date: 12th September, 2019

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 is updated up to Financial Year 2016-17. The company is in the process of updating the same for financial year 2017-18 and 2018-19.

(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 sample immovable properties and concluded that the deeds were held in the name of the company.

ii. Inventory 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 not in a position to comment whether frequency of verification is reasonable and the manner in which material discrepancy has been dealt in the books of accounts.

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 accounts, 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, green energy cess, Goods & Service tax and other material statutory dues have been generally deposited regularly with the appropriate authorities. However, the details of statutory dues, outstanding for the period of more than six months from the date they become payable as at 31st March, 2019 are as follows:

S. No.	Nature of Dues	Amount outstanding as at 31.03.2019 (in Rs.)
1.	Electricity Duty	1,62,77,65,333
2.	Green Energy Cess	57,49,41,314
3.	Goods & Service tax	5,30,107
4.	Interest on General Provident Fund	3,57,66,20,109



HEMANT ARORA & CO. LLP

Chartered Accountants

- (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 and explanation given to us, the Company has taken term loans from bank, financial institutions and government. During the year the company has not defaulted in repayment of loan.
- ix. In our opinion and according to the information and explanations given to us and on the basis of examination of books of accounts, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Money 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 except one instance in Jaspur, Haldwani Division, Kumaon Zone, the details of which is as follows:

Nature of Fraud	Name of the Unit	Amount Involved (in Rs.)
Cash Embezzlement	Jaspur, Haldwani Division, Kumaon Zone	8,74,973/-

- 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.

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



Sanjay Arora
Partner
M. No. 400076

Place: Dehradun
Date: 12th September, 2019

UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

BALANCE SHEET AS AT 31st MARCH, 2019

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	13,21,02,99,000	13,06,02,99,000
(b) Reserves and Surplus	2	(13,48,05,11,088)	(14,27,85,05,774)
(1A) Share Application Money Pending Allotment	1	1,07,87,85,000	-
(2) Inter Unit Transactions Balances	3	15,42,96,513	(6,52,75,901)
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	8,48,13,06,550	12,27,21,98,574
(b) Other Long-Term Liabilities	5	1,69,39,09,865	1,88,64,15,865
(4) Current Liabilities			
(a) Short-Term Borrowings	6	8,03,44,21,056	4,52,93,14,901
(b) Trade Payables	7	32,73,99,06,419	23,55,07,10,805
(c) Other Current Liabilities	8	26,76,71,72,616	26,59,48,26,405
(d) Short-Term Provisions	9	1,60,63,29,960	1,96,05,74,386
(e) Deferred Tax Liabilities (Net)		-	-
Total		80,28,59,15,891	69,51,05,58,261
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible & Intangible Assets	10	35,83,90,75,464	28,70,87,56,226
ii) Capital Work In Progress	10	6,63,74,69,338	8,77,95,07,544
iii) Inventory for Capital Works	11	3,44,93,61,556	3,14,62,16,306
(b) Deferred Tax Assets (Net)	12	1,22,80,49,672	1,11,13,55,094
(c) Long term Loans and Advances	13	10,68,15,12,182	11,04,42,66,390
(2) Current Assets			
(a) Trade Receivables	14	4,68,87,25,992	3,67,69,44,912
(b) Cash and Cash Equivalents	15	14,53,78,83,551	12,45,13,54,581
(c) Short-Term Loans and Advances	16	21,32,39,201	19,71,29,707
(d) Other Current Assets	17	3,01,05,98,935	39,50,27,501
Total		80,28,59,15,891	69,51,05,58,261

SIGNIFICANT ACCOUNTING POLICIES

29

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 HEMANT ARORA & CO LLP

CHARTERED ACCOUNTANTS

F.R. No.: 002141C/0400006

SANJAY ARORA
PARTNER

M.No. 400076

DATE: 12th September, 2019

PLACE : DEHRADUN



(R.J. MALIK)
COMPANY SECRETARY

FOR & ON BEHALF OF BOARD OF DIRECTORS

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

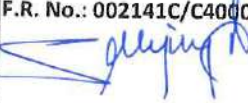




(B.C.K. MISHRA)
MANAGING DIRECTOR
DIN: 02467498

UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(Amount in Rupees)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue/Income			
Revenue from Operations	18	62,18,60,70,571	57,81,30,54,649
Other Income	19	92,52,01,783	1,30,30,72,782
I. Total Revenue		63,11,12,72,354	59,11,61,27,431
Expenses			
Purchase Cost of Electricity	20	60,76,58,56,743	52,11,97,72,755
Repair and Maintenance Expenses	21	1,37,65,67,830	1,29,92,00,345
Employee Benefit Expenses	22	3,41,57,77,552	2,94,04,07,185
Financial Costs	23	2,13,26,86,202	2,09,90,56,615
Depreciation and Amortization Expense	24	1,81,82,44,483	1,60,93,96,896
Other Administrative Expenses	25	47,47,53,699	42,71,27,284
Provision for Bad and Doubtful Debts		1,14,46,63,572	1,10,97,03,402
II. Total Expenses		71,12,85,50,081	61,60,46,64,482
III. Profit/(Loss) before exceptional, extraordinary items, rate regulated activities and tax (I-II)		(8,01,72,77,727)	(2,48,85,37,051)
IV. Exceptional/Prior Period Items	26	17,70,70,584	(2,59,75,599)
V. Profit/(Loss) before extraordinary items, rate regulated activities and tax (III-IV)		(8,19,43,48,311)	(2,46,25,61,452)
VI. Extraordinary Items			
VII. Profit/(Loss) before rate regulated activities and tax (V-VI)		(8,19,43,48,311)	(2,46,25,61,452)
VIII. Regulatory Income	27	(2,54,54,00,000)	-
IX. Profit/(Loss) before tax (VII-VIII)		(5,64,89,48,311)	(2,46,25,61,452)
X. Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		11,66,94,578	17,03,64,613
XI. Profit(Loss) for the Year from Continuing Operations (VII-VIII)		(5,53,22,53,733)	(2,29,21,96,839)
XII. Profit(Loss) for the Year		(5,53,22,53,733)	(2,29,21,96,839)
XIII. Basic & Diluted Earning per Equity Share (Face Value of Rs. 1000/- each)	28	(420.00)	(176.47)
<i>Significant Accounting Policies attached thereto form an integral part of Profit & Loss Statement</i>	29		
<i>This is the Profit & Loss Statement referred to in our Report of even date.</i>			
FOR HEMANT ARORA & CO LLP CHARTERED ACCOUNTANTS F.R. No.: 002141C/C400006   SANJAY ARORA PARTNER M.No. 400076 DATE: 12th September, 2019 PLACE : DEHRADUN		FOR & ON BEHALF OF BOARD OF DIRECTORS <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  (R.J. MALIK) COMPANY SECRETARY </div> <div style="text-align: center;">  (N.K. GUPTA) DIRECTOR (FINANCE) DIN: 08338075 </div> <div style="text-align: center;">  (B.C.K. MISHRA) MANAGING DIRECTOR DIN: 02467498 </div> </div>	

UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note No.1 => Share Capital

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
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 13210299, Equity Shares of Rs. 1000 each. [refer sub-note (iv)]	13,21,02,99,000	13,06,02,99,000
3	Subscribed and Fully Paid up 13210299, Equity Shares of Rs. 1000 each fully paid up.	13,21,02,99,000	13,06,02,99,000
	Total	13,21,02,99,000	13,06,02,99,000
	Share Application Money Pending Allotment 1078785, Equity Shares of Rs. 1000 each. [refer sub-note (v)]	1,07,87,85,000	-
	Total	1,07,87,85,000	-

(i) Reconciliation of no. of Shares outstanding

	As at 31-03-2019	As at 31-03-2018
<u>Opening number of shares outstanding</u>	13060299 shares (13060299000)	12840299 shares (12840299000)
Add: Allotted during the year	150000 shares (150000000)	220000 shares (220000000)
Less: Bought Back	-	-
<u>Closing number of shares outstanding</u>	13210299 shares (13210299000)	13060299 shares (13060299000)

(ii) Detail of Shareholders Holding more than 5 percent Shares

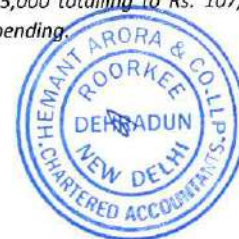
Name of the Shareholder	No. of Shares	% Shareholding
Uttarakhand Govt. & Its Nominees	13210299	100%

(iii) 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

(iv) During the FY 2018-19, Rs. 15,00,00,000 was sanctioned vide GO No. 1023/I(2)/2018-06/14/2012 dated 12-06-2018 towards Share Capital of the State Govt. against which allotment of 1,50,000 Equity Shares was made on 04-07-2018.

(v) During the FY 2018-19, vide GO No. 1848/I(2)/2018-06(3)/21/2018 dated 17-12-2018 for Rs. 2,70,00,000, vide GO No. 269/I(2)/2019-06/14/2012 dated 26-02-2019 for Rs. 17,30,00,000 & vide GO No. 625/I(2)/2019-06-14/2012 dated 30-03-2019 for Rs. 87,87,85,000 totalling to Rs. 107,87,85,000 was sanctioned towards Share Capital of the State Govt. The allotment for the same i.e., 10,78,785 Equity Shares is pending.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note No.2 => Reserve & Surplus

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	<u>A. Capital Reserve</u>		
1	Consumer contribution for service connections & lines and Deposit Works		
	Balance as per last Balance Sheet	5,10,68,30,130	4,52,91,47,286
	Add: Addition/Adjustment during the year	82,68,39,441	82,23,43,701
	Less: Deductions/Adjustments during the year	-	-
	Less: Depreciation	24,46,60,857	24,46,60,857
		5,68,90,08,714	5,10,68,30,130
2	Government Grants towards Capital Works [refer sub-note (i)]		
	Balance as per last Balance Sheet	6,30,19,06,068	5,98,94,67,200
	Add: Addition/Adjustment during the year	8,16,89,05,192	81,33,12,996
	Less: Deductions/Adjustments during the year	-	-
	Less: Depreciation	50,08,47,492	50,08,74,128
		13,96,99,63,768	6,30,19,06,068
3	Transfer Scheme with PTCUL [refer sub-note (ii)]		
	Balance as per last Balance Sheet	-	-
	Add: Addition/Adjustment during the year	(1,91,99,87,865)	-
	Less: Deductions/Adjustments during the year	-	-
		(1,91,99,87,865)	-
	<u>B. General Reserve & Surplus</u>		
1	Surplus (Profit & Loss Account)		
	Balance as per last Balance Sheet	(25,68,72,41,972)	(23,39,50,45,133)
	Add: Transfer from Statement of Profit & Loss	(5,53,22,53,733)	(2,29,21,96,839)
		(31,21,94,95,705)	(25,68,72,41,972)
	Total of (A+B)	(13,48,05,11,088)	(14,27,85,05,774)

- (i) Subject to conditions of on which loan was granted pertaining to projects R-APDRP Part-A & R-APDRP Part-B, the amount of loan has been converted into Grant pursuant to completion of work on project assets. The project assets have also been correspondingly capitalised by crediting capital work in progress.
- (ii) 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 26.11.2018. The Final scheme has been sent for according approval and thereby notification to the Uttarakhand Shasan Energy Department vide Letter no. 5411/T-38 dated 27.05.2019.
- 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.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note No.3 => Inter Unit Transactions

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Inter Unit Transactions Balances [refer sub-note (i)]	15,42,96,513	(6,52,75,901)
	Total	15,42,96,513	(6,52,75,901)

(i) Inter-Unit Transfers amounting to Rs.15,42,96,513 (net) were not reconciled on the date of Balance Sheet.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note No.4 => Long Term Borrowings

