

U.P. POWER CORPORATION LIMITED

CONSOLIDATED BALANCE SHEET

AS AT

31st MARCH 2015

&

CONSOLIDATED PROFIT & LOSS STATEMENT

FOR THE PERIOD ENDED ON

31st MARCH 2015

Registered Office :- 14, Ashok Marg, Lucknow - 226 001.


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U.P. POWER CORPORATION LIMITED
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CONSOLIDATED BALANCE SHEET AS AT 31.03.2015

Particulars	Note No.	Figures as at the end of Current Reporting Period
(I.) EQUITY AND LIABILITIES		
(1) Shareholders funds :		
(a) Share Capital	1	397510184000
(b) Reserve & Surplus	2	(768046899273)
(c) Money received under share warrants		
(2) Share Application Money pending Allotment	3	101796468229
(3) Non-Current Liabilities		
(a) Long-Term Borrowings	4	515234085070
(b) Deferred Tax Liabilities (Net)		
(c) Other Long-Term Liabilities	5	24454098908
(d) Other Long-Term Provisions		
(4) Current liabilities		
(a) Short-Term Borrowings	6	13372733689
(b) Trade Payable	7	202085609931
(c) Other Current Liabilities	8	149251090454
(d) Short-Term Provisions	9	800480
TOTAL		635658171488
(II.) Assets		
(1) Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	10	186986245957
(ii) Assets not in Possession	11	539500683
(iii) Intangible Assets	12	2005
(iv) Capital Work-in-Progress	13	13917319565
(v) Intangible Assets under Development		
(b) Non-Current Investments	14	22864400000
(c) Deferred Tax Assets (Net)		
(d) Long-Term loans and advances	15	360461050
(e) Other Non-Current Assets	16	33762109735
(2) Current Assets		
(a) Current Investments		
(b) Inventories	17	21899313027
(c) Trade Receivables	18	252699389724
(d) Cash and Cash Equivalents	19	53900598128
(e) Short-Term Loans and Advances	20	1949817963
(f) Other Current Assets	21	24091011789
Inter Unit Transfers		22686001662
Note 1 to 31 form Integral Part of Accounts. Significant Accounting Policies & Notes to Accounts of Holding, Subsidiary and Associates also form Integral Part of Accounts.		
TOTAL		635658171488


(H.K. Agarwal)
Company Secretary
(Part Time)


(A.K. Gupta)
Chief General Manager
(Accounts)


(Sudhanshu Dwivedi)
Director (Finance)
DIN- 6533235

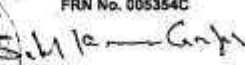

(P.K. Mishra)
Managing Director
DIN-05183625

Place : Lucknow
Date : 10 MAY 2017

Subject to our report of even date

For Gaur & Associates
Chartered Accountants
FRN No. 005354C





(S.K. Gupta)
Partner
M. No.016746

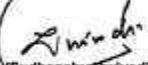
U.P. POWER CORPORATION LIMITED
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.


CONSOLIDATED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED ON 31st MARCH 2015

Particulars	Note No.	Figures for the current reporting period
(I) Revenue from Operations (Gross)	22	305375810792
(II) Revenue Subsidies & Grants		
(III) Other income	23	88865380044
(IV) TOTAL REVENUE (I + II+III)		394241190836
EXPENSES		
1 Cost of Materials Consumed		
2 Purchases of Stock-in-Trade (Power Purchased)	24	382507417527
3 Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade		
4 Employee Benefits Expense (Employee Cost)	25	12164190794
5 Finance Costs (Interest and Finance Charges)	26	51724801698
6 Depreciation and Amortization expense	27	4987082874
7 Other Expenses		
a) Administrative, General & Other Expenses	28	5387310294
b) Repairs and Maintenance Expenses	29	13102223401
c) Bad Debts & Provisions	30	133575923233
(V) TOTAL EXPENSES (1+2+3+4+5+6+7)		603448949821
(VI) Profit before Prior Period Income/(Expenditure), Exceptional and Extraordinary Items and Tax (V-V)		(209207758985)
(VII) Prior period income/(Expenditure)	31	6681406781
(VIII) Exceptional Items		
(IX) Profit before Extraordinary Items and Tax (VI - VII - VIII)		(202526352204)
(X) Extraordinary Items (Subsidy for Operational Losses)		-
(XI) Profit before Tax (IX-X)		(202526352204)
(XII) Tax expense:		
a) Current Tax	15,506	
b) Deferred Tax		15508
(XIII) Profit (Loss) for the Period from Continuing Operations (XI - XII)		(202528367710)
(XIV) Profit/(Loss) from Discontinuing Operations		-
(XV) Tax Expense of Discontinuing Operations		-
(XVI) Profit/(Loss) from Discontinuing Operations (After Tax) (XIII-XIV-XV)		-
(XVII) Profit/(Loss) for the Period (XIII + XVI)		(202526367710)
(XVIII) Earnings per Equity Share:		
a) Basic		(518.31)
b) Diluted		(518.31)
Note 1 to 31 form Integral Part of Accounts.		


(H.K. Agarwal)
Company Secretary
(Part Time)


(R.K. Gupta)
Chief General Manager
(Accounts)


(Sudhanagar Dwivedi)
Director (Finance)
DIN- 6533235


(A.P. Mishra)
Managing Director
DIN-05183625

Place : Lucknow
Date : 10 MAY 2017

Subject to our report of even date


For Gaur & Associates
Chartered Accountants
FRN No. 005354C

(S.K. Gupta)
Partner
M. No. 016746

U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

NOTE-1

SHARE CAPITAL

(Amount in Rs)

Particulars	As at 31.03.2015
-------------	------------------

(A) AUTHORISED :

600000000 Equity share of par value of Rs. 1000/- each 600000000000

(B) ISSUED SUBSCRIBED AND FULLY PAID UP

397510184 Equity share of par value Rs. 1000/- each 397510184000

(of the above shares 36113400 were allotted as fully paid up pursuant to UP Power Sector Reform Scheme for consideration other than cash)

(It includes 2000 shares of 1000/- each of Promoter's Share of Discom)

Total	397510184000
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a) During the year, The Company has issued 40605916 Equity shares of Rs. 1000 each only and has not bought back any shares.

b) The Company has only one class of equity shares having a par value Rs. 1000/- per share.

c) During the year ended 31st March 2015, no dividend has been declared by board due to heavy accumulated losses.

d) Detail of Shareholders holding more than 5% share in the Company:

Shareholder's Name	As at 31.03.2015	
	No. of Shares	% age holding
Government of UP	397508184	100%

e) Reconciliation of No. of Shares

No. of Shares as on 31.03.2014	Issued during the year	Buy Back during the Year	No. of Shares as on 31.03.2015
356902268	40605916		397508184

U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CONSOLIDATED FINANCIAL STATEMENT

Note-2

RESERVE AND SURPLUS

(Amount in Rs)

Particulars		As at 31.03.2015
A. Capital Reserve		
(i) Consumers Contributions towards Service Line and other charges	50040485568	
(ii) Subsidies towards Cost of Capital Assets.	5540622417	
(iii) APDRP Grant	696993662	
(iv) Others	1959511681	58237613328
B. Other Reserve		
(i) Restructuring Reserve	5652167672	
(ii) Surplus/(Deficit)	-1120161900567	-1114509732895
Sub Total		-1056272119567
Add:		
Provision for Diminution of Discoms Reversed	287294043000	
Provision for B/D interest & Loan to Kesco Reversed	931177294	28822520294
Total		-76804689273

Note-3

SHARE APPLICATION MONEY

(Amount in Rs)

Particulars	As at 31.03.2015
Share Application Money (Pending for allotment to the Govt. of UP)	101796468229
Total	101796468229

Reconciliation of Share Application Money

(Amount in Rs)

Share Application Money as on 31.03.2014	Addition During the Year	Deduction/ Capitalized during the Year	Share Application Money as on 31.03.2015
50505918031	91896466198	40605916000	101796468229

U.P. POWER CORPORATION LIMITED
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CONSOLIDATED FINANCIAL STATEMENT

Note-4

LONG TERM BORROWINGS

(Amount in Rs)

Particulars	As at 31.03.2015
UNSECURED LOANS	
Transfer Scheme	
REC	4608920849
PFC	557573655
	<u>5166494504</u>
AFDRP(PFC)	512145748
R-APDRP(PFC)	6580343822
R-APDRP(REC)	3322282336
REC(ABC)	543118370
APDRP(REC)	195804500
REC	13753113193
PFC	5669911349
U.P. State Industrial Development Corporation Ltd.	64890
Housing Development Finance Corporation Ltd.	6854
	<u>30576791052</u>
BONDS/ LOANS RELATE TO DISCOMS	
9.68% Non Convertible Bonds	<u>105402500000</u>
	105402500000
Loan from Banks	
Central Bank of India	32746341728
State Bank of India	12512700000
Union Bank of India	23414757382
Allahabad Bank	11983463001
Dena Bank	7084441514
Indian Overseas Bank	9409074676
Canara Bank	29701300000
Punjab National Bank	39916657968
Vijaya Bank	9633723987
Bank of Maharashtra	4782855454
United Commercial Bank	15281866668
Bank of Baroda	6535890999
Oriental Bank of Commerce	19468895238
Bank of India	7937502054
South Indian Bank	2014593737
Punjab & Sindh Bank	8849951428
Federal Bank	1073685714
Corporation Bank	11744400000
Syndicate Bank	3492711139
Karur Vysaya Bank	397628571
	<u>257982451258</u>
Other than Bank	
REC	49983766232
PFC	60390714286
HUDCO	5836718461
	<u>116211198979</u>
Sub Total	515339435803
Current Maturity	-105350733
Total	515234085070

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CONSOLIDATED FINANCIAL STATEMENT

Note-5

OTHERS LONG TERM LIABILITIES

(Amount in Rs)

Particulars	As at 31.03.2015
Security Deposits from Consumers	20887951348
Interest on Security Deposits from Consumers	3102672272
Provision for Leave Encashment	463475288
Total	24454098908

Note-6

SHORT-TERM BORROWINGS

(Amount in Rs)

Particulars	As at 31.03.2015
Overdraft from Banks	
State Bank of India	303695705
Central Bank of India	1062149400
Canara Bank	1004209628
Punjab National Bank	299982790
Allahabad Bank	3688992522
ICICI Bank	1001210146
Indian Overseas Bank	1011678082
Oriental Bank of Commerce	1249936125
Bank of India	493180515
Karur Vysaya Bank	757698776
NOIDA Loan	2500000000
Total	13372733689

Note-7

TRADE PAYABLE

(Amount in Rs)

Particulars	As at 31.03.2015
Liability for Purchase of Power	165215162180
Liability for Wheeling Charges	36870447751
Total	202085609931



U.P. POWER CORPORATION LIMITED

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Note-8

OTHER CURRENT LIABILITIES

(Amount in Rs)

Particulars	As at 31.03.2015
Current Maturity of Long Term Borrowings (Other)	1683605755
Interest accrued & due (Loans through PCL)	6005602540
Interest accrued & due on borrowings(REC)	386797757
Current Maturity of Long Term Borrowings through UPPCL	23876526664
Liability for Capital Supplies/works	34852462104
Liability for O&M Supplies/works	3874596920
Staff related liabilities	11073832775
Deposits & Retentions from Suppliers & others	7809721531
Electricity Duty & other levies payable to govt.	32483583662
Deposit for Electrification works	1746318138
Deposit Works	4249771612
Sundry Liabilities	2997528095
<u>Payable to UPJVNL</u>	
Payable	384259624
Receivable	<u>-1377554</u>
	382882070
Liabilities for Expenses	834371125
Liabilities towards UPPCL CPF Trust	148756522
Interest Accrued but not Due on Borrowings	7641333459
Sundry Liabilities	255308625
<u>Liabilities towards UP Power Sector Employees Trust</u>	
Provident Fund	6789266647
Pension & Gratuity Liability	<u>2158553958</u>
	8947820605
VAT Payable	95000
Amount Refundable to parties	171000
Others	4495
Total	149251090454

Note-9

SHORT-TERM PROVISIONS

(Amount in Rs)

Particulars	As at 31.03.2015
Provision for Liabilities/Payments	529102
Provision for Audit Expenses	151560
Provision for Legal & Professional Charges	104312
Provision for Income Tax	15506
Total	800480

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CONSOLIDATED FINANCIAL STATEMENT

NOTE-30.

TANGIBLE ASSETS

Particulars	(Amount in Rupees)											
	As at 31.03.2014		Direct Block		As at 31.03.2015		As at 31.03.2014		Depreciation		Net Block	
	As at 31.03.2014	Addition	Adjustment/Deletion	As at 31.03.2015	Addition	Adjustment/Deletion	As at 31.03.2014	Addition	Adjustment/Deletion	As at 31.03.2015	As at 31.03.2014	
Land & Land Rights	67639232	43947742	3751272	107835702	-	-	386672728	3800597	-4568716	8549313	99286189	67639232
Buildings	3036209050	3063294705	202609379	589773136	9498207	9498207	-	1592555142	-139098074	2170175544	3726599632	2649867502
Plant & Pipe Lines	-	198424426	-	198424426	208628096	-	32153137	141207881	-	141207881	57216545	-
Power Road/Kachhwa Road	66947585	141680611	-	208628096	-	-	14074614282	1521670	-59423355	93098182	115529914	34794428
Other Civil Works	55729734337	64222754641	33384558457	56607952527	-109832060231	-109832060231	14074614282	14074614282	-8070785236	11193319287	85414613240	66681814568
Plant & Machinery	96523794576	58884077298	2608627069	153199244805	18188238143	18188238143	34336832792	56814302	-4224914487	56753188422	96447259983	78735556433
Lines, Cable Networks etc.	99966882	65027944	2207100	162782726	45731953	45731953	57551831	56814302	-7119784	123483917	41296809	42415061
Vehicles	204980490	77468282	1388000	281060772	1388000	1388000	35787284	46661307	-4230306	96623566	184437206	159248537
Furniture & Fixtures	777341854	613531418	-	1390878772	-	-	35787284	1111211551	-22822572	491531207	859342065	419754570
Office Equipments	73714200000	-73714200000	-	-	-	-	66567543478	-60235279037	6381500000	-	-	714665652
OB as per Transfer Scheme	-	-	-	-	-	-	-	-	-	-	-	-
Total	23062084786	53605500180	26152739777	25865055889	74683347943	74683347943	9879136099	-8203362130	71074809743	18698249957	155337548943	

mynd

Adh

Car



U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

Note-11

ASSETS NOT IN POSSESSION

(Amount in Rs)

Particulars	As at 31.03.2015
Lines, Cable & Networks etc.	539500883
Total	539500883

Note-12

INTANGIBLE ASSETS

(Amount in Rs)

Particulars	As at 31.03.2015
Computer Software	2005
Total	2005

Note-13

CAPITAL WORKS IN PROGRESS

(Amount in Rs)

Particulars	As at 31.03.2015
CAPITAL WORKS IN PROGRESS as on 01.04.2014	14171682208
Revenue Expenses Pending for Capitalisation upto Previous Year	259999419
Effect of Transfer Scheme	132926498
Add- Addition during the year	58464305585
Deduction/Adjustment	-2186663530
Capitalisation during the year	-56924930615
Total	13917319565

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U.P. POWER CORPORATION LIMITED
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

Note-14

NON-CURRENT INVESTMENTS

(Amount in Rs)

Particulars		As at 31.03.2015
UPPTCL		
Investment in Share Capital	22133352000	
Investment in Share Application Money	1807231000	
Provision for Diminution	-1076308000	22864275000
Yamuna PGCL		125000
Total		22864400000

Note-15

LONG-TERM LOANS AND ADVANCES

(Amount in Rs)

Particulars		As at 31.03.2015
Capital Advances		
Unsecured Considered Doubtful		
Advance to Supplier/Contractor Interest Free	475466	
Provision for Doubtful Loans & Advances	-475466	
Unsecured Considered Good		
Advance to Fabricators		360461050
NPCL		
Loan	56843000	
Interest Accrued and Due	595720887	
Provision for B/D Loan & Interest	-652563887	
Total		360461050

Note-16

OTHER NON- CURRENT ASSETS

(Amount in Rs)

Particulars		As at 31.03.2015
Advances to Capital Suppliers / Contractors	33771903730	
Provision for Doubtful Advances	-9793995	33762109735
Total		33762109735

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

Note-17

INVENTORIES

(Amount in Rs)

Particulars	As at 31.03.2015	
(a) Stores and Spares		
Stock of Materials - Capital Works	16834992684	
Stock of Materials - O&M	4715367837	21550360521
(b) Others		2469382766
Sub Total		24019743287
Provision for Unserviceable Stores		-2120430260
Total		21899313027

Note-18

TRADE RECEIVABLES

(Amount in Rs)

Particulars	As at 31.03.2015	
Sundry Debtors		5467642508
<u>Debt outstanding for a period exceeding six month from the date they are due for payment</u>		
Secured & Considered good	11010254164	
Unsecured & Considered good	16528333833	
Considered doubtful	38139473032	214433061029
<u>Other Debts</u>		
Secured & Considered good	745113744	
Unsecured & Considered good	99652721363	
Considered doubtful	15580544434	115978379541
<u>Debt outstanding against theft</u>		
Unsecured & Considered good	857591097	
Considered doubtful	285863699	1143454796
Sub Total		337022537874
Allowance for Bad & Doubtful Debts	-72218501743	
Unrealised Late Payment Surcharge	-12104646407	-84323148150
Total		252699389724








U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

Note-19

CASH AND CASH EQUIVALENTS

(Amount in Rs)

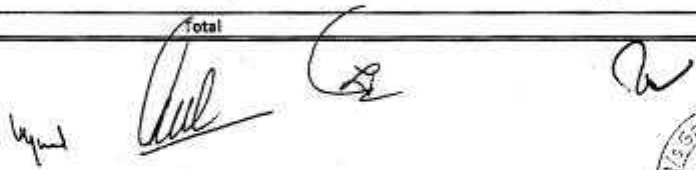
Particulars		As at 31.03.2015
(a) Balance with Banks		
In Current & Other Accounts	32346107774	
In Fixed Deposit Accounts	9605610709	41951718483
(b) Cash in Hand		
Cash in Hand (Including Stamps in Hands)	11166813996	
Cheque in Hand	631201964	
Cash imprest with Staff	150863685	11948879645
Total		53900598128

Note-20

SHORT- TERM LOANS & ADVANCES

(Amount in Rs)

Particulars		As at 31.03.2015
Advances (Unsecured/Considered Good)		
Suppliers/Contractors	1655264252	
Provision for Doubtful Advances	-102414210	1552850042
Tax Deducted at source		134849809
TDS- Other Receipts		4870684
Advance Income Tax		48591394
Fringe Benefit Tax (Advance Tax)	7627083	
Provision	-4102821	3524262
Unsecured Considered Good (Employees)		186472
Advances recoverable in Cash or in kind of value to be received		15476529
Other Advances		93370476
UPPCL Contributory Provident Fund		15811459
Land		74386785
Misc. Recovery		5900051
Total		1949817963





U.P. POWER CORPORATION LIMITED
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

Note-21

OTHER CURRENT ASSETS

(Amount in Rs)

Particulars	As at 31.03.2015
Income Accrued & Due	142679301
Income Accrued but not Due	234723225
Receivables (Unsecured)	377402526
Uttar Pradesh Government	10689558893
Claims receivable from GoUP against Bunkar Arrears	63772783
Uttaranchal PCL	10753331676
Receivable	1926227134
Payable	-1669870
UPRVNL	1924557264
Receivable	51567288
Payable	-678613
UPPTCL	50888675
Receivable	2571926198
Payable	-5442158
	2566484040
Employees	2145339433
Others	7816115392
Prov. For Doubtful Receivables	-1581946215
Prepaid Expenses	8930078
Theft of Fixed Assets Pending Investigation	1108331049
Prov. For Estimated Losses	-1078459126
Income Tax Deducted at Source (Income from Investments)	36997
Total	24091011789

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U.P. POWER CORPORATION LIMITED
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
 CONSOLIDATED FINANCIAL STATEMENT

Note-22

REVENUE FROM OPERATIONS (GROSS)

(Amount in Rs)

Particulars		For the Year ended on 31.03.2015
Supply in Bulk		
Torrent Power Ltd.		6495511023
Large Supply Consumer		
Industrial	89613120463	
Traction	8315547584	
Irrigation	5313587169	
Public Water Works	8659524613	111901779829
Small & Other Consumers		
Domestic	88327769909	
Commercial	39148563984	
Industrial Low & Medium Voltage	19441126307	
Public Lighting	5155028360	
STW & Pump Canals	9753220968	
PTW & Sewage Pumping	10407072453	
Institution	1863720739	
Railway	403420112	
Assessment against Theft	309841266	
Regulatory Surcharge	3468478930	
Miscellaneous Charges from Consumers	9459950090	
Electricity Duty	-1199436577	186538756541
Other Operating Revenue		
Delayed Payment Charges from Consumers	103143860	
Other recoveries from Consumers	8760235	
Sale of Scrap	16830949	
Penalty from Contractor	7922631	
Extra State Consumer	303105724	439763399
Total		305375810792

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U.P. POWER CORPORATION LIMITED
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
 CONSOLIDATED FINANCIAL STATEMENT

Note-23

OTHER INCOME

(Amount in Rs.)

Particulars	For the Year ended on 31.03.2015
-------------	-------------------------------------

<u>From U.P. Govt.</u>		
RE Subsidy from Govt. of U.P.	15078200000	
Revenue Subsidy from Govt. of U.P.	43041900000	
Subsidy for Operational Losses	18713200000	77833300000
<u>(a) Interest from :</u>		
Loans to Staff	1954702	
Loans to NPCL (licensee)	84791815	
Fixed Deposits	808115801	
Banks	70311154	
Others	1416004349	2381177821
<u>(b) Other non operating income</u>		
Delayed Payment Charges	8172440555	
Income from Contractors/Suppliers	356789192	
Rental from Staff	7265963	
Miscellaneous Receipts	113046931	
Excess found on Verification of Stores	219758	
Sale of Tender Forms	1139824	8650902223
Total		88865380044







U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

Note-24

PURCHASE OF POWER

(Amount in Rs)

Particulars	For the Year ended on 31.03.2015
Transmission Charges	13954354111
<u>Power Purchase from:</u>	
NTPC	86202630949
Power Trading Corporation Ltd.	3711063531
NPCIL	6470568836
UPRVUNL	82115459597
Saitaj JVNL	4793145735
NHPC	13725211904
UPJVNL	778732204
Adani Exports	307014989
NTPC (VVNL)	2965139272
LANCO EU Ltd./NETS	101605871
THDC	17144559114
Vishnu Prayag	3935042989
Rosa Power Co. Ltd.	46485147491
Arawali Power Co. Pvt. Ltd.	3436180699
Power Purchased through Energy Exchange	7410531631
Bajaj Energy Pvt. Ltd.	18925631936
Lanco Anpara Power Ltd.	28461079290
SASAN (UMPP)	1765688773
GMR Energy Pvt. Ltd.	383144128
Lalitpur Power Projects	284187069
Co- Generating Units	15651122589
Surcharge	3973347819
Unscheduled Interchange & Reactive Energy Charges	4265597965
<u>Inter-state Transmission & Related Charges to:</u>	
Power Grid Corporation Ltd.	15480355524
Power System Operation Corp.	48871895
Sub Total	382775415911
Rebate against Power Purchase	-267998384
Total	382507417527

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U.P. POWER CORPORATION LIMITED
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

Note-25

EMPLOYEES COST

(Amount in Rs)

Particulars	For the Year ended on 31.03.2015
Salaries & Allowances	7576873183
Dearness Allowance	6462220805
Other Allowances	558498115
Bonus/Ex.Gratia	43476937
Medical Expenses (Reimbursement)	252893421
Leave Travel Assistance	441342
Earned Leave Encashment	1520602216
Compensation	7745249
Staff Welfare Expenses	35158672
Pension & Gratuity	1692432649
Other Terminal Benefits	339769574
Expenditure on Trust	25521816
Contributions to provident and other funds	142764896
Sub Total	18638398877
Less: Expense Capitalised	6474208083
Total	12164190794

Note-26

FINANCE COSTS

(Amount in Rs)

Particulars	For the Year ended on 31.03.2015
(a) Interest on Loans	
Working Capital	1442328974
Interest expenses on Borrowings	2649910868
(b) Other borrowing costs	
Finance Charges	15379286
Bank Charges	310679038
Guarantee Charges	14860464
(c) Interest on Loans	
PFC	5755754771
Others	30133
R-APDRP	166400064
APDRP	89346104
HUDCO	1399139777
REC	6921129227
Bank Loan	31741012556
Interest on GPF	267251587
Interest to Consumers	535616777
Interest on Secured Loan	1178031028
Sub Total	48053712024
Interest Capitalised	-762068976
Total	51724801698

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

Note-27

DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in Rs)

Particulars	For the Year ended on 31.03.2015
-------------	-------------------------------------

