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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

BALANCE SHEET AS AT 31st MARCH 2018

(Amount in lakh ₹)

| PARTICULAR | Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--|----------|---|--|
| I. ASSETS | | | |
| 1 Non-Current Assets | | | |
| a) Property, Plant and Equipment | 2 | 5790.89 | 4971.36 |
| b) Capital Work-In-Progress | 3 | 613.45 | 2.60 |
| c) Intangible Assets | 4 | 96.99 | 33.26 |
| d) Financial Assets | | | |
| (i) Investments | 5 | 337236.57 | 232919.40 |
| (ii) Loans | 6 | 0.00 | 17550.00 |
| (iii) Others | 7 | 3811513.26 | 2324289.88 |
| 2 Current Assets | | | |
| a) Inventories | 8 | 156.54 | 160.22 |
| b) Financial Assets | | | |
| (i) Trade receivables | 9 | 1842794.80 | 2112464.83 |
| (ii) Cash and Cash Equivalents | 10 | 147773.02 | 197204.90 |
| (iii) Bank balance other than (ii) above | 11 | 55162.58 | 30211.21 |
| (v) Other | 12 | 1046052.10 | 1140445.35 |
| c) Other Current Assets | 13 | 30586.89 | 28320.71 |
| Total | | 7277777.09 | 6088573.72 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity share Capital | 14 | 8040073.81 | 7287520.82 |
| b) Other Equity | 15 | (7598355.63) | (6717867.94) |
| Liabilities | | | |
| 1 Non-Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Borrowings | 16 | 4940210.64 | 3496039.17 |
| ii) Other Financial Liabilities | 17 | 6078.50 | 5875.29 |
| 2 Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Borrowings | 18 | 152902.18 | 115849.16 |
| ii) Trade Payables | 19 | 1480199.35 | 1733285.54 |
| iii) Other Financial Liabilities | 20 | 256668.24 | 167871.68 |
| Total | | 7277777.09 | 6088573.72 |

Company information & Significant accounting policies 1A

Notes on Accounts 1B

The accompanying notes form an integral part of the financial statements.

(Pradeep Soni)
Company Secretary
(Part Time)

(P.N. Sahay)
Executive Director
(Accounts & Audit)

(Sudhanshu Dwivedi)
Director (Finance)
DIN - 6533235

(Aparna U)
Managing Director
DIN - 6523278

Place Lucknow

Date 29 MAR 2019

Subject to our report of even date

For Gaur & Associates

Chartered Accountants

ERN No. 005354C



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



U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

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

(Amount in lakh ₹)

| PARTICULAR | NOTE | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|---|------|---|--|
| I Revenue from Operations | 21 | 4642492.22 | 4266872.72 |
| II Other Income | 22 | 13639.30 | 5194.25 |
| III TOTAL REVENUE (I+II) | | 4656131.52 | 4272066.97 |
| IV EXPENSES | | | |
| Purchase of Stock in trade(Power Purchased) | 23 | 4642497.68 | 4251172.30 |
| Employee benefits expense | 24 | 17628.45 | 16041.37 |
| Finance cost | 25 | 2.27 | 1.35 |
| Depreciation and Amortization expense | 26 | 350.98 | 180.16 |
| Other Expenses | | | |
| a) Administrative, General & Other Expense | 27 | 4515.51 | 3561.34 |
| b) Repair & Maintenance | 28 | 1659.97 | 1386.65 |
| c) Bad Debts & Provisions | 29 | 801356.65 | 856895.76 |
| TOTAL EXPENSES (IV) | | 5468011.51 | 5129238.93 |
| V Profit / (loss) before exceptional items and tax (III-IV) | | (811879.99) | (857171.96) |
| VI Exceptional Items | | | |
| VII Profit/ (loss) before tax (V+VI) | | (811879.99) | (857171.96) |
| VIII Tax Expense : | | | |
| (1) Current Tax | | 0.00 | 0.00 |
| (2) Deferred tax | | 0.00 | 0.00 |
| IX Profit/(Loss) for the period From continuing operations (VII+VIII) | | (811879.99) | (857171.96) |
| X Profit/(loss) from discontinuing operations | | | |
| XI Tax Expense of discontinuing operations | | | |
| XII Profit/(loss) from discontinuing operations (after tax) (X-XI) | | | |
| XIII Profit/(Loss) for the period (IX+XII) | | (811879.99) | (857171.96) |
| Other Comprehensive Income | | | |
| XIV A- (i) Items that will not be reclassified to profit or loss | | 32.81 | |
| Actural Gain or (Loss) | | | |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| B- (i) Items that will be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | | |
| XV Total comprehensive Income for the period(XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period) | | (811847.18) | (857171.96) |
| XVI Earning per equity share (for continuing operation) : | | | |
| (1) Basic | | (104.66) | (126.65) |
| (2) Diluted | | (104.66) | (126.65) |
| XVII Earning per equity share (for discontinuing operation) | | | |
| (1) Basic | | | |
| (2) Diluted | | | |
| XVIII Earning per equity share (for continuing and discontinuing operation) : | | | |
| (1) Basic | | (104.66) | (126.65) |
| (2) Diluted | | (104.66) | (126.65) |

Company information & Significant accounting policies

Notes on Accounts

The accompanying notes form an integral part of the financial statements.

(Pradeep Soni)
Company Secretary
(Part Time)

(P.N.Sahay)
Executive Director
(Accounts & Audit)

(Sudhanshu Dwivedi)
Director (Finance)
DIN - 6533235

(Aparna U)
Managing Director
DIN - 6523278

Place : Lucknow
Date :

29 MAR 2019

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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.

CIN - U32201UP1999SGC024928

STATEMENT OF CHANGES IN EQUITY

| Equity Share Capital | (Amount in lakh ₹) |
|---|----------------------|
| Particulars | |
| Balance as on 1 ST April 2017 | 7287520.82 |
| Changes during the year | 752552.99 |
| Balance as on 31 ST March 2018 | 8040073.81 |

| Particulars | For the year ended 31 march 2018 | | | Total |
|---|---|-----------------|------------------|--------------|
| | Share application money pending allotment | Capital Reserve | Retained Earning | |
| Balance at the beginning of the reporting period | 327715.53 | 74671.12 | (7120254.59) | (6717867.94) |
| Changes in accounting policy or prior period items | 0.00 | 0.00 | 0.00 | 0.00 |
| Restated balance at the beginning of the reporting period | 327715.53 | 74671.12 | (7120254.59) | (6717867.94) |
| Total comprehensive income for the year | 0.00 | 0.00 | (811847.18) | (811847.18) |
| Share application money received | 683912.48 | 0.00 | 0.00 | 683912.48 |
| Share allotted against application money | 752552.99 | 0.00 | 0.00 | 752552.99 |
| Balance at the end of the reporting period | 259075.02 | 74671.12 | (7932101.77) | (7598355.63) |

(Amount in lakh ₹)



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U.P. POWER CORPORATION LIMITED

CIN - U32201UP1999SGC024928

NOTE NO. 1(A)**COMPANY INFORMATION & SIGNIFICANT ACCOUNTING POLICIES OF STANDALONE FINANCIAL STATEMENT****1. REPORTING ENTITY**

U.P Power Corporation Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U32201UP1999SGC024928). The shares of the Company are held by the GoUP and its Nominees. The address of the Company's registered office is Shakti Bhawan, Ashok Marg, Lucknow, Uttar Pradesh-226001. The Company is primarily involved in the purchase and sale/supply of power.

2. GENERAL/BASIS OF PREPARATION

- (a) The standalone 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, in pursuance of Ind AS, and on accounting assumption of going concern.
- (c) 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.

(d) Statement of compliance

These standalone financial statements are prepared on accrual basis of accounting, unless stated otherwise, and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were authorized for issue by Board of Directors on 22-03-2019.

(e) Functional and presentation currency

The financial statements are prepared in Indian Rupee (₹), which is the Company's functional currency. All financial information presented in Indian rupees has been rounded to the nearest rupees in lakhs (upto two decimals), except as stated otherwise.

(f) Use of estimates and management judgments

The preparation of financial statements require management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of asset, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent Assets and Liabilities at the balance sheet date. The estimates



and management's judgments are based on previous experience and other factor considered reasonable and prudent in the circumstances. Actual results may differ from this estimate.

Estimates and Underlying assumptions are reviewed as on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate are reviewed and if any future periods affected.

(g) **Current and non-current classification**

1) The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for the last twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve month after the reporting period.

All other liabilities are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

I- PROPERTY, PLANT AND EQUIPMENT

- (a) Property, Plant and Equipment are shown at historical cost less accumulated depreciation.
- (b) All costs relating to the acquisition and installation of Property, Plant and Equipment 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 functions at particular unit, Employees cost to capital works are capitalized @ 15% on deposit works and @ 9.5% on other works on the amount of total expenditure.
- (e) Borrowing cost during construction stage of capital assets are capitalized as per provisions of Ind AS-23.