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Secured Borrowings		
	R.E.C. Loans-(Secured by Guarantee of Uttarakhand Govt.)	1,06,52,50,497	1,29,00,64,213
	<i>(This loan pertains to transfer scheme between UPPCL & UPCL. The EMI of principal & interest for Rs. 2.83 Cr. is payable upto Dec.2022 at the annual rate of interest of 9.75%)</i>		
	New R.E.C. Loan (Secured by hypothecation of New Fixed Assets)	7,20,93,25,082	7,09,47,51,730
	<i>(These loans pertain 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 10.30% p.a.)</i>		
	R.E.C. Loans-RGGVY (Secured by Uttarakhand Govt.)	21,16,71,097	29,13,07,269
	<i>(This loan pertains to Rural Electrification & funding agency is M/s REC Ltd. The yearly repayment of loan & Interest is Rs. 10.87 crores. The repayment shall be completed by FY 2021-2022. The average rate of interest is 10.25%.)</i>		
	R.E.C. Loans-DDUGJY (Secured by Uttarakhand Govt.)	29,03,96,000	-
	<i>(This loan pertains to Rural Electrification & 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 average rate of interest is 10.40% p.a.)</i>		
	R-APDRP-Part A (Secured by Guarantee of Uttarakhand Govt.) [refer sub-note (ii)]	-	93,84,67,551
	<i>(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%)</i>		
	R-APDRP-Part A : SCADA (Secured by Guarantee of Uttarakhand Govt.)	14,28,00,000	8,25,00,000
	<i>(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%)</i>		
	R-APDRP-Part B (Secured by Guarantee of Uttarakhand Govt.) loan	31,20,29,785	32,18,26,661
	<i>(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%)</i>		
	R-APDRP-Part B (Secured By Guarantee of Uttarakhand Govt.) [refer sub-note (ii)]	-	2,73,15,00,000
	<i>(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%)</i>		
	Sub Total (A)	9,23,14,72,461	12,75,04,17,424
2	Unsecured Borrowings		
	State Government Loans	27,03,52,518	33,27,42,998
	<i>(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%)</i>		
	Sub Total (B)	27,03,52,518	33,27,42,998
	Total (A+B)	9,50,18,24,979	13,08,31,60,422
	Less: Current Maturity (C)	1,02,05,18,429	81,09,61,848
	Total (A+B-C)	8,48,13,06,550	12,27,21,98,574

- (i) 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.
- (ii) The said loan(s) has been converted into grant. [refer sub-note (ii) to Note no. 2]



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note No.5 => Other Long Term Liabilities

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Trade Payables	-	-
2	G.P.F. Laibilities [refer sub-note (i)]	1,27,10,00,000	1,27,10,00,000
3	Others		
	-Payable to PTCUL (Transfer of Assets/Liabilities)	42,29,09,865	61,54,15,865
	Total	1,69,39,09,865	1,88,64,15,865

(i) This liabilities pertains towards employees transferred pursuant to transfer scheme entered between UPPCL & UPCL, dated 09.11.2001.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note No.6 => Short Term Borrowings

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Secured Borrowings [refer sub-note (i) & (ii)]		
	<u>From Banks</u>		
	Punjab National Bank	5,40,61,52,969	4,02,64,00,887
	Bank of Baroda	50,28,20,925	50,29,14,014
	HDFC Bank	1,49,79,08,032	-
	Bank of India	49,66,40,577	-
	Punjab National Bank- IPDS Loan	13,08,98,553	-
	Total	8,03,44,21,056	4,52,93,14,901

(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.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note No.7 => Trade Payables

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Summary of Trade Payables		
i	For Power Purchase	31,43,41,12,172	22,59,91,38,980
ii	For Capital Supplies/Works	76,37,44,889	50,51,58,235
iii	For O&M Supplies/Works	54,20,49,358	44,64,13,590
	Total	32,73,99,06,419	23,55,07,10,805

Dues to Micro, Small and Medium Enterprises

(i). On the basis of information received from the suppliers/contractors regarding status under the Micro, Small and Medium Enterprises Development Act, 2006, half yearly return for the period October 2018 to March 2019 was filed on 26.06.19. The details of liability to Micro, Small and Medium Enterprises (MSME), to the extent information available with the Corporation as on 31.03.2019 are as under:

S.No.	Particulars	Remarks
a.	Principal amount remaining unpaid to the suppliers at the end of the year.	Rs.10,60,24,114 (as per half yearly return for the period October 2018 to March 2019 filed on 26.06.2019).
b.	Interest due & remaining unpaid to the suppliers at the end of the year	The bills are cleared after verification of the work done which in some cases exceeds stipulated time of 45 days. In few cases, the delay is also due to non-replacement of material failed in independent testing. In addition, the exercise for identification of suppliers/contractors registered under MSME Act was done/completed in June 2019 after receiving intimation from suppliers/contractors and therefore the Interest parameter is NIL for FY 2018-19.
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.	



UTTARAKHAND POWER CORPORATION LTD.
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note No.8 => Other Current Liabilities

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Interest Accrued and due on GPF Liability.	3,57,66,20,110	3,22,58,64,666
2	Interest Accrued and due on Security Deposits	61,69,61,109	55,00,30,543
3	Interest Accrued but not due on Borrowings	3,46,55,257	1,72,47,94,209
4	<u>Other Payables</u>		
	i) Deposits for Electrification, Service Connections etc.	3,01,98,80,650	2,95,17,43,303
	ii) Deposits & Retention Money from Supplier / Contractors	3,32,10,11,015	2,08,52,86,112
	iii) Other Deposits Payable	11,84,34,585	3,91,81,643
	iv) Other Liabilities & Provisions	2,23,33,38,968	2,01,37,50,916
	v) E.D. & Other levies Payable to Government	4,41,46,87,208	5,57,92,65,670
	vi) Security Deposit from Consumers	8,41,10,65,285	7,61,39,47,495
5	Current Maturities of Long Term Debts	1,02,05,18,429	81,09,61,848
	Total	26,76,71,72,616	26,59,48,26,405

- (i) The provision for interest accrued & due on unsecured borrowings-GPF Liability is provided at the applicable rate of Interest (7.60 % from 01-04-2018 to 30-09-2018 & 8 % from 01-10-2018 to 31-03-2019) This GPF Liability/Loan was received as a result of Transfer of Assets and Liabilities from UP Power Corporation Limited.
- (ii) Interest accrued but not due on borrowings of Rs.3,46,55,257 is the interest payable on loan from PFC for R-APDRP (Part A) SCADA for system improvement works.
- (iii) Contingent liabilities and commitments (to the extent not provided for):
- a) 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. 58,38,90,238 is foreseen as a Contingent Liability.
- b) Estimated amount of contracts remaining to be executed on capital account and not provided for (contracts exceeding Rs 50 lakhs) is Rs.64 crore as on 31st March 2019.
- c) Demand amounting to Rs.1,12,51,524 on account of outstanding TDS defaults in TRACES.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.9 => Short Term Provisions