Depreciation on -

Buildings	24685489
Hydraulic Work	1430156
Other Civil Works	633411582
Plant & Machinery	1613073952
Lines, Cables & Networks etc.	5417769370
Vehicles	12787898
Furnitures & Fixtures	19518645
Office Equipments	43021843
Computer & Communication	9685481
Equivalent amount of dep. on assets acquired out of the consumer's contribution & GoUP subsidy	-3020456948
Capital Expenditure Assets not pertaining to Corporation/Nigam	9985406

Total

4967082874

Handwritten signatures and initials:
M. S. Gaur & Associates
A. S. Gaur
S. S. Gaur
S. S. Gaur



U.P. POWER CORPORATION LIMITED14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED FINANCIAL STATEMENT

Note-28

ADMINISTRATIVE, GENERAL & OTHER EXPENSES

(Amount in Rs)

Particulars	For the Year ended on 31.03.2015
Interest Expense on Electricity duty	349859731
Rent	21902307
Lease Rent on leasehold land to UPPCL	12
Rates & Taxes	39755064
Insurance	20521286
Communication Charges	196387300
Legal Charges	121487968
Auditors Remuneration & Expenses	5653568
Internal Audit Fees	10000
Consultancy Charges	141543438
Licence Fees	75494552
Technical Fees & Professional Charges	51122576
Travelling & Conveyance	177161929
Vehicle Expenses	65504
Printing & Stationery	134666129
Advertisement Expenses	105607021
Electricity Charges	2190117340
Water Charges	699505
Entertainment Expenses	1149709
Expenditure on Trust	1720451
Miscellaneous Expenses	846049076
Expenses incurred for Revenue Realisation	117661769
Compensation(Other than Staff)	51905695
Fees & Subscription	34747718
Online, Spot Billing & Camp Charges	742217783
Security Charges	86272155
Bank Charges	700
Rebate to consumer	4380743
Payment to Contractual Persons	132628821
Professional Charges	9044928
Revenue Expenses	998760996
Sub Total	6658555774
Expense Capitalised	-1271245480
Total	5387310294

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW,
CONSOLIDATED FINANCIAL STATEMENT

Note-28

REPAIRS AND MAINTENANCE

(Amount in Rs)

Particulars	For the Year ended on 31.03.2015
Plant & Machinery	5139110775
Buildings	821971269
Other Civil Works	6937558
Lines, Cables & Networks etc.	7112657498
Vehicles - Expenditure	159797497
Transferred to different Capital & O&M Works/ Administrative Exp.	<u>-159797497</u>
Furnitures & Fixtures	1137701
Office Equipments	20408599
Payment to Contractual Persons	576358325
Transferred to different Capital & O&M Works/ Administrative Exp.	<u>-576358325</u>
Total	13102223401

Note-30

BAD DEBTS & PROVISIONS

(Amount in Rs)

Particulars	For the Year ended on 31.03.2015
PROVISIONS	
Doubtful Debts (Sale of Power)	3013773764
Doubtful Loans and Advances	3201110
Short Term	<u>12194405</u>
Doubtful Advances(Suppliers/ Contractor)	3029169279
Long Term	4140253387
Doubtful Other Current Assets (Receivables)	1224734290
Diminution in Investments	124910915000
Provision for Contingencies (TDS)	20300000
Provision for Theft of Fixed Assets	60610058
Provision for Bad & Doubtful Trade Receivables	<u>169941219</u>
Total	133575923233

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U.P. POWER CORPORATION LIMITED
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
 CONSOLIDATED FINANCIAL STATEMENT

Note-31

PRIOR PERIOD INCOME/(EXPENDITURE)

(Amount in Rs)

Particulars	For the Year ended on 31.03.2015
I INCOME	
a) Other Income	-454712822
b) Other Excess Provision	3081164961
c) Prior Period Interest	1360966964
d) Interest Income for Prior Periods	5767921
e) Recept. From Consumers relating to Prior Period	-7979666
f) Revenue from Sale of Power	217744320
g) Power Purchase (Wheeling Charges)	60858209
SUB TOTAL	4263809887
II EXPENDITURE	
a) Employee Cost	571576551
b) Interest & Finance Charges	168792271
c) Power Purchase	-165425833
d) Administrative & General Exp.	-8429685
e) Depreciation Under/Excess Provided	-2600833258
f) Operating Expenses	-392726999
g) Others	-11571678
h) Arrears of Previous Year	7826072
i) O&M Expenses	13195665
SUB TOTAL	-2417596894
NET PRIOR PERIOD INCOME/(EXPENDITURE)	6681406781

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U.P. POWER CORPORATION LIMITED

NOTE NO. 29 (A)

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

- (a) The financial statements are prepared in accordance with the applicable provisions of the Companies Act, 2013. However where there is a deviation from the provisions of the Companies Act, 2013 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Annual Accounts Rules 1985 have been adopted.
- (b) The accounts are prepared under historical cost convention on accrual basis unless stated otherwise and on accounting assumption of going concern.
- (c) Subsidy, Grant, Insurance and Other Claims, Refund of Custom Duty, Interest on Income Tax & Trade Tax and Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

2. FIXED ASSETS

- (a) Fixed Assets are shown at historical cost less accumulated depreciation.
- (b) All costs relating to the acquisition and installation of fixed assets till the date of commissioning are capitalized.
- (c) In the case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.
- (d) Due to multiplicity of functional units as well as multiplicity of function at particular unit, employees cost and general & administration expenses to capital works are capitalized @ 15% on deposit works and @ 11% on other works on the amount of total expenditure.
- (e) Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year. The determination of amount of borrowing cost attributable to capital works are capitalized as per the computation method given in the Electricity (Supply) Annual Accounts Rules 1985.

3. DEPRECIATION

- (a) Depreciation is charged on Straight Line Method as per Schedule II of the Companies Act 2013.

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(b) Depreciation on additions to / deductions from Fixed Assets during the year is charged on Pro rata basis.

(c) The Fixed Assets are depreciated up to 95% of original cost except in case of temporary erections/constructions where 100% depreciation is charged.

4. INVESTMENTS

Long term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.

5. STORES & SPARES

(a) Stores & Spares are valued at cost.

(b) Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.

(c) Any shortage /excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.

6. REVENUE/ EXPENDITURE RECOGNITION

(a) Revenue from sale of energy is accounted for on accrual basis.

(b) Late payment surcharge recoverable from subsidiaries and other bulk power purchasers are accounted for on cash basis due to uncertainty of realisation.

(c) Sale of energy to subsidiary distribution companies is accounted for, on the rates decided by the management.

(d) All prior period income & expenditure are shown in the current period as a distinct item.

7. POWER PURCHASE

Power purchase is accounted for in the books of Corporation as below:

(i) In respect of Central Sector Generating Units and unscheduled interchange/reactive energy, at the rates approved by Central Electricity Regulatory Commission (CERC).

(ii) In respect of State Sector Generating Units and unscheduled interchange/reactive energy, at the rates approved by U.P. Electricity Regulatory Commission (UPERC).

(iii) In respect of Power Trading Companies, at the mutually agreed rates.

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8. **EMPLOYEE BENEFITS**


- (a) Liability for Pension & Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Leave encashment, medical benefits and LTC are accounted for on the basis of claims received and approved during the year.


9. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

- (a) Accounting of the Provisions is made on the basis of estimated expenditures to the extent possible as required to settle the present obligations.
- (b) Contingent liabilities are disclosed in the Notes on Accounts.
- (c) The Contingent assets of unrealisable income are not recognised.


(H.K. Agarwal)
Company Secretary
(Part Time)


(A.K. Gupta)
Chief General Manager
(Accounts)


(Sudhanshu Dwivedi)
Director (Finance)
DIN - 6533235


(A.P. Mishra)
Managing Director
DIN - 05183625

Place : Lucknow

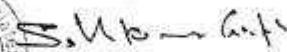
Date :

10 MAY 2017

Subject to our report of even date

For Gaur & Associates,
Chartered Accountants
FRN No. 005354C





(S.K. Gupta)
Partner
M. No.016746

MANDHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A GOKHLEY MARG, LUCKNOW

Note-29(A)

SIGNIFICANT ACCOUNTING POLICIES

GENERAL

- (a) The financial statements are prepared in accordance with the applicable provisions of the Companies Act, 2013. However where there is a deviation from the provisions of the Companies Act, 2013 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Annual Accounts Rules 1985 have been adopted.
- (b) The accounts are prepared under historical cost convention, on accrual basis unless stated otherwise and on accounting assumption of going concern.
- (c) Subsidy, Grant, Insurance and Other Claims, Refund of Custom Duty Interest on Income Tax & Trade Tax and Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

FIXED ASSETS

- (a) Fixed Assets are shown at historical cost less accumulated depreciation.
- (b) All costs relating to the acquisition and installation of fixed assets till the date of commissioning are capitalized.
- (c) In the case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.
- (d) Due to multiplicity of functional units as well as multiplicity of function at particular unit, employees cost and general & administration expenses to capital works are capitalized @ 15% on distribution and deposit works and @ 11% on other works on the amount of total expenditure.
- (e) Borrowing cost on loan for Capital Works is Capitalised during the year.
- (f) Consumer Contribution, Grants and Subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged.

DEPRECIATION

- (a) Depreciation is charged on Straight Line Method as per Schedule II of the Companies Act 2013.
- (b) Depreciation on additions to / deductions from Fixed Assets during the year is charged on Pro rata basis.
- (c) The Fixed Assets are depreciated up to 95% of original cost except in case of temporary erections/constructions where 100% depreciation is charged.

Neetu Rimal

LS

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STORES & SPARES

- (a) Stores & Spares are valued at cost.
- (b) Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.
- (c) Any shortage /excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.

REVENUE/ EXPENDITURE RECOGNITION

- (a) Late payment surcharge recoverable from consumer on energy bills is accounted for on cash basis due to uncertainty of realization.
- (b) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission on accrual basis.
- (c) All prior period income and expenditure are shown in current period as a distinct item.
- (d) In case of detection of theft of energy, the consumer is billed on laid down norms irrespective of actual realization from the consumer.
- (e) The sale of electricity does not include electricity duty payable to the State Government as the same is not the income of the Nigam.
- (f) Assessment of own energy consumption is done on the basis of connected load/hours of supply/meters.
- (g) Penal interest, overdue interest, commitment charges and incentive /rebates on loans are accounted for on cash after final assessment.

POWER PURCHASES

- (a) The bulk purchase of power is made available by the holding company (U. P. Power Corporation Limited) and The cost of Power Purchase is accounted for on bill raised by UPPCL (Holding Company).
- (b) Wheeling charges are accounted for on the basis of bills raised by the UP Power Transmission Corporation Limited.

EMPLOYEE BENEFITS

- (a) Liability for Pension & Gratuity in respect of earth while UPSEB employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.
- (c) Leave encashment has been accounted for on accrual basis.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Accounting of the Provisions is made on the basis of estimated expenditures to the extent possible as required to settle the present obligations.
- (b) Contingent liabilities are disclosed in the Notes on Accounts.

Neetu *Adarsh* *→*



(c) The Contingent assets of unrealisable income are not recognised.

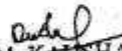
DEFERRED TAX LIABILITY

Deferred tax liability of Income Tax (reflecting the tax effects of timing difference between accounting income and taxable income for the period) is provided on the profitability of the Company and no provision is made in case of current loss and past accumulated losses.

CASH FLOW STATEMENT

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard - 3 on Cash Flow Statement.


Neetu Arora Tandon
Company Secretary
M.V.V.N.L. (HQ)
Lucknow


(I. M. KAUSHAL)
GENERAL MANAGER (F & A)
M.V.V.N.L., LUCKNOW


(A. K. AGRAWAL)
DIRECTOR (FINANCE)
M. V. V. N. L.
DIN - 0659377


(S. P. Pandey)
Managing Director
Madhyanchal Vidyut Nigam Ltd
4-A, Gokhale Marg, Lucknow
DIN - 07521307

As per our separate report of even date

Fur D. Pathak & Co.
(Chartered Accountants)




Partner

20 JAN 2017

DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

- (a) The financial statements are prepared in accordance with the applicable provisions of the Companies Act, 2013.
- (b) The accounts are prepared under historical cost convention on accrual basis unless stated otherwise and on accounting assumption of going concern.
- (c) Subsidy, Grant, Insurance and Other Claims, Refund of Custom Duty Interest on Income Tax & Trade Tax and Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

2. FIXED ASSETS

- (a) Fixed Assets are shown at historical cost less accumulated depreciation.
- (b) All costs relating to the acquisition and installation of fixed assets till the date of commissioning are capitalized.
- (c) Consumer Contribution, Grants and Subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged.
- (d) In the case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.
- (e) Due to multiplicity of functional units as well as multiplicity of function at particular unit, employees cost and general & administration expenses to capital works are capitalized @ 15% on deposit & distribution works and 11% on other works on the amount of total expenditure.
- (f) Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year as per provisions of AS-16.

3. DEPRECIATION

- (a) Depreciation is charged on Straight Line Method as per Schedule II of the Companies Act 2013.
- (b) Depreciation on additions to/deductions from Fixed Assets during the year is charged on Pro rata basis.
- (c) The Fixed Assets are depreciated up to 95% of original cost except in case of temporary erections/constructions where 100% depreciation is charged.

4. STORES & SPARES

- (a) Stores & Spares are valued at cost.
- (b) Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.
- (c) Any shortage/excess of material found during the year end are shown as 'material short/excess pending investigation' till the finalization of investigation.

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5. REVENUE / EXPENDITURE RECOGNITION

- (a) Revenue from sale of energy is accounted for on accrual basis.
- (b) Late payment surcharge recoverable from consumers on energy bills is accounted for on cash basis due to uncertainty of realisation.
- (c) The sale of electricity does not include electricity duty payable to the State Government as the same is not the income of the Nigam.
- (d) Assessment of own energy consumption is done on the basis of connected load/hours of supply/meters.
- (e) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission.
- (f) In case of detection of theft of energy, the consumer is billed on laid down norms irrespective of actual realisation from the consumer.
- (g) Penal interest, over due interest, commitment charges restructuring charges and incentive/rebates on loans are accounted for on cash basis after final ascertainment.
- (h) All prior period income & expenditure are shown in the current period as a distinct item.

6. POWER PURCHASE

- (a) The bulk purchase of power is made available by the holding company (U. P. Power Corporation Limited) and the cost of Power Purchase is accounted for on bills raised by UPPCL (Holding Company).
- (b) Wheeling charges are accounted for on the basis of bills raised by the U.P. Power Transmission Corporation Ltd.

7. EMPLOYEE BENEFITS

- (a) Liability for Pension & Gratuity in respect of erstwhile UPSEB employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.
- (c) Leave encashment has been accounted for on accrual basis.

8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Accounting of the Provisions is made on the basis of estimated expenditures to the extent possible as required to settle the present obligations.
- (b) Contingent liabilities are disclosed in the Notes on Accounts.
- (c) The Contingent assets of unrealisable income are not recognised.


9. DEFERRED TAX LIABILITY


Deferred tax liability of Income Tax (reflecting the tax effects of timing difference between accounting income and taxable income for the period) is provided on the profitability of the Company and no provision is made in case of current loss and past accumulated losses.

10. CASH FLOW STATEMENT

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard - 3 on Cash Flow Statement.


(H.K. Agarwal)
Company Secretary
(In Part Time)


(D.K. Agarwal)
General Manager (FA&A)


(N.C. Agarwal)
Director (P&A)
DIN - 07512825


(S.V.S. Rathore)
Managing Director
DIN - 07512828





PURVANCHAL VIDYUT VITRAN NIGAM LIMITED
(A wholly owned subsidiary of U. P. Power Corporation Limited)
VIDYUT NAGAR, D. L. W., VARANASI

SIGNIFICANT ACCOUNTING POLICIES :-

1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

- (a) The financial statements are prepared in accordance with the applicable provisions of the Companies Act, 2013.
- (b) The accounts are prepared under historical cost convention, on accrual basis unless stated otherwise and on accounting assumption of going concern.
- (c) Subsidy, Grant, Insurance and Other Claims, Refund of Custom Duty Interest on Income Tax & Trade Tax and Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

2. RECOGNITION OF INCOME / EXPENDITURE

- a. Late payment surcharge recoverable from consumer on energy bills is accounted for on cash basis due to uncertainty of realization.
- b. Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission.
- c. All prior period income and expenditure are shown in current period as a distinct item.
- d. In case of detection of theft of energy, the consumer is billed on laid down norms irrespective of actual realization from the consumer.
- e. The sale of electricity does not include electricity duty payable to the State Government as the same is not the income of the Nigam.
- f. Assessment of own energy consumption is done on the basis of connected load/hours of supply/meters.
- g. Penal interest, overdue interest, commitment charges and incentive /rebates on loans are accounted for on cash after final assessment

3. FIXED ASSETS

- a. Fixed Assets are shown at historical cost less accumulated depreciation.
- b. All costs relating to the acquisition and installation of fixed assets till the date of commissioning are capitalized.
- c. In the case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.
- d. Due to multiplicity of functional units as well as multiplicity of function at particular unit, employees cost and general & administration expenses to capital works are capitalized @ 15% on Distribution and deposit works and @ 11% on other works on the amount of total expenditure.
- e. Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year as per provisions of AS-16.
- f. Consumer Contribution, Grants and Subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged.



4. DEPRECIATION

- a. Depreciation is charged on Straight Line Method as per Schedule II of the Companies Act 2013.
- b. Depreciation on additions to / deductions from Fixed Assets during the year is charged on Pro rata basis.
- c. The Fixed Assets are depreciated up to 95% of original cost except in case of temporary erections/constructions where 100% depreciation is charged

5. STORES & SPARES

- a. Stores & Spares are valued at cost.
- b. Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.
- c. Any shortage /excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.
- d. Necessary and appropriate provision is made on the basis of best possible estimates in respect of unserviceable stores.

6. POWER PURCHASES

- a. The bulk purchase of power is made available by the holding company (U. P. Power Corporation Limited) and The cost of Power Purchase is accounted for on bill raised by UPPCL (Holding Company)
- b. Wheeling charges are accounted for on the basis of bills raised by the UP Power Transmission Corporation Limited.

7. EMPLOYEES BENEFITS

- a. Liability for Pension & Gratuity in respect of earth while UPSEB employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- b. Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.
- c. Leave encashment has been accounted for on accrual basis.

8. PROVISIONS AND CONTINGENT LIABILITIES

- a. Accounting of the Provisions is made on the basis of estimated expenditures to the extent possible as required to settle the present obligations.
- b. Contingent liabilities are disclosed in the Notes on Accounts.
- c. The Contingent assets of unrealisable income are not recognised



9. DEFERRED TAX LIABILITY

Deferred tax liability of Income Tax (reflecting the tax effects of timing difference between accounting income and taxable income for the period) is provided on the profitability of the Company and no provision is made in case of current loss and past accumulated losses

10. CASH FLOW STATEMENT

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard - 3 on Cash Flow Statement.

For and on behalf of Board of Directors of
Purvanchal Vidyut Vitran Nigam Limited


Chief Financial Officer

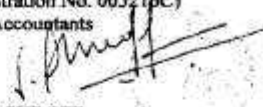

Company Secretary


Director
DIN NO. :- 07331824


Managing Director
DIN No. :- 07203765

Signed in terms of our report of even date.

For ARSAN & Co.
(Firm Registration No. 005216C)
Chartered Accountants


CA VIKAS SHROFF
(Membership No. 407080)
Partner

Place :- Varanasi
Date :- 20/12/2016

PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED
VICTORIA PARK, MEERUT

Note No. 29A

SIGNIFICANT ACCOUNTING POLICIES 2014-15

1. **GENERAL**

- (a) The financial statements are prepared in accordance with the applicable provisions of the Companies Act 2013. However where there is a deviation from the provisions of the Companies Act, 2013 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Annual Accounts Rules 1985 have been adopted.
- (b) The accounts are prepared under historical cost convention, on accrual basis unless stated otherwise and on accounting assumption of going concern.
- (c) Subsidy, Grant, Insurance and other Claims, Refund of Custom Duty and Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

2. **FIXED ASSETS**

- (a) Fixed Assets are shown at historical cost less accumulated depreciation.
- (b) All costs relating to the acquisition and installation of fixed assets till the date of commissioning are capitalized.
- (c) Consumers' Contribution, Grant and subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged.
- (d) In the case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.
- (e) Due to multiplicity of functional units as well as multiplicity of functions at particular unit, employees cost, administration & general expenses to capital works are capitalized @ 15% on distribution and deposit work, 11% on other works on the amount of total expenditure. However for fair accounting treatment, the same has been restricted to the expenditure actually incurred in a particular financial year.
- (f) The 100% provision for loss on account of theft of fixed assets pending investigation are being made for balance at the close of financial year.
- (g) Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year as per provisions of AS-16.

3. **DEPRECIATION**

- (a) Depreciation is charged on straight line method prescribed in the Schedule II of Indian Companies Act 2013.
- (b) Depreciation on addition to fixed assets during the year is charged on pro-rata basis.
- (c) Fixed assets are depreciated up to 95% of original cost after taking 5% as the residual value of assets.

4. **STORES & SPARES**

- (a) Stores & Spares are valued at cost.
- (b) Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.
- (c) Any shortage/excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.



5. REVENUE/EXPENDITURE RECOGNITION

- (a) Revenue from sale of energy is accounted for on accrual basis.
- (b) Late payment surcharge recoverable from consumer on energy bills is accounted for on cash basis due to uncertainty of realisation.
- (c) The sale of electricity does not include electricity duty payable to the State Government, as the same is not the income of the Nigam.
- (d) Assessment of own energy consumption is done on the basis of connected load/hours of supply/meters.
- (e) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission.
- (f) In case of detection of theft of energy, the consumer is billed on laid down norms irrespective of actual realisation from the consumer.
- (g) Penal interest, overdue interest, commitment charges, restructuring charges and incentives/rebates on loans are accounted for on cash basis after final ascertainment.
- (h) The provision for doubtful receivable from employees is being made @ 10% on incremental basis.
- (i) All prior period income & expenditure are shown in the current period as a distinct item.

6. POWER PURCHASE


The bulk purchase of power is made available by the holding company (U.P. Power Corporation Limited) and the cost of Power Purchase is accounted for on bill raised by UPPCL (The Holding Company).


7. EMPLOYEE BENEFITS

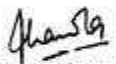
- (a) Liability for Pension & Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Medical benefits are accounted for on the basis of claims received and approved during the year.
- (c) Leave encashment has been accounted for on accrual basis.

8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Accounting of the Provisions is made on the basis of estimated expenditures to the extent possible as required to settle the present obligations.
- (b) Contingent liabilities are disclosed in the Notes on Accounts.
- (c) The Contingent assets of unrealisable income or not recognised.


(P.K. Agarwal)
Director (Finance)


(Abhishek Prakash)
Managing Director


(Dr. Jyoti Arora)
Company Secretary



KANPUR ELECTRICITY SUPPLY COMPANY LIMITED

Notes forming part of the financial statements as per Balance Sheet Note No. 28(A)
for the year ended 31st March 2015

(28A) 1 : CORPORATE INFORMATION

Kanpur Electricity Supply Company (KESCO) is the wholly owned subsidiary of Uttar Pradesh Power Corporation Limited (UPPCL) and is engaged in the distribution of electricity to consumers of Kanpur City.

Kanpur Electricity Supply Company (KESCO), a company registered under the erstwhile Companies Act, 1956 was incorporated through the Transfer Scheme dated 15th January, 2000, wherein the assets, liabilities and personnel of Kanpur Electricity Supply Administration (KESA) under erstwhile Uttar Pradesh State Electricity Board (UPSEB) were transferred to KESCO. Subsequently the UP Electricity Regulatory Commission, in exercise of the powers conferred on it under Section 15 of the Uttar Pradesh Electricity Reform Act, 1999 (Uttar Pradesh Act No.24 of 1999), granted KESCO on 4th October 2000 a distribution license for a period of 30 years for carrying out the business of Distribution and Retail Supply of electrical energy within its license area.

(28A) 2 : SIGNIFICANT ACCOUNTING POLICIES

i. General

- (a) The financial statements are prepared in accordance with the applicable provisions of the Companies Act, 2013. However where there is a deviation from the provisions of the Companies Act, 2013 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Annual Accounts Rules 1985 have been adopted.
- (b) The accounts are prepared under historical cost convention, on accrual basis unless stated otherwise and on accounting assumption of going concern.
- (c) Subsidy, Grant, Insurance and Other Claims, Refund of Custom Duty Interest on Income Tax & Trade Tax and Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

ii. Fixed Assets

- a. All Fixed Assets (except those taken over from erstwhile KESA Zone) are shown at historical cost less accumulated depreciation.
- b. All costs relating to the acquisition or construction and installation of Fixed Assets including departmental overhead costs till the date of commissioning are capitalized.
- c. In the case of commissioned assets where final settlement of bill with the contractors is yet to be effected, capitalization is done subject to necessary adjustments in the year of final settlement.
- d. Employee cost and other General and Administration expenses relating to Capital Works are capitalized alongwith the corresponding Fixed Asset on actual basis so far as it relates to the Construction Division. Further, expenses relating to other divisions are also capitalized on proportionate basis. With

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KANPUR ELECTRICITY SUPPLY COMPANY LIMITED

Notes forming part of the financial statements as per Balance Sheet Note No. 28(A)
for the year ended 31st March 2015

respect to APDRP schemes, additional 1% of cost is capitalized to cover the supervision cost of such schemes by the Distribution divisions.