II- CAPITAL WORK-IN-PROGRESS

Property, Plant and Equipment those are not yet ready for their intended use are carried at cost under Capital Work-In-Progress, comprising direct costs, related incidental expenses and attributable interest.

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 site is treated as part of capital work in progress.

III- INTANGIBLE ASSETS

Intangible assets are measured on initial recognition at cost. Subsequently the intangible assets are carried at cost less accumulated amortization/accumulated impairment losses. The amortization has been charged over its useful life in accordance with Ind AS-38.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use.

IV- 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 Property, Plant and Equipment during the year is charged on Pro rata basis.
- (c) Property, Plant and Equipment are depreciated up to 95% of original cost except in case of temporary erections/constructions where 100% depreciation is charged.

V- INVESTMENTS

Financial Assets- investments (Non Current) are carried at cost. Provision is made for diminution/impairment, wherever required, other than temporary, in the value of such investments to bring it on its fair value in accordance with Ind AS 109.

VI- STORES & SPARES

- (a) Stores and Spares are valued at cost.
- (b) As per practice consistently following 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.

VII- 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.

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

VIII- POWER PURCHASE

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

- (a) In respect of Central Sector Generating Units and unscheduled interchange/reactive energy, at the rates approved by Central Electricity Regulatory Commission (CERC).
- (b) In respect of State Sector Generating Units and unscheduled interchange/reactive energy, at the rates approved by U.P. Electricity Regulatory Commission (UPERC).
- (c) In respect of Power Trading Companies, at the mutually agreed rates.

IX- 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 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.

X- 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 assets and liabilities are disclosed in the Notes on Accounts.
- (c) The Contingent assets of unrealisable income are not recognized.

XI- GOVERNMENT GRANT, SUBSIDIES AND CONSUMER CONTRIBUTIONS

Government Grants (Including Subsidies) are recognised when there is reasonable assurance that it will be received and the company will comply the conditions attached, if any, to the grant. The amount of Grant, Subsidies and Loans are received from the State Government by the UPPCL centrally, being the Holding Company and distributed by the Holding Company to the DISCOMS.

Consumer Contributions, 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.

XII- FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of transaction. Gains and Losses, if any, as at the year end in respect of monetary assets and liabilities are recognized in the Statement of Profit and Loss.

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XIII- 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 as per Para 34 of Ind AS 12 "Income Taxes".

XIV- CASH FLOW STATEMENT

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Ind AS - 7 'Statement of Cash Flow'.

XV- FINANCIAL ASSETS**Initial recognition and measurement:**

Financial assets of the Company comprises, Cash & Cash Equivalents, Bank Balances, Trade Receivable, Advance to Contractors, Advance to Employees, Security Deposits, Claim recoverables etc. The Financial assets are recognized when the company become a party to the contractual provisions of the instrument.

All the Financial Assets are recognized initially at fair value plus transaction cost that are attributable to the acquisition or issue of the financial assets as the company purchase/acquire the same on arm length price and the arm length price is the price on which the assets can be exchanged.

Subsequent Measurement:

A- Debt Instrument:- A debt instrument is measured at the amortized cost in accordance with Ind AS 109.

B- Equity Instrument:- All equity investments in entities are measured at fair value through P & L (FVTPL) as the same is not held for trading.

Impairment on Financial Assets- Expected credit loss or provisions are recognized for all financial assets subsequent to initial recognition. The impairment losses and reversals are recognised in Statement of Profit & Loss.

XVI- FINANCIAL LIABILITIES**Initial recognition and measurement:**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All the financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade payables, borrowings and other payables.

Subsequent Measurement:

Borrowings have been measured at fair value using effective interest rate (EIR) method. Effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest and other expenses over the relevant period. Since each borrowings has its own separate rate of interest and risk, therefore the rate of interest at which they have been acquired is treated as EIR. Trade and other payables are shown at contractual value/amortized cost.



A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

XVII- MATERIAL PRIOR PERIOD ERRORS

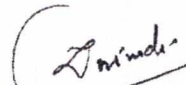
Material prior period errors are corrected retrospectively by restating the comparative amount for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balance of assets, liabilities and equity for the earliest period presented, are restated.



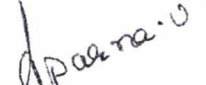
(Pradeep Soni)
Company Secretary
(Part Time)



(P.N. Sahay)
Executive Director
(Accounts & Audit)



(Sudhanshu Dwivedi)
Director (Finance)
DIN - 6533235



(Aparna U)
Managing Director
DIN - 6523278

Place : Lucknow

Date : 29 MAR 2019

Subject to our report of even date

For Gaur & Associates
Chartered Accountants

FRN No. 005354C



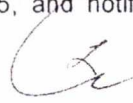
(S.K. Gupta)
Partner
M.No. 016746

U.P. POWER CORPORATION LIMITEDCIN - U32201UP1999SGC024928NOTE NO. 1(B)

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2018 AND STATEMENT OF PROFIT &
LOSS FOR THE YEAR ENDED ON THAT DATE

1. (a) The Company 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)-2014 dated 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.

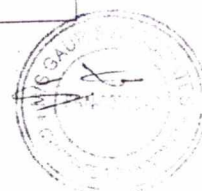
- (b) The assets and liabilities relating to Uttaranchal Power Corporation Ltd. had been transferred as per an agreement dated 12.10.2003 with Uttaranchal Power Corporation Ltd., w.e.f. 09.11.01.

3. 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.

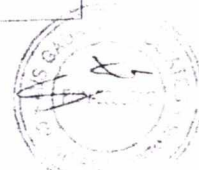
4. (a) Based on actuarial valuation report dt. 9.11.2000 (adopted by Board of Directors), provision for accrued liability on account of Pension and Gratuity has been made @ 16.70% and 2.38% respectively on the amount of basic Pay and D.A. paid to employees.

- (b) As required by IND AS 19, the company has measured its liabilities arising from Gratuity for the employees covered under CPF Scheme & Leave encashment of all employees and stated the same in Balance Sheet and Statement of P&L in the financial year 2017-18. The Disclosure in the regard is as below:

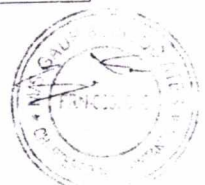
| S.N | Defined benefit plans:- (In ₹) | Gratuity | | Leave Encashment | |
|-----|---|---------------------|---------------------|---------------------|---------------------|
| | | As on 31/03/2018 | As on 31/03/2017 | As on 31/03/2018 | As on 31/03/2017 |
| 1 | Assumptions | | | | |
| | Discount Rate | 7.89% per annum | 7.46% per annum | 7.69% per annum | 7.00% per annum |
| | Rate of increase in Compensation levels | 3.00% per annum | 3.00% per annum | 3.00% per annum | 3.00% per annum |
| | Rate of return on Plan assets | NA | NA | NA | NA |
| 2 | Service Cost | | | | |
| | Current Service Cost | 4,364,754 | 3,490,513 | 6,720,673 | 6,346,615 |
| | Past Service Cost (including curtailment Gains/ Losses) | 1,897,705 | 28,194,972 | 0 | 646,878,346 |
| | Gains or losses on Non Routine settlements | 0 | 0 | 0 | 0 |



| | | | | | |
|----------|--|-------------------|-------------------|--------------------|--------------------|
| 3 | Net Interest Cost | | | | |
| | Interest Cost on Defined Benefit Obligation | 2,363,737 | 0 | 45,725,747 | 0 |
| | Interest Income on Plan Assets | 0 | 0 | 0 | 0 |
| | Net Interest Cost (Income) | 2,363,737 | 0 | 45,725,747 | 0 |
| 4 | Change in present value of obligations | | | | |
| | Opening of defined benefit obligations | 31,685,485 | 0 | 653,224,961 | 0 |
| | Interest cost | 2,363,737 | 0 | 45,725,747 | 0 |
| | Service Cost | 6,262,459 | 31,685,485 | 6,720,673 | 653,224,961 |
| | Benefits Paid | (248,312) | 0 | (113,449,973) | NA |
| | Actuarial (gain)/Loss on total liabilities | (3,281,427) | 0 | 48,826,922 | 0 |
| | <i>due to change in financial assumptions</i> | (2,458,156) | | (25,599,321) | 0 |
| | <i>due to change in demographic assumptions</i> | 0 | 0 | 0 | 0 |
| | <i>due to experience variance</i> | (823,271) | 0 | 74,426,243 | 0 |
| | Closing of defined benefit obligation | 36,781,942 | 31,685,485 | 641,048,330 | 653,224,961 |
| 5 | Change in the fair value of plan assets | | | | |
| | Opening Fair value of plan assets | 0 | 0 | 0 | 0 |
| | Actual return on plan assets | 0 | 0 | 0 | 0 |
| | Employer Contribution | 248,312 | 0 | 113,449,973 | 0 |
| | Benefits paid | (248,312) | NA | (113,449,973) | 0 |
| | Closing Fair value of plan assets | 0 | NA | 0 | 0 |
| 6 | Actuarial (Gain)/Loss on Plan Asset | | | | |
| | Expected Interest Income | 0 | 0 | 0 | 0 |
| | Actual Income on Plan Assets | 0 | 0 | 0 | 0 |
| | Actuarial gain/(loss) on Assets | 0 | 0 | 0 | 0 |
| 7 | Other Comprehensive Income | | | | |
| | Opening amount recognized on OCI outside P&L account | 0 | 0 | N/A | N/A |