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Provision for Employee Benefits		
	Staff related Liabilities & Provisions	58,79,34,435	99,05,13,598
	Staff Pension, Gratuity & Leave Salary Fund	9,97,90,550	10,28,22,062
2	Other Provision		
	For Expenses	91,86,04,975	86,72,38,726
	Total	1,60,63,29,960	1,96,05,74,386



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.10 ⇒ Fixed Assets & Capital Work In Progress

(i) Tangible & Intangible Fixed Assets

S.No.	Assets Group	Gross Block					Depreciation Block					Net Block		(Amount in Rupees)
		Opening Bal. As on 01-04-2018	Additions other than Assets created out of Grants	D	E	F	Balance As on 31-02-2019	Depreciation upto 01-04-2018	Depreciation Charged during the year	Deductions during the year	Adjustments on Account of AS-12	Balance As on 31-03-2019	As at 31.3.2019	
A	B	C	D	E	F	G=(C+D+E+F)	H	I	J	K	L=(H+I+J+K)	M=(G-L)	N=(C-H)	
1	Land and Rights	19,76,03,856	17,44,420	-	-	19,93,48,276	-	-	-	-	-	19,93,48,276	19,76,03,856	
2	Land held under Lease	13,02,65,406	1,12,72,971	-	-	14,15,38,377	1,38,15,437	43,50,865	-	-	1,81,66,302	12,33,72,075	11,64,49,969	
3	Buildings	1,36,95,29,784	17,73,36,878	-	-	1,54,68,66,662	46,10,24,514	4,09,34,868	-	48,07,429	90,67,66,811	1,04,00,99,851	90,85,05,270	
4	Plant & Machinery	8,66,44,51,846	2,06,56,91,613	-	-	10,73,01,43,459	76,53,11,126	43,61,70,026	29,96,25,919	1,86,45,927	50,67,66,811	10,36,31,34,698	7,89,91,40,720	
5	Lines & Cable Network	38,49,17,46,817	3,85,15,33,678	-	-	42,34,33,14,495	19,09,98,93,032	1,30,46,95,775	1,67,07,877	72,19,88,421	21,10,98,69,351	22,75,11,47,966	19,39,18,53,785	
6	Furniture and Fixtures	9,54,35,907	34,10,163	-	-	9,88,46,073	4,53,86,762	60,41,093	3,64,720	-	5,10,43,135	4,74,18,215	5,00,49,145	
7	Vehicles	3,09,23,149	2,29,779	-	-	3,11,52,928	10,28,117	2,24,04,242	-	-	2,34,32,359	77,20,569	85,18,907	
8	Office Equipment	26,81,67,648	1,28,01,162	-	-	28,09,68,810	14,23,88,436	2,45,32,238	9,781	-	16,69,10,893	51,61,53,332	12,57,79,212	
9	Other Civil Works	2,04,73,461	10,84,102	-	-	2,15,57,563	96,18,099	4,91,502	-	65,572	1,01,75,173	1,13,82,390	1,08,55,362	
10	Intangible Fixed Assets	-	-	-	-	77,92,98,092	-	-	-	-	-	77,92,98,092	-	
	Total	49,26,85,97,874	6,12,51,04,766	3,97,39,15,147	72,16,76,139	58,64,59,41,648	20,55,98,41,648	1,81,82,44,484	31,67,28,297	74,55,08,349	22,80,68,66,184	35,83,90,75,464	28,70,87,56,226	
	Previous Year	45,29,30,59,907	4,65,14,14,226	-	-	49,26,85,97,873	18,54,69,37,972	1,60,93,96,896	34,20,28,206	74,55,34,985	20,55,98,41,647	28,70,87,56,226	28,74,61,21,935	

(i) Fixed Assets have been taken over by the company from UPCL on 09.11.2001 gross Rs. 1053,18,00,000 with accumulated depreciation of Rs. 397,10,00,000 Details of the Individuals block of assets have been taken at values as per the transfer scheme finalized between UPCL & UPCL and the total value of Rs. 1053,18,00,000 has been treated as gross block and Rs. 397,10,00,000 as accumulated depreciation. As on 1st June, 2004 Power Transmission Corporation of Uttarakhand Limited (PTCLU) has been separated from corporation and Rs. 363,39,06,961 from Gross Block transferred to PTCLU and Rs. 112,96,30,101 from accumulated depreciation has been transferred from Fixed Assets.

(ii) The Company has charged Depreciation in FY 2018-19 on the value of Fixed Assets in use as on 01-04-2018 in accordance with Straight Line Method as per Depreciation rates as prescribed by the Uttarakhand Electricity Regulatory Commission.

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

(iv) Gross Block as on 31.03.2019 includes Assets created out of grants & consumer contributions for Rs. 1823,42,48,557 (Previous Year Rs. 1428,03,33,410) & accumulated Depreciation thereon for Rs. 962,66,25,457 (Previous Year Rs. 888,11,17,108).

(v) During the FY 2018-19 assets of Rs. 397,39,15,147 relating to projects R-APDRP Part-A & R-APDRP Part-B have been capitalized. (Refer sub-note (ii) note no. 2)

(ii) Capital Work In Progress

S.No.	Particulars	Current year	Previous Year
1	Capital Work In Progress		
	Balance as per last balance sheet	8,77,95,07,544	8,12,80,57,959
	Add: Additions during the year	7,95,03,71,863	5,30,03,85,801
	Less: Capitalisation during the year	10,09,24,10,069	4,64,59,36,196
	Total	6,63,74,69,338	8,77,95,07,544



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.11 => Inventory for Capital Works

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Capital Inventory and Stores	3,44,93,61,556	3,14,62,16,306
	Total	3,44,93,61,556	3,14,62,16,306

- (i) 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".
- (ii) 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 2019

Note No.12=> Deferred Tax Assets (Net)

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Balance as per last Balance Sheet	1,11,13,55,094	94,09,90,481
	Add/Less: Deffered Tax on account of timing differences		
	i) Depreciation	(16,49,26,611)	(11,33,32,122)
	ii) Interest on GPF Loan u/s 43B	10,94,35,699	10,12,15,442
	iii) Prov. for Bad Debts	17,21,85,490	18,24,81,293
	Total	1,22,80,49,672	1,11,13,55,094