- e. Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year. The determination of amount of borrowing cost attributable to capital works are capitalized as per the computation method given in the Electricity (Supply) Annual Accounts Rules 1985.
- f. Consumer Contribution, Grants and Subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged.

iii. Depreciation

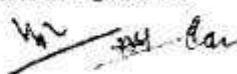
- (a) Depreciation is charged on Straight Line Method as per Schedule II of the Companies Act 2013.
- (b) Depreciation on additions to / deductions from Fixed Assets during the year is charged on Pro rata basis.
- (c) The Fixed Assets are depreciated up to 95% of original cost except in case of temporary erections/constructions where 100% depreciation is charged

iv. Stores and Spares

- (a) Inventories comprising of Stores and Spares are valued at cost using 'FIFO' method.
- (b) As per practice consistently followed by the Company, Scrap is accounted for as and when sold.
- (c) Any shortage /excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.

v. Retirement and other employee benefits

- a. The liability for payment of Pension and Gratuity in respect of employees of the erstwhile UPSEB has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- b. Employees appointed on or after 15.01.2000 are covered under CPF Scheme and entitled to gratuity under The Payment of Gratuity Act, 1972, whereas the other employees are covered under the UP State Power Sector Employees Trust, Lucknow. Provision for gratuity for employees appointed on or after 15.01.2000, is made as per provisions of The Payment of Gratuity Act, 1972.
- c. Leave encashment has been accounted for on accrual basis.
- d. Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.







KANPUR ELECTRICITY SUPPLY COMPANY LIMITED

Notes forming part of the financial statements as per Balance Sheet Note No. 2B(A)
for the year ended 31st March 2015

vi. Revenue/ Expenditure recognition

- (a) Revenue from Sale of Energy is accounted for on the basis of bills raised on consumers.
- (b) Late payment surcharge recoverable from consumer on energy bills is accounted for on cash basis due to uncertainty of realization.
- (c) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission
- (d) All prior period income and expenditure are shown in current period as a distinct item.
- (e) In case of detection of theft of energy, the consumer is billed on laid down norms irrespective of actual realization from the consumer.
- (f) The sale of electricity does not include electricity duty payable to the State Government as the same is not the income of the company.
- (g) Assessment of own energy consumption is done on the basis of connected load/hours of supply/meters.
- (h) Penal interest, overdue interest, commitment charges and incentive /rebates on loans are accounted for on cash after final assessment

vii. Purchase of Power

1. The bulk purchase of power is made available by the holding company (U.P. Power Corporation Limited) and the cost of Power Purchase is accounted for on accrual basis at the rates approved by UPPCL.
2. Transmission charges, for the use of intra state transmission network of U.P. Power Transmission Corporation Limited, is accounted for on accrual basis at the rates approved by UPERC.

viii. Provisions, Contingent Liabilities and Contingent assets

- (a) Accounting of the Provisions is made on the basis of estimated expenditures to the extent possible as required to settle the present obligations.
- (b) Contingent liabilities are disclosed in the Notes on Accounts.
- (c) The Contingent assets of unrealisable income are not recognised

ix. Deferred Tax Liability

Deferred tax liability of Income-tax (reflecting the tax effects of timing difference between accounting income and taxable income for the period) is provided on the profitability of the Company and no provision is made in case of current loss and past accumulated losses.

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SONEBHADRA POWER GENERATION COMPANY LIMITED, LUCKNOW

NOTE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

1. SIGNIFICANT ACCOUNTING POLICIES:-

1.01 Basis of preparation of Financial Statements :

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value. GAAP comprises mandatory accounting standards as prescribed under section 133 of the companies Act, 2013 ('the Act') read with Rule 7 of the companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the securities and Exchange Board of India (SEBI) . All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.02 Use of Estimates :

The preparation of financial statements in conformity with the GAAP requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences, if arise, are recognized in the period in which the results are crystallized.

1.03 Cash Flow Statement

Cash flow is reported using the indirect method prescribed in Accounting Standard 3 - "Cash Flow Statement" notified in the companies (Accounting Standard), Rules 2006, whereby net profit before tax is adjusted for affects of transaction of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flow from revenue generating, investing and financing activities of the company is segregated.

1.04 Revenue Recognition:

General

- (i) Revenue is accounted for on accrual basis as they are earned or incurred.
- (ii) Other Interest revenue is accounted for on time proportion basis taking into account the amount outstanding and the rate applicable.



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1.05 Fixed Assets, Intangible Assets And Depreciation

a) Fixed Assets

Fixed assets are stated at cost of acquisition / installation Less accumulated Depreciation. Expenditure directly attributable to construction is accumulated as Capital Work in Progress and is allocated to the relevant Fixed Assets on a prorate basis in the ratio of the prime cost of such Assets.

b) Intangible Assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The Intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

c) Depreciation

Depreciation on fixed assets is being provided in accordance with provisions of part "C" of Schedule II of the Companies Act, 2013.

1.06 Foreign Currency Transactions

- a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- b) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

1.07 Employees Benefits :

As the company has no employee, therefore, AS 15 issued by ICAI is not applicable at present.

1.08 Segment Reporting

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole, and, are not allocable to segments on a reasonable basis, are included under the head "Un-allocated".

1.09 Earnings Per Share

(i) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.10 Provision For Taxation

- a) Provision for Income-tax is made on the assessable income at applicable tax rates as per Income Tax Act, 1961.



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b) Deferred Tax Asset/Liability is recognized, subject to consideration of prudence on timing difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods as per Accounting Standard 22 - "Accounting for Taxes on Income" notified in the Companies (Accounting Standard) Rules 2006. Deferred Tax Assets are not recognized on unabsorbed depreciation and carry forward losses unless there is virtual certainty that sufficient future taxable income will be available in future against which such Deferred Tax Assets can be realized.

1.11 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of recoverable amount

1.12 Provisions, Contingent Liabilities And Contingent Assets

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent Liabilities are not recognised but are disclosed in the notes to accounts. Contingent Assets are neither recognised nor disclosed in the financial statement.

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JAWAHARLAL NEHRU UNIVERSITY

REVISED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED ON 31ST MARCH, 2015

1. SIGNIFICANT ACCOUNTING POLICIES:-

1.01 Basis of preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention, using the accrual basis of accounting in accordance with the generally accepted accounting principles in India and are in accordance with the applicable Accounting Standards and Guidance Issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 to the extent applicable.

1.02 Use of Estimates

The preparation of financial statements requires estimate and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known /materialized.

1.03 Cash Flow Statement

Cash flow is reported using the indirect method prescribed in Accounting Standard 3 - "Cash Flow Statement" notified in the companies (Accounting Standard), Rules 2006, whereby net profit before tax is adjusted for effects of transaction of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flow from revenue generating, investing and financing activities of the company is segregated.

1.04 Revenue Recognition

General

- (i) Revenue is accounted for on accrual basis as they are earned or incurred.
- (ii) Other Interest revenue is accounted for on time proportion basis taking into account the amount outstanding and the rate applicable.

1.05 Fixed Assets, Intangible Assets And Depreciation

a) Fixed Assets

Fixed assets are stated at cost of acquisition / installation Less accumulated Depreciation. Expenditure directly attributable to construction is accumulated as Capital Work in Progress and is allocated to the relevant Fixed Assets on a prorata basis in the ratio of the prime cost of such Assets.



By Dr. Anand Kumar

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b) Intangible Assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

c) Depreciation

Depreciation on fixed assets is being provided on the Straight Line Method in accordance with provisions of Section 123 and in the manner specified in Schedule II of the Companies Act, 2013 except stated otherwise.

1.06 Foreign Currency Transactions

- a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- b) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

1.07 Employees Benefits

As the company has no regular employees, therefore, AS 15 issued by ICAI is not applicable at present.

1.08 Segment Reporting

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole, and, are not allocable to segments on a reasonable basis, are included under the head "Un-allocated".

1.09 Earnings Per Share

(i) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



Myd Car Ltd.

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1.10 Provision For Taxation

- a) Provision for Income-tax is made on the assessable income at applicable tax rates as per Income Tax Act, 1981.
- b) Deferred Tax Asset/Liability is recognized, subject to consideration of prudence on timing difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods as per Accounting Standard 22 - "Accounting for Taxes on Income" notified in the Companies (Accounting Standard) Rules 2006. Deferred Tax Assets are not

recognized on unabsorbed depreciation and carry forward losses unless there is virtual certainty that sufficient future taxable income will be available in future against which such Deferred Tax Assets can be realized.

1.11 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of recoverable amount.

1.12 Provisions, Contingent Liabilities And Contingent Assets

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent Liabilities are not recognised but are disclosed in the notes to accounts. Contingent Assets are neither recognised nor disclosed in the financial statement.

Wpd Ben L... 



SOUTHERN UP POWER TRANSMISSION COMPANY LIMITED

14, Ashok Marg, Lucknow

NOTE: 10

SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015 AS REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE.

1. **ACCOUNTING CONVENTIONS:**

The Company follows the concept of accrual system of accounting and recognizes the significant items of income and expenditure on accrual basis in the preparation of accounts. The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("IGAAP") under the historical cost convention. The financial statements are presented in the general format specified in Revised Schedule VI to the Companies Act, 1956.

The Company is a Small and Medium sized Company (SMC) as defined in the general instructions in respect of the accounting standards notified under the Companies Act, 1956. Accordingly, the company has complied with the Accounting standards as applicable to a SMC.

2. **REVENUE RECOGNITION OF INCOME AND EXPENDITURE:**

The Assessee generally follows mercantile system of accounting and recognizes significant accounting items of income and expenditure on accrual basis. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

3. **INVESTMENTS:**

There are no investments held as on 31st March 2015.

4. **INVENTORY VALUATION:**

There is no inventory with the company as on 31st March 2015.

5. **FIXED ASSETS:**

There are no fixed assets held by the company

6. **Contingent Liability:**

No provision is made for a liability which is contingent in nature but if material, the same is disclosed by way of notes to the accounts

7. **Foreign Currency Transaction**

- A. Earning in Foreign Currency
- B. Expenditure in Foreign Currency

Nil
Nil

27 JAN 2017



8. Taxation :


Income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of Income-tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of being reversal in one or more subsequent periods.


Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.


As per AS 22 "Accounting for taxes on Income", Para 17 deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets shall be realized. Deferred tax assets have not been recognized in the accounts under review due to the absence of certainty of future taxable income.


For and on behalf of the Board


A.C. Pandey
(DGM (Acct.) Trans. Hq., UPPTCL)


H.K. Agarwal
(Company Secretary - Acting, SUPPTCL)


Prabhat
(CE, UPPTCL)


Sanjay Kumar Singh
(Director, SUPPTCL)


Vishal Chauhan
(Chairman, SUPPTCL)

For J.J. Mehrotra & Co.
Chartered Accountants


(Isha Kapoor)
Partner
MID No. 414228



Place: Lucknow.
Date:

27 JAN 2017

YAMUNA POWER GENERATION COMPANY LIMITED, LUCKNOW
SHAKTI BHAVAN EXTENSION, 14-ASHOK MARG, LUCKNOW
ANNUAL FINANCIAL STATEMENT FOR THE F.Y. 2014-15

NOTE: 11

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

The financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards notified by the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013.

2. Fixed Assets

Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.

3. Depreciation /Amortization

Depreciation on fixed assets is provided in accordance with provisions of part "C" of Schedule II of The Companies Act, 2013, on straight line method, upto 95% of the cost of the asset.

4. CASH FLOW STATEMENT

Cash flow is prepared using the indirect method prescribed in Accounting Standard-3 "Cash Flow Statement: notified in the Companies (Accounting Standard), Rules 2006.





UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

NOTE NO. 25



SIGNIFICANT ACCOUNTING POLICIES

25.1). GENERAL

- (a) The Corporation is governed by the Electricity Act, 2003 read with Electricity (Supply) Act, 1948.
- (b) The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India, accounting standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956. The provisions of Electricity (Supply) (Annual Accounts) Rules 1985 have prevailed wherever the same are inconsistent with the provisions of the Companies Act, 2013.
- (c) Subsidy, Grant, Insurance and Other Claims, Refund of Custom duty, Interest on Income Tax & Trade Tax are accounted for on cash basis. Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

25.2). USE OF ESTIMATES

The preparation of financial statements requires estimates and assumption that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

25.3). FIXED ASSETS

- (a) Fixed Assets are shown at historical cost less accumulated depreciation. Revaluation of Fixed Assets is not permitted in light of the provisions contained in Annexure III - Basic Accounting Policies of The Electricity (Supply)(Annual Accounts) Rules,1985.
- (b) All costs relating to the acquisition and installation of fixed assets till the date of commissioning are capitalized.
- (c) Consumer Contribution received towards cost of capital assets are treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of the consumer contribution received.
- (d) In case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.
- (e) Due to multiplicity of functional units as well as multiplicity of function at particular unit, employee cost and general & administration expenses are capitalized on the basis of amount of total expenditure of Capital works as follows:

In case of Capital Transmission works

- (i) @10% on 132 & 220 KV Substations and Lines.
- (ii) @8% on 400 KV Substations and Lines, and

30/03/2015



- (iii) @6% on 765 KV Substations and Lines.
- (iv) In case of deposit works @ 15% and in case of other Capital works @ 11%.

25.4). DEPRECIATION

(a) Depreciation is charged as per method prescribed in "Appendix II" to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 issued by Central Electricity Regulatory Commission vide notification no. L-1/144/2013/CERC Dt.21.02.2014 under the powers conferred to it u/s 176 of the Electricity Act, 2003 (36 of 2003) read with section 61. The said regulation is effective for the period from 01.04.2014 to 31.03.2019.

(b) In light of (a) above depreciation is charged at prescribed rates on SLM (Straight Line Method) with 10% salvage value of the original cost.

(c) Depreciation on additions to / deductions from fixed assets during the year is charged on Pro rata basis from/upto the month in which the asset is available for use/disposed.

25.5). STORES & SPARES

(a) Stores & Spares are valued at cost.

(b) Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.

(c) Any shortage/excess of material found during the year end are shown as "Material short/excess pending investigation" till the finalization of investigation and thereafter any excess, if established is shown under the head of Income. Similarly shortages after investigation are either recovered from staff concerned or charged to Profit & Loss Account, as the case may be.

(d) Shortage/Loss due to theft or any other reason are first debited to the head "Misc. Advance to Staff" and are shown as Current Assets till the finalization of enquiry/settlement of the case.

25.6). REVENUE RECOGNITION

(a) Transmission revenue is incorporated in the accounts on the basis of tariff approved by the UPERC for intra-state transmission of energy. Any difference in transmission tariff approved by UPERC and the actual tariff presented in the true-up on the basis of audited accounts is accounted for on the decision of the UPERC on true-up petition.

(b) In case of Inter State transmission, revenue from transmission of energy /open access is recognized /accounted for on cash basis at the tariff approved by NRLDC.

25.7). All prior period income & expenditure are shown in the current period as a distinct item.

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25.8). EMPLOYEE BENEFITS

(a) Liability for Pension and Gratuity in respect of employees has been determined on the basis of actuarial valuation obtained by Uttar Pradesh Power Corporation Limited and has been accounted for on accrual basis.

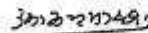
(b) Leave encashment, medical benefits and LTC are accounted for on the basis of claims received and approved during the year.

25.9). PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Accounting of the Provisions has been made on the basis of estimated expenditure to the extent possible as may be required to settle the present obligation.

(b) Contingent liabilities have been disclosed in the Notes to Accounts.

(c) The Contingent assets have not been recognised.


(Dr. U.K. Yadav)
Dy. General Manager
(Accounts & Audit)


(A.K. Gupta)
Chief General Manager
(Accounts & Audit)


(S.K. Mishra)
Director (Finance)


(Abha Sethi Tandon)
Acting Company Secretary


(Vipul Chauhan)
Managing Director

PLACE: LUCKNOW
DATE: 08 SEP 2016

Subject to our report of even date
For S. Srinivas Prasad & CO.
Chartered Accountants

(Sudeshan Kumar Vij)
PARTNER
M.No.: 007859
F.R.N.: 04570C

U.P. POWER CORPORATION LIMITED
NOTE NO. 29 (B)

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 31st MARCH 2015 AND PROFIT & LOSS
STATEMENT FOR THE YEAR ENDED ON THAT DATE

1. (a) The Corporation was incorporated under the Companies Act, 1956 on 30.11.1999 and commenced the business w.e.f. 15.01.2000 in terms of Government of U.P. Notification No. 149/P-1/2000-24 dated 14.01.2000.
 - (b) Vide Govt. of U.P. Notification No. 186/XXIV-I-2000 dt. Jan 15, 2000 the distribution business of KESA Zone of erstwhile UPSEB has been transferred to KESCO, as wholly owned subsidiary company of UPPCL, w.e.f. 15.1.2000.
 - (c) Due to division of State of Uttar Pradesh a separate State named Uttaranchal (now Uttarakhand) came into existence and a separate Corporation Uttaranchal Power Corporation Ltd. had taken over commercial operations in the State of Uttaranchal as per Govt. of India notification no. 42/7/2000-R&R dated 05.11.2001.
 - (d) The distribution business of U.P. Power Corporation Ltd. has been transferred to subsidiary companies viz. Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow, Paschimanchal Vidyut Vitran Nigam Ltd., Meerut, Poorvanchal Vidyut Vitran Nigam Ltd., Varanasi & Dakshinanchal Vidyut Vitran Nigam Ltd., Agra (Known as DISCOMs) as per The Uttar Pradesh Power Sector Reforms (Transfer of Distribution Undertakings) Scheme, 2003 issued vide GoUP Notification No. 2740/P-1-2003-24-14P/2003 dated 12.08.2003.
 - (e) The State Government through Gazette Notification No. 2974(1)/24-P-2-2010, Dated 23 Dec 2010 made a Provisional Transfer Scheme for the purpose of transfer of the transmission activities including Assets, Liabilities and related proceedings from U.P. Power corporation Ltd. (UPPCL) to the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL/TRANSCO). In terms of this Scheme, the transfer has been made effective from 01.04.2007, the date since which UPPCL and UPPTCL have started working as separate entities for purchase/sale of Bulk power and transmission work respectively.
2. (a) As per Final Transfer Schemes of Discoms and Transco issued vide notification no. 1528/24-P-2-2015-SA(218)-2015 dated

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November 03, 2015, and notification no. 1529/24-P-2-2015-SA(218)-2014 dated November 03, 2015 respectively, the final balances of assets and liabilities are given to 'DISCOMs' as on 11.08.2003, 'TRANSCO' as on 01.04.2007 and to UPPCL as on 01.04.2007 as against the balances earlier notified by Provisional Transfer Schemes of Discoms and Transco which were referred to in point 1(d) and 1(e) above.

Consequent upon the above notification the necessary adjustments in this regard have been done in the annual accounts of UPPCL for FY 2014-15.

- (b) The assets and liabilities relating to Uttaranchal Power Corporation Ltd. had been transferred as per an agreement dated 12.10.2003 with Uttaranchal Power Corporation Ltd., w.e.f. 9.11.01.
 - (c) The Share Capital of Discoms/Transco as was notified in Provisional Transfer Scheme was increased in the Final Transfer Scheme. Since Share certificate against such increase in Share Capital is yet to be issued in favour of UPPCL, the amount of increased Share Capital is shown as Share Application Money against each Discom/Transco in Note no.11 of Balance Sheet.
3. (a) (i) Loans obtained from REC, PFC, HUDCO & GoUP by UPPCL on behalf of DISCOMs after 11.08.2003 and 9.68% non convertible Bonds issued to the Banks, REC, PFC in October and December, 2013 on behalf of Discoms were accounted for in UPPCL separately and shown as 'Bonds/ Loans Relate to DISCOMs'. Debt service obligations on account of these loans are accounted for as receivables from respective Discoms, therefore, interest on such loans and bonds accrued and due during the year has been shown as receivable from respective Discoms.

Further, as per the FRP Scheme Govt. of U.P. has taken over Bonds of Rs. 5270.13 crore in January, 2015.

(ii) The Interest payable to State Govt. by UPPCL & Discoms as on 31.03.2014 amounting to Rs. 884.7807 crore has been converted into Equity as per G.O. No. 96/2699/24-1-14-1041 (Budget)/2013 dated 17.12.2014, the necessary accountal has been carried out in the books of UPPCL accordingly and shown as Equity (Share Application Money) from Govt. of U.P. and investment in Discoms. Consequent upon this, the outstanding interest payable to GoUP loan have now been adjusted.

- (b) Equity received from GoUP for distribution works is invested in each DISCOM based on physical / financial targets and is shown as investment in respective DISCOMs.

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4. Based on actuarial valuation report dt. 9.11.2000 (adopted by Board of Directors), provision for accrued liability on account of Pension and Gratuity has been made @ 16.70% and 2.38% respectively on the amount of basic Pay and D.A. paid to employees.
5. (a) The Company is making efforts to recognise and identify the location of land along with its title deed as well as of other fixed assets; transferred under various Transfer Schemes for the purpose of maintaining fixed assets registers.
- (b) Where historical cost of a discarded/ retired/ obsolete fixed asset is not available, the estimated value of such asset and depreciation thereon has been adjusted and accounted for.
- (c) In terms of powers conferred by the Notification no. GSR 627(E) dated 29 August 2014 of Ministry of Corporate Affairs, Govt. of India, the depreciation on Fixed Assets have been calculated taking into consideration the useful life of assets as approved in the orders of UPERC (terms & conditions for determination of distribution tariff) Regulation, 2006 (Annexure B).
6. (a) After giving the effect/adjustment of transfer scheme as mentioned at point 2.(a) above the provision are made as per below:
- (i) The Provision for Bad & Doubtful Debts against revenue from Sale of Power has been made @ 5% on incremental debtors during the year.
- (ii) Provision @ 10% on the balances of suppliers/ contractors (O&M) has been made under the Note no. 17 of Short term Loans & Advances.
- (iii) Provision @ 100% on interest accrued and due during the year on loan of NPCL has been made under the Note No. 12 of Long term Loans & Advances.
- (iv) A provision for doubtful receivables @ 10% on the balances appearing under the different heads of "Other Current Assets Note no. 18 (excluding Receivable on account of loan)" has been made.
- (b) Due to non-receipt of loan installments and interest thereon from "Secured and Unsecured Loan to KESCO", no interest on such loans has been accounted for in the books of accounts.
7. The reconciliation of Inter Unit Transfer balances amounting to Rs. 156.54 Crore (Debit) (previous year Debit Rs. 181.00 Crore) is in process and effect of reconciliation, if any, will be provided for in the coming years.
8. Liability towards staff training expenses, medical expenses and LTC has been provided to the extent established.

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9. (a) Some balances appearing under the heads 'Other Current Assets', 'Long Term Loans & Advances', 'Short Term Loans & Advances (including UP Power Sector Employees Trust)', 'Other Current Liabilities' and Trade Payables' are subject to confirmation/ reconciliation and subsequent adjustments as may be required.
- (b) On an overall basis the assets other than Fixed Assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.
10. Basic and diluted earnings per share has been shown in the Profit & Loss Account in accordance with AS-20 "Earnings Per Share". Basic earnings per share have been computed by dividing net loss after tax by the weighted average number of equity shares outstanding during the year. Number used for calculating diluted earnings per equity share includes the amount of share application money (pending for allotment).

			<u>(Amount in Rs.)</u>	
<u>Earning per share:</u>			<u>31.03.2015</u>	<u>31.03.2014</u>
(a)	Net loss after tax (numerator used for calculation)		126690803443	14897703553
(b)	Weighted average number of Equity Shares* (denominator for calculating Basic EPS)		390740531	356902268
(c)	Weighted average number of Equity Shares* (denominator for calculating Diluted EPS)		422540321	369097391
(d)	Basic earnings per share of Rs. 1000/- each		(324.23)	(41.74)
(e)	Diluted earnings per share of Rs. 1000/- each		(324.23)	(41.74)

(As per para 41 of AS-20 issued by institute of Chartered Accountants of India, Potential Equity Shares are treated as Anti Dilutive as their conversion to Equity Share would decrease loss per share, therefore, effect of Anti Dilutive Potential Equity Shares are ignored in calculating Diluted Earning Per Share)

* Calculated on monthly basis.

11. In spite of formation of UPPTCL, few units of the company like finance, audit and HQ are not fully equipped to operate the entire working of the company, so the corresponding units of UPPCL are still performing the work of UPPTCL. Therefore, the 25% of the employee cost of these units are apportioned to UPPTCL. Likewise, the administrative and general expenses occurred in these units which are not specifically segregated in between UPPCL and UPPTCL, the 25% of such administrative and general expenses are apportioned to UPPTCL.