| | | | | | |
|-----------|---|-------------------|-------------------|--------------------|--------------------|
| | Actuarial gain/(loss) on liabilities | 3,281,427 | 0 | N/A | N/A |
| | Actuarial gain/(loss) on assets | 0 | 0 | N/A | N/A |
| | Closing amount recognized on OCI outside P&L account | 3,281,427 | 0 | N/A | N/A |
| 8 | The amounts to be recognized in the Balance Sheet Statement | | | | |
| | Present value of obligations | 36,781,942 | 31,685,485 | 641,048,330 | 653,224,961 |
| | Fair value of plan assets | 0 | 0 | 0 | 0 |
| | Net Obligations | 36,781,942 | 31,685,485 | 641,048,330 | 653,224,961 |
| | Amount not recognized due to assets limit | 0 | 0 | 0 | 0 |
| | Net defined benefit liability/(assets) recognized in balance sheet | 36,781,942 | 31,685,485 | 641,048,330 | 653,224,961 |
| 9 | Expenses recognized in Statement of Profit & loss | | | | |
| | Service cost | 6,262,459 | 31,685,485 | 6,720,673 | 653,224,961 |
| | Net Interest cost | 2,363,737 | 0 | 45,725,747 | 0 |
| | Net actuarial (gain)/loss | | | 48,826,922 | 0 |
| | Expenses/(Income) recognized in statement of Profit & Loss | 8,626,196 | 31,685,485 | 101,273,342 | 653,224,961 |
| 10 | Change in Net Defined Obligations | | | | |
| | Opening of Net defined benefit liability | 31,685,485 | 0 | 653,224,961 | 0 |
| | Service Cost | 6,262,459 | 31,685,485 | 6,720,673 | 653,224,961 |
| | Net Interest Cost | 2,363,737 | 0 | 45,725,747 | 0 |
| | Re-measurements | (3,281,427) | 0 | 48,826,922 | 0 |
| | Contributions paid to fund | (248,312) | 0 | (113,449,973) | 0 |
| | Closing of Net defined benefit liability | 36,781,942 | 31,685,485 | 641,048,330 | 653,224,961 |
| 11 | Sensitivity analysis | | | | |
| | Base liability | 36,781,942 | | 641,048,330 | Impact |
| | Increase in Discount rate by 0.50% | 34,181,022 | (2,600,920) | 623,668,333 | (17,379,997) |



| | | | | |
|------------------------------------|------------|-------------|-------------|--------------|
| Decrease in Discount rate by 0.50% | 39,661,218 | 2,879,276 | 659,401,174 | 18,352,844 |
| Increase in salary inflation by 1% | 42,670,550 | 5,888,608 | 677,543,453 | 36,495,123 |
| Decrease in salary inflation by 1% | 31,808,608 | (4,973,334) | 607,791,708 | (33,256,622) |
| Increase withdrawal rate by 0.5% | 38,900,436 | 2,118,494 | 647,263,127 | 6,214,797 |
| Decrease withdrawal rate by 0.5% | 34,504,494 | (2,277,448) | 634,521,859 | (6,526,471) |

5. (a) The Company is making efforts to recognize and identify the location of land along with its title deed as well as of other Property, Plant & Equipment, transferred under various Transfer Schemes for the purpose of maintaining fixed assets registers.
- (b) Where historical cost of a discarded/ retired/ obsolete Property, Plant & Equipment 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/amortization on Property, Plant & Equipment/Intangible 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 C).
6. (a) The Provision for Bad & Doubtful Debts against revenue from Sale of Power has been made @ 5% on incremental debtors during the year.
- (b) The details of provision for doubtful loans & advances are as under:-
- (i) Provision to the extent of 10% on the balances of suppliers/ contractors has been made under the Note no. 07 (Financial Assets- Others-Non Current) and Note no. 13 (Other Current Assets).
- (ii) Provision @ 100% on interest accrued and due during the year on loan of NPCL has been made under the Note No. 06 (Financial Assets-Loans-Non Current).
- (c) A provision for doubtful receivables to the extent of 10% on the balances appearing under the different heads of "Financial Assets-Other- Current" Note no. 12 (excluding Receivable on account of loan) has been made.
7. Secured Loan amounting to ₹. 19500/- Lacs and Unsecured Loan amounting to ₹. 2277.98 Lacs appearing in the schedule of Financial Assets- Loan (Non-Current) Note No. 06 have been adjusted against the receipt from the Kesco. Further Kesco has also requested to waive the

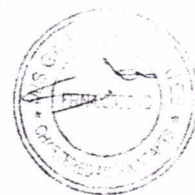


interest on Secured Loan amounting to ₹. 4725.35 Lacs and Interest on Unsecured Loan amounting to ₹. 358.44 Lacs accounted for in the books of UPPCL. Therefore, the said interest on Secured and Unsecured Loan was written off during the year and corresponding account has been made in the books of accounts vide Board resolution of 140th Board Meeting dated 19th July 2018.

8. Accounting entries after reconciliation (IUT) have been incorporated in the current year. Reconciliation of outstanding balances of IUT is under progress and will be accounted for in coming years.
9. Liability towards staff training expenses, medical expenses and LTC has been provided to the extent established.
10. (a) Some balances appearing under the heads 'Financial Assets- Other (Current)', 'Financial Assets- Loans (Non-Current)', 'Other Current Assets (including UP Power Sector Employees Trust)', 'Other Financial Liabilities (Current)' and 'Financial Liabilities- Trade Payables (Current)' are subject to confirmation/reconciliation and subsequent adjustments as may be required.
- (b) On an overall basis the assets other than Property, Plant & Equipment and Financial Assets-investments (Non-current) 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.
11. Basic and diluted earnings per share has been shown in the Statement of Profit & Loss in accordance with Ind-AS 33 "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).

(Amount ₹ in Lacs)

| | <u>31.03.2018</u> | <u>31.03.2017</u> |
|---|-------------------|-------------------|
| <u>Earning per share:</u> | | |
| (a) Net loss after tax (numerator used for calculation) | (811847.18) | (857171.96) |
| (b) Weighted average number of Equity Shares* (denominator for calculating Basic EPS) | 7757.04 | 6767.94 |
| (c) Weighted average number of Equity Shares* (denominator for calculating Diluted EPS) | 7816.56 | 6999.29 |
| (d) Basic earnings per share of Rs. 1000/- each | (104.66) | (126.65) |



- (e) Diluted earnings per share of Rs. (104.66) (126.65)
1000/- each

(As per para 43 of Ind AS-33 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 Earnings Per Share) * Calculated on monthly basis.

* Calculated on monthly basis.

12. In spite of formation of UPPTCL, two units of the company H.Q Payment and Electricity Training Institute (ETI) Unit 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.
13. 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.
14. The energy sold to Discoms has been billed on differential Bulk Sale Tariff (BST) which is calculated by apportioning the average BST in the ratio of Average Billing Rate of Discoms. The average BST is computed on the basis of cost of energy purchased by UPPCL after prior period adjustments, divided by total quantum of energy supplied to UP Discoms.
15. Payment to Directors and Officers in foreign currency towards foreign tour was NIL (Previous year NIL).
16. Debts due from Directors were ₹. NIL (previous year Nil).
17. Quantitative Details of Energy purchased and sold:-

| S. No. | Details | 2017-18 | 2016-17 |
|--------|---------------------------------|---------------|---------------|
| (I) | Total number of Units purchased | 120301.239 MU | 107495.239 MU |
| (II) | Total number of units sold | 111999.645 MU | 99849.316 MU |

18. Contingent Liabilities:-

| S. No. | Details | 2017-18 Amount (₹. in lacs) | 2016-17 Amount (₹. in lacs) |
|--------|---------------------|--------------------------------|--------------------------------|
| (i) | Capital commitments | - | - |
| (ii) | Income Tax* | 4.13 | 2.03 |
| (iii) | Power Purchase | 516273.93 | 47443.51 |
| (iv) | Other Contingencies | 1317.09 | 1410.33 |

* Includes ₹. 2.13 lacs on account of TDS default for FY 2017-18 and ₹. 0.03 lacs

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on account of TDS default for FY 2016-17 as per AS-26.