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.13 => Long Term Loans and Advances

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
A	<u>Capital Advances</u>		
	Secured & Considered Good	-	-
	Un-Secured & Considered Good	8,30,12,49,613	6,65,15,11,749
		8,30,12,49,613	6,65,15,11,749
B	<u>Other Loans & Advances</u>		
1	<u>Sundry Receivables</u>		
	Secured & Considered Good	-	-
	Un-Secured & Considered Good	2,38,02,62,569	2,50,46,14,328
		2,38,02,62,569	2,50,46,14,328
2	<u>Recoverable from State Govt. (On finalisation of transfer scheme of PTCUL)</u>		
	Secured & Considered Good	-	-
	Un-Secured & Considered Good [refer sub-note (i)]	-	1,88,81,40,313
		-	1,88,81,40,313
	Total	10,68,15,12,182	11,04,42,66,390

(i) Refer sub-note (i) to Note no. 2



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.14 => Trade Receivables

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Un-Secured, Considered Good		
	For a period exceeding Six Months from due date of payment	2,73,55,85,872	2,11,48,62,547
	Others	1,95,31,40,120	1,56,20,82,365
	SUB Total (A)	4,68,87,25,992	3,67,69,44,912
2	Un-Secured, Considered Doubtful		
	Exceeding Six Months from due date of payment	10,88,09,10,385	10,27,26,05,078
	Others	1,20,90,98,376	1,26,55,27,112
	SUB TOTAL (B)	12,09,00,08,761	11,53,81,32,190
	TOTAL (A+B)	16,77,87,34,753	15,21,50,77,102
	Less: Provision for Bad & Doubtful Debts	(12,09,00,08,761)	(11,53,81,32,190)
	Total	4,68,87,25,992	3,67,69,44,912

- (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) 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 2019

Note No.15 => Cash & Cash Equivalent

(Amount in Rupees)			
S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	1. Cash Balance		
	Cash in Hand	15,31,35,162	10,33,51,236
	Cheques / DD in Hand	1,61,47,93,901	1,12,13,11,702
		1,76,79,29,063	1,22,46,62,938
	2. Bank Balance		
	With Scheduled Banks		
	- In Current Account	2,96,13,06,555	2,54,90,98,678
	- In Deposits Account [refer sub-note (ii) & (iii)]	9,80,86,47,933	8,67,75,92,965
		12,76,99,54,488	11,22,66,91,643
	Total	14,53,78,83,551	12,45,13,54,581

- (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.550,00,00,000 pledged with Punjab National Bank, Astley Hall Branch.
- (b) Rs.50,00,00,000 pledged with Bank of Baroda, Kishan Nagar Branch.
- (c) Rs.50,00,00,000 pledged with Bank of India, Ballupur Chowk Branch.
- (d) Rs.150,00,00,000 pledged with HDFC Bank Ltd., Arhat Bazar Branch.
- (iii) Deposits include Rs. 1,46,43,518 earmarked for being spent in CSR activities pertaining FY 2014-15. The Fixed Deposit Receipts is made with Punjab National Bank, Kanwali Road Branch, Dehradun on 31.03.2017.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.16 => Short Term Loans and Advances

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
A	<u>To Related Parties</u>	-	-
B	<u>Others</u>		
1	Advances for O&M Supplies/Works		
	Secured & Considered Good	-	-
	Un-Secured & Considered Good	20,64,86,391	19,16,89,314
		20,64,86,391	19,16,89,314
2	Loans & Advances- Others		
	Secured & Considered Good	-	-
	Un-Secured & Considered Good	67,52,810	54,40,393
		67,52,810	54,40,393
	Total	21,32,39,201	19,71,29,707



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.17 => Other Current Assets

(Amount in Rupees)

S.No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Advance Tax/TDS Receivable	22,35,35,520	16,94,22,599
2	Income Accrued on FD	24,16,63,415	22,56,04,902
3	Regulatory Assets [refer sub-note (i)]	2,54,54,00,000	-
	Total	3,01,05,98,935	39,50,27,501

(i) Refer sub-note (i) to Note no. 27



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.18 => Revenue from Operations

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Revenue from Sale of Power to Consumers	62,18,60,70,571	57,81,30,54,649
	Total	62,18,60,70,571	57,81,30,54,649

- (i) 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.
- (ii) 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.
- (iii) The tariff rates stated above have been notified by Uttarakhand Electricity Regulatory Commission vide their Tariff Order dated 21.03.2018 effective from 01.04.2018 and onwards.
- (iv) The above includes Rs.165 Crore (Previous year Rs. 173 Crore) on account of Delayed Payment Surcharge.
- (v) The above includes Rs.138,36,53,294 (Previous year Rs. 129,72,96,444) 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 2019

Note No.19 => Other Income

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Interest on Deposits	57,41,47,049	61,69,74,298
2	Miscellaneous Receipts	7,36,95,895	15,58,97,190
3	Income from Staff Welfare Activities	16,91,307	14,09,559
4	Rebate/Incentives on Power Purchase	5,99,64,388	22,46,52,116
5	Material Cost Variance	21,57,03,144	30,41,39,619
	Total	92,52,01,783	1,30,30,72,782



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.20 => Purchase Cost of Electricity