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12. Amount due to Micro, Small and medium enterprises (under the MSMED Act 2006) could not be ascertained and interest thereon could not be provided for want of sufficient related information. However the company is in process to obtain the complete information in this regard.
13. (a) As per directions of UPERC, the licensees has to account for the actual power purchase cost incurred at UPPCL level from FY 2013-14 onwards. Thus, in FY 2014-15 the rate of sale of energy sold to Discoms have been calculated on the basis of cost of energy purchased by UPPCL, divided by total quantity of energy supplied to Discoms after prior period adjustments. The Discoms are, therefore, billed with the rate of sale of energy so calculated @ Rs.4.497841387/kwh (previous year Rs.4.32834978 /kwh) and accounted for accordingly.
- (b) The Memorandum of Understanding (MOU) for sale of power has also been executed between UPPCL and Discoms.
14. Payment to Directors and Officers in foreign currency towards foreign tour was NIL (Previous year NIL).
15. Debts due from Directors were Rs. NIL (previous year Nil).
16. Quantitative Details of Energy purchased and sold:-

S. No.	Details	2014-15	2013-14
(I)	Total number of Units purchased	87571.234 MU	84251.840 MU
(II)	Total number of units sold	81927.015 MU	77586.121 MU

17. Contingent Liabilities:-

S. No.	Details	2014-15 Amount (Rs. in lacs)	2013-14 Amount (Rs. in lacs)
(i)	Capital commitments	-	-
(ii)	Income Tax	10.89	164.85*
(iii)	Power Purchase	45368.65	46239.09
(iv)	Other Contingencies	-	-

* Includes Rs. 162.85 lacs on account of TDS default as per 26 AS.

18. Since the Company is principally engaged in the business of Electricity, and there are no other reportable segments as per AS-17, hence the disclosure as per AS-17 on segment reporting is not required.

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19. Disclosure as per AS-18 (related party): -

(a) Key management personnel:-

S. No.	Name	Designation	Working Period (For FY 2014-15)	
			Appointment	Retirement/ Cessation
1	Shri Sanjay Agarwal	Chairman	17.05.13	Working
2	Shri Ayodhya Prasad Mishra	Managing Director	31.07.12	Working
3	Shri S.K. Agarwal	Director (Finance)	09.01.09	Working
4	Shri Radhey Mohan	Director (P.M. & Admin.)	19.11.12	Working
5	Shri Srikant Prasad	Director (Distribution)	14.07.12	06.12.14
6	Shri Krishna Murari Mittal	Director (Distribution)	06.12.14	Working
7	Shri Srikant Prasad	Director (Corporate planning)	22.11.11	21.02.15
8	Shri Ramanand Yadav	Director (Corporate planning)	23.02.15	Working
9	Shri Sanjay Kumar Singh	Director (Commercial)	06.03.13	Working

(b) Transactions with related parties- Remuneration and Benefits paid to key management personnel (Chairman, Managing Director and Directors) are as follows: -

Amount (Rs. in lacs)

	2014-2015	2013-2014
Salary & Allowances	50.16	57.66
Leave Encashment	-	15.01
Contribution to Gratuity/ Pension/ PF	3.90	0.33

(c) The company has no related party enterprises other than State owned enterprises, detail/ transactions of which have not been disclosed in view of Para '9' of AS-18 "Related Party disclosures" which exempts State Controlled Enterprises from making any disclosure pertaining for their transactions with other related parties which are also State Controlled.

20. Due to heavy carried forward losses / depreciation and uncertainties to recover such losses/depreciation in near future, the deferred tax assets have not been recognised in accordance with AS-22 issued by ICAI.
21. In the opinion of management, there is no specific indication of impairment of any assets as on balance sheet date as envisaged by AS 28 of ICAI. Further, the assets of the corporation have been accounted for at their historical cost and most of the assets are very old, where the impairment of assets is very unlikely.

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



22. Disclosure as per AS 29 is as under:-


S. NO.	PARTICULARS	MOVEMENT OF PROVISIONS			
		OPENING BALANCE AS ON 01.04.2014	PROVISION MADE DURING THE YEAR	WITHDRAWAL / ADJUSTMENT OF PROVISION DURING THE YEAR	CLOSING BALANCE AS ON 31.03.2015
1	Provision for diminution in Investment	1,63,45,94,36,000	1,26,34,05,20,000	1,42,96,05,000	2,88,37,03,51,000
2	Provision for Doubtful debts on Sundry Debtors (Sale of power)	16,79,99,81,127	1,31,43,40,896	(9,82,98,755)	18,21,26,20,578
3	Provision for Bad & doubtful debts- Other current assets.	1,22,97,60,911	32,82,29,816	3,54,74,243	1,52,25,16,484
4	Provision for Bad & doubtful debts- Long Term Loans & Advances	1,51,20,69,201	8,47,91,815	1,31,19,835	1,58,37,41,181
5	Provision for Bad & doubtful debts- Short Term Loans & Advances	9,03,98,138	1,21,94,405	1,15,01,109	9,10,91,434
6	Provision for Other Non Current Assets	97,93,995	0	95,58,545	2,35,450
	Total	1,83,10,14,39,372	1,28,08,00,76,732	1,40,09,59,977	3,09,78,05,56,127


23. The figures as shown in the Balance Sheet, Profit & Loss Statement and Notes thereto have been rounded off to the nearest rupee.

24. Previous year figures have been regrouped and reclassified wherever considered necessary.


(H.K. Agarwal)
Company Secretary
(Part Time)


(J.K. Gupta)
Chief General Manager
(Accounts)


(Sudhanshu Dwivedi)
Director (Finance)
DIN - 6533235


(A.P. Mishra)
Managing Director
DIN - 05183525

Place : Lucknow

Date :
10 MAY 2017

Subject to our report of even date

For Gaur & Associates.
Chartered Accountants
FRN No. 005354C




(S.K Gupta)
Partner
M. No.016746

MANDHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A GOKHLEY MARG LUCKNOW

NOTE No. 29(B)

Notes on Accounts annexed to and forming part of Balance Sheet as at 31.03.2015 and Profit & Loss Account for the Period ended on that date.

1. The Nigam was incorporated under the Companies Act 1956 on 01.05.2003, and commenced the business operation w.e.f. 12.8.2003 in terms of Government of U.P. Notification No. 2740/P-1/2003-24-14P/2003 dated 12.8.2003.
2. The Nigam is a subsidiary of Uttar Pradesh Power Corporation Limited. The annual accounts upto the year 2013-14 have been prepared incorporating the balances of assets and liabilities transferred as per Transfer Scheme, 2003. During the year the Final Transfer Scheme has been issued vide Govt. of U.P. Notification No. 1528/24-P-2-2015-S(218)/2014 dated 03.11.2015 and the balances have been adjusted accordingly keeping in view the balances received under the Final Transfer Scheme.
3. The Share Capital includes the shares allotted to the subscribers of the Memorandum of Association.
4. Amount received on account of Rajiv Gandhi Gramin Vidyutkaran Yojna Rs.185,23,25,795.00, Business Plan Rs.449,50,30,000.00, PTW Rs.58,09,00,000.00, Vyapar Vikas Nidhi Rs.213,24,20,000.00, Ram Manohar Lohia Samagra Vikas Yojna Rs.49,77,22,000.00, Transformer Repairs Rs.10,64,53,000.00, For 33/11 KV Bay etc. Rs.7,62,67,000.00, Conversion of Interest on Govt Loan Rs.188,70,20,974.29, Conversion of Bonds into Govt Special Securities Rs.1009,70,42,067.00, Operation Losses Rs.(-)194,69,00,000.00, R-APDRP Rs.6,19,914.00 and Final Transfer Scheme Rs.794,95,85,000.00 aggregating Rs. 2772,84,85,750.29 by Uttar Pradesh Power Corporation Limited from Government of Uttar Pradesh as Equity on behalf of Nigam have been shown as Share application money of Uttar Pradesh Power Corporation Limited in the Balance Sheet.
5. The liability for G.P.F, Pension and Gratuity during the year is discharged to Uttar Pradesh Power Sector Employees Trust by Uttar Pradesh Power

Nestor *Rohit* *...*



- Corporation Limited /Madhyanchal Vidyut Vitran Nigam Limited and where liability discharged by Uttar Pradesh Power Corporation Limited, is shown by Nigam as payable to Uttar Pradesh Power Corporation Limited.
6. In charging depreciation on Fixed Assets, the provisions of Schedule II of the Companies Act, 2013 complied with the extent of feasibility.
 7. During the year, Transfer Scheme, 2003 has been finalized by the Government of Uttar Pradesh and the balances of Fixed Assets of 2003-04 have been replaced with the new balances in detailed Manner of additions and deletions in concerned years. The assets have been assumed to be put to use on the ending of the year, hence no addition or deletion has been considered for current year depreciation. Rates of depreciation are same as applied till financial year 2013-14. Due to this reason accumulated depreciation has been reduced by Rs.260.07 crores shown as prior period expenditure. Fixed Assets are depreciated upto 95% of the original cost. During financial year 2014-15, useful life of the asset has been ascertained according to Companies Act, 2013 on SLM basis.
 8. The amount of Equity, Loans, Subsidies and Grants were received from the State Government by the Uttar Pradesh Power Corporation Limited centrally, being the Holding Company and have been distributed by the Holding Company to the DISCOMs, which have been accounted for accordingly.
 9. (a) The Stores and spares at Electricity Store Division LESA/ LUCKNOW/ FAIZABAD/ Bareilly are valued at cost at weighted average cost method or market price whichever is less as per AS-2 . However, efforts are made for valuation of stores and spares at distribution divisions.
(b) The provision for bad and doubtful debts against revenue from sale of Power has been made @ 5% on the incremental debtors during the year.
 10. Based on actuarial valuation report submitted by M/s Price Waterhouse Coopers to Uttar Pradesh Power Corporation Limited (the Holding Company) provision for accrued liability on account of Pension and Gratuity for the year 2014-15 has been made @ 16.70% and 2.38% respectively on the amount of basic pay and DA paid to employees.

Neetu *Adel* *Lu* *24*



11. Amount due to SSI units could not be ascertained and interest there on could not be provided for want of complete information. Efforts are being made to segregate this information.
12. Liability towards medical expenses and LTC has been provided to the extent established.
13. Employees cost includes remuneration to Managing Director/Directors are as under:

Amount (Rs. in lacs)

	2013-14	2014-15
Salary & Allowances	49.21	35.41
Contribution to Gratuity/Pension	7.38	6.76

14. Payments to Directors and officers in foreign currency towards foreign tours were Nil.
15. Debts due from Directors were Nil.
16. Information pursuant to provision of Para II of schedule VI of the Company Act, 2013 are as under :-

(a) Quantitative Details of Energy Purchased & Sold :-

S No.	Details	2013-2014	2014-2015
(i)	Total no of Units Purchased	14252.925 MU	15116.739 MU
(ii)	Total no of Units Sold	10710.703 MU	11665.397 MU
(iii)	Distribution Losses	24.85%	22.83%

(b) Contingent Liabilities: - NIL

17. Since the Company is principally engaged in the distribution business of electricity and there is no other reportable segment as per AS 17, hence the disclosure as per AS 17 on segment reporting is not required.
18. The disclosure as required as per AS 18 issued by ICAI on related parties transactions is not applicable as the Accounting Standard provides that "No disclosure is required in the financial statement of state-controlled enterprises as regard related party relationship with other state-controlled enterprises and transactions with such enterprises".
19. Due to losses during the year and uncertainty to recover such losses in near future, accounting of deferred tax assets as required by AS 22 issued by ICAI has not been made.

Neetu *Adel* *Leet* *24*



20. Previous year figures have been regrouped and reclassified wherever considered necessary.
21. The figure shown in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest Rupee.


Neetu Arora Tandon
Company Secretary
MVVNL (HQ)
Lucknow



(I. M. KAUSHAL)
GENERAL MANAGER (F & A)
M.V.V.N.L., LUCKNOW


(A. K. AGRAWAL)
DIRECTOR (FINANCE)
M. V. V. N. L.
DIN-0659377


(S. Pandey)
Managing Director
Madhyanchal Vidyut Nigam Ltd.
4-A, Gokhale Marg, Lucknow
DIN-67581307

As per our separate report of even date
For D. Pathak & Co.
(Chartered Accountants)




Partner
20 JAN 2017

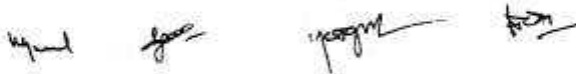
DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
NOTES NO. 29(B)

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2015 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE

1. The Nigam was incorporated under the Companies Act, 1956 on 01.05.2003 and commenced the business operation w.e.f. 12.08.2003 in terms of Government of U.P. Notification No. 2740/P-1/2003-24-14P/2003 dated 12.08.2003.
2. The Nigam is a subsidiary of U.P. Power Corporation Ltd. The annual accounts for the year 2014-15 are based on the balances of assets and liabilities received as per Final Transfer Scheme Notified Vide Notification No. 1528/24-P-2-2015-Sa (218/2014 Dated 03 November, 2015 as well as the transactions pertaining to distribution business during the period 12.08.2003 to 31.03.2004 and the financial years 2004-05 to 2014-15.
3. The share capital includes 500 Equity Shares of Rs.1000 each allotted to subscribers of Memorandum of Association and shown separately in Balance Sheet.
4. The liability for GPF, Pension and Gratuity Contribution during the period have been discharged to U.P. Power Sector Employees Trust partly by UPPCL and shown as payable to UPPCL by the Nigam. The liability have partly been discharged by the Nigam.
5. (a) During the year, the depreciation has been provided as per Schedule-II of the Companies Act, 2013 on SLM basis.
 (b) Due to multiplicity of nature of capital works and difficulty in establishing the correct date of installation of assets, the depreciation on additions fixed assets during the year has been provided on pro-rata basis by taking average Six month period.
6. The Provision for bad & doubtful debts against revenue from sale of power has been made @ 5% on the incremental basis.
7. The loan received by UPPCL on behalf of the Nigam during the year 2014-15 amounting to Rs.24210180919.00 and repayment made by U.P.P.C.L. amounting to Rs.1105244551.00 have been accounted for in the books of the Nigam accordingly.
8. Government dues in respect of Electricity Duty and other Levies amounting to Rs. 4864459872.90 shown in Note-BS/08 includes Rs. 835792501.54 on account of Other Levies realised from consumers.
9. Liability towards Medical Expenses, Leave Encashment and LTC have been provided to the extent established.
10. Based on actuarial valuation report submitted by M/s Price Waterhouse Coopers to UPPCL, (the Holding Company) provision for accrued liability on account of Pension and Gratuity for the period from 01.04.2014 to 31.03.2015 has been made @16.70% and 2.38% respectively on the amount of Basic pay, Grade pay and DA paid to employees.
11. Amount due to SSI units could not be ascertained and interest thereon could not be provided for want of complete information. Efforts are being made to segregate this information.
12. Employees cost includes remuneration to Managing Director and Director as under.

Particulars	2014-15	2013-14
Salary and Allowances	Rs. 24.04 Lacs	Rs. 36.28 Lacs
Contribution to Gratuity/Pension	-	-

Contd...2





13. Debts due from Directors were Rs. NIL. (Previous year – NIL)
14. Payment to Directors and Officers in foreign currency towards foreign tours was NIL. (Previous year – NIL)
15. Additional Information required under the Schedule III of the Companies Act, 2013 are as under:-
(a) Quantitative Details of Energy Purchased and Sold:-

Sl. No.	Details	2014-15 (Units in M.U.)	2013-14 (Units in M.U.)
(i)	Total number of units purchased	19128.872	18436.833
(ii)	Total number of units sold	12248.480	13148.045
(iii)	Distribution Losses	35.91%	28.69%

(b) Contingent Liabilities and Commitments:-

Sl. No.	Details	Amount (Rs. In lacs)	
		2014-15	2013-14
1	Claims against the company not acknowledged as debts.	87.80	87.46
2	Estimated amount of contracts remaining to be executed on capital account and not provided for.	148431.66	148157.47
3	Other money for which the company is contingently liable.	311.16	263.00
4	TDS Default	102.23*	101.38*

* As per 26 AS

16. Since the Company is principally engaged in the distribution business of Electricity and there are no other reportable segment as per AS-17, hence the disclosure as per AS-17 on segment reporting is not required.
17. The disclosure required as per AS-18 issued by ICAI on related parties transactions is not applicable as the Accounting Standard provides that "no disclosure is required in the financial statement of state-controlled enterprises as regards related party relationship with other state-controlled enterprises and transactions with such enterprises."
18. Due to carry forward losses/depreciation and uncertainty to recover such losses in near future, accounting of deferred tax assets as required by AS-22 issued by ICAI, New Delhi has not been made.
19. The figures shown in the Balance Sheet, Statement of Profit & Loss and Notes have been rounded off to the nearest lacs and decimal thereof.
20. During the year an amount of Rs.48.52 lacs received against sanctioned loan of Rs.11141.55 lacs. The funds are received against these loans on the basis of progress of works under the concern scheme.
21. Previous year figures as shown in the Balance Sheet, Statement of Profit & Loss and Notes have been regrouped and rearranged, wherever considered necessary as the statement of account have been prepared under to the provision of Schedule 'III' of the Companies Act, 2013.


(H.K. Agarwal)
Company Secretary
(In Part Time)


(D.K. Agarwal)
General Manager (FA&A)


(N.C. Agarwal)
Director (P&A)
DIN - 07512825


(S.V.S. Rathore)
Managing Director
DIN - 07512828



PURVANCHAL VIDYUT VITRAN COMPANY LIMITED
(A wholly owned subsidiary of U. P. Power Corporation Limited)
VIDYUT NAGAR, D. L. W., VARANASI

NOTES ON ACCOUNTS

Annexed to and forming part of balance sheet as at 31-03-2015 and Statement of Profit and Loss for the period ended on that date.

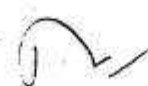
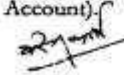
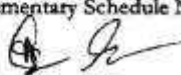
1. The Company is a wholly owned subsidiary of U.P. Power Corporation Limited, Lucknow which owned by the State Government of Uttar Pradesh and engaged in the business of trading (purchase and sale) of electricity.
2. The Company was incorporated under the Companies Act, 1956 on 01-05-2003 and commenced the business operation w.e.f. 12-08-2003 in terms of Government of Uttar Pradesh Notification No. 2740/P-1/2003-24-14P/2003 dated 12-08-2003.
3. The transactions pertaining to distribution business during the reporting period i.e. 2014-15 have been accounted for in the books of account of Purvanchal Vidyut Vitran Company Limited (PuVVNL).
4. The final transfer scheme has been issued by Government of Uttar Pradesh, vide notification No. 1528/24-P-2-15- SA (218)/2014 Lucknow dt. 03.11.2015. The opening balances of 12-08-2003 have been adjusted and accounted for accordingly in the Accounts of the Company as per notified balances.
5. The Share Capital includes the shares allotted to subscribers of Memorandum and Articles of Association being the key person of the Company in their personal names at that time which is transferred from time to time in the name of new key person as and when the new key person takes the charge of Company after transfer / retirement of the previous one.
6. The liability for GPF, Pension and Gratuity during the period is discharged to U.P. State Power Sector Employees Trust by the Purvanchal Vidyut Vitran Company Limited and the liabilities of Contribution to Provident Fund are discharged to CPF Trust.
7. Company had got carried out the valuation of stores to comply AS-2 in respect of stores lying at the level of stores Divisions of Company as on 31.03.2015 and all necessary effect of Accountal has also been made in the Accounts.



8. a)- In charging Depreciation on Fixed Assets, the provision of Schedule -II of the Companies Act, 2013, complied to the extent of feasibility. As per Part 'B' of the said schedule life of the Assets have been taken as per life decided by price regulator i.e. UPERC vide their regulation no. 06/2102 dt. 06.10.2006, annexure -B and taken residual values 5 % for each class of Assets as taken into Schedule II of companies Act 2013. Accounting impact of this accountal has also been made in a separate schedule annexed to Accounts.
- b)- The Company Categorized Cost of bay construction for 33/11 KV substation under "Assets not belonging to Purvanchal Vidyut Vitran Nigam Limited" and disclosed the same under "Tangible Assets" in the Balance Sheet. It is disclosed under "Intangible Assets" at ₹ 3,80,41,000.00 in the previous Year.
- c)- The useful life of the assets in years is taken as Weight for weighted Average
9. The details of provisions for doubtful debts are as Under:-
- (a) The Provision for bad & doubtful debts against revenue from sale of power has been made @ 5% on the incremental basis of trade receivables over the previous year under note No. 15 of Trade Receivables.
- (b) The provision for bad & Doubtful Debts against loans & Advances to suppliers/contractors (O&M) has been made @10% on the closing balances as at year end.
10. The loan taken by Purvanchal Vidyut Vitran Company Limited during the financial year 2014-15 amounting to ₹ 172453.76 lacs out of which ₹ 17342.53 lacs directly and ₹ 155111.23 lacs by Holding Company i.e. UPPCL on behalf of PuVVNL as per details given below:-

Sl.No.	Particulars	PuVVNL	UPPCL	Total
1	REC	17342.53	49000.00	66342.53
2	PFC	0.00	54618.96	54618.96
3	HUDCO	0.00	3915.30	3915.30
4	BANK LOAN	0.00	47376.97	47376.97
	Total	17342.53	155111.23	172453.76

11. Receivables and payables from /to Inter Company/Inter DISCOM/ Holding Company have been shown as net of receivables and payables. The details of receivable and payables have been shown in supplementary schedules (Supplementary Schedule No. 1 to Notes on Account).



12. The Board of Directors of Purvanchal Vidyut Vitran Company Limited has escrowed all the Revenue receipt accounts in favour of U.P. Power Corporation Limited, Lucknow and the Holding Company has further authorized to these escrow revenue accounts for raising or borrowing the funds for & on behalf of Purvanchal Vidyut Vitran Company Limited for all necessary present and future financial needs including Power Purchase obligation.
13. Liability towards Medical Expenses and Leave Travel Concession has been provided to the extent established.
14. Based on actuarial valuation report submitted by M/s. Price Waterhouse Coopers to the Holding Company i.e. U.P. Power Corporation Limited, the provision for accrued liability on account of Pension Fund has been made @ 16.70% and for Gratuity has been made @ 2.38% for the current period on the amount of basic Pay and DA paid / payable to employees.
15. Amount due to SSI units could not be ascertained and interest there on could not be provided for want of complete information. Efforts are being made to segregate this information.
16. (A) Related party disclosures as per AS - 18 are as under:

Sl. No.	Name of the key managerial Personnel/ Directors	Designation	Period (for the Year 2014-15)	
			From	To
1	Shri Sanjay Agrawal, (IAS)	Chairman	01-04-2014	31-03-2015
2	Shri A.P. Mishra	Managing Director	01-04-2014	24-06-2014
3	Dr. Kajal (IAS)	Managing Director	25-06-2014	31-01-2015
4	Shri A.P. Mishra	Managing Director	01-02-2015	12-02-2015
5	Shri Sanjay Agrawal, (IAS)	Managing Director	13-02-2015	23-02-2015
6	Shri M.L. Sharma	Managing Director(Officiating)	24-02-2015	26-03-2015
7	Shri Ajai Kumar Singh	Managing Director	27-03-2015	31-03-2015
8	Shri A.P. Mishra,	Managing Director,UPPCL	01-04-2014	31-03-2015
9	Shri Kamran Rizavi,	Managing Director(UPPTCL)	01-04-2014	17-09-2014
10	Shri Sanjay Agrawal, (IAS)	Managing Director(UPPTCL)	18-09-2014	07-11-2014



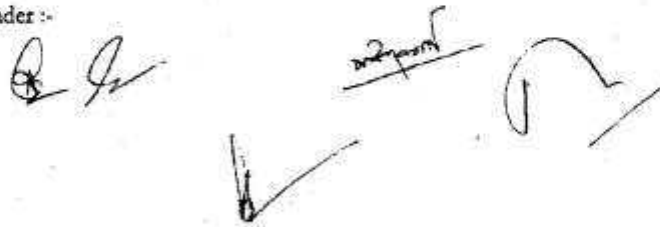
11	Shri Sanjay Prasad,(IAS) (UPPTCL)	Managing Director	07-11-2014 (A.N.)	31-03-2015
12	Shri S.K. Agrawal	Director	01-04-2014	31-03-2015
13	Shri Sudhanshu Dwivedi	Director(F)	01-04-2014	31-03-2015
14	Shri M.L. Sharma,	Director (I)	01-04-2014	31-03-2015
15	Shri Ajit Singh	Director (C)	25-03-2015	31-03-2015
16	Madhyanchal Vidyut Vitran Nigam Limited, Lucknow	Company		
17	Paschimanchal Vidyut vitran Nigam Limited, Meerut	Company		
18	Dakshinanchal Vidyut vitran Nigam Limited, Agra	Company		
19	UPPCL, Lucknow	Company		
20	UPPTCL, Lucknow	Company		
21	KESKO, Kanpur	Company		

(B) Transactions with related parties:- Remuneration and Benefits paid to Key managerial personnel (Chairman, Managing Director and Directors) are as follows:-

	Amount (Rs in lacs)	
	2014-15	2013-14
Salary & Allowances	39.00	45.95
Contribution to Gratuity / Pension/ PF	5.43	7.77

(C) The company has no related party enterprises other than State owned enterprises, detail/transactions of which have not been disclosed in view of Para '9' of AS-18 "Related Party disclosures" which exempts State Controlled Enterprises from making any disclosure pertaining for their transactions with other related parties which are also State Controlled.