19. Since the Company is principally engaged in the business of Electricity and there is no other reportable segment as per Ind AS-108 'Operating Segments', hence the disclosure as per Ind AS-108 on segment reporting is not required.
20. Provision for Employees Cost has been made amounting to ₹ 388.82 Lakh for the period 01.04.2017 to 30.06.2017 regarding 7th Pay Commission order no. 999/काविनी एवं वे०प्र०-29/पाकालि/ 2017-5-काविनी एवं वे०प्र०/16 dated 01.09.2017
21. **Disclosure as per Ind AS-24 (Related Party): -**
A- List of Related Parties

(a)-List of Subsidiary & Associates:-

| Subsidiary |
|---|
| Madhyanchal Vidyut Vitran Nigam Limited |
| Pashchimanchal Vidyut Vitran Nigam Limited |
| Purvanchal Vidyut Vitran Nigam Limited |
| Dakshinanchal Vidyut Vitran Nigam Limited |
| Kanpur Electricity Supply Company Limited |
| Sonebhadra Power Generation Company Limited |
| Southern Power Transmission Corporation Limited |
| Associates |
| Yamuna Power Generation Company Limited |

(b) Key management personnel:-

| S. No. | Name | Designation | Working Period (For FY 2017-18) | |
|--------|----------------------------|-------------------------------|---|--------------------------|
| | | | Appointment | Retirement/ Cessation |
| 1 | Shri Sanjay Agarwal | Chairman | 17/05/2013 | 20/05/2017 |
| 2 | Shri Alok Kumar | Chairman | 20/05/2017 | Working |
| 3 | Shri Vishal Chawhan | Managing Director | 25/03/2017 | 03/09/2017 |
| 4 | Smt. Aparna U. | Managing Director | 26/10/2017 | Working |
| 5 | Shri Sudhanshu Dwivedi | Director (Finance) | 30/06/2016 | Working |
| 6 | Shri Satya Prakash Pandey | Director (P.M. & Admin.) | 01/07/2016 | Working |
| 7 | Shri Krishna Murari Mittal | Director (Distribution) | 06/12/2014 | 05/12/2017 |
| 8 | Shri Vijay Kumar | Director (Distribution) | 06/01/2018 | Working |
| 9 | Shri Ramanand Yadav | Director (Corporate Planning) | 23/02/2015 Additional Charge of Director (Distribution) from 06/12/2017 to 01/01/2018. | 01/01/2018 |



| S. No. | Name | Designation | Working Period (For FY 2017-18) | |
|--------|--|-------------------------------|------------------------------------|--------------------------|
| | | | Appointment | Retirement/ Cessation |
| 10 | Shri V. P. Srivastava | Director (Corporate planning) | 04/01/2018 | Working |
| 11 | Shri Sanjay Kumar Singh | Director (Commercial) | 06/03/2013 | 12/02/2018 |
| 12 | Shri Vishal Chauhan (M.D of UPPTCL) | Nominee Director | 18/06/2015 | 29/06/2017 |
| 13 | Shri Kamran Rizvi (M.D of UPPTCL) | Nominee Director | 30/06/2017 | 31/12/2017 |
| 14 | Shri Amit Gupta (M.D of UPPTCL) | Nominee Director | 22/01/2018 | Working |
| 15 | Shri Neel Ratan Kumar (Special Secretary- Finance) | Nominee Director | 16/04/2013 | Working |
| 16 | Smt Manju Shankar (Department of Public Enterprises) | Nominee Director | 10/12/2015 | Working |

(c) The Company is a State Public Sector Undertaking (SPSU) controlled by State Government by holding majority of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for Government related entities and have made limited disclosures in the financial statements. Such entities which company has significant transactions includes, but not limited to, UP Power Transmission Corporation Limited, Uttar Pradesh Rajya Utpadan Nigam Limited and Uttar Pradesh Jal Vidyut Nigam Limited.

(d) Post-Employment Benefit Plan:-

1- Uttar Pradesh Power Sector Employees Trust.

B- Transactions with Related Parties are as follows:

(a) Transaction with Subsidiaries and Associates:-

(Amount ₹ in Lacs)

| Particulars | Subsidiaries | | Associates | |
|--|--------------|-------------|------------|---------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| (i) Sales | 4642492.22 | 4266872.72 | - | - |
| (ii) Purchase | - | - | - | - |
| (iii) Dividend received | - | - | - | - |
| (iv) Equity Contribution made | 915699.46 | 879899.62 | - | - |
| (v) Loans (Net Increase/(Decrease))* | 1373668.84 | (760857.73) | - | - |
| (vi) Receivable-Others (Net Increase/(Decrease)) | 2.00 | 1.50 | 1.00 | (91.70) |

*Loans have been arranged by UPPCL on behalf of Discoms and the

same has been routed through the accounts of UPPCL.

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

| | (Amount ₹ in Lacs) | |
|---------------------------------------|--------------------|---------|
| | 2017-18 | 2016-17 |
| Salary & Allowances | 149.12 | 100.18 |
| Leave Encashment | 0.00 | 17.78 |
| Contribution to Gratuity/ Pension/ PF | 19.98 | 10.99 |

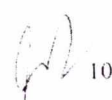
(c) Transaction with related parties under the control of same government:-

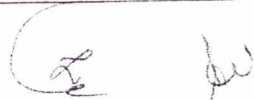
| S. No | Name of The Company | Nature of Transaction | (Amount ₹ in Lacs) | |
|-------|--|--------------------------|--------------------|------------|
| | | | 2017-18 | 2016-17 |
| 1 | UP Power Transmission Corporation Limited | Misc. Transactions (Net) | 1579.22 | 2491.59 |
| 2 | Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited | Power Purchase | 986822.01 | 1128531.13 |
| 3 | Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited | Receivables (Unsecured) | 47.27 | 106.95 |
| 4 | Uttar Pradesh Jal Vidyut Nigam Limited | Power Purchase | 8065.24 | 6254.71 |

(d) Outstanding balances with related parties are as follows:-

| Particulars | (Amount ₹ in Lacs) | |
|----------------------------------|-----------------------------|-----------------------------|
| | 31 st March 2018 | 31 st March 2017 |
| Amount recoverable towards loans | | |
| From Subsidiaries | | |
| ➤ MVVNL | 1039224.79 | 667090.27 |
| ➤ PVVNL | 814850.39 | 555136.20 |
| ➤ PurVVNL | 1378442.09 | 912365.56 |
| ➤ DVVNL | 1719847.80 | 1299576.73 |
| ➤ Kesco | 185714.10 | 212778.74 |
| ➤ SPGCL | 613.59 | 611.59 |
| ➤ SPTCL | 216.63 | 216.63 |
| | | |
| | | |
| | | |



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| | | |
|--|------------|------------|
| Amount recoverable other than loans | | |
| From Subsidiaries | | |
| ➤ MVVNL | 385684.40 | 539085.28 |
| ➤ PVVNL | 132881.14 | 169695.73 |
| ➤ PurVVNL | 1138316.24 | 1213759.25 |
| ➤ DVVNL | 248502.29 | 304314.79 |
| ➤ Kesco | 47048.48 | 8903.49 |
| From Associates | | |
| ➤ YPGCL | 63.76 | 62.76 |
| From Others | | |
| ➤ UPPSET | 1082.35 | 1193.20 |
| ➤ UPRVUNL | 206.91 | 159.64 |
| ➤ UPPTCL | 11316.28 | 9737.06 |
| Amount Payable towards loan | | |
| To Subsidiaries | | |
| ➤ MVVNL | 88469.53 | 56343.81 |
| ➤ PVVNL | 110050.56 | 89506.01 |
| ➤ PurVVNL | 112030.64 | 76628.14 |
| ➤ DVVNL | 95194.37 | 65804.31 |
| ➤ Kesco | - | - |
| Amount Payable other than loan | | |
| To Others | | |
| ➤ UPJVNL | 8851.16 | 8864.08 |

22. Due to heavy unused carried forward losses / depreciation and uncertainties to recover such losses/ depreciation in near future, the deferred tax assets have not been recognized in accordance with Para 34 of Ind AS-12 issued by ICAI.
23. In the opinion of management, there is no specific indication of impairment of any assets as on balance sheet date as envisaged by Ind AS-36 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.
24. In Electricity Service Commission, examination fees collected and professional charges paid during the year is accounted for on cash basis.
25. The accounting of Interest accrued on Commitment Advance given to UMPPs are done on the basis of amount reflected in Form 26AS as



available with the IT department.