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	BALLUPUR SOLAR POWER PROJECT PVT. LTD.	8,84,37,740	8,36,08,013
2	SUNHETI SOLAR PROJECT PVT. LTD.	4,60,66,491	3,33,69,014
3	SHAKUMBHARI SOLAR POWER PROJECT PVT. LTD.	9,05,03,692	8,42,08,518
4	AR SOLAR POWER	1,64,95,308	1,30,76,513
5	IMPEX INDIA	1,99,40,950	1,44,18,609
6	MAKIN DEVELOPERS PVT. LTD.	92,78,514	74,25,865
7	HYDRO POWER ENGINEERS	82,18,152	64,39,489
8	CHUDIALA SOLAR POWER PROJECT PVT. LTD.	9,05,08,074	8,60,31,067
9	HIMALAYA PLASTIC PRODUCTS (PUNEET PANT)	7,80,058	5,46,050
10	PRADYOT KANSAL	3,60,333	5,53,143
11	AB RENEWABLE ENERGY PVT. LTD.	4,50,78,277	3,59,43,740
12	RAJESH KUMAR SINGH	5,61,903	8,79,043
13	SANJAY P GARG	18,28,949	6,47,807
14	RAKESH KUMAR	26,01,209	27,09,061
15	BHAGWATI PRASAD	-	83,697
16	ANIL KUMAR GUPTA	25,022	1,08,753
17	USA SOLAR SYSTEMS	27,83,741	28,06,073
18	ARUNCHAL PRADESH POWER CORPORATION PVT. LTD	2,85,15,825	-
19	SOLAR POWER PURCHASE (EDD - TEHRI)	20,32,446	17,677
20	SOLAR POWER PURCHASE (EDD - SRINAGAR)	5,64,111	-
21	CHANCHAL SINGH	3,47,537	-
22	SOLAR POWER PURCHASE (EDD - ALMORA)	13,68,400	-
23	SOLAR POWER PURCHASE (EDD - RAIPUR)	73,449	-
24	SOLAR POWER PURCHASE (EDD - DHARCHULA)	3,16,278	-
25	SOLAR POWER PURCHASE (EDD - PITHORAGARH)	8,89,212	-
26	SOLAR POWER PURCHASE (EDD - RAMNAGAR)	96,011	-
27	SOLAR POWER PURCHASE (EDD - RANIKHET)	6,57,036	-
28	SOLAR POWER PURCHASE (EDD - BAGESHWAR)	2,40,820	-
29	SEMBICORP GAYATRI POWER LIMITED	97,06,80,489	-
30	SOLAR POWER PURCHASE (EDD - CHAMPAWAT)	2,35,047	-
31	SOLAR POWER PURCHASE (EDD - BHIKASEN)	4,10,829	-
32	SOLAR POWER PURCHASE (EDD - GAIRSAIN)	2,72,043	-
33	SOLAR POWER PURCHASE (EDD - NARAYANBAGARH)	17,211	-
34	LPS ON POWER PURCHASE (SURCHARGE)	2,53,57,351	-
35	SOLAR POWER PURCHASE (EDD - MOHANPUR)	6,358	-
36	SOLAR POWER PURCHASE (EDD - NAINITAL)	12,15,287	-
37	SOLAR POWER PURCHASE (EDD - UTTARKASHI)	6,04,855	-
38	SOLAR POWER PURCHASE (EDD - PAURI)	52,52,433	-
39	NTPC	7,56,20,59,404	6,50,11,64,987
40	NPCL	1,18,61,39,038	1,36,85,90,731
41	NHPC	2,41,02,89,334	2,74,42,11,152
42	NRLDC	75,37,00,748	30,56,42,923
43	UJVNL	6,64,94,96,196	8,07,77,26,680
44	SATLUJ JAL VIDYUT NIGAM	93,64,68,308	1,01,98,97,911
45	THDC	1,45,50,00,622	81,08,31,885
46	HIM URJA PVT. LTD.	36,63,55,204	37,86,84,443
47	PDF TO GOVT.	1,64,25,23,197	1,04,45,37,222
48	UREDA	2,39,08,065	60,10,593
49	REGENCY AQUAELECTRO & MOTEL RESORTS, PONTA	-	55,01,281
50	PTC INDIA LTD.	6,38,61,91,607	3,14,85,83,994
51	RBNS SUGAR MILL	24,09,90,381	25,92,03,939
52	CHAMOLI HYDRO POWER PROJECT	6,08,08,134	6,64,22,815
53	BIRAHU GANGA HYDRO POWER LIMITED	9,42,75,720	9,14,86,740
54	PARVITIYA POWER (P) LTD, RANIKHET	7,49,94,562	6,45,63,137
55	GUNSOLA HYDRO POWER GENERATION PVT. LTD.	5,22,84,669	5,30,81,190
56	SWASTI POWER	32,15,25,948	32,29,76,657
57	UTTAM SUGAR MILL	14,13,18,982	19,69,38,280
58	TATA POWER TRADING COMPANY LTD.	2,37,18,74,522	73,35,73,396
59	HIMALAYA HYDRO PRIVATE LIMITED.	7,15,99,197	20,23,04,298
60	MITTAL PROCESSORS PVT. LTD.	56,28,50,090	61,00,50,835
61	RV AKASH GANGA INFRASTRUCTURE LTD.	1,38,60,504	1,36,01,268



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.20 => Purchase Cost of Electricity