17. Debts due from Directors were ₹ Nil
18. Payments to Directors and Officers in foreign currency towards foreign tours were Nil
19. Information pursuant to provision of Part II of Schedule III of Companies Act, 2013 are as under :-



(a) Quantitative Details of Energy Purchased & Sold :-

Sl. NO.	DESCRIPTION	2014- 2015 MILLION UNITS	2013- 2014 MILLION UNITS
1.	Total number of units purchased	18224.459	16928.91
2.	Total number of units sold	13893.333	12742.52
3.	Distribution Losses	23.77 %	24.73 %

(b) Contingent Assets and contingent Liabilities are given in supplements schedule No. 2.

20. Capitalisation of Interest on borrowed fund utilized during construction stage of Capital Assets has been done by identifying the Schemes/Assets and the funds used for the purpose to the extent established.
21. Since the Company is principally engaged in the business of purchase and sale of Electricity and there is no other source of income as per segment reporting vide AS-17 therefore the segment reporting and disclosure as per Accounting Standard(AS) - 17 is not required.
22. (i) The Company has not provided any amount of income tax or deferred tax liability (reflecting the tax effects of timing difference between accounting income and taxable income for the period) keeping in view the huge current loss and past accumulated losses. The income tax returns for the reporting period has been filed on the basis of provisional Financial Statements because of the delay in preparation of the financial statements and the figures of the actual Financial Statements may vary with the figures of provisional or estimated Financial Statements.
- (ii) Due to losses during the reporting period and uncertainty to recover such losses in near future, accounting of deferred tax as required by AS - 22 as issued by ICAI, have not been provided.
23. The figures as shown in the Balance Sheet, Statement of Profit & Loss and Notes annexed to these statements have been rounded off to the nearest rupee and current year and previous year figures have been regrouped / rearranged wherever practicable to make them comparable.
24. The Company has no exposure to real estate sector as on 31-03-2015.



25. The Company received ₹1110.04 Crore during the financial year 2014-2015 as subsidies for operational Loss, being considered as non recurring nature, hence disclosed as extra ordinary items in the statement of Profit & Loss A/c.

Notes at Part – A (A-1 to A-28), 29A & 29 B form an integral part of Balance Sheet and Statement of Profit & Loss.

For and on behalf of Board of Directors of
Purvanchal Vidyut Vitran Company Limited


Chief Financial Officer


Company Secretary


Director
DIN NO. :- 07331824

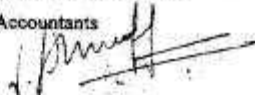

Managing Director
DIN No. :- 07203765

Signed in terms of our report of even date.

For ARSAN & Co.

(Firm Registration No. 005216C)

Chartered Accountants



CA VIKAS SHROFF

(Membership No. 407080)

Partner

Place :- Varanasi

Date :- 20/12/2016

PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED



Note No. 29B

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2015 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

- 1 (a) The Company was incorporated under the Companies Act 1956 on 01-05-2003 and commenced the business operations w.e.f 12-08-2003 in terms of Government of U.P Notification No. 2740/P-1/2003-24-14P/2003 dated 12-08-2003.
- (b) The Company is a subsidiary of U.P. Power Corporation Ltd. The annual accounts for the year 2014-15 are based on the balances of assets and liabilities received as per Transfer Scheme 2003 as well as the transactions pertaining to business during the period 12-08-2003 to 31-03-2015. The final transfer scheme has been finalised vide Govt. of U.P. Notification No. 1528/24-P-2-2015-Sa(218)/2014 Lucknow Dated 03-11-2015. Necessary adjustment has been done in the annual accounts of 2014-15.
- (c) Authorised capital of the company is Rs. 5,000 crore. divided in Rs. 5 crore equity shares of Rs. 1000 each.
- (d) The share capital includes 500 Nos. Equity Shares of Rs. 1000 each allotted to subscribers of Memorandum of Association and shown separately in Balance Sheet.
- (e) During the year Share Application Money from UPPCL includes following :-
- (i) The interest payable on Government Loan amounting to Rs. 1876833464 has been converted into Equity vide G.O. no. 96/2699/24-1-14-1041 (अजरा)/2013 टीसी dated 17.12.2014.
- (ii) Financial assistance under Rajeev Gandhi Gramin Vidyutikaran Yojna (A Central Govt. Scheme) amounting to Rs. 252220409 has been received as Equity.
- (iii) Equity amounting to Rs. 862000000 received against compensation for Operational Loss in Financial Year 2013-14, has been converted into Subsidy vide G.O. no. 70/1615/24-1-14-1043 (अजरा)/2013 dated 16.09.2014.
- (iv) Bonds of Rs. 9849345957 under FRP on behalf of the Paschimanchal Vidyut Vitran Nigam Ltd.) has been converted into Equity vide G.O. no. 19/633/24-1-15-2021 (अजरा)/2014 dated 19.03.2015.
- (v) Equity notified under Final Transfer Scheme vide Govt. of U.P. Notification No. 1528/24-P-2-2015-Sa(218)/2014 Lucknow Dated 03-11-2015 is revised to Rs. 1401,10,18,000 in place of Rs. 540,00,00,000 in Provisional Transfer Scheme. The difference of Rs. 861,10,18,000 is included in Share Application Money.



- (vi) UPPCL, the Holding Co. transferred Rs. 12,77,22,000 out of equity to TRANSCO for construction of 33 KV Bay on behalf of the company.
- (f) During the year 6774846 equity shares of Rs. 1000 each, valuing Rs. 6774846000 has been allotted to Uttar Pradesh Power Corporation Limited as approved in the 80th meeting of Board of Directors held on 11.06.2014.
- 2 (a) The Company is making efforts to recognize and identify the location of fixed assets, transferred under the Transfer Scheme-2003 for the purpose of maintaining the Fixed Assets Register. Till such time the assets as mentioned in the Transfer Scheme, have been taken into accounts.
- (b) The Depreciation on Fixed Assets has been provided as per the provisions of Companies Act, 2013 on "Straight Line Method" basis. Life of Fixed Assets has been considered as per order of Uttar Pradesh Electricity Regulatory Commission. Where life of assets is not given in UPERC order, the same has been taken as per Companies Act, 2013.
If the life of Fixed Assets has been considered as per Companies Act, 2013 the loss during the year would be decreased by Rs. 5.94 crore.
- (c) Due to multiplicity of nature of capital works and difficulty in establishing the correct date of installation of assets, the depreciation on addition of fixed assets during the year has been provided by taking average six months period.
- 3 (a) The loan taken by UPPCL on behalf of the Company has been informed during the year 2014-15 amounting to Rs. 823.75 Crore and repayment made by UPPCL amounting to Rs. 12.83 Crore .
- (b) An amount of Rs. 114.46 Crore has been reduced from the loan of HUDCO as per advise of UPPCL and have been accounted for accordingly.
- 4 An amount of Rs. 1,21,31,840.31 shown as other account for assets at construction stage, shown in the final Transfer Scheme as on 11-08-03, has been converted into Fixed Assets.
- 5 Since implementing period of RAPDRP Part-A has been extended from three years to five years by Ministry of Power, Govt. of India vide its order no. 14/01/2011-APDRP dated 08.07.2013 as informed by M/s Power Finance Corporation Ltd., New Delhi vide letter no. 02:10 R-APDRP(P-A):2009:UPPCL/12439 dated 31.07.2013 which was extended by Power Finance Corporation Ltd. vide letter no. 02/10/R-APDRP(P-A)/2014/PVVNL/022008 dated 28-07-2014 upto 30-06-2015 and further extended vide No. RAPDRP(P-A)/2015/PVVNL-UP/41215 dated 24-08-2016 upto 31-03-2017, the interest on loan taken under RAPDRP Part 'A' amounting to Rs. 80.50 crore has been treated as contingent liability.
- 6 Rs. 3071633950.00 on account of Interest on Bonds has been reimbursed by the Govt. of U.P. vide G.O. no. 39/647/24-1-14-647 (बजट)/2014 dated 02.04.2014 has been accounted for as a subsidy received from Govt. of U.P.(through UPPCL)
A subsidy for operational loss amounting to Rs. 759618000.00 for 2012-13

Rs. 655500000.00 for 2013-14 and Rs. 1456000000.00 for 2014-15 has been received from Govt. of U.P.

Interest on Bond amounting to Rs. 136.10 crore shown in Interest and Finance charges Note No. 23 in FY 2013-14 has been shown as Receivable from U.P. Govt. during the year.

- 7 Interest on Loan raised for creation of Fixed Assets has been capitalised in accordance with AS-16.
- 8 Revenue subsidy from Govt. of UP is received through UP Power Corporation Ltd. During the year Rs. 1702.45 crores on account of revenue subsidy has been accounted for as per credit note received.
- 9 Amount shown in AG-23.707 amounting to Rs. 245,94,95,633 in the final Transfer Scheme has been written off from Provision for Doubtful Debts in view of Significant Accounting Policies no. 5b
- 10 (a) Company has taken increase in trade receivables during last 6 months as amount outstanding for less than 6 months.
(b) Till the 2013-14 Provision for Bad & Doubtful Debts was being made 5% on incremental basis because of Transfer Scheme was not finalised. Now the Transfer Scheme is finalised, the 25% provision for Bad & Doubtful Debts is made on the balance available at the end of the year.
- 11 Accounting for Equity, Subsidy, Grants, Bonds, Loan taken by UP Power Corporation Ltd. on behalf of the company and interest thereon, cost of power purchase, transmission charges, guarantee fees, medical reimbursement (Cash less scheme) and expenses on trust are accounted for on the basis of advice from UPPCL the holding company and the relevant documents are available with them.
- 12 The provision for unserviceable/obsolete material has not been made since the sufficient provision already exists.
- 13 (a) The provision for doubtful receivable from employees have been made @ 10% on the incremental basis appearing at the close of financial year under the head "Other Current Assets- Other Receivables-Employees" have been made.
However, 100% provision has been made against the following cases due to uncertainty of recovery :

Sl. No.	Particulars	Amount (Rs. in crore)
1.	Fraud made by Mr. Rajeev Kumar, Coolie, in EUDD-III Moradabad	0.05
2.	Embezzlement of cash by Mr. Rajeev Kumar, Petrolman, in EUDD-III Moradabad	0.54
3.	Fraud made by Mr. K.P. Singh, T.G.-II, in EDD, Baghpat	0.16
4.	Fraud made by Mr. Anil Kumar, T.G.-II, in EDD-II, Meerut	0.13
	Total	0.88



- 14 The 100% Provision for loss on account of theft of fixed assets pending investigation have been made for balance at the close of financial year.
- 15 (a) Inter-company balances with Dakshinanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd., KESCO and Uttar Pradesh Power Corporation Ltd. has been reconciled, while reconciliation with Uttar Pradesh Power Corporation Ltd. in case of Fund Transfer, Uttar Pradesh Power Transmission Corporation Ltd., Uttar Pradesh Rajkiya Vidyut Utpadan Nigam Ltd. and Uttarakhand Power Corporation Ltd. is in progress and effect of reconciliation will be accounted for in subsequent years.
- (b) Balances appearing under the heads 'Non-Current Assets', 'Current Assets', 'Loans & Advances', 'Unsecured Loans', 'Other Long Term Liabilities', 'Current Liabilities', Material in transit/under inspection/lying with contractors are subject to confirmation/ reconciliation and subsequent adjustments, as may be required.
- (c) On an overall basis the current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the amounts at which these are stated in the Balance Sheet.
- 16 The Value of construction stores is charged to capital work-in-progress as and when the material is issued. The material at the year end lying at the work sites is treated as part of capital work in progress but the material lying in stores is grouped under the head "Stores & Spares".
- 17 (a) (i) In compliance of GOUP order no. 1777-P-2/2002-61(M)E(00) dated 20.09.2002 and UPERC guidelines as well as Power Purchase agreement in between UPPCL and Discoms the UPPCL raise the bills of Power Purchase and accordingly accounted for in PVVNL accounts. The rates charged are subject to the final approval of UPERC under True up petition for the year.
- (b) (i) UPPTCL has charged the Transmission charges @ Rs. 0.135 per KWH from April-2014 to October-2014 and Rs. 0.1937 per KWH from November-2014 to March-2015 as per order of the regulator M/s UPERC issued vide no. UPERC/Secy/D(T)/2015-129 dated 16-04-2015
- (ii) A credit of Rs. 8.31 crore has been received and accounted for in pursuance of UP Electricity Regulatory Commission Tariff Order dated 18-06-2015 vide which UPERC has allowed UP Power Transmission Corporation Ltd. to refund on True-Up for the financial year 2012-13.
- 18 Amount due to Small & Micro units could not be ascertained and interest thereon could not be provided for want of complete information. Efforts are being made to segregate the same.
- 19 Based on actuarial valuation report dated 09.11.2000 submitted by M/s Price Waterhouse Coopers to UPPCL (the Holding Company) and adopted by their Board of Directors, the provision for accrued liability on account of



Pension and Gratuity during the year has been made @ 16.70% and 2.38% respectively on the amount of Basic Pay and DA paid to the employees.

- 20 Liability towards Staff training, Medical expenses and LTC has been provided to the extent established.
- 21 The reconciliation of Inter Unit Transfer balances amounting to debit Rs. 351.57 crore (previous year debit Rs. 136.99 crore) is in process and the effects of reconciliation, if any, will be provided for, in the forthcoming years.
- 22 Rebate received against timely repayment of loan has been accounted for on cash basis.
- 23 Employees Cost worth Rs. 214.06 crore includes Rs. 8.48 crore towards CPF contribution and Rs. 37.35 crore towards Pension & Gratuity.
- 24 Expenditure on UP Power Sector Employees Trust amounting to Rs. 59.96 (previous year 62.39) lacs, distributed on prorata basis has been accounted for as intimated by the Holding Company.
- 25 Employees cost includes remuneration to Managing Director and Directors as under.

Amount (Rs. in Lacs)

	2014-15	2013-14
Salary and Allowance	47.21	52.64
Contribution to Gratuity/ Pension	8.02	7.69

- 26 Payment to Directors and Officers in foreign currency towards foreign tour was Nil. (previous year - NIL)
- 27 Debts due from Directors were Rs. NIL.
(Previous year - NIL)

- 28 1) Information pursuant of provision of Part I & II of Schedule III of Companies Act, 2013 are as under :-

(a) Quantitative Details of Energy Purchased & Sold :-

Sl.No.	Details	2014-15	2013-14
(i)	Total no. of Units Purchased (MU)	25944.58	24098.900
(ii)	Total no. of Units sold (MU)	20845.35	18536.64
(iii)	Transmission & Distribution Losses	19.65%	23.08%

- (b) Contingent Liabilities under different categories i.e. Claims against the company not acknowledged as debts, Capital commitment and Contingencies for the year is Rs. 235.75 crore (previous year Rs. 70.72 crore) as per details here under :-

[Handwritten initials] *[Handwritten signature]* 

Sl. No.	Particulars	Amount (Rs. in crores)	Remarks
1.	Interest on RAPDRP Part-A Loan	80.50	
2.	Contingent liabilities on account of statutory dues, claim of staff & consumers & suits filed against Moradabad Zone and for other related liabilities.	0.98	Pointed out by Branch Auditors
3.	EDD-III, Meerut (Court Case)	0.06	
	EDD-II, Meerut (Court Case)	0.09	
	EUDD-I, Meerut (Court Case)	1.34	
	EDD-II, Baraut (Court Case)	0.13	
	EDD, Mawana (Court Case)	0.21	
4.	Amount involved in court cases	150.02	
5.	Statutory Default like Service Tax, VAT, TDS	1.20	
6.	Demand of Interest by UPERC	0.39	
7.	Court cases other than Trade Revenue	0.83	
	Total	235.75	

No further provision has been made as sufficient provision of Rs. 1208.05 crore against Bad & Doubtful Debts exist.

(c) The details of auditor's expenses is as under :-

Details	2014-15	2013-14
(i) As auditor	-	-
(x) Audit fees	1006250.00	786520.00
(y) T.A. expenses	88547.00	334106.00
(ii) As advisor	-	-
(x) Taxation matters	-	-
(y) Company law matters	-	-
(iii) In any other manner	-	-

29 Government dues in respect of Electricity Duty and other levies amounting to Rs. 1029.53 crore (previous year Rs. 590.11 crore) shown in Note No-8.


30 AS-2: The company has large nos. of Stock items located at various divisions/sub-divisions/store centre etc. To establish the realizable value, as such, is practically very difficult. Same has been valued at cost. The difference of cost and realization value in overall position will be insignificant.


31 AS-10: Due to multiplicity of functional units as well as multiplicity of function at particular unit, employees cost and administration & general expenses to capital works are capitalized @ 15% on distribution and deposit work, 11% on other works on the amount of total expenditure.

However capitalization of employees cost and administration & general expenses is restricted to the expenditure actually made in a particular financial year.



- 32 Since the Company is principally engaged in the distribution business of electricity and there are no other reportable segment as per AS-17, hence the disclosure as per AS-17 on segment reporting is not required.
- 33 The disclosure required as per AS-18 issued by ICAI on related parties transactions is not applicable as the Accounting Standard provides that " no disclosure is required in the financial statement of state-controlled enterprises as regard related party relationship with other state-controlled enterprises and transactions with such enterprises"
- 34 Due to heavy carried forward losses/depreciation and uncertainties to recover such losses/depreciation in near future, accounting of deferred tax assets as required by AS-22 issued by ICAI is not made.
- 35 AS-28 requires estimation and provision for impairment loss represented by amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the assets net selling price and its value in use based on the present value of estimated future cash flows expected from the use of assets and its disposal at the end of its useful life. It is worth mentioning here that assets of the Company have been accounted for at their historical cost and most of the assets are very old. Thus the impairment of assets is unlikely in the Company because of the fact that the recoverable amount of the assets is higher than its present accounted value.
- 36 The figures shown in the Balance Sheet, Profit & Loss Account and Notes have been rounded off to the nearest rupee.
- 37 Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.


(P.K. Agarwal)
Director (Finance)


(Abhishek Prakash)
Managing Director


(Dr. Jyoti Arora)
Company Secretary



KANPUR ELECTRICITY SUPPLY COMPANY LTD.
(NOTES ON ACCOUNT)

Notes forming part of the financial statements for the year ended 31st March, 2015

NOTE 10 - BACKGROUND

(i) The Company was incorporated under the Companies Act, 1956 on 21.07.1999 and took over the Assets and Liabilities of KESA Zone of UPPCL w.e.f. 15.01.2000 (hereinafter referred to as the "separated date") in terms of the U.P. Government notification no. 186 /2001-1-2000 dated 15.01.2000. Accordingly, the accounts of the company also comply with the various provisions of the Transfer of KESA Zone Electricity Distribution Scheme, 2000 (hereinafter referred to as the "transfer scheme").

(ii) The Fixed Assets (of the erstwhile KESA Zone) were taken over by the Company (i.e. KESCO) from UPPCL on 15.01.2000 as per the transfer scheme at a gross value of ₹ 266.00 crores (with nil accumulated depreciation). The details of the individual book of assets have been considered at the values as approved by the Board of Directors.

NOTE 11 - SEGMENT REPORTING (AS 17)

Since the Company is engaged in retail distribution of electricity in the city of Kanpur and its adjoining areas, there are no other reportable segments in terms of Accounting Standard (AS) 17: Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006 pursuant to Section 133.

NOTE 12 - RELATED PARTY TRANSACTIONS (AS-24)

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP) - M.D. Sri S.N. Bajpai w.e.f. 01.04.2014 to 31.03.2015 M.D. Smt. Rashmi Jaiswal w.e.f. 15.07.2014 to 09.12.2014 M.D. Smt. Seha Kumari w.e.f. 10.12.2014 to end of financial year. Director Sri S.N. Bajpai, Director (T) w.e.f. 01.04.2014 to 31.03.2015	
Sri S.N. Bajpai, M.D., Kesco did not draw salary as M.D. as he had additional charge of M.D., Kesco being Director (T) Kesco. Smt. Rashmi Jaiswal, M.D., Kesco did not draw salary as M.D. Kesco because she had additional charge of M.D., Kesco and drawn salary from O.M. office as O.M., Kanpur Nagar. Smt. Seha Kumari, M.D., Kesco drawn salary as M.D. from Kesco w.e.f. 10.12.2014 to 31.03.2015 amounting Rs. 35908.50 Sri S.N. Bajpai, Director (T) Kesco drawn salary from Kesco amounting to Rs. 354994.00	

Details of related party transactions during the year ended 31st March, 2015:

Particulars	KMP
Transactions during the year	
Directors Salary: Sri S.N. Bajpai, Director (T) Kesco for the year 2014-15	9.87 lac
Total	9.87 lac

(i) In terms of the exemption as per para 8 of Accounting Standards (AS)-18 Related Party Disclosures as notified under the Companies (Accounting Standards) Rules, 2006 pursuant to Section 133 of Companies Act, 2013, no disclosure has been made in the financial statements as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

NOTE 13 - LEASEHOLD LAND

(i) The Company has not ascertained the value of the leasehold land received from UPPCL as per the transfer scheme at a lease of ₹ 1.00 per month and holds the same at a nominal value of ₹ 1.00 in the books of account.

(ii) The lease of Plot no. 4 and 54 of erstwhile KESA expired on 4.12.1994 and 31.07.1994 respectively and was not renewed by the Government of U.P. vide G.O. dated 03-10-1994. The Company had accordingly deposited a sum of ₹ 7,43,80,705.00 with the State Government towards extension of the plots into freehold in earlier years.





Notes forming part of the financial statements for the year ended 31st March, 2015

NOTE 34 : RECONCILIATION OF INTER UNIT & OTHER BALANCES

The following balances are subject to verification and/or reconciliation as at the year end. Impact, if any, on the assets/liabilities and/or income/expenditure consequent to such reconciliation is presently not ascertainable.

(a) Inter unit balances

(b) Balance of Trade Receivables, Advances to Suppliers/ Contractors, balance with UP State Power Sector Employee Trust, Loans and Advances, Security Deposits, Various balances with State Government.

NOTE 35 : INTEREST ON SECURITY DEPOSIT FROM CONSUMERS

Interest on security deposit from consumers has been provided at the best rate notified by the RBI as president on 1st April of applicable financial year 2014-15 i.e. 9.00% p.a. and as per para 4.20 (i) of the Electricity Supply Code, 2005, (third amendment). The provision has been made on the monthly opening cumulative ledger balances (net) instead of providing for the same in respect of individual consumer balances. Under/ excess provision, if any, and the impact of the same on the reported loss of the Company for the year on account of the aforesaid estimation is not ascertainable.

NOTE 36 :

The Govt. of U.P. had vide its order no. 3188 dated 24.10.2009 and 1077 dated 17.04.2008 decided that the electricity duty and interest payable for the period from 15.02.2009 to 31.03.2009 and 01.04.2009 to 31.03.2008 respectively would be adjusted against the balance subsidy payable to UPCL by the State Government. Accordingly, the amount of electricity duty and interest thereon payable due to pending adjustment by the state government has been shown under the Note 9 - under heading Electricity duty & other levies payable to Govt.

NOTE 37 : POWER PURCHASE FROM UPCL

(i) Power Purchase from UPCL has been accounted for at the rates approved by UPCL for the financial year 2014-15 at the rate ₹ 4.487641367 per unit. Further transmission charges w.e.f. April-14 to Oct-14 @ ₹ 6.135 per unit and w.e.f. Nov-14 to Mar-15 @ ₹ 0.2387 per unit is also payable for the use of extra state transmission network as approved by UPCL for the year 2014-15.

(ii) The joint meter reading for purchase of power from UPCL is taken at twelve sub stations (supply points from UPCL) on the first day of each month at 09:00 AM by the Executive Engineer (Transmission) UPCL and Executive Engineer (Test) KESCO. In the absence of the reading being taken at 12 midnight on the 31st of March 2015, the impact of such a method on the reported loss for the year on account of the amount of power purchase being incorrect, in the opinion of the management, would not be material.

NOTE 38 :

Pending final adjustment/reconciliation of the differences between the balances of KESCo and KESA as on the date of transfer, the net credit balance as on date of ₹ 14.46 crores (Previous year ₹ 14.46 crores) has been disclosed under reserve & surplus (Note 2) - Impact, if any, of the same on the assets/liabilities and/or income/expenditure subsequent to such reconciliation is presently not ascertainable.

NOTE 39 - EARNING PER SHARE (AS-20)

Particulars	For the year ended	
	For the year ended	For the year ended
	₹	₹
Net profit for the year attributable to the equity shareholders	(1,171,702,511.00)	(1,739,960,497.00)
Weighted average number of Equity Shares	169,147,400	169,147,400
Par value per share	10.00	10.00
Earnings per share - Basic	(6.92)	(10.28)

NOTE 40 : IMPAIRMENT OF ASSETS (AS 28)

In the opinion of management, there is no specific indicator of impairment of any assets as on the Balance Sheet date as envisaged by Accounting Standard-28: Impairment of Assets as notified under the Companies (Accounting Standard) Rules, 2008 pursuant to Section 133 of the Companies Act, 2013. Further, the assets of the company have been accounted for at their historical cost and most of the assets are very old and their carrying amount does not exceed the recoverable amount.