26. Disclosure as per Ind AS-37 is as under:-

| (Amount ₹ in Lacs) | | | | | |
|--------------------|--|--|-----------------------------------|--|--|
| S. NO. | PARTICULARS | MOVEMENT OF PROVISIONS | | | |
| | | OPENING BALANCE AS ON 01.04.2017 | PROVISION MADE DURING THE YEAR | WITHDRAWAL / ADJUSTMENT OF PROVISION DURING THE YEAR | CLOSING BALANCE AS ON 31.03.2018 |
| 1 | Provision for impairment in Investment | 5,306,235.96 | 818,782.30 | | 6,125,018.26 |
| 2 | Provision for Doubtful debts on Sundry Debtors (Sale of power) | 140,245.69 | | (14,193.16) | 126,052.53 |
| 3 | Provision for Bad & doubtful debts Other current assets. | 1,155.23 | 1.15 | | 1,156.38 |
| 4 | Provision for Bad & doubtful debts Financial Assets -Loans (Non-Current) | 17,932.05 | 1,267.37 | (9,311.78) | 9,907.64 |
| 5 | Provision for Bad & doubtful debts Financial Assets-other (Current) | 14,189.19 | | (276.19) | 13,913.00 |
| 6 | Provision for Bad & doubtful debts Financial Assets-others(non current) | 18.43 | | (16.84) | 1.59 |
| 7 | Provision for unservisable stores | 13.35 | | | 13.35 |
| | Total | 5,479,789.90 | 820,070.82 | (23,797.97) | 6,276,062.75 |


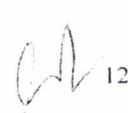
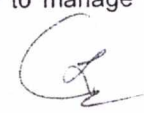


27. The Annual Accounts of F.Y. 2015-16 and 2016-17 have yet to be adopted in Annual General meeting as final comment of CAG is awaited for the F.Y 2015-16 and CAG Audit for the F.Y 2016-17 is yet to be started.

28. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, if any, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes borrowings/advances, trade & other receivables and Cash that derive directly from its operations. The Company also holds equity investment. The Company is exposed to the following risks from its use of financial instruments:

- (a) **Credit Risk:** Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligation resulting in a financial loss to the Company. Credit risk arises principally from cash & cash equivalents and deposits with banks and financial institutions. In order to manage the risk, company accepts only high rated bank/FIs.

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- (b) **Market Risk- Foreign Currency Risk:** Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income/loss. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company has no material foreign currency transaction hence there is no Market Risk w.r.t foreign currency translation.
- (c) **Market Risk- Interest Rate Risk:** The Company is exposed to interest rate risk arising from borrowing with floating rates because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by entering into different kind of loan arrangements with varied terms (eg. Rate of interest, tenure etc.).

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments are as under:

| (Amount ₹ in Lacs) | | |
|---|------------|------------|
| Particulars | 31.03.2018 | 31.03.2017 |
| Financial Assets | | |
| Fixed Interest Rate Instruments- Deposits with Bank | - | - |
| Variable Interest Rate Instruments- Deposits with Bank | 55251.08 | 52752.72 |
| Total | 55251.08 | 52752.72 |
| Financial Liabilities | | |
| Fixed Interest Rate Instruments- Financial Instrument Loans | - | - |
| Variable Interest Rate Instruments- Cash Credit from Banks | - | - |

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Liquidity Risk: Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the company's reputation.

The Company manages liquidity risk by maintaining adequate FI/Bank facilities and reserve borrowing facilities by continuously monitoring, forecast the actual cash flows and matching the maturity profile of financial assets and liabilities.

29. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for



shareholders and benefits for other stakeholders and maintain an appropriate capital structure of debt and equity.


The Company is wholly owned by the GoUP and the decision to transferring the share application money for issuing the shares is lay solely with GoUP. The Company acts on the instruction and orders of the GoUP to comply with the statutory requirements.

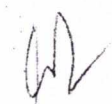
The debt portion of capital structure is funded by the various banks, FIs and other institutions as per the requirement of the company.

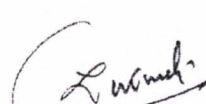
30. Net Prior Period Expenses/ (Income) during F.Y 2017-18 ₹ 23.14 Lacs. Out of which ₹ (4.66/-) Lacs was pertaining to F.Y 2016-17 and ₹ 27.80 Lacs was pertaining to the F.Y 2015-16 or before. The same has been adjusted in the respective financial years in accordance with the provisions of Ind AS-8 "Accounting policies, change in accounting estimates and errors".

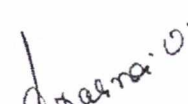
31. The figures as shown in the Balance Sheet, Statement of Profit & Loss, and Notes shown in (.....) denote negative figures.

32. Consequent to the applicability of Ind-AS the financial statements for the year ended 2017-18 has been prepared as per Ind AS. Accordingly previous year's figures have been regrouped/ rearranged wherever necessary to confirm to this year classification.


(Pradeep Soni)
Company Secretary
(Part Time)


(P.N. Sahay)
Executive Director
(Accounts & Audit)


(Sudhanshu Dwivedi)
Director (Finance)
DIN - 6533235


(Aparna U)
Managing Director
DIN - 6523278

Place : Lucknow

Date : 29 MAR 2019

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.

CIN - U32201UP1999SGC024928

NOTE - 2

PROPERTY PLANT AND EQUIPMENT

| Particulars | Gross Block | | | Depreciation | | | (Amount in lakh ₹) | |
|----------------------|------------------|----------------|---------------------------|------------------|------------------|-----------------------------|--------------------|------------------|
| | As at 31.03.2017 | Additions | Deductions / Adjustments* | As at 31.03.2018 | As at 31.03.2017 | Additions **/PPE Adjustment | As at 31.03.2018 | As at 31.03.2017 |
| Land & Land Rights | 470.45 | 0.00 | 0.00 | 470.45 | 0.00 | 0.00 | 470.45 | 470.45 |
| Buildings | 4292.27 | 483.55 | 0.00 | 4775.82 | 1302.63 | 91.87 | 4867.69 | 2989.64 |
| Other Civil Works | 674.42 | 0.00 | 0.00 | 674.42 | 367.90 | 15.35 | 690.27 | 306.52 |
| Plant & Machinery | 594.79 | 284.38 | 12.21 | 866.96 | 299.98 | 52.58 | 916.84 | 294.81 |
| Vehicles | 236.50 | 0.00 | 16.30 | 220.20 | 97.89 | 12.13 | 232.31 | 138.61 |
| Furniture & Fixtures | 416.80 | 95.16 | 0.00 | 511.96 | 66.80 | 28.04 | 538.80 | 348.00 |
| Office Equipments | 1258.50 | 297.01 | 0.00 | 1555.59 | 835.25 | 133.89 | 1689.44 | 423.33 |
| TOTAL | 7943.81 | 1160.10 | 28.51 | 9075.40 | 2972.45 | 333.86 | 9409.26 | 4971.36 |
| Previous Year | 6339.45 | 1620.74 | 16.38 | 7943.81 | 2807.03 | 180.98 | 8146.82 | 3532.42 |

*Deduction/Adjustment made during the year under Gross Block & Depreciation represents obsolete assets which were written off during the year.

**Includes Rs.1.91 for Furniture & Fixtures against PPE Adjustments.

NOTE - 3

CAPITAL WORKS IN PROGRESS

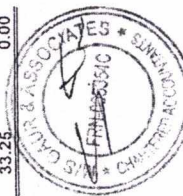
| PARTICULARS | (Amount in lakh ₹) | |
|---------------------------|--------------------|------------------|
| | As at 31.03.2017 | As at 31.03.2018 |
| Capital Work in Progress* | 2.60 | 613.45 |
| GRAND TOTAL | 2.60 | 613.45 |

* It includes Employee cost related to works.

NOTE - 4

Intangible Assets

| Particulars | Gross Block | | | Amortization | | | (Amount in lakh ₹) | |
|----------------------|------------------|--------------|--------------------------|------------------|------------------|-----------------------------|--------------------|------------------|
| | As at 31.03.2017 | Additions | Deductions / Adjustments | As at 31.03.2018 | As at 31.03.2017 | Additions **/PPE Adjustment | As at 31.03.2018 | As at 31.03.2017 |
| Intangible Assets | 34.32 | 80.85 | 0.00 | 115.17 | 1.06 | 17.12 | 132.29 | 33.26 |
| TOTAL | 34.32 | 80.85 | 0.00 | 115.17 | 1.06 | 17.12 | 132.29 | 33.26 |
| Previous Year | 0.00 | 34.32 | 0.00 | 34.32 | 0.00 | 1.06 | 35.38 | 0.00 |



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U.P. POWER CORPORATION LIMITED
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NOTE - 5

FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | | As at 31.03.2017 |
|--|------------------|-----------|------------------|
| LONG TERM INVESTMENT IN EQUITY INSTRUMENT AT COST (Unquoted) | | | |
| TRADE INVESTMENTS | | | |
| I Subsidiaries | | | |
| (a) KESCO | 132701.74 | | 16314.74 |
| 1327017400 Equity Shares of ₹10/- each Fully paid up. | | | |
| (163147400) Equity Shares of ₹10/- each Fully paid up.) | | | |
| From this 60000000 shares are allotted for consideration other than cash | | | |
| persuant to KESA Zone EDU scheme 2000 | | | |
| Share Application Money pending for allotment. | 36548.04 | | 140562.40 |
| | 169349.78 | | 156877.14 |
| | 169349.78 | 0.00 | 156877.14 |
| Less - Provision for impairment in investment | | | |
| (b) Dakshinanchal VVNL | 500226.19 | | 500226.19 |
| 50022619 Equity shares of ₹ 1000/- each fully paid up | | | |
| (50022619) Equity Shares of ₹1000/- each Fully paid up.) | | | |
| Share Application Money pending for allotment | 1129227.49 | | 908199.68 |
| | 1629453.68 | | 1408425.87 |
| | 1629453.67 | 0.01 | 1408425.86 |
| Less - Provision for impairment in investment | | | |
| (c) Madhyanchal VVNL | 1069899.37 | | 726603.83 |
| 106989937 Equity shares of ₹ 1000/- each fully paid up | | | |
| (72660383) Equity Shares of ₹1000/- each Fully paid up.) | | | |
| Share Application Money pending for allotment | 424217.63 | | 528721.34 |
| | 1494117.00 | | 1255325.17 |
| | 1397870.45 | 96246.55 | 1255325.16 |
| Less - Provision for impairment in investment | | | |
| (d) Paschimanchal VVNL | 888209.33 | | 888209.33 |
| 88820933 Equity shares of ₹ 1000/- each fully paid up | | | |
| (88820933) Equity Shares of ₹1000/- each Fully paid up.) | | | |
| Share Application Money pending for allotment | 420331.40 | | 211305.65 |
| | 1308540.73 | | 1099515.18 |
| | 1308540.72 | 0.01 | 1099515.17 |
| Less - Provision for impairment in investment | | | |
| (e) Purvanchal VVNL | 1362181.25 | | 1154035.16 |
| 136218125 Equity shares of ₹ 1000/- each fully paid up | | | |
| (115403516) Equity Shares of ₹1000/- each Fully paid up.) | | | |
| Share Application Money pending for allotment | 235693.67 | | 210658.12 |
| | 1599074.92 | | 1354693.28 |
| | 1599074.92 | 0.00 | 1354693.28 |
| Less - Provision for impairment in investment | | | |
| (f) Sonbhadra PGCL | 6.65 | | 6.65 |
| 665 Equity shares of ₹ 1000/- each fully paid up | | | |
| (665) Equity Shares of ₹1000/- each Fully paid up.) | | | |
| | 6.65 | 0.00 | 6.65 |
| Less - Provision for impairment in investment | | | |
| (h) Southern U.P. Power Transmission Co. Ltd. | 5.00 | | 5.00 |
| 50000 Equity Shares of ₹10/- each Fully paid up.) | | | |
| (50000) Equity Shares of ₹10/- each Fully paid up.) | | | |
| Less - Provision for impairment in investment | 5.00 | 0.00 | 5.00 |
| | | | 0.00 |
| II Associates | | | |
| (a) Yamuna Power generation Co. Ltd. | 1.25 | | 1.25 |
| 12500 Equity shares of ₹ 10/- each fully paid up | | | |
| (12500) Equity Shares of ₹10/- each Fully paid up.) | | | |
| Less - Provision for impairment in investment | 1.25 | 0.00 | 1.25 |
| | | | 0.00 |
| III Others | | | |
| (a) UPPTCL | 221333.52 | | 221333.52 |
| 22133352 Equity shares of ₹ 1000/- each fully paid up | | | |
| (22133352) Equity Shares of ₹1000/- each Fully paid up.) | | | |
| from this 18429700 shares are allotted for consideration other than cash | | | |
| Share Application Money pending for allotment | 18072.31 | | 18072.31 |
| | 238405.83 | | 239405.83 |
| | 20715.83 | 218590.00 | 21395.46 |
| Less - Provision for impairment in investment | | | 218019.37 |
| (b) BONDS | | | |
| i) 7.75% PFC Bonds | | 17400.00 | 10000.00 |
| ii) 7.59% HUDCO Bonds | | 4900.00 | 4900.00 |
| TOTAL | 337236.57 | | 232919.40 |

- 1 Aggregate amount of unquoted investment in equity shares & Share Application Money as on 31.03.2018 is ₹ 6439954.84 lakhs)
(Previous year ₹ 5524255.37 lakhs)
- 2 Aggregate amount of provision for impairment made upto 31.03.2018 are ₹ 5125018.26 (Previous year ₹ 5306235.98 lakhs)
- 3 Considering the accumulated losses of Discoms / UPPTCL / Yamuna PGCL a Provision for impairment has been made during the year are ₹ 818762.30 lakhs)
(Previous year ₹ 877074.27 lakhs)
- 4 The amount of provision for impairment is based on net worth calculated on the basis of audited balance sheets of DISCOMS, Southern PTCL, Sonbhadra and Yamuna PGCL for F.Y. 2017-18. And UPPTCL for F.Y. 2016-17



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NOTE - 6

FINANCIAL ASSETS - LOANS (NON - CURRENT)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| A LOANS (Secured/Considered Good) | | |
| KESCO - (Subsidiary) | 0.00 | 19500.00 |
| (as per UP Transfer of KESA Zone EDU Scheme - 2000) | | |
| Less - Provision for Bad & Doubtful Debts Loan | 0.00 | 1950.00 |
| Interest Accrued & Due | 4725.35 | 4725.35 |
| Less - Bad and Doubtful debts/Provision for Bad and Doubtful debts | 4725.35 | 4725.35 |
| | | 0.00 |
| B LOANS (Unsecured/Considered Doubtful) | | |
| KESCO (Subsidiary) | 0.00 | 2277.98 |
| Interest Accrued & Due | 358.44 | 358.44 |
| | 358.44 | 2636.42 |
| Less - Bad and Doubtful debts/Provision for Bad and Doubtful debts | 358.44 | 2636.42 |
| | | 0.00 |
| NPCL (Licencee) | 568.43 | 568.43 |
| Interest Accrued & Due | 9339.21 | 8051.84 |
| | 9907.64 | 8620.27 |
| Less - Provision for Bad & Doubtful Debts Loan & interest | 9907.64 | 8620.27 |
| | | 0.00 |
| TOTAL | 0.00 | 17550.00 |

Handwritten signatures and a circular stamp are present below the table.



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NOTE - 7

FINANCIAL ASSETS - OTHERS (Non-Current)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|-------------------|-------------------|
| Receivables on account of Loan | | |
| (Unsecured and Considered good) | | |
| Madhyanchal VVNL | 805505.34 | 449144.25 |
| Paschimanchal VVNL | 592598.89 | 349676.04 |
| Dakshinanchal VVNL | 1224857.59 | 791510.52 |
| Purvanchal VVNL | 1066458.80 | 602864.57 |
| KESCO | 122078.37 | 130928.63 |
| Advances to Capital Suppliers / Contractors | 15.86 | 184.30 |
| Less - Provision for Doubtful Advances | 1.59 | 18.43 |
| | 3811498.99 | 2324124.01 |
| TOTAL | 3811513.26 | 2324289.88 |

NOTE - 8

INVENTORIES

(Amount in lakh ₹)

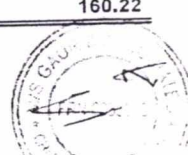
| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|------------------|------------------|
| (a) Stores and Spares | | |
| Stock of Materials - Capital Works | 99.54 | 103.22 |
| Stock of materials - O & M | 69.70 | 69.70 |
| | 169.24 | 172.92 |
| (b) Others | 0.65 | 0.65 |
| SUB TOTAL | 139.89 | 173.57 |
| Less - Provision for Unserviceable Stores | 13.35 | 13.35 |
| TOTAL | 156.54 | 160.22 |

Inventories are valued at cost.