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
62	GMR ENERGY TRADING LIMITED	1,20,19,86,265	74,31,29,331
63	METRO FROZEN FRUITS & VEGETABLES PVT. LTD.	68,84,573	69,17,138
64	JAY ACE TECHNOLOGIES LTD.	1,06,24,856	1,19,47,699
65	ARAVALI POWER COMPANY PRIVATE LIMITED (APCPL)	23,71,35,288	36,61,75,431
66	SASAN POWER LTD.	1,03,82,61,625	1,07,41,37,911
67	LAKSHMI SUGAR MILS CO. LTD.	27,43,30,067	36,38,08,544
68	REGENCY GANGANI ENERGY PVT. LIMITED	16,51,39,539	17,45,33,616
69	MANIKARAN POWER LTD.	3,01,94,385	-
70	REGENCY YAMUNA ENERGY PVT. LTD.	7,86,70,872	7,17,59,332
71	UTTAR BHARAT HYDRO POWER PVT. LTD.	34,96,89,067	21,71,58,622
72	ASHOK ANEJA	43,53,928	64,65,038
73	OM PRAKASH AGRAWAL	6,18,885	12,92,833
74	PRADEEP KUMAR BANSAL	28,51,723	-
75	GREENKO BUDHIL HYDRO POWER PVT LTD	79,83,84,646	94,69,25,675
76	S.K.SOLAR POWER	36,78,116	67,85,010
77	S.R.SOLAR ENERGY PARK	23,30,172	30,72,073
78	GAMA INFRAPROP (P) LTD.	3,13,13,22,554	3,06,47,27,605
79	MADHAV INFRA PROJECTS LIMITED	15,36,06,557	14,99,98,104
80	RAJ KUMAR	27,18,040	31,84,675
81	SAI YSH SOLAR SYSTEMS	29,06,132	26,91,052
82	MUDIT GARG	18,37,618	22,03,455
83	PURSHOTAM INDUSTRIES	1,80,82,805	1,96,84,772
84	DHARMENDRA KUMAR	21,83,171	24,94,914
85	EASTMAN INTERNATIONAL	74,64,662	79,04,606
86	VIVAAN SOLAR PVT. LTD.	3,13,14,899	3,09,63,004
87	PURSHOTAM ISPAT	2,20,05,349	2,31,34,010
88	SRAVANTHI ENERGY PVT. LTD.	7,12,53,31,094	6,64,58,00,851
89	R C ENERGY	95,60,213	94,68,336
90	ADVIKA ENERGIES (P) Ltd.	1,02,26,556	1,01,18,858
91	PUSHPA SHARMA	13,17,137	-
92	NBU ENERGY PARK	24,98,556	22,33,088
93	MANISH GUPTA	19,54,461	16,30,989
94	SUNWORLD ENERGY PRIVATE LIMITED	11,73,62,100	11,69,47,238
95	DEVISHI SOLAR POWER PRIVATE LIMITED	11,77,57,397	11,13,89,627
96	DEVISHI RENEWABLE ENERGY PRIVATE LIMITED	11,53,01,058	11,04,78,435
97	EMINENT SOLAR POWER PRIVATE LIMITED	12,39,31,516	12,34,70,618
98	EMAMI POWER LIMITED	17,31,54,479	15,57,22,010
99	TECHNIQUE SOLAIRE INVEST 1 INDIA PVT. LTD.	4,31,70,797	4,09,18,421
100	PL SOLAR RENEWABLE LTD.	9,06,18,289	8,55,01,892
101	PL SUNRAYS POWER LIMITED	9,94,48,760	8,79,70,608
102	PL SURYA VIDYUT LIMITED	8,95,03,088	8,18,84,680
103	HARIDWAR SOLAR PROJECT PVT. LTD.	17,82,13,269	15,34,15,592
104	BINDOOKHADAK SOLAR PROJECTS PVT. LTD.	4,77,73,787	3,80,03,833
105	BHAGWANPUR SOLAR PROJECTS PVT. LTD.	4,83,66,834	4,24,83,464
106	SHORT TERM OPEN ACCESS CHARGES	38,54,74,729	34,31,60,714
107	FREE POWER (STATE ROYALTY POWER)	1,97,27,38,999	2,02,44,86,835
		53,17,34,14,786	45,88,46,39,528
108	PGCIL- (Wheeling Charges)	4,61,45,15,604	3,81,04,03,172
109	PTCUL- (Wheeling Charges)	3,11,87,50,416	2,54,33,47,655
	Total Cost (Including Transmission Charges)	60,90,66,80,806	52,23,83,90,355
	Less:-		
	U.I. CHARGES RECEIVED	14,08,24,063	11,86,17,600
	Net Cost	60,76,58,56,743	52,11,97,72,755



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.21=> Repair and Maintenance Expenses

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Repair and Maintenance-Plant and Machinery	31,02,95,693	28,35,00,176
2	Repair and Maintenance-Building & Civil Works	5,11,09,925	5,15,61,036
3	Repair and Maintenance-Lines, Cables Works, etc.	1,00,76,95,631	95,41,18,166
4	Repair and Maintenance-Others	74,66,581	1,00,20,967
	Total	1,37,65,67,830	1,29,92,00,345



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)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Salaries, Wages, Allowances and Bonus	2,47,65,60,257	2,14,24,48,884
2	Directors Remuneration	1,12,31,507	1,27,75,763
3	Terminal Benefits	54,07,24,751	45,40,64,590
4	Other Staff Costs	1,09,72,07,501	87,20,05,206
	Less: Employee Cost Charged to Capital WIP	(70,99,46,464)	(54,08,87,258)
	Total	3,41,57,77,552	2,94,04,07,185

1 As per AS-18, the details of Managerial Remuneration paid during year are as below :-

S. No	Name of Director with Designation	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Sh. B.C.K. Mishra, Managing Director	27,63,304	23,37,613
2	Sh. P.C. Dhyani, Director (HR)	27,56,260	25,54,965
3	Sh. Mohammed Afaque Khan, Director (Finance)	-	15,58,501
4	Sh. Atul Kumar Agarwal, Director (Operation)	32,41,620	31,69,092
5	Sh. Manoj Kumar Jain, Director (Project)	24,70,323	31,55,592
	Total	1,12,31,507	1,27,75,763



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.23 => Financial Cost

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A	<u>Interest Expense</u>		
1	Interest on State Govt. Loans	3,35,81,133	4,13,87,634
2	Interest on Other Loans & Liabilities	1,27,60,33,996	1,70,99,92,927
3	Interest on Consumers Security Deposit	46,08,71,481	42,00,35,508
	Total (A)	1,77,04,86,610	2,17,14,16,069
B	<u>Other Borrowing Costs</u>		
1	Guarantee Fees to Uttarakhand Govt.	3,04,01,600	10,72,88,000
2	Other financial and bank charges	44,53,84,239	34,37,33,228
	Total (B)	47,57,85,839	45,10,21,228
	Total (A+B)	2,24,62,72,449	2,62,24,37,297
	Less: Interest and other financial charges charged to Capital WIP	(11,35,86,247)	(52,33,80,682)
	Total	2,13,26,86,202	2,09,90,56,615



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.24 => Depreciation & Amortised Cost

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Depreciation	1,81,82,44,483	1,60,93,96,896
	Total	1,81,82,44,483	1,60,93,96,896



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.25 => Other Administrative Expenses

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Rent Rates & Taxes	64,56,714	51,17,714
2	Electricity and Water	6,95,74,254	10,10,64,256
3	Insurance	17,20,843	12,34,077
4	Communication	2,14,74,020	2,12,74,219
5	Printing and stationery	1,86,44,740	1,42,65,487
6	Travelling and Conveyance	7,04,29,864	5,67,86,918
7	Legal & Professional	9,44,66,870	7,39,53,926
8	Fees & Subscription	9,80,974	17,69,280
9	Statutory Auditors Remuneration- Audit fees	5,90,000	5,90,000
10	Departmental Training	14,05,813	35,30,025
11	Advertisement and Promotion	4,92,67,433	4,11,28,867
12	Miscellaneous Expenses	6,42,82,360	6,08,43,790
13	Other debit to Revenue A/c, Compensation expenses to staff & outsiders, etc.	4,65,69,932	7,26,68,064
14	Bandwidth, Software Licence Renewal Charges	11,25,40,997	8,36,03,358
15	U.E.R.C. Fees	3,30,41,594	2,51,50,975
16	AMC of Hardware	3,53,65,971	2,41,69,532
	Less: Expenses charged to Capital WIP	(15,20,58,680)	(16,00,23,204)
	Total	47,47,53,699	42,71,27,284