NOTE 41 : MICRO AND SMALL ENTERPRISES

The Company has not received any memorandums (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently, the information with regard to the amount unpaid as at the year end to such enterprises together with the interest paid/possible to such parties is not being disclosed.

Handwritten signatures and initials: "W", "BY", "Ca", and a large stylized "R".



37

Notes forming part of the financial statements for the year ended 31st March, 2015

NOTE 42:

Income Tax Assessments have been completed for the Financial Year 2012-13. No Provision of income tax has been made as the company is incurring continuous losses. Deferred Tax Assets/Liability have not been recognised in absence of reasonable certainty that sufficient future taxable income will be available to set off the unabsorbed losses and unabsorbed depreciation.

NOTE 43 : Quantitative details for Electricity units purchased and sold: (in MU)

Particulars	2014-15	2013-14
Total Power Purchased	3,500,000	3,534,092
Total Power Sold	2582,000	2458,092
Distribution Loss	918,000	1,076,000
% Distribution loss	26.24%	30.84%

In the opinion of the management, the identified reasons of line losses during the financial year 2014-15 (2013-14) are:

- a) Unauthorised use of electricity and illegal connections.
- b) Overloading of Transformers.
- c) Supply of electricity being maintained through 11/6.6 KV feeders which are very old and require upgradation.

Corrective measures are being taken to decrease the line losses.

Note 44 : Earning Per Share

Basic earnings per share is calculated by dividing the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTE 45 :

Previous year figures have been regrouped or reclassified and restated to the extent possible wherever considered necessary. The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
Per P. L. Tandon & Co.
Chartered Accountants
FRN/000286

P. L. Tandon
Partner
M No: 012754

Dated: 27-12-2016
Place: Kanpur



For and on behalf of the Board of Directors

G. M. Sharma
(Gopal Sharma)
Dr. G.M. (ACFPA)

Ramesh Kumar
(Ramesh Kumar)
Director (Fin.)

G. M. Sharma
(Gopal Sharma)
Company Secretary

S. K. Gupta
(S.K. Gupta)
Managing Director

SONEBHADRA POWER GENERATION COMPANY LIMITED, LUCKNOW

NOTE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2015

14. The Company was incorporated on 14th February 2007 and is a subsidiary of Uttar Pradesh Power Corporation Limited.
15. The Company is established under the Companies Act, 1956, and is a SPECIAL PURPOSE VEHICLE constituted for the purpose of carrying out bidding process for Procurement of Power by Distribution Licensees as per Guidelines issued by Ministry of Power, Govt. of India.
16. As per Guidelines issued by Ministry of Power, Govt. of India for the implementation/development of project, the Company initiated the preparatory activities such as process of land acquisition, arrangement for coal linkage, arrangement of water resources and environmental clearance etc. The Company reviewed the progress of the project work and observed the following facts:-
- Ministry of Coal, Govt. did not communicate about allotment of coal to the project, though the application was submitted in July 2009 and too much time had elapsed since then.
 - Due to practical problems and resistance from land owners there was no considerable progress in the land acquisition.
 - Ministry of Environment and Forest, Govt. finding Singauralli region (which is adjoining to project area) as critically polluted declared moratorium on establishing new projects in this area.
 - The concerned department did not communicate regarding allocation of water to the project.
17. Board of Directors took cognizance of the facts narrated in note 16 above and took decided to abandon/close the Project with dissolution of the company and directed to present the case before the Energy Task Force, Govt. of U.P. for its approval in its meeting dated 07-10-2013
18. The Energy Task Force, Govt. of U.P. also recommended for abandoning the Project with dissolution of M/s Sonebhadra Power Generation Company Ltd. and further directed to get this decision approved by the Hon'ble Cabinet, GoUP. The decision of Hon'ble Cabinet is still awaited.
19. **Employee Benefits**
There is no employee on the Payroll of the company.
20. In view of Accounting Standard 22 "Accounting for taxes on Income" issued by institute of Chartered Accountants of India, the Company has worked out the deferred tax liabilities/assets in accordance therewith. The net deferred tax assets as at 31-03-2015 are not recognized in the account under review in the absence of certainty of sufficient future taxable income
21. **Segment Reporting**
Since the company has not commenced its trading operation during the period, the Accounting Standard - 17 on 'Segment reporting' issued by The Institute of Chartered Accountants on India is not applicable.
22. **Micro, Medium And Small Enterprises**
In terms of section 22 of the Micro, Small and Medium Enterprises Development Act 2006, there are no outstanding to these enterprises as creditors of the company.

As at 31.03.2015	As at 31.03.2014
NIL	NIL



23. Contingent Liabilities

As at 31.03.2015	As at 31.03.2014
NIL	NIL

24. In the Opinion of the Board of Directors, the assets other than Fixed Assets & Non-Current investment are approximately of the value stated if realized in the ordinary course of the business. The provisions for all known liabilities have adequately been made and are not in excess of the amounts reasonably necessary. There is no contingent liability other than those stated, if any, in this schedule.

25. Income and Expenses incurred in Foreign Currency – Rs. Nil

26. Earnings per share:

Particulars	As at 31.03.2015	As at 31.03.2014
a) Profit after tax attributable to equity	(129713)	(54,50,838)
b) Basic/weighted average number of equity share outstanding during the year	665	665
c) Face Value of Equity Share	1000	1000
d) Earnings per share (Basic and Diluted in Rs.)	(195)	(8,197)

27. Figures of the previous year have been regrouped and recasted wherever felt necessary to make them compatible with the figures of the current year and rounded off to nearest rupees.


(ATISH MUZZAM KHAN)
CHIEF ENGINEER(PROJECT)


(ABHA SETHI TANDON)
ACTING COMPANY SECRETARY


(RAMANAND YADAV)
DIRECTOR
DIN - 06/11180


(SUDHANSHU DWIVEDI)
ADDL. DIRECTOR
DIN - 0653235


(A.P. MISHRA)
DIRECTOR
DIN - 05183625

Auditors' Report

In terms of our separate report of even date attached.

FOR VIMAL DIXIT & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 008805C


(VIMAL KANT DIXIT)
PARTNER
Membership No. : 078201



PLACE:- Lucknow
DATED:- 07/02/2017

SOUTHERN UP POWER TRANSMISSION COMPANY LIMITED
14, Ashok Marg, Lucknow

NOTES TO ACCOUNT AND ADDITIONAL INFORMATION PURSUANT TO THE
 COMPANIES ACT 2013 FOR THE YEAR ENDING 31ST MARCH 2015

1. Break up of expenditure in respect of remuneration aggregating Rs. 60,00,000 or more per annum or Rs. 5,00,000 per month in respect of employee for a part of the year. Nil.

2. There are no Sales during the year.

3. **Auditor's Remuneration: -**

For Statutory Audit Rs.25000.00 (Previous Year Rs. 25000)

4. License capacity Not Applicable

5. CIF Value of import Nil

6. Energy conversion Not Applicable

7. Remuneration to Managing Director/Whole time Directors

	<u>Current Year</u>	<u>Previous year</u>
Directors' Remuneration	Nil	Nil

8. **Turnover**

	<u>Current Year</u>	<u>Previous Year</u>
	Nil	Nil

9. **Closing Stock of finish goods**

	<u>Current Year</u>	<u>Previous Year</u>
	Nil	Nil

10. **Related Party Disclosure**

The Related parties are defined by the Accounting standard 18 "Related Party Disclosure" issued by the Institute of chartered Accountants of India. There are no transactions that have been made by related parties in respect of which any disclosure is required.

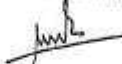
11. The Board of Directors passed a resolution dated 20/09/2016 to wind up the Company and hence the principle of Going Concern has not been followed while preparing the financial statements

27 JAN 2017



12. A Company/Sector specific report u/s 143(2) (Annexure I) and report u/s 143(5) (Annexure II) of the Companies Act, 2013 is annexed herewith

For and on behalf of the Board



A.C. Pandey
(DGM (Acct.) Trans. Hq., UPPTCL)



H.K. Agarwal
(Company Secretary - Acting, SUPPTCL)



Prabhat
(CE, UPPTCL)



Sanjay Kumar Singh
(Director, SUPPTCL)



Vishal Chauhan
(Chairman, SUPPTCL)

For J.J. Mehrotra & Co.
Chartered Accountants


(Isha Kapoor)
Partner
M. No. 414228
MRN.

Place: Lucknow.
Date:

27 JAN 2017

M/s JAWAHARPUR VIDYUT UTPADAN NIGAM LTD.
LUCKNOW (NOTES ON ACCOUNTS)

17. The Company was incorporated on 4th September 2009 and was a subsidiary of Uttar Pradesh Power Corporation Limited till 15.06.2015 and thereafter whole of the undertaking was transferred to UP Rajya Vidyut Utpadan Nigam Ltd on 16.06.2015.
18. The Company is established under the Companies Act, 1956, and is a SPECIAL PURPOSE VEHICLE constituted for the purpose of carrying out bidding process for Procurement of Power by Distribution Licensees as per Guidelines issued by Ministry of Power, Govt. of India.
19. The Company is also performing initial project preparation activities such as acquisition of land, arrangement for coal linkage, arrangement of water resources and environmental clearance etc. since para 2.1 of Guidelines issued by Ministry of Power, Govt. of India provides that the Distribution Licensees(s) may also entrust initial project preparation activities to the SPV (proposed to be undertaken before completion of bid process). As the Project is under construction, no trading activities carried out during the year.

20. Employee Benefits

There is no Employee on the pay roll of the company & Expenditures shown as Employees Cost during previous years are those allocated and debited equally to the Shell Companies (SPVs) of UPPCL on account of staff deployed for Shell Companies, as per policy of UPPCL (the holding company) as contained in O.M. No- 2035/NI/UMPP DL 06.09.2010. However, As per administrative decision by UPPCL no allocation of such expenses has been done w.e.f. 01-04-2014.

21. In view of Accounting Standard 22 "Accounting for taxes on income" issued by institute of Chartered Accountants of India, the Company has worked out the deferred tax liabilities/assets in accordance therewith. The net deferred tax assets as at 31-03-2015 are not recognized in the account under review in the absence of certainty of sufficient future taxable income.

22. Segment Reporting

Since the company has not commenced its trading operation during the period, the Accounting Standard - 17 on 'Segment reporting' issued by The Institute of Chartered Accountants on India is not applicable.

23. Micro, Medium And Small Enterprises

In terms of section 22 of the Micro, Small and Medium Enterprises Development Act 2006, the outstanding to these enterprises as creditors of the company-

As at 31.03.2015	As at 31.03.2014
NIL	NIL



by *an* *lms*

M/S JAWAHARPUR VIDYUT UTPADAN NIGAM LTD.
LUCKNOW (NOTES ON ACCOUNTS)

24. Contingent Liabilities

As at 31.03.2015	As at 31.03.2014
NIL	NIL

25. In the Opinion of the Board of Directors, the assets other than Fixed Assets & Non-Current investment are approximately of the value stated if realized in the ordinary course of the business. The provisions for all known liabilities have adequately been made and are not in excess of the amounts reasonably necessary. There is no contingent liability other than those stated, if any, in this schedule.

26. As per administrative decision by UPPCL allocation of Expenses incurred on Shell Companies on account of contractual staff & Rent etc. as per policy of UPPCL (the holding company) as contained in O.M. No- 2035/NIUMPP Dt. 05.09.2010 has not been done w.e.f. 01-04-2014.

27. Income and Expenses incurred in Foreign Currency – Rs. Nil

28. Earnings per share: (Amount in Rs.)


Particulars	As at 31.03.2015	As at 31.03.2014
a) Profit after tax attributable to equity	0	0
b) Basic/weighted average number of equity share outstanding during the year	50,000	50,000
c) Face Value of Equity Share	10	10
d) Earnings per share (Basic and Diluted in Rs.)	0	0

29. Figures of the previous year have been regrouped rearranged and reclassified wherever felt necessary to make them compatible with the figures of the current year and rounded off to nearest rupees.


As per our Separate Report of even date For & On Behalf of Jawaharpur Vidyut Utpadan Nigam Ltd.

For Rajeev Nanada & Co.
Chartered Accountants
(FRN – 003347C)


A. Rajeev Agarwal
Partner
M. No.071998


(H.K. Agrawal)
Company Secretary


(Rakesh Kumar)
Chief General Manager(F)


(A. K. Agrawal)
Director (Finance)


(A. P. Mishra)
Managing Director

Date 24 JUN 2016
Place : Lucknow

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

NOTE NO. 26



**NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT
31.03.2015 AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON THAT DATE**

- 26.1) (a) The Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) came into existence when in compliance to GO UP letter No. 293 dated 16.05.2006, the Name and Object Clause of the Memorandum of Association of the erstwhile Uttar Pradesh Vidyut Vyapar Nigam Limited (Incorporated on 31.05.2004) was changed on 13.07.2006. Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) define to be a State Government Company has been incorporated under the Companies Act, 1956 while U.P. Government notification No.2974(1)/24-P-2-2010 dated 23 December 2010.
- (b) With an objective of separation of the activities of bulk purchase/sale of energy and transmission of energy under separate corporate entities respectively by Uttar Pradesh Power Corporation Ltd. and Uttar Pradesh Power Transmission Corporation Limited with effect from 01.04.2007 under the provisions of the notification No.2974(1)/24-P-2-2010 dated 23 December 2010 i.e. Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities including the Assets & Liabilities and Related Proceedings) Scheme, 2010, issued by Urja Anubhag-2, the Government of Uttar Pradesh vide powers conferred under sub-section (4) of section 131 of The Electricity Act, 2003 (Act No.36 of 2003) and in partial modification of scheme formulated under section 23 of The Uttar Pradesh Electricity Reforms Act, 1999 (Uttar Pradesh Act No.24 of 1999) the Government of Uttar Pradesh issued Transfer Scheme for Transfer of Transmission and Related Activities including the Assets & Liabilities and Related Proceedings from UPPCL to UPPTCL alongwith determination of terms and conditions of incorporation, according to which in the context of transmission undertaking (UPPTCL), unless stated otherwise by the State Government and/or UPPCL, the entire Assets, Liabilities and Proceedings related to transmission shall provisionally vest in the transmission undertaking. The Corporation (UPPTCL) has started functioning/operating independently with effect from 01.04.2007. UPPTCL is a State Transmission Utility in terms of section 39 of The Electricity Act, 2003.
- (c) In exercise of the powers conferred under sub-section (4) of section 131 of the Electricity Act, 2003 (Act No. 36 of 2003) and sub-section (4) of section 23 of the Uttar Pradesh Electricity Reforms Act, 1999 (U.P. Act no. 24 of 1999) read with clause 7 of the Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities including the Assets & Liabilities and Related Proceedings) Scheme, 2010 (notification no. 2974 (1)/XXIV-P-2-2010, dated December 23, 2010), the Governor, by way of modification, variation and otherwise change in the terms and conditions of the said Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities including the Assets & Liabilities and Related Proceeding) Scheme, 2010 in regards to the transfer of properties, interest, rights, liabilities, personnel and proceedings by substituting the schedule to the notification No.1529/XXIV-P-2-2015-Sa.(218)-2014 Dated Lucknow, November 3, 2015 issued by Urja Anubhag-2 GoUP in place of the Schedule to the notification no. 2974 (1)/XXIV-P-2-2010, dated December 23, 2010, the transfer scheme has been finalised which shall be effective for all intent and purposes with modifications thereto.

37) 27/1/15

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(d) In partial modification of the Scheme formulated under section 23 of the Uttar Pradesh Electricity Reforms Act, 1999 (UP Act No.24 of 1999) by application of the powers conferred under section 133 of The Electricity Act, 2003 the State Government with the purpose of effectuating such Transfer Scheme, issued the Terms and Conditions for transfer of personnel of Uttar Pradesh Power Corporation Limited working in the transmission undertaking and proceedings related thereto, by way of notification No. 2374/24P-2-2010 Dated December 23, 2010 issued by Urja Anubhag-2 of GoUP i.e. the Provisional Transfer Scheme comprising of methodology relating to provisional classification and transfers at point no.7 as below:

- (1) The transfer of personnel under this Scheme shall be provisional and shall be final upon the expiry of 12 months from the date of issue of notification of this Scheme.
- (2) At any time within a period of 12 months from the date of issue of notification of this Scheme, the State Government may by order to be notified amend, vary, modify, add, delete or otherwise change terms and conditions of the transfer in such manner and on such terms and conditions as the State Government may consider appropriate.
- (3) On the expiry of the period of 12 months from the date of issue of notification of this scheme and subject to any directions, if any given by the State Government the transfer of personnel and proceedings made in accordance with the Scheme shall become final.

In view of the recommendations of the "Personnel Absorption Committee (Kaarmik Aarmelan Samiti)" constituted by Government of Uttar Pradesh by exercising powers conferred under section 7(3) of the Transfer Scheme 2010 as above for absorption/transfer of personnel of UP Power Corporation Limited and UP Power Transmission Corporation Limited and the decisions of the Board of Directors (BOD) of UP Power Corporation Limited and UP Power Transmission Corporation Limited with regard to absorption/transfer of personnel, the Urja Anubhag-2, Government of Uttar Pradesh vide their office memo No. 3104/24-P-2-12-4 (04)/09 Lucknow dated 22 December 2015, have pronounced the decision pertaining to the absorption/transfer of the employees and officers of UP Power Corporation Limited and UP Power Transmission Corporation Limited subject to terms and conditions contained in the said memo with direction for necessary action to be taken. It is mentioned therein that the common cadre personnel working in UP Power Corporation Limited/UP Power Transmission Corporation Limited/Discom (namely Engineering Cadre/Officers of Accounts Cadre/Personnel Cadre/Public Relations Cadre/Law Cadre/Administrative Officer Cadre/Junior Engineers Cadre/All personnel of HQ Cadre) shall be absorbed in UP Power Corporation Limited. Similarly, it is also mentioned that the personnel other than Common Cadre personnel working in UP Power Transmission Corporation Limited, namely Operational Cadre, Clerical Cadre, Accounts Cadre (Other than Officers) and Art Cadre shall be deemed to be absorbed there itself. Junior Engineer Cadre has been included in Common Cadre and Sports Cadre has been excluded from Common Cadre as earlier. However, notification regarding final transfer of personnel has yet not been notified by Government of Uttar Pradesh.

- 26.2) Where historical cost of a discarded/retired/obsolete fixed assets is not available, the estimated value of such asset and depreciation, thereon, has been adjusted and accounted for.
- 26.3) On the overall basis the assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the balance sheet.

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26.4) Earning/Expenditure in foreign currency :-

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
(a) CIF value of Imports	-	-
(b) Earning in Foreign Currency	-	-
(c) Any Expenditure in Foreign Currency	-	-
Travelling Expenses(USD)	-	-
Consultation Charges(USD)	306,478	222,313
Total	306,478	222,313

26.5) Since the Corporation is principally engaged in the business of transmission of electricity and there is no other reportable segment as per AS-17, hence the disclosure as per AS-17 on segment reporting is not required. However the transactions of activities relating to separate function of SLDC have already been specified in disclosure to Note 16.

26.6) Contingent Liabilities and Capital Commitments(to the extent ascertainable and not provided for)
(₹ in Crores)

Particulars	As at 31.03.2015	As at 31.03.2014
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided	733.44	982.22
(ii) Other claims against company not acknowledged as debts	36.39	30.85
Total	769.83	1013.07

Other than as stated above, liabilities, if any, arising out of cases/claims filed by employees as well as parties against corporation are unascertainable as such the same shall be met on arising thereof.

26.7) Nothing adverse regarding compliance of the provisions in respect of units covered under the MSMED Act 2006, regarding the amount of unpaid liabilities and interest thereon as required u/s 22 of the said Act has been reported either by the Zonal units of UPTCL or the concerned parties covered under the Act.

26.8) RELATED PARTY INFORMATION :-

As per AS-18 issued by the Institute of Chartered Accountants of India, the Company's related party are as under:

a) List of Related Parties(key management personnel):i. Key management personnel & their relatives:

Name	Designation	Working Period (for F.Y. 2014-15)	
		Appointment	Retirement/ Cessation as on 31.03.2015
Shri Karamjit Ravi	Chairman & Managing Director	11.06.2013	17.09.2014
Shri Sanjay Agarwal	Prin.Secy.(Energy)	17.05.2013	Working
Shri Sanjay Agarwal	Chairman & Managing Director	17.09.2014	07.11.2014

32/3/2015

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Shri Sanjay Agarwal	Chairman	17.09.2014	Working
Shri Sanjay Prasad	Managing Director	07.11.2014	Working
Shri A.P.Mishra	MD,UPPCL & Director	22.04.2013	Working
Shri S.K.Agarwal	Director(Finance)	09.01.2009	Working
Shri A.P.Singh	Director(Works & Project)	06.12.2014	Working
Shri Ram Swarath	Director(SLDC)	13.02.2015	Working
Shri Neel Ratan Kumar	Director	06.10.2010	Working
Shri S.K.Gupta	Director	07.06.2011	Working
Shri Pramod Gopal Rao Khandekar	Director(Commercial)	17.01.2014	Working
Shri Shatanshu Agrawal	Director(Operation)	06.12.2013	Working
Shri Ram Vishal Pandey	Director(Personnel & Management)	06.12.2013	Working
Ms. Neerja Krishna	Director	20.03.2014	Working
Shri Prabhakar Singh	Director	11.12.2012	Working

(Amount in ₹)

Particulars	2014-15	2013-14
	Referred in (a) (i)	Referred in (a) (i)
Salary & Allowances	6596555	4895916
Contribution to Gratuity/Pension/PF	387535	179299
Debts due from Directors		

(c) The Chairman, Managing Director and other Directors who have been appointed/posted by the Govt. of U.P. for the UPPCL and have the additional charge of the company also, have drawn their remuneration from the UPPCL as per their entitlement.

(d) The company has no related party enterprises other than state owned enterprises, details/transactions of which have not been disclosed in view of Para '9' of AS-18 "Related Party Disclosures" which exempts State Controlled Enterprises from making any disclosure pertaining for their transactions with other related parties which are also State Controlled.

26.9) An accounting of Deferred Tax Assets has not been considered in accounts on prudent basis as the company is not certain about substantial income in near future due to unabsorbed accumulated losses of ₹ 874.93 crore. It includes the accumulated loss amounting to ₹ 976.27 crore which has been transferred by the UPPCL under the Provisional transfer scheme and ₹ 57.88 crore accumulated losses pertaining to prior to transfer scheme has been debited in financial year 2011-12. The transfer of the transmission undertaking from the transferor (UPPCL) to the transferee (UPPTCL) under the above transfer scheme shall be a de-merger of the transferor within the meaning of Section 2 (19AA) of the Income Tax Act, 1961.

26.10) Basic and diluted earnings per share has been shown in the Profit & Loss Account in accordance with AS-20(EPS). Basic earnings per share have been computed by dividing net loss after tax by the weighted average number of equity shares outstanding during the year. Numbers used for calculating diluted earnings per equity share includes the amount of equity share money (pending for allotment).

(Amount in ₹)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
(i) Basic EPS		
Profit after Tax as per Profit & Loss A/c (A)	(718,597,444)	3,213,910,850
Weighted Average Number of Equity Shares (B)	59,167,086	50,579,267
Basic Earnings Per Share (A/B)	(12.15)	63.54

3/12/2014



Face Value per share	1000	1000
(B) Diluted EPS		
Profit after Tax as per Profit & Loss A/c (A)	(719,897,444)	3,213,910,350
Weighted Average Number of Equity Shares (B)	72,356,655	56,066,831
Diluted Earning Per Share (A/B)	(9.93)	57.30
Face Value per share	1000	1000

26.11) Disclosure as per AS-29 is as under :-

Particulars	Movement of Provisions			
	Balance as on 01.04.2014	Provision made during the year	Provision adjusted during the year	Balance as on 31.03.2015
	₹	₹	₹	₹
(i) Provision for doubtful advances against capital works	40,324,991	-	3,000	40,321,991
(ii) Provision for obsolete/unservicable/shortage/loss of stores	405,146,984	959,478	-	406,106,462
(iii) Provision for doubtful receivables	22,572,243	-	-	22,572,243
(iv) Provision for losses due to theft of fixed assets	1,130,636	-	-	1,130,638
(v) Provision for doubtful advances against O&M works	6,236,502	-	-	6,236,502
Total	475,411,356	959,478	3,000	476,367,634

- 26.12) Previous year figures have been regrouped/ reclassified/recasted wherever considered necessary.
- 26.13) Figures for F.Y. 2013-14 are as per Companies Act 1956, Whereas figures for F.Y. 2014-15 are on the basis of account prepared as per Companies Act, 2013.
- 26.14) The figures as shown in the Balance Sheet, Profit & Loss Statement, Cash Flow Statement and Notes to accounts have been rounded up/down to the nearest ₹.

3423-221169
(Dr. U.K. Yadav)
Dy. General Manager
(Accounts & Audit)

(A.K. Gupta)
Chief General Manager
(Accounts & Audit)

(S.K. Mishra)
Director (Finance)

(Sahar Sethi Tandon)
Acting Company Secretary

(Vishal Chauhan)
Managing Director

PLACE: LUCKNOW
DATE: 08 SEP 2016

Subject to our report of even date
For S. SRIVASTAVA & CO.
Chartered Accountants

(Sudershan Kumar Singh)
PARTNER
M.No.: 007859
F.R.M.: 04570C

YAMUNA POWER GENERATION COMPANY LIMITED, LUCKNOW
SHAKTI BHAVAN EXTENSION, 14-ASHOK MARG, LUCKNOW
ANNUAL FINANCIAL STATEMENT FOR THE F.Y. 2014-15

NOTE: 12

NOTES ON ACCOUNTS

1. The Company was incorporated on 20.04.2010 as a Government Company and is a Joint Venture of UP Power Corporation Limited, Greater NOIDA Industrial Development Authority, New Okhla Industrial Development Authority, and Yamuna Expressway Industrial Authority.
2. The Company was established under the Companies Act, 1956 and is a SPECIAL PURPOSE VEHICLE constituted for the purpose of carrying out bidding process for Procurement of Power by Distribution Licensees as per Guidelines issued by the Ministry of Power, Government of India.
3. The Company was given to perform initial project preparation activities such as acquisition of land, arrangement for fuel linkage, water resources and environmental clearance etc since para 2.1 of Guidelines issued by Ministry of Power, Government of India provides that the Distribution Licensee(s) may also entrust initial project preparation activities to SPV (proposed to be undertaken before completion of bid process).
4. The Company was formed with the objective to meet out growing demand of electricity during 12th five year plan. But due to non availability of required land and uncertainty of allocation of fuel (coal/gas) for the project, ultimately lead Energy Task Force (ETF) Govt. of UP, come to conclusion to abandon the project in its meeting dated 07.05.2012. Subsequently on the recommendation of the said Task Force, Govt. of UP took the decision to abandon the project and wind up the company and conveyed its decision on 05.05.2015.
5. That in accordance to MOU and more specifically in terms of resolution at One (11)/10 vide Board meeting dated 01.07.2010 expenses incurred in connection with Yamuna Power Generation Company Limited are to be met by 04 co-ventures viz. UP Power Corporation Limited, Greater Noida Industrial Development Authority, New Okhla Industrial Development Authority and Yamuna Expressway Industrial Development Authority. As per Schedule-II to Balance Sheet, the company has sustained cumulative loss of Rs 2,49,76,012/- (Up to previous year 2,49,06,865/-) on account of expenses incurred till date, which is to be shared by 04 co-ventures.
6. The share capital of the Company includes the shares allotted to the subscribers of the Memorandum/Nominee Directors. 50,000/- Equity shares of Rs 10/- each are held equally (i.e. 12,500 each) by UPPCL, Greater NOIDA Industrial Development Authority, New Okhla Industrial Development Authority, and Yamuna Expressway Industrial Authority and their nominee.
7. **GOING CONCERN ASSUMPTION**

Due to non availability of required land and uncertainty of allocation of fuel (coal/gas) for the project, ultimately lead Energy Task Force (ETF) Gov of UP, come to conclusion to abandon the project in its meeting dated 07.05.2012 and on recommendation of the said Task Force, Gov of UP took the decision to abandon the project and wind up the company and conveyed its decision on 05.05.2015.



In view of the above, there is no probability that the Company shall carry out any business in future; hence treatment to various items in the balance sheet has been given accordingly.

8. The Annual Accounts of F.Y. 2010-2011 have yet not been approved by members in Annual General Meeting since adjourned. Audit of annual accounts for F.Y. 2011-2012 and 2012-2013 has been respectively completed on 24.12.2016 and 06.01.2017 and also pending for approval in Annual General Meeting.
9. According to the best of knowledge and belief of the management there are no dues to Micro, Small and Medium Enterprises as defined in MSMED Act, 2012 as creditors of the Company as on Balance Sheet date (previous year Nil).

10. Contingent Liabilities:

S. No.	Description	As at 31.03.2015	As at 31.03.2014
	Nil	Nil	Nil

11. Remuneration to Statutory Auditors includes
 (i) Audit fee of Rs 17,100/-,
 (ii) Other services Nil.
12. Provision for losses of Subsidiary Companies: NA
13. Adjustment to the carrying amount of investments: Nil
14. Net Loss on Sale of Investments: Nil
15. Prior Period Items: Nil
16. i. The aggregate, if material, of any amounts set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment known to exist at the date as to which balance-sheet is made up. Nil
 ii. The aggregate, if material, of any amounts withdrawn from such reserves. Nil
 iii. The aggregate, if material, of the amounts set aside to provisions made for meeting specific liabilities, contingencies or commitments. Nil
 iv. The aggregate, if material, of the amounts withdrawn from such provisions, as no longer required. Nil
17. Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters. Nil
18. TAXES ON INCOME
 i. Provision for current tax is made as per the provisions of the Income Tax Act, 1961.
 ii. Deferred Tax Asset/ Liability has not been considered in the accounts, since there is no certainty of sufficient future taxable income or realization of such asset.
19. In the opinion of management, there is no specific indication of impairment of any asset as on Balance Sheet date as envisaged by AS-28 issued by ICAI.
20. The amounts of dividends proposed to be distributed to equity and preference shareholders for the period and related amount per share:

- i. Details relating to dividend on equity shares
 ii. Details relating to dividend on preference

[Handwritten signatures]

:Rs Nil
 :Rs Nil


21. Employees in receipt of remuneration aggregating Rs. 60,00,000.00 or more per year if employed for the whole year of Rs.5,00,000.00 or more per month if employed for a part of the year. Nil (Previous- Year Nil)
22. Quantitative details of sale purchase: NA
23. EARNINGS PER SHARE (Amount in Rs.)

Particulars	As at 31-03-2015	As at 31-03-2014
Profit/(loss) as per Profit and Loss Account (A)	(69147)	(46604)
Basic/weighted average number of equity share outstanding during the year (B)	50,000	50,000
Nominal value of equity share	10	10
Basic earnings/(Loss) per share Rs. (A/B)	(1)	(1)

24. OTHER NOTES

- The Company was created principally for running the business of electricity generation but no business took place since creation. Further there is no other source of income hence segment reporting as per AS-17 not required.
- The company has no related party transaction hence no disclosure is required as per AS-18.
- In the current period accounts have been prepared for the period from 01.04.2014 to 31.03.2015.
- Figures have been rounded off to the nearest rupees.
- Figures have been regrouped wherever necessary.


(ATHER HUSSAIN KHAN)
CHIEF ENGINEER(PROJECT)


(ABHA SETHI TANDON)
ACTING COMPANY SECRETARY


(SUDHANSHU DWIVEDI)
DIRECTOR
DIN-0553235

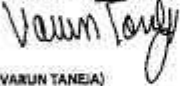

(A.P. MISHRA)
MANAGING DIRECTOR
DIN-05183625

Auditors' Report.

In terms of our separate report of even date attached.

FOR DHARAM TANEJA ASSOCIATES

CHARTERED ACCOUNTANTS
FIRM REG. NO. 093563N


(VARUN TANEJA)
PARTNER
MEMBERSHIP No. 95325



PLACE:- Lucknow

DATED:- 24-04-2017

U.P. POWER CORPORATION LIMITED
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CONSOLIDATED CASH FLOW STATEMENT AS AT 31.03.2015

(Rupees in Crores)

Sl. No.	Particulars	As at 31.03.2015
A	CASH FLOW FROM OPERATING ACTIVITIES	
	Net Loss Before Taxation & Extraordinary Items	-20992.71
	Adjustment For:-	
a	Depreciation	571.86
b	Interest & Financial Charges	5280.76
c	Bad Debts and Provisions	13267.47
d	Interest Income	-81.34
e	Prior Period Expenditure (net)	590.99
f	Extraordinary Items	1110.04
g	subsidy from U.P government received	-121.80
	Sub Total	20717.98
	Operating Profit Before Working Capital Changes	-214.73
	Adjustment For:-	
a	Inventories	-692.00
b	Trade Receivable	-10824.05
c	Other Current Assets	-26911.41
d	Short-Term Loans and Advances	-30.92
e	Inter Unit Transfer	-8.01
f	Other Current Liabilities	9338.73
g	Short-Term Borrowings	127.23
h	Trade payable	6405.75
i	Short Term Provision	0.04
j	Other long term liabilities	118.34
k	Decrease / (increase) in Long Term Loan & Advances	-0.89
	Sub Total	-22476.19
	NET CASH FROM OPERATING ACTIVITIES (A)	-22690.92
B	CASH FLOW FROM INVESTING ACTIVITIES	
a	Decrease / (increase) in Fixed Assets	-3858.87
b	Decrease / (increase) in Work in Progress	22.86
c	Decrease / (increase) in Investments	-12814.78
d	Decrease / (increase) in Other Non-Current Assets	19696.40
e	Decrease / (increase) in Long Term Loans & Advances	1.60
f	Interest Income	81.32
	NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	3128.53
C	CASH FLOW FROM FINANCING ACTIVITIES	
a	Proceeds from Borrowing	-1297.47
	Increase from Borrowing	-478.58
	Repayment of Borrowing	-142.77
b	Proceeds from Share Capital	7842.85
c	Proceeds from Share Application Money	15975.86
d	Proceeds from consumers contribution & GoUP capital subsidy (Reserve & Surplus)	4938.05
e	Other long term Liabilities	43.06
f	Interest & Financial Charges	-5925.19
g	subsidy from U.P government received	236.06
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	19793.87
	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	225.48
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5160.57
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	5386.05

(H.K. Agarwal)
 Company Secretary
 (Part Time)

(Ank. Gupta)
 Chief General Manager
 (Accounts)

(Sudhapani Dwivedi)
 Director (Finance)
 DIN- 6533235

(A.P. Mishra)
 Managing Director
 DIN-05183625

Place : Lucknow
 Date :

10 MAY 2017

Subject to our report of even date



For Gaur & Associates
 Chartered Accountants
 FRN No. 005354C

(S.K. Gupta)
 Partner
 M. No.016746

Gaur & Associates
Chartered Accountants

4/126 C, Vishal Khand
Gomti Nagar,
Lucknow-226010
Ph. 011-45033133, 9313815380

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UP POWER CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of UP Power Corporation Limited (herewith referred to as "the Holding Company"), its eight subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and two associates which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, its associate and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group, of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.



Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in Other Matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

The consolidated financial statements include the financial statements/financial information of the Holding Company and its Subsidiaries and Associates Company.

The Accounts of the Holding company is audited by us and the Accounts of Subsidiary and Associate Companies are audited by other Auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and



disclosures included in respect of these Subsidiary and Associate Companies. Our report is qualified, to the extent applicable, on the basis of our audit report and the audit reports furnished to us by the management related to Subsidiary and Associate Companies.

The all discoms and kesco are not having the uniform accounting policies; the impact on assets & liabilities is not uniform.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the basis for Qualified Opinion paragraph above, the aforesaid Consolidated Financial Statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

(a) In the case of Consolidated Balance Sheet, of the state of affairs of the company as at 31st March, 2015

(b) In the case of Consolidated Profit and Loss, of the profit for the year ended on the date; and

(c) In the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other matter

We did not audit the financial statements/financial information of following subsidiaries and associate companies whose financial statements/financial information reflect the details given below of assets as at 31st March 2015, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(Rupees in Crores)

Name of the Companies	Assets	Total Revenues	Net Cash Flow
Subsidiaries:			
Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow	14510.28	7786.20	1203.44
Purvanchal Vidyut Vitran Nigam Ltd., Varanasi	17381.40	8193.05	972.45
Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut	11665.87	12232.86	842.47
Dakshinanchal Vidyut Vitran Nigam Ltd., Agra	14749.99	9365.33	1155.65
Kanpur Electricity Supply Company Ltd., Kanpur	2432.06	1819.11	156.61
Sonebhadra	9.34	0.00	0.01
Jawaharpur Vidyut Utpadan Nigam Ltd	62.84	0.00	0.01
Southern UP Power Transmission Company Ltd			
	0.94	0.01	0.23



Associates:			
Uttar Pradesh Power Transmission Corporation Ltd., Lucknow	18338.68	1347.80	858.04
Yamuna Power Generation Co. Ltd.	0.01	0.00	0.00
Total	79151.40	40744.36	5188.92

These financial statements/financial information have been audited by other Auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and associate companies, and our report in terms of sub-sections (3) and (11) of section 143 of the act, in so far as it relates to the aforesaid subsidiaries and associate companies is based solely on the reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies, associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, except for the effect of the matters described in the basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies incorporated in India, none of the directors of the Group companies, its associate companies



incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates companies, as noted in the 'other matter' paragraph :
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts (a) in respect of such items as it relates to the Group, its associates and (b) the Group's share of net profit in respect of its associates.
 - iii. There has been no requirement to transfer the amounts, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.

For Gaur & Associates
Chartered Accountants
FRN: 005354C

Satish Kumar Gupta

CA S. K. Gupta
Partner
MRN: 016746



Date: 10 MAY 2017
Place: Lucknow

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of UPPCL on the consolidated financial statements as of and for the year ended March 31, 2015

(i) Fixed Assets

- (a) In our opinion, and according to the information and explanations given to us, and the reports of the other auditors on the subsidiary and associate companies incorporated in India as furnished to us, the Holding Company, its subsidiary and associate companies incorporated in India are not maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are not physically verified by the respective Managements of the Holding Company, its subsidiary and associate companies incorporated in India

(ii) Inventory

- (a) The inventory has not been physically verified, except in some units of subsidiaries, by the respective Managements of the Holding Company, its subsidiary and associate incorporated in India during the year in respect of those companies which are holding inventory
- (b) In our opinion, the procedures of physical verification of inventory followed by the respective Managements of the Holding Company, its subsidiary and associate companies incorporated in India are not reasonable and adequate in relation to the size of the aforesaid Holding Company, its subsidiary and associate companies incorporated in India.
- (c) On the basis of our examination of the inventory records and the reports of the other auditors, in our opinion, the Holding Company, its subsidiary and associate companies incorporated in India are not maintaining proper records of inventory, except in some units of subsidiaries.

- (iii) The Holding Company, its subsidiary and associate companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

Therefore, the provisions of Clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the Holding Company, its subsidiary and associate companies



incorporated in India.

- (iv) In our opinion, and according to the information and explanations given to us, and the reports of the other auditors on the subsidiary and associate companies incorporated in India as furnished to us, Internal control systems of the company need an improvement commensurate with the size of the company and nature of its business as regard to purchase of inventory, fixed assets and sale of electricity etc.
- (v) According to the information and explanations given to us, we are of the opinion that the company has not accepted any deposits in pursuance of section 73 to 76 or any other provisions of the companies act and rules framed thereunder.
- (vi) We have broadly reviewed the accounts and records maintained by the Holding Company and based on the reports of the other auditors of the subsidiaries and associate companies incorporated in India pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained, wherever applicable. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanation given to us and on the reports of the other auditors of the subsidiaries and associate companies incorporated in India, the company is generally regular in depositing undisputed statutory dues including Employee state insurance, Income Tax, Sales Tax, Service tax, custom duty, excise duty, cess, etc. except Wealth Tax, the return of which has not been filed and tax has not been paid for current year and previous years.
- (b) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and associate companies incorporated in India, no disputed statutory dues are pending for deposition except the following:

Sl. No.	Name of the statute	Assessment year	Amount (Rs. In Lakhs)	Forum where dispute is pending	Company
1.	Income Tax Act, 1961	1991-92	1.00	Hon'ble Income Tax Appellate Tribunal	UPPCL
2.	Income	1992-93	1.00	Hon'ble Income Tax	UPPCL



	Tax Act, 1961			Appellate Tribunal	
3.	Income Tax Act, 1961	2015-2016	8.89	Income tax Department	UPPCL
4.	U.P Government	Not Available	20931.00	Electricity Duty	Kesco

- (c) According to the information and explanations given to us, the Holding Company, its subsidiary and associate companies incorporated in India are not required to transfer the amounts to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and the rules made there under.
- (viii) As per the consolidated financial statements, The Accumulated losses of the company are more than fifty percent of the net worth of the company as on the balance sheet date. Further, in our opinion, the company has incurred cash losses during the current financial year as well as in the immediately preceding financial year.
- (ix) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and associate companies incorporated in India, in our opinion, Holding company has defaulted in repayment of interest due on loans/borrowings amounting to Rs.604.13crores.
- (x) In our opinion, and based on the reports of the other auditors furnished to us and according to the information and explanations given to us, the Holding Company, its subsidiary and associate companies incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the aforesaid Holding Company, its subsidiary and associate companies.
- (xi) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and associate companies incorporated in India, in our opinion, Holding company, its Subsidiaries and associate companies incorporated in India the term loans have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Holding



Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors, we have neither come across any instance of material fraud on or by the Holding Company, its subsidiaries and associate companies incorporated in India except in case of one subsidiary Pashchimanchal Vidyut Vitran Nigam Limited as given below:

Division	Amount	Person Involved
EDD Baghat	15,60,509	Mr. K.P. Singh TG II
EDD II Meerut	12,82,329	Mr. Anil Kumar TG II
EEEUDD III Meerut	2,20,28,750	Mr. Sahib Khan Office Asstt.,
EUDD II, Meerut	12,72,922	Cash Robbery in EUDD II
EUDD III, Mbd	5,43,598	Rajiv Kumar Coolie
EUDD I Mbd.	53,90,000	Rajiv Kumar Petrol man

For Gaur & Associates

Chartered Accountants

FRN: 005354C

S. K. Gupta

CA S. K. Gupta

Partner

MRN: 016746



Date: 10 MAY 2017

Place: Lucknow

**MANAGEMENT'S REPLY TO THE STATUTORY AUDITOR'S REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF THE CORPORATION FOR THE
YEAR ENDED ON 31.03.2015**

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>To, The Members UP Power Corporation Limited, Shakti Bhawan, 14 Ashok Marg, Lucknow.</p> <p>Report on the Consolidated Financial Statements</p> <p>We have audited the accompanying consolidated financial statements of UP Power Corporation Limited (herewith referred to as "the Holding Company"), its eight subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and two associates which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").</p>	<p style="text-align: center;">NO COMMENT</p> <p style="text-align: right;"><i>GE</i></p>

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Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, its associate and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group, of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

NO COMMENT

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Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the

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appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in Other Matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

The consolidated financial statements include the financial statements/financial information of the Holding Company and its Subsidiaries and Associates Company.

The Accounts of the Holding company is audited by us and the Accounts of Subsidiary and Associate Companies are audited by other Auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these Subsidiary and Associate Companies. Our report is qualified, to the extent applicable, on the basis of our audit report and the audit reports furnished to us by the management related to Subsidiary and Associate Companies.

The all discoms and kesco are not having the uniform accounting policies; the impact on assets & liabilities is not uniform.

NO COMMENT

Uniform Accounting Policies have been prepared for f.y. 2015-16

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Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the basis for Qualified Opinion paragraph above, the aforesaid Consolidated Financial Statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

NO COMMENT

(a) In the case of Consolidated Balance Sheet, of the state of affairs of the company as at 31st March, 2015

(b) In the case of Consolidated Profit and Loss, of the loss for the year ended on the date; and

(c) In the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

[Signature]

[Signature]

Other matter

We did not audit the financial statements/financial information of following subsidiaries and associate companies whose financial statements/financial information reflect the details given below of assets as at 31st March 2015, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

NO COMMENT

(Rupees in Crores)

Name of the Companies	Assets	Total Revenues	Net Cash Flow
Subsidiaries:			
Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow	14510.28	7786.20	1209.44
Purvanchal Vidyut Vitran Nigam Ltd., Varanasi	17381.40	8193.05	972.45
Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut	11665.87	12292.86	842.47
Dakshinanchal Vidyut Vitran Nigam Ltd., Agra	14749.99	9365.33	1155.65
Kanpur Electricity Supply Company Ltd., Kanpur	2432.06	1819.11	156.61
Sonebhadra	9.34	0.00	0.01
Jawaharpur Vidyut Utpadan Nigam Ltd	62.84	0.00	0.01
Southern UP Power Transmission Company Ltd	0.94	0.01	0.23
Associates:			
Uttar Pradesh Power Transmission Corporation Ltd., Lucknow	18338.68	1347.80	858.04
Yamuna Power Generation Co. Ltd.	0.01	0.00	0.00
Total	79151.40	40744.36	5188.92

These financial statements/financial information have been audited by other Auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the



amounts and disclosures included in respect of these subsidiaries and associate companies, and our report in terms of sub-sections (3) and (11) of section 143 of the act, in so far as it relates to the aforesaid subsidiaries and associate companies is based solely on the reports of other auditors.	
Report on Other Legal and Regulatory Requirements	
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies, associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.	NO COMMENT
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:	NO COMMENT
a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.	NO COMMENT
b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.	NO COMMENT
c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the	NO COMMENT

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<p>Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.</p>	
<p>d) In our opinion, except for the effect of the matters described in the basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.</p>	<p>NO COMMENT</p>
<p>e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.</p>	<p>NO COMMENT</p>
<p>f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries</p>	<p>NO COMMENT</p>

and associates companies, as noted in the 'other matter' paragraph :	
i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates.	NO COMMENT
ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts (a) in respect of such items as it relates to the Group, its associates and (b) the Group's share of net profit in respect of its associates.	NO COMMENT
iii. There has been no requirement to transfer the amounts, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.	NO COMMENT
ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT	
Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of UPPCL on the consolidated financial statements as of and for the year ended March 31, 2015	

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<p>(i) Fixed Assets (a) In our opinion, and according to the information and explanations given to us, and the reports of the other auditors on the subsidiary and associate companies incorporated in India as furnished to us, the Holding Company, its subsidiary and associate companies incorporated in India are not maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.</p>	<p>NO COMMENT</p>
<p>(b) The fixed assets are not physically verified by the respective Managements of the Holding Company, its subsidiary and associate companies incorporated in India</p>	<p>NO COMMENT</p>
<p>(ii) Inventory (a) The inventory has not been physically verified, except in some units of subsidiaries, by the respective Managements of the Holding Company, its subsidiary and associate incorporated in India during the year in respect of those companies which are holding inventory</p>	<p>NO COMMENT</p>
<p>(b) In our opinion, the procedures of physical verification of inventory followed by the respective Managements of the Holding Company, its subsidiary and associate companies incorporated in India are not reasonable and adequate in relation to the size of the aforesaid Holding Company, its subsidiary and associate companies incorporated in India.</p>	<p>NO COMMENT</p>
<p>(c) On the basis of our examination of the inventory records and the reports of the other auditors, in our opinion, the Holding Company, its subsidiary and associate companies incorporated in India are not maintaining proper records</p>	<p>NO COMMENT</p>

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of inventory, except in some units of subsidiaries.	
<p>(iii) The Holding Company, its subsidiary and associate companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.</p> <p>Therefore, the provisions of Clauses 3(ii)(a) and 3(iii)(b) of the Order are not applicable to the Holding Company, its subsidiary and associate companies incorporated in India.</p>	NO COMMENT
<p>(iv) In our opinion, and according to the information and explanations given to us, and the reports of the other auditors on the subsidiary and associate companies incorporated in India as furnished to us, Internal control systems of the company need an improvement commensurate with the size of the company and nature of its business as regard to purchase of inventory, fixed assets and sale of electricity etc.</p>	NO COMMENT
<p>(v) According to the information and explanations given to us, we are of the opinion that the company has not accepted any deposits in pursuance of section 73 to 76 or any other provisions of the companies act and rules framed thereunder.</p>	NO COMMENT
<p>(vi) We have broadly reviewed the accounts and records maintained by the Holding Company and based on the reports of the other auditors of the subsidiaries and associate companies incorporated in India pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act, 2013 and we are of</p>	NO COMMENT

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the opinion that prima facie the prescribed accounts and records have been made and maintained, wherever applicable. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) According to the information and explanation given to us and on the reports of the other auditors of the subsidiaries and associate companies incorporated in India, the company is generally regular in depositing undisputed statutory dues including Employee state insurance, Income Tax, Sales Tax, Service tax, custom duty, excise duty, cess, etc. except Wealth Tax, the return of which has not been filed and tax has not been paid for current year and previous years.

(b) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and associate companies incorporated in India, no disputed statutory dues are pending for deposition except the following:

Sl. No.	Name of the statute	Assessment year	Amount Rs. (Rs. in Lakh)	Forum where dispute is pending	Company
1.	Income Tax Act, 1961	1991-92	1.00	Hon'ble Income Tax Appellate Tribunal	UPPCL
2.	Income Tax Act, 1961	1992-93	1.00	Hon'ble Income Tax Appellate Tribunal	UPPCL

NO COMMENT

NO COMMENT

NO COMMENT

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3.	Incom e Tax Act, 1961	2015- 16	8.89	Income tax Departm ent	UPPCL	
4.	U.P Gover nment	Not Availa ble	2093 1.00	Electricit y Duty	Kesco	
(c) According to the information and explanations given to us, the Holding Company, its subsidiary and associate companies incorporated in India are not required to transfer the amounts to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and the rules made there under.						NO COMMENT
(viii) As per the consolidated financial statements, The Accumulated losses of the company are more than fifty percent of the net worth of the company as on the balance sheet date. Further, in our opinion, the company has incurred cash losses during the current financial year as well as in the immediately preceding financial year.						NO COMMENT
(ix) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and associate companies incorporated in India, in our opinion, Holding company has defaulted in repayment of interest and installment due on loans amounting to Rs.604.13crores.						NO COMMENT

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(x) In our opinion, and based on the reports of the other auditors furnished to us and according to the information and explanations given to us, the Holding Company, its subsidiary and associate companies incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the aforesaid Holding Company, its subsidiary and associate companies.

(xi) According to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding company's subsidiaries and associate companies incorporated in India, in our opinion, Holding company, its Subsidiaries and associate companies incorporated in India the term loans have been applied for the purpose for which they were obtained.

NO COMMENT





(xii) During the course of our examination of the books and records of the Holding Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors, we have neither come across any instance of material fraud on or by the Holding Company, its subsidiaries and associate companies incorporated in India except in case of one subsidiary Pashchimanchal VidyutVitrana Nigam Limited as given below:

NO COMMENT

Division	Amount	Person Involved
EDD Baghat	15,60,509	Mr. K.P. Singh TG II
EDD II Meerut	12,82,329	Mr. Anil Kumar TG II
EEUDD III Meerut	2,20,28,75 0	Mr. Sahib Khan Office Asst.,
EUDD II, Meerut	12,72,922	Cash Robbery in EUDD II
EUDD III, Mbd	5,43,598	Rajiv Kumar Coolie
EUDD I Mbd.	53,90,000	Rajiv Kumar Petrol man


(I.M. Kaushal)

Chief General Manager (Accounts)


(Sudhanshu Dwivedi)
Director (Finance)

तीय लेखापरीक्षा और लेखा विभाग
यालय महालेखाकार
(वार्षिक एवं राजस्व लेखापरीक्षा), उ.प्र.
"आडिट भवन" टीसी-V-35-I, विभूति खण्ड,
गोमती नगर, लखनऊ-226010



Indian Audit & Accounts Department
Office of the Accountant General
(Economic & Revenue Sector Audit), U.P.,
"Audit Bhawan" TC-V-35-I, Vibhuti Khand,
Gomti Nagar, Lucknow-226010

स्पीड पोस्ट/गोपनीय

पत्रांक : म.ले. (ई. एण्ड आर.एस.ए)/इ.एस-11/लेखा/यू.पी.पा.का.लि./2014-15/540
दिनांक: 22.01.18

सेवा में,

प्रबन्ध निदेशक,
उत्तर प्रदेश पॉवर कारपोरेशन लिमिटेड,
शक्ति भवन, 14-अशोक मार्ग,
लखनऊ

महोदय,

एतत्सह कम्पनी अधिनियम, 2013 की धारा 143(5) के अधीन उत्तर प्रदेश पॉवर कारपोरेशन लिमिटेड के 31 मार्च 2015 को समाप्त वर्ष के समग्र वित्तीय लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टीका-टिप्पणियों कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के निबन्धनों के अनुसरण में कम्पनी की वार्षिक सामान्य बैठक के समक्ष प्रस्तुत करने हेतु अग्रेषित की जा रही है। कृपया वार्षिक सामान्य बैठक के समक्ष इन टीका-टिप्पणियों के प्रस्तुत किये जाने की वास्तविक तिथि की सूचना दें।

The report has been prepared on the basis of information furnished and made available by the auditee. The Office of the Accountant General (Economic & Revenue Sector Audit), Uttar Pradesh disclaims any responsibility for any misinformation and/or non-information on the part of auditee.

कृपया पत्र की पावती भेजें।

सहपत्र-यथोपरि

निकटिय
(सौरभ नारायण)
महालेखाकार

दूरभाष / Phone- 0522-2720280, 2720290



फैक्स / Fax- 0522-2720220

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The Management is responsible for the preparation of Consolidated Financial Statements of Uttar Pradesh Power Corporation Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act). The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129 (4) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) read with Section 129 (4) of the Act of Consolidated Financial Statements of Uttar Pradesh Power Corporation Limited for the year ended 31 March 2015. Accordingly, the supplementary audit covered the Financial Statement of Uttar Pradesh Power Corporation Limited and its subsidiaries- Madhyanchal Vidyut Vitran Nigam Limited, Purvanchal Vidyut Vitran Nigam Limited, Paschimanchal Vidyut Vitran Nigam Limited, Dakshinanchal Vidyut Vitran Nigam Limited, Kanpur Electricity Supply Company Limited, Jawaharpur Vidyut Utpadan Nigam Limited, Southern UP Power Transmission Company Limited and Uttar Pradesh Power Transmission Corporation Limited. Supplementary audit of the Financial Statements of subsidiary companies - Sonebhadra Power Generation Company Limited and Yamuna Power Generation Company Limited did not come under my scrutiny this year in terms of the guidelines of the C&AG and hence was not conducted.

This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6)(b) read with Section 129 (4) of the Act which have come to my attention and which in my view are necessary for enabling better understanding of the financial statements and the related audit report:

A. Comments on Consolidated Profitability:

**Profit and Loss Statement
Expenses**

1. Other Expenses

Administrative, General and Other Expenses (Note-28): ₹ 538.73 crore

Paragraphs 2(d), 2(e), 3(d), 2(e) and 2 (d) of Significant Accounting Policies of UPPCL, DVVNL, PuVVNL, PVVNL and MVVNL respectively as annexed with the consolidated financial statements for the year 2014-15 inter-alia stipulate that due to multiplicity of functional units as well as multiplicity of functions at a particular unit, employees cost and administration and general expenses to capital works are capitalized @ 15% on distribution and deposit works, and 11% on other works on the amount of total expenditure.

This is against Accounting Standard-10 (AS-10) which provides that administration and other general overhead expenses are usually excluded from the cost of the fixed assets because they do not relate to specific fixed assets.

The transfer of Administrative, General and Other Expenses to Capital Work-in-Progress resulted in overstatement of Capital Work-in-Progress and understatement of Loss for the year by ₹ 127.12 crore.

B. Comments on Consolidated Financial position

Balance Sheet

Equity and Liabilities

Current Liabilities

Other Current Liabilities (Note 8)

2. Liabilities for Expenses: ₹ 83.44 crore

DVVNL did not provide for interest at the rate of 1.25 per cent per month on delayed deposit of License fees for the year 2008-09 to 2014-15.

This has resulted in understatement of Liabilities for Expenses as well as Loss for the year each by ₹ 1.79 crore.

3. Sundry Liabilities: ₹ 25.53 crore

It does not include ₹ 24.47 crore being liability of KESCO on account of interest payable to Government of Uttar Pradesh on amount of delayed payment of conversion charges for conversion of *najul* land to freehold land. KESCO has shown it as contingent liability in its financial statements for the year 2014-15.

As the request for waiver of interest was finally rejected by the Government in December 2009 and interest was not waived off by the Government, the provision for interest on delayed payment should have been made in the accounts instead of showing the same as a contingent liability.

This has resulted in understatement of Sundry Liabilities as well as Fixed Assets by ₹ 24.47 crore.

4. Liabilities towards UP Power Sector Employees Trust: ₹ 894.78 crore

This is understated by ₹ 68.01 crore due to non-provision of liability for interest on amount payable to trust by DVVNL (for the period 2011-12 to 2014-15- ₹ 29.44 crore) and by MVVNL (for the year 2014-15- ₹ 38.57 crore).

This has resulted in understatement of Employee Cost by ₹ 68.01 crore, Loss for the year by ₹ 45.99 crore, Prior Period Adjustment (Expenses) by 22.02 crore and Accumulated Losses by ₹ 68.01 crore.

Assets

Non-Current Assets

5. Non-Current Investments (Note 14): ₹ 2286.44 crore

UPPCL in their standalone Financial Statements while calculating diminution in value of investment in an associate (Uttar Pradesh Power Transmission Corporation Limited (UPPTCL)), has included Capital Reserve (Consumer contribution towards capital works) while working out the Net Worth of UPPTCL. Section 2(57) of the Companies Act, 2013 defines Net Worth which states that all reserves created out of the profits are to be included in the net worth. As Consumer contribution is a Capital Reserve and not created out of Profits, hence same is wrongly included in working out the Net Worth of the UPPTCL. Thus the diminution in investment in UPPTCL has been worked out in excess by ₹ 134.60 crore.

This has resulted in overstatement of Non-Current Investment by ₹ 134.60 crore and understatement of Loss for the year to the same extent.

Current Assets

6. Inventories (Note 17): ₹ 2189.93 crore

The above includes Inventory of ₹ 18.84 crore pertaining to DVVNL which was burnt/damaged due to fire on 23 May 2013 at Electricity Store of DVVNL.

This has resulted in overstatement of Inventories and understatement of Loss for the year each by ₹ 18.84 crore.

7. Cash and Cash Equivalents (Note 19): ₹ 5390.06 crore

The above includes time barred cheques of ₹ 5.98 crore which were deposited by various Divisions of Discoms but not cleared by 31 March 2015 and temporary imprest of ₹ 2.74 crore to staff of MVVNL which has not been adjusted since long.

This has resulted in overstatement of Cash and Cash Equivalents by ₹ 8.72 crore and understatement of Trade Receivables and Loss by ₹ 5.98 crore and ₹ 2.74 crore respectively.

C. Comments on Auditors' Report on Consolidated Financial Statements

(i) Reference is invited to Accounting Policy of parent and subsidiaries/associates regarding employees benefit which stated that liability for pension and gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis. The above said provision has made based on PWC Actuarial Valuation Report of November 2000. This report was valid for three years viz. November 2003. Statutory Auditors failed to point out following significant impact of this aspect in their report;

The period of actuary report has expired long back and gratuity limit has also been revised from ₹ 3.50 lakh to ₹ 10.00 lakh. Yet the company is making provision on the basis of the old Report which is in-violation of Accounting Policy and also Accounting Standard-15.

D. Other Comments

(i) The Consolidated Financial Statement did not disclose the fact that figures of assets, liabilities, income and expenses in respect of Southern Uttar Pradesh Power Transmission Company Limited (SUPPTCL) have been taken as per financial statements which were not approved by the Board of SUPPTCL.

(ii) Para 20 of Accounting Standard 21 states that Consolidated Financial Statement should be prepared using uniform accounting policies. UPPCL did not frame consolidated Accounting Policies in terms of AS-21. Thus, the Accounting Policies are deficient to the same extent.

(iii) The Company did not attach a separate statement containing the salient features of the financial statements of its subsidiaries in the form as prescribed by Government of India in Companies (accounts) Rules, 2014 with its consolidated financial statements in accordance with the provisions of Section 129(2) of the Companies Act, 2013.

(iv) Contingent Liability of Cess of ₹ 2.27 crore (2014-15: ₹ 1.36 crore and 2013-14: ₹ 0.91 crore) payable at the rate of one per cent leviable on expenditure on RGGVY and RAPDRP of ₹ 227.03 crore (2014-15: ₹ 135.84 crore and 2013-14: ₹ 91.19 crore) as per the provisions of Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 pertaining to DVVNL has neither been disclosed nor provided for.

(v) Notes to the Accounts did not disclose the contingent liability of ₹ 1.65 crore payable to Trade Tax Department by DVVNL against which District Authorities issue notice in May 2013 for seizure of bank account for recovery is pending in Appeal with Deputy Commissioner, Division-I Etawah.

(vi) The contingent liability of ₹ 21.40 lakh payable as service tax on supervision charges as per the provision of Service Tax Rules payable by PVVNL has neither been provided for nor disclosed.

Place: Lucknow
Date: 13.01.2018

For and on behalf of the
Comptroller & Auditor General of India

(Saurabh Narain)
Accountant General


MANAGEMENT REPLY ON COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF U.P. POWER CORPORATION LIMITED FOR THE YEAR ENDED ON 31 MARCH 2015.

COMMENTS	MANAGEMENT'S REPLY
<p>The Management is responsible for the preparation of Consolidated Financial Statements of Uttar Pradesh Power Corporation Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act). The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129 (4) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 May 2017.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6)(a) read with Section 129 (4) of the Act of Consolidated Financial Statements of Uttar Pradesh Power Corporation Limited for the year ended 31 March 2015. Accordingly, the supplementary audit covered the Financial Statement of Uttar Pradesh Power Corporation Limited and its subsidiaries- Madhyanchal Vidyut Vikran Nigam Limited, Purvanchal Vidyut Vikran Nigam Limited, Paschimanchal Vidyut Vikran Nigam Limited, Dakshinanchal Vidyut Vikran Nigam Limited, Kanpur Electricity Supply Company Limited, Jawaharpur Vidyut Utpadan Nigam Limited, Southern UP Power Transmission Company Limited and Uttar Pradesh Power Transmission Corporation Limited. Supplementary audit of the Financial Statements of subsidiary companies - Sonbhadra Power Generation Company Limited and Yamuna Power Generation Company Limited did not come under my scrutiny this year in terms of the guidelines of the C&AG and hence was not conducted.</p> <p>This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.</p> <p>Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) read with Section 129 (4) of the Act which have come to my attention and which in my view are necessary for enabling better understanding of the financial statements and the related audit report:</p>	<p align="center">NO COMMENT</p>




<p>A. Comments on Consolidated Profitability: Profit and Loss Statement Expenses 1. Other Expenses Administrative, General and Other Expenses (Note-28): ₹538.73 crore Paragraphs 2(d), 2(e), 3(d), 2(e) and 2 (d) of Significant Accounting Policies of UPPCL, DVVNL, PuVNL, PuvNL and MVNL respectively as annexed with the consolidated financial statements for the year 2014-15 inter-alia stipulate that due to multiplicity of functional units as well as multiplicity of functions at a particular unit, employees cost and administration and general expenses to capital works are capitalized @ 15% on distribution and deposit works, and 11% on other works on the amount of total expenditure. This is against Accounting Standard-10(AS-10) which provides that administration and other general overhead expenses are usually excluded from the cost of the fixed assets because they do not relate to specific fixed assets. The transfer of Administrative, General and Other Expenses to Capital Work-in-Progress resulted in overstatement of Capital Work-in-Progress and understatement of Loss for the year by ₹ 127.12 crore.</p>	<p>In view of the audit comment in F.Y.2014-15, the accounting policy of UPPCL and its subsidiaries has been changed w.e.f F.Y.2015-16 thereby discontinuing the capitalization of administration and general expenses. Consequently, only employee cost has been charged to capital works (WIP) @ 15% on deposit works, 13-50% on Distribution works and @ 9.5% on other works.</p>
<p>B. Comments on Consolidated Financial position Balance Sheet Equity and Liabilities Current Liabilities Other Current Liabilities (Note B) 2. Liabilities for Expenses: ₹ 83.44 crore DVVNL did not provide for interest at the rate of 1.25 per cent per month on delayed deposit of License fees for the year 2008-09 to 2014-15.</p>	<p>As reported by DVVNL, the necessary accountants has been made in their books of accounts amounting to Rs.17941777.00.</p>




<p>This has resulted in understatement of Liabilities for Expenses as well as Loss for the year each by ₹1.79 crore.</p> <p>3. Sundry Liabilities: ₹ 25.53 crore it does not include ₹ 24.47 crore being liability of KESCO on account of interest payable to Government of Uttar Pradesh on amount of delayed payment of conversion charges for conversion of <i>najiz</i> land to freehold land. KESCO has shown it as contingent liability in its financial statements for the year 2014-15. As the request for waiver of interest was finally rejected by the Government in December 2009 and interest was not waived off by the Government, the provision for interest on delayed payment should have been made in the accounts instead of showing the same as a contingent liability. This has resulted in understatement of Sundry Liabilities as well as Fixed Assets by ₹ 24.47 crore.</p>	<p>The issue will be taken-up with the concerned Govt. Authorities and Kesco and further efforts for waiver of interest will be made. The necessary disclosure of the same, if any, will be made accordingly.</p>
<p>4. Liabilities towards UP Power Sector Employees Trust: ₹ 894.78 crore This is understated by ₹ 68.01 crore due to non-provision of liability for interest on amount payable to trust by DVVNL (for the period 2011-12 to 2014-15- ₹ 29.44 crore) and by MVVNL (for the year 2014-15- ₹ 38.57 crore). This has resulted in understatement of Employee Cost by ₹ 68.01 crore. Loss for the year by ₹ 45.99 crore, Prior Period Adjustment (Expenses) by 22.02 crore and Accumulated Losses by ₹ 68.01 crore.</p>	<p>As reported by DVVNL, the necessary account has been made in their books of accounts amounting to Rs. 294400000.00.</p> <p>Necessary instructions has been issued to MVVNL to review the transaction in line with the account made by DVVNL and take necessary action accordingly.</p>
<p>Assets Non-Current Assets 5. Non-Current Investments (Note 14): ₹ 2286.44 crore UPPCL in their standalone Financial Statements while calculating diminution</p>	

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<p>in value of investment in an associate (Uttar Pradesh Power Transmission Corporation Limited (UPPTCL)), has included Capital Reserve (Consumer contribution towards capital works) while working out the Net Worth of UPPTCL. Section 2(57) of the Companies Act, 2013 defines Net Worth which states that all reserves created out of the profits are to be included in the net worth. As Consumer contribution is a Capital Reserve and not created out of Profits, hence same is wrongly included in working out the Net Worth of the UPPTCL. Thus the diminution in investment in UPPTCL has been worked out in excess by ₹ 134.60 crore.</p> <p>This has resulted in overstatement of Non-Current Investment by ₹ 134.60 crore and understatement of Loss for the year to the same extent.</p>	<p>As advised, the amount of Consumer contribution has been excluded while calculating Net worth of UPPTCL in F.Y.2015-16 and accordingly the account of diminution in value of investment has been made.</p>								
<p>Current Assets</p> <p>6. Inventories (Note 17): ₹ 2189.93 crore</p> <p>The above includes inventory of ₹ 18.84 crore pertaining to DVVNL which was burnt/damaged due to fire on 23 May 2013 at Electricity Store of DVVNL. This has resulted in overstatement of Inventories and under-statement of Loss for the year each by ₹ 18.84 crore.</p>	<p>Necessary instruction has been issued to DVVNL in this regard to look into the matter and account for the transaction properly.</p>								
<p>7. Cash and Cash Equivalents (Note 19): ₹ 5390.06 crore</p> <p>The above includes time barred cheques of ₹ 5.98 crore which were deposited by various Divisions of Discoms but not cleared by 31 March 2015 and temporary imprest of ₹ 2.74 crore to staff of MVVNL which has not been adjusted since long. This has resulted in overstatement of Cash and Cash Equivalents by ₹ 8.72 crore and understatement of Trade Receivables and Loss by ₹ 5.98 crore and ₹ 2.74 crore respectively.</p>	<p>As reported by Discoms, the status of accountal made and action taken is as under:-</p> <p>(i) DVVNL--</p> <p>Following 3 Cheques has been adjusted in current year 2015-16.</p> <table border="1" data-bbox="1169 714 1266 987"> <thead> <tr> <th>Date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>08.03.2007</td> <td>34378.00</td> </tr> <tr> <td>11.08.2009</td> <td>100000.00</td> </tr> <tr> <td>31.09.2011</td> <td>1.00</td> </tr> </tbody> </table>	Date	Amount	08.03.2007	34378.00	11.08.2009	100000.00	31.09.2011	1.00
Date	Amount								
08.03.2007	34378.00								
11.08.2009	100000.00								
31.09.2011	1.00								

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<p>C. Comments on Auditors Report Consolidated Financial Statements</p> <p>(i) Reference is invited to Accounting Policy of parent and subsidiaries/associates regarding employees benefit which stated that liability for pension and gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis. The above said provision has made based on PWC Actuarial Valuation Report of November 2000. This report was valid for three years viz. November 2003. Statutory Auditors failed to point out following significant impact of this aspect in their report;</p> <p>The period of actuary report has expired long back and gratuity limit has also been revised from ₹ 3.50 lakh to ₹ 10.00 lakh. Yet the company making provision on the basis of the old Report which is in-violation of Accounting Policy and also Accounting Standard-15.</p>	<p>Remaining cheques are still pending amounting to Rs 2.58 Lacs.</p> <p>(ii) PUVVNL:- At present all the uncashed cheques amounting to Rs. 4.92 crore have been cleared/adjusted in the books of accounts. Bank statements of concerned units for the month of March 2016 have also been shown to AG Audit party during the period of audit of financial Statements for the F.Y. 2015-16.</p> <p>(iii) MVMNL Concerned fields units have been instructed to close the balance T.ifs at the earliest. However, instruction have been issued to Discoms to make account of the same at the earliest.</p>
<p>D. Other Comments</p> <p>(i) The Consolidated Financial Statement did not disclose the fact that figures of assets, liabilities, income and expenses in respect of Southern Uttar</p>	<p>In absence of the latest Actuarial valuation report the provision of pension and gratuity has been made on the basis of actuarial valuation report dated 09.11.2000.</p>
<p>The accounts of Southern UP Power Transmission Company Ltd were received from the Company vide letter no 25/ESD/765 KWSouthern Company dated 03.02.2017 wherein it was mentioned that Audited Annual Accounts of the company are enclosed for information and necessary action. Since Audited Accounts were received for preparation</p>	<p>The accounts of Southern UP Power Transmission Company Ltd were received from the Company vide letter no 25/ESD/765 KWSouthern Company dated 03.02.2017 wherein it was mentioned that Audited Annual Accounts of the company are enclosed for information and necessary action. Since Audited Accounts were received for preparation</p>

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<p>Pradesh Power Transmission Company Limited (SUPPTCL) have been taken as per financial statements which were not approved by the Board of SUPPTCL.</p>	<p>of Consolidated Financial Statement with Statutory Audit Report therefore it was presumed that annual accounts are duly approved by the BoD. The fact that "the Financial Statement of Southern Uttar Pradesh Power Transmission Company Limited (SUPPTCL) have not been duly approved by the BoD" was not known therefore no such disclosure has been given in the Notes on Accounts.</p>
<p>(ii) Para 20 of Accounting Standard 21 states that Consolidated Financial Statement should be prepared using uniform accounting policies. UPPCL did not frame consolidated Accounting Policies in terms of AS-21. Thus, the Accounting Policies are deficient to the same extent.</p>	<p>As advised, the Consolidated accounting policy for F.Y. 2015-16 has been framed and accordingly CFS have been prepared for F.Y. 2015-16.</p>
<p>(iii) The Company did not attach a separate statement containing the salient features of the financial statements of its subsidiaries in the form as prescribed by Government of India in Companies (accounts) Rules, 2014 with its consolidated financial statements in accordance with the provisions of Section 129(2) of the Companies Act, 2013.</p>	<p>Regarding non-attachment of the statement in format as prescribed under Companies (Accounts) Rules 2014 in compliance of provision of section 129 of the companies Act 2013, it is to submit that while preparing the spiral copy of original set which was submitted to the AG office, erroneously this statement could not be attached in the set. However, the said statement was available in the spiral Xerox copy set. It is worth mentioning here that this fact was explained to audit and a copy of original statement was provided to the audit for being appended to the original set.</p>
<p>(iv) Contingent Liability of Cess of ₹ 2.27 crore (2014-15: ₹ 1.36 crore and 2013-14: ₹ 0.91 crore) payable at the rate of one per cent leviable on expenditure on RGVY and RAPDRP of ₹ 227.03 crore (2014-15: ₹ 135.84 crore and 2013-14: ₹ 91.19 crore) as per the provisions of Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 pertaining to DVVNL has neither been disclosed nor provided for.</p>	<p>As reported by DVVNL, Compliance has been made in contingent Liabilities F.Y. 2015-16.</p>
<p>(v) Notes to the Accounts did not disclose the contingent liability of ₹ 1.65 crore payable to Trade Tax Department by DVVNL against which District Authorities issue notice in May 2013 for seizure of bank account for recovery</p>	<p>As reported by DVVNL, Compliance has been made in contingent Liabilities F.Y. 2015-16.</p>





is pending in Appeal with Deputy Commissioner, Division-I Etawah.

(vi) The contingent liability of ₹ 21.40 lakh payable as service tax on supervision charges as per the provision of Service Tax Rules, payable by PUVNL has neither been provided for nor disclosed.

The company is constructing Assets through various schemes viz Business plan, Vyapar Vikas Nidhi, Central Government Schemes i.e. Rajeev Gandhi Gramin vidyutikaran, Yojna, APDRP/APDRP, state government schemes like Dr. Ram Manohar Lohia, Feeder segregation scheme, Dr. Ambedkar Yojna etc. in few cases the company is constructing assets through consumer deposits also, in which the ultimate ownership of assets lies with the company. The Supervision charges taken in such cases is against the reimbursement of establishment cost incurred by our own officials for our own assets under construction for which ultimate ownership rests with us, which is the part of cost of our own Fixed Assets and as such the liability of service tax is not attracted on this account.


(T.M. Kaushal)

Chief General Manager (Accounts)


(Sudhanshu Dwivedi)

Director (Finance)