CA

CA

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U.P. POWER CORPORATION LIMITED

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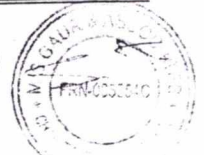
CIN - U32201UP1999SGC024928

NOTE - 9

FINANCIAL ASSETS - TRADE RECEIVABLES (CURRENT)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|-------------------|-------------------|
| Sundry Debtors | 52297.94 | 52297.94 |
| Less - Allowance for Bad & Doubtful Debts | 30225.06 | 30225.06 |
| | 22072.88 | 22072.88 |
| Debtors - Sale of Power (Subsidiary) | | |
| KESCO | 45462.19 | 7317.72 |
| Dakshinanchal VVNL | 241221.97 | 297323.29 |
| Madhyanchal VVNL | 377422.38 | 530082.56 |
| Paschimanchal VVNL | 121788.99 | 159427.96 |
| Purvanchal VVNL | 1130653.86 | 1206261.05 |
| SUB TOTAL | 1916549.39 | 2200412.58 |
| Less - Allowance for Bad & Doubtful Debts | 95827.47 | 110020.63 |
| | 1820721.92 | 2090391.95 |
| Total | 1842794.80 | 2112464.83 |
| Debts outstanding for a period exceeding six months from the date they are due for payment: | | |
| Secured & Considered Good | 651415.11 | 820395.57 |
| Unsecured & Considered Good | 63348.33 | 72242.04 |
| Considered Doubtful | 714763.44 | 892637.61 |
| Other Debts | | |
| Unsecured & Considered Good | 1191379.70 | 1292069.26 |
| Considered Doubtful | 62704.19 | 68003.65 |
| | 1254083.89 | 1360072.91 |
| Less - Provision for Bad & Doubtful Debts | 126052.53 | 140245.69 |
| TOTAL | 1842794.80 | 2112464.83 |





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NOTE - 10

Financial Assets - CASH AND CASH EQUIVALENTS (CURRENT)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| A Balances with Banks | | |
| In Current & Other account | 140292.94 | 174659.08 |
| PPE Adjustment of In Current & Other account | 0.00 | 0.06 |
| In Fixed Deposit accounts | 7474.50 | 22541.51 |
| | 147767.44 | 197200.65 |
| B Cash on Hand | | |
| Cash in Hand (Including Stamps in hand) | 1.88 | 1.95 |
| Cash Imprest with Staff | 3.70 | 2.30 |
| | 5.58 | 4.25 |
| TOTAL | 147773.02 | 197204.90 |

NOTE - 11

Financial Assets - Bank Balances other than above (Current)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|------------------|------------------|
| Deposits having maturity more than 3 months but not more than 12 months | 55162.58 | 30211.21 |
| TOTAL | 55162.58 | 30211.21 |





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NOTE - 12

Financial Assets - OTHER (CURRENT)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 | |
|---|-------------------|-------------------|------------------|
| Receivables (Unsecured) - | | | |
| Ultranchal PCL | 19260.86 | 19260.86 | |
| UPRVUNL | 206.91 | 159.64 | |
| UPPTCL | 11316.28 | 9757.66 | |
| PPE Adjustment of UPPTCL | 0.00 | (20.60) | |
| Sub Total | 30784.05 | 29157.56 | |
| Subsidiaries (Unsecured) - | | | |
| KESCO | 1586.29 | 1585.77 | |
| Dakshinanchal VVNL | 7280.32 | 6991.50 | |
| Madhyanchal VVNL | 8262.02 | 9002.72 | |
| Paschimanchal VVNL | 11092.15 | 10267.77 | |
| Purvanchal VVNL | 7662.38 | 7498.20 | |
| Sub Total | 35883.16 | 35345.96 | |
| Employees | 0.50 | 0.78 | |
| Others | 72462.31 | 77367.00 | |
| Total | 139130.02 | 141871.30 | |
| Less - Provision for Doubtful Receivables | 13913.00 | 14189.19 | 127682.11 |
| Receivables on account of Loan (Unsecured) | | | |
| Madhyanchal VVNL | 233719.45 | 217946.02 | |
| Less - Liabilities against Loan | 88469.53 | 56343.81 | 161602.21 |
| Paschimanchal VVNL | 222251.50 | 205460.16 | |
| Less - Liabilities against Loan | 110050.56 | 89506.01 | 115954.15 |
| Dakshinanchal VVNL | 494990.21 | 508066.21 | |
| Less - Liabilities against Loan | 95194.37 | 65804.31 | 442261.90 |
| Purvanchal VVNL | 311983.29 | 309500.99 | |
| Less - Liabilities against Loan | 112030.64 | 76628.14 | 232872.85 |
| KESCO | 63635.73 | 60072.13 | |
| Less - Liabilities against Loan | 0.00 | 0.00 | 60072.13 |
| Total | 1046052.10 | 1140445.35 | |

NOTE - 13

OTHER CURRENT ASSETS

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 | |
|---|------------------|------------------|-----------------|
| UP Power Sector Employee Trust | | | |
| Provident Fund | 1638.93 | 1653.10 | |
| Pension and Gratuity Liability | (556.58) | (459.90) | 1193.20 |
| ADVANCES (Unsecured/Considered Good) | | | |
| Suppliers / Contractors | 11563.82 | 11552.31 | |
| Less - Provision for Doubtful Advances | 1156.38 | 1155.23 | 10397.08 |
| Tax deducted at source | | 1404.27 | 1102.32 |
| Advance Income Tax | | 13.28 | 13.28 |
| Fringe Benefit Tax - Advance Tax | 52.78 | 52.78 | |
| Less - Provision | 41.03 | 41.03 | 11.75 |
| Income Accrued & Due | | 658.44 | 518.39 |
| Income Accrued but not Due | | 925.30 | 179.89 |
| Prepaid Expenses | | 391.15 | 367.43 |
| Inter Unit Transactions | | 15692.91 | 14537.37 |
| Total | 30586.89 | 28320.71 | |



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NOTE - 14

EQUITY SHARE CAPITAL

Amount in lakh ₹

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|-------------|------------------|------------------|
|-------------|------------------|------------------|

(A) AUTHORISED :

| | | |
|--|----------|---------|
| 1250000000 Equity shares of par value of ₹1000/- each | 12500000 | 9000000 |
| (previous year 900000000 Equity shares of par value ₹1000/- each) | | |

(B) ISSUED SUBSCRIBED AND FULLY PAID UP

| | | |
|---|------------|------------|
| 804007381 Equity shares of par value ₹1000/- each | 8040073.81 | 7287520.82 |
| (previous year 728752082 Equity shares of par value ₹1000/- each) | | |
| (of the above shares 36113400 were allotted as fully paid up pursuant to UP Power Sector Reform Scheme for consideration other than cash) | | |

| | | |
|--------------|-------------------|-------------------|
| TOTAL | 8040073.81 | 7287520.82 |
|--------------|-------------------|-------------------|

- a) During the year, the Company has issued 75255299 Equity shares of ₹1000 each only and has not bought back any shares.
- b) The Company has only one class of equity shares having a par value ₹ 1000/- per share.
- c) During the year ended 31st March 2018, no dividend has been declared by board due to heavy accumulated losses.

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

| Shareholder's Name | As at 31.03.2018 | | As at 31.03.2017 | |
|--------------------|------------------|--------------|------------------|--------------|
| | No. of shares | %age holding | No. of shares | %age holding |
| Government of UP | 804007381 | 100% | 728752082 | 100% |

e) Reconciliation of No. of Shares

| No. of Shares as on 31.03.2017 | Issued during the year | Buyback during the year | No. of Shares as on 31.03.2018 |
|--------------------------------|------------------------|-------------------------|--------------------------------|
| 728752082 | 75255299 | - | 804007381 |

Handwritten signatures and stamps are present below the reconciliation table.



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NOTE - 15

OTHER EQUITY

(A) Reserves and Surplus (Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| A Capital Reserves | | |
| Others | 19595.12 | 19595.12 |
| B Other Reserves | | |
| Restructuring Reserve | 55076.00 | 55076.00 |
| Surplus | | |
| As per last financial statement | (7120254.59) | (6263054.83) |
| Add:- Profit/(Loss) for the year as per statement of Profit & Loss | (811847.18) | (7932101.77) |
| Change in Accounting Policy or Prior Period items | | (27.80) |
| | | (7120254.59) |
| SUB TOTAL | (7857430.65) | (7045583.47) |

(B) Share Application Money (Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| Share Application Money | 259075.02 | 327715.53 |
| (Pending for allotment to the Govt. of UP) | | |
| SUB TOTAL | 259075.02 | 327715.53 |
| GRAND TOTAL | (7598355.63) | (6717867.94) |

Reconciliation of Share Application Money (Amount in lakh ₹)

| Share Application Money as on 31.03.2017 | Received during the year | Allotted during the year | Share Application Money as on 31.03.2018 |
|--|--------------------------|--------------------------|--|
| 327715.53 | 683912.48 | 752552.99 | 259075.02 |

[Signature]

[Signature]

[Signature]

[Signature]





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CIN : U32201UP1999SGC024928

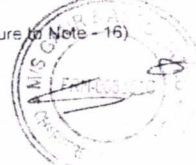
NOTE - 16

FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)

(Amount in lakh ₹)

| PARTICULARS | As at 31.03.2018 | As at 31.03.2017 | |
|--------------------------------------|------------------|-------------------|----------------------|
| BONDS/LOANS RELATE TO DISCOMS | | | |
| (a) <u>Dakshinanchal VVNL</u> | | | |
| <u>SECURED</u> | | | |
| Non Convertible Bonds | 658630.00 | 336682.93 | |
| <u>UNSECURED</u> | | | |
| Non Convertible Bonds | 402294.59 | 402294.59 | |
| REC | 138511.21 | 112741.90 | |
| PFC | 114532.10 | 59899.08 | |
| UP GOVERNMENT (UDAY SCHEME) | | | |
| LOAN | 333798.33 | 1647766.23 | 333798.33 1245416.83 |
| (b) <u>Madhyanchal VVNL</u> | | | |
| <u>SECURED</u> | | | |
| Non Convertible Bonds | 428870.00 | 210641.41 | |
| <u>UNSECURED</u> | | | |
| Non Convertible Bonds | 193338.84 | 193338.84 | |
| REC | 102495.41 | 32537.07 | |
| PFC | 93604.88 | 23313.95 | |
| UP GOVERNMENT (UDAY SCHEME) | | | |
| LOAN | 189350.88 | 1007660.01 | 189350.88 649182.15 |
| (c) <u>Paschimanchal VVNL</u> | | | |
| <u>SECURED</u> | | | |
| Non Convertible Bonds | 139202.15 | 139202.15 | |
| <u>UNSECURED</u> | | | |
| Non Convertible Bonds | 220815.75 | 145457.89 | |
| REC | 148097.23 | 50149.31 | |
| PFC | 89486.55 | 17441.23 | |
| UP GOVERNMENT (UDAY SCHEME) | | | |
| LOAN | 188640.08 | 786241.76 | 188640.08 540890.68 |
| (d) <u>Purvanchal VVNL</u> | | | |
| <u>SECURED</u> | | | |
| Non Convertible Bonds | 638080.00 | 312388.27 | |
| <u>UNSECURED</u> | | | |
| Non Convertible Bonds | 239599.30 | 239599.30 | |
| REC | 129311.87 | 79896.60 | |
| PFC | 102438.28 | 29465.82 | |
| UP GOVERNMENT (UDAY SCHEME) | | | |
| LOAN | 214843.16 | 1324272.61 | 214843.16 876193.15 |
| (e) <u>Kesco</u> | | | |
| <u>SECURED</u> | | | |
| Non Convertible Bonds | 58730.00 | 62580.26 | |
| <u>UNSECURED</u> | | | |
| Non Convertible Bonds | 56938.37 | 56938.37 | |
| REC | 3275.45 | 6666.40 | |
| PFC | 3614.66 | 6460.80 | |
| UP GOVERNMENT (UDAY SCHEME) | | | |
| LOAN | 51711.55 | 174270.03 | 51711.55 184356.38 |
| GRAND TOTAL | | 4940210.64 | 3496039.17 |

Note - The terms of repayment, default details and security/guarantee details have been annexed with this note. (Refer Annexure to Note - 16)



Note: All the borrowings which have been guaranteed by GoUP.

Short Term Borrowing

| Short term borrowing | | | | | | | | | |
|----------------------|--|--|--|----------|--|----------|------|---|--|
| NOIDA Loan (5TL) | | | | | | | | | |
| | | | | | | | | | |
| MAVNI | | | | 3202.75 | | 3202.75 | - | - | |
| PoorvNI | | | | 4299.45 | | 4299.45 | - | - | |
| PasvNI | | | | 2942.75 | | 2942.75 | - | - | |
| DVNI | | | | 3500.25 | | 3500.25 | - | - | |
| Resco | | | | 1054.80 | | 1054.80 | - | - | |
| Sub Total | | | | 15000.00 | | 15000.00 | 0.00 | | |
| Less-CM | | | | | | 0.00 | | | |
| Total | | | | 15000.00 | | 15000.00 | 0.00 | | |

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

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NOTE- 17

FINANCIAL LIABILITIES - OTHERS (NON CURRENT)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|------------------|------------------|------------------|
| Leave Encashment | 5716.38 | 5563.28 |
| Gratuity | 362.12 | 312.01 |
| TOTAL | 6078.50 | 5875.29 |

NOTE- 18

FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|------------------|------------------|
| Overdraft from Banks | | |
| Central Bank of India | 1656.30 | 10454.43 |
| (Pari Passu charge on Receivables and Other Current Assets of Corporation) | | |
| Canara Bank | 0.00 | 7655.43 |
| (Pari Passu charge on Receivables of Corporation) | | |
| Punjab National Bank | 2846.86 | 45134.09 |
| (Pari Passu charge on Receivables of Corporation) | | |
| Allahabad Bank | 30131.42 | 0.00 |
| (Pari Passu charge on Receivables of Corporation) | | |
| ICICI Bank | 27842.89 | 37605.16 |
| (Pari Passu charge on Receivables of Corporation) | | |
| Indian Overseas Bank | 25828.52 | 0.05 |
| (Charge on Stock, Receivables & Other Current Assets) | | |
| Bank of India | 0.02 | 0.00 |
| (Pari Passu charge on Receivables of DISCOMS) | | |
| Bank of India | 49596.17 | 0.00 |
| (Pari Passu charge on Receivables of DISCOMS) | 137902.18 | 100849.16 |
| Loans relates to DISCOMS (Unsecured) | | |
| (a) Dakshinanchal VVNL | | |
| New Okhla Industrial Dev. authority | 3500.25 | 3500.25 |
| (b) Madhyanchal VVNL | | |
| New Okhla Industrial Dev. authority | 3202.75 | 3202.75 |
| (c) Paschimanchal VVNL | | |
| New Okhla Industrial Dev. authority | 2942.75 | 2942.75 |
| (d) Purvanchal VVNL | | |
| New Okhla Industrial Dev. authority | 4299.45 | 4299.45 |
| (e) Kesco | | |
| New Okhla Industrial Dev. authority | 1054.80 | 15000.00 |
| TOTAL | 152902.18 | 115849.16 |

Note - The Loans of New Okhla Industries Dev. Authority are guaranteed by GoUP.

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE-19

FINANCIAL LIABILITIES - TRADE PAYABLE (CURRENT)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|--|-------------------|-------------------|
| Liability for Purchase of Power | 1480199.35 | 1733291.01 |
| PPE Adjustment of Liability of Purchase of Power | | (5.47) |
| TOTAL | 1480199.35 | 1733285.54 |

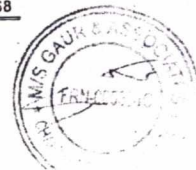
NOTE- 20

Other Financial Liabilities (CURRENT)

(Amount in lakh ₹)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|------------------|------------------|
| Current Maturity of Long Term Borrowings | 182868.53 | 114130.33 |
| Liability for Capital Supplies/ Works | 24.58 | 14.51 |
| Liability for O & M Supplies / Works | 1.02 | 8.32 |
| Deposits & Retentions from Suppliers & Others | 8912.50 | 1122.52 |
| Deposit works | 103.80 | 0.00 |
| * Liabilities towards UPPCL CPF Trust | 20.87 | 20.37 |
| Interest Accrued but not Due on Borrowings | 39462.42 | 26124.59 |
| Staff Related Liabilities | 5600.55 | 5527.66 |
| Sundry Liabilities | 10235.73 | 11830.37 |
| Payable to UPJVNL | 8851.16 | 8864.08 |
| Liabilities for Expenses | 567.08 | 222.77 |
| PPE Adjustment | | 6.16 |
| TOTAL | 256668.24 | 167871.68 |

Note - Details of Current Maturity of Long Term Borrowings is annexed with this Note. (Refer Annexure to Note - 20)
* Includes interest on CPF



Statement of Current Maturity of Long-Term Borrowings

(Amount in lakh ₹)

| F.Y. 2017-18 | | | | | |
|---|-------------------------|-----------------|-----------------|-----------------|------------------|
| I | Loans Relate to Discoms | | | | |
| Sl. No. | Name of the Discom | Bonds | REC | PFC | Total |
| 1 | MVVNL | 11791.41 | 5500.00 | 11070.63 | 28362.04 |
| 2 | PoorVVNL | 15538.27 | 21172.65 | 13159.10 | 49870.02 |
| 3 | PasVVNL | 11502.15 | 5415.00 | 8748.75 | 25665.90 |
| 4 | DVVNL | 18862.93 | 24722.35 | 24996.04 | 68581.32 |
| 5 | KESCO | 3850.26 | 3484.12 | 3054.87 | 10389.25 |
| | Total | 61545.02 | 60294.12 | 61029.39 | 182868.53 |
| Total Current Maturity of Long-Term Borrowings | | | | | 182868.53 |

| F.Y. 2016-17 | | | | | |
|---|-------------------------|-------------|-----------------|-----------------|------------------|
| I | Loans Relate to Discoms | | | | |
| Sl. No. | Name of the Discom | Bonds | REC | PFC | Total |
| 1 | Madhyanchal VVNL | 0.00 | 2142.50 | 12562.87 | 14705.37 |
| 2 | Purvanchal VVNL | 0.00 | 16881.90 | 14991.05 | 31872.95 |
| 3 | Paschimanchal VVNL | 0.00 | 2080.93 | 9221.85 | 11302.78 |
| 4 | Dakshinanchal VVNL | 0.00 | 21113.97 | 29545.69 | 50659.66 |
| 5 | KESCO | 0.00 | 2792.67 | 2796.90 | 5589.57 |
| | Total | 0.00 | 45011.97 | 69118.36 | 114130.33 |
| Total Current Maturity of Long-Term Borrowings | | | | | 114130.33 |

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 21

REVENUE FROM OPERATIONS (