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.26 => Exceptional/Prior Period items

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Prior Period Expenses - Depreciation	-	(3,47,85,669)
2	Prior Period Income - Others	-	(1,00,67,976)
3	Prior Period Income - Power Purchase	-	(2,23,65,334)
4	Prior Period Expenses - Power Purchase	-	1,69,69,078
5	Prior Period Exp. - Assessment	-	2,42,74,302
6	Prior Period- Retention Money, etc.	17,70,70,584	-
	Total	17,70,70,584	(2,59,75,599)



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.27 => Regulatory Income

(Amount in Rupees)

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Regulatory Income [refer sub-note (i)]	2,54,54,00,000	-
	Total	2,54,54,00,000	-

- (i) The tariff rate for the activities performed by the Company are determined by regulatory authority, i.e. Uttarakhand Electricity Regulatory Commission ("UERC"). This tariff rate for the Company is arrived on advance basis for financial year 2018-19. During the period under audit, the Company has incurred power costs in excess of the estimated costs and such excess costs are claimed by filing petition with UERC [Pet. No.-2842/UPCL/RM/B-22 dated 03.09.2019]. In accordance with Guidance Note (A) 30 on "Accounting for Rate Regulated Activities" the Company is required to create a regulatory asset with regard to the amount claimed. The Company has recognized, measured and disclosed regulatory assets of Rs. 2,54,54,00,000 in the financial statements. Such regulatory asset has been created by crediting the amount to the Profit & Loss Account.



UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st March 2019

Note No.28 => Earning per Equity share

S.No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Opening Number of Shares	1,30,60,299	1,28,40,299
	Addition		
	In FY 2017-18		
	Share Capital for 220000 Eq. Shares was made on 28-07-2017	-	1,48,877
	In FY 2018-19		
	Share Capital for 150000 Eq. Shares was made on 02-07-2018	1,11,781	-
	Weighted average closing Number of Shares	1,31,72,080	1,29,89,176
2	Net Profit/(Loss) for the Year	(5,53,22,53,733)	(2,29,21,96,839)
	Basic Earning per Share	(420.00)	(176.47)



UTTARAKHAND POWER CORPORATION LIMITED

CIN: U40109UR2001SGC025867

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2019

(Amount in Rupees)

Particulars	FY-2018-19		FY-2017-18	
Cash Flow From Operating Activities (A)				
Net Profit/(Loss) before tax and Exceptional & extra-ordinary items	(8,01,72,77,727)		(2,48,85,37,051)	
Adjustments for:				
i) Depreciation	1,81,82,44,483		1,60,93,96,896	
ii) Interest paid	94,65,98,385		1,02,27,53,324	
iii) Prior Period Expenses - Depreciation	-		3,47,85,669	
iv) Prior Period Expenses - Retention Money etc.	(17,70,70,584)		-	
v) Interest Income	(57,41,47,049)		(61,69,74,298)	
vi) Prior Period Expenses - Power Purchase	-		(1,69,69,078)	
vii) Prior Period Income - Others	-		1,00,67,976	
viii) Prior Period Income - Power Purchase	-		2,23,65,334	
ix) Prior Period Expenses - Assessment	-		(2,42,74,302)	
x) Regulatory Income	2,54,54,00,000		-	
Operating Profit before Working Capital Changes	(3,45,82,52,492)		(44,73,85,531)	
Adjustment for Working Capital Changes				
i) Debtors	(1,01,17,81,080)		35,79,34,506	
ii) Other Current Assets, Loans and Advances	(2,41,21,08,514)		5,32,46,986	
iii) Current Liabilities & Provisions	9,00,72,97,399		4,17,17,74,939	
Cash generated from Operations	2,12,51,55,313		4,13,55,70,900	
Net Cash from Operating Activities		2,12,51,55,313		4,13,55,70,900
Cash Flow From Investing Activities (B)				
i) Purchase & Sale of Fixed Assets	(9,69,40,72,071)		(4,31,75,66,170)	
ii) Capital Work in Progress	2,14,20,38,206		(65,04,49,605)	
iii) Interest paid	(94,65,98,385)		(1,02,27,53,324)	
iv) Capital Advances & Other Loans & Advances	36,27,54,208		(1,26,32,20,791)	
v) Interest Income	57,41,47,049		61,69,74,298	
vi) Inventory for Capital Works	(30,31,45,250)		(6,64,85,200)	
Net Cash used in Investing Activities		(7,86,48,76,242)		(6,70,35,00,792)
Cash Flow From Financing Activities (C)				
i) Increase in Loan Balances & Cash Credit	(47,82,91,869)		1,61,85,73,065	
ii) Increase in Share Capital/Application	1,22,87,85,000		22,00,00,000	
iii) Increase in Capital Reserve	7,07,57,56,768		1,63,56,56,697	
Net Cash from Financing Activities		7,82,62,49,900		3,47,42,29,762
Net Increase in Cash & Cash Equivalents (A+B+C)		2,08,65,28,970		90,62,99,870
Cash & Cash Equivalents as at 1st April [Opening Balance]		12,45,13,54,581		11,54,50,54,711
Cash & Cash Equivalents as at 31st March [Closing Balance]		14,53,78,83,551		12,45,13,54,581

(I) 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 29 form an Integral Part of the Balance Sheet"

Auditor's Report "As Per our Separate Report of even date"

FOR HEMANT ARORA & CO LLP
CHARTERED ACCOUNTANTS
F.R. No.: 002141C/C400005

FOR & ON BEHALF OF BOARD OF DIRECTORS

SANJAY ARORA
PARTNER

M.No. 400076

DATE: 12th September, 2019

PLACE : DEHRADUN




(R.J. MALIK)
COMPANY SECRETARY


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


(B.C.K. MISHRA)
MANAGING DIRECTOR
DIN: 02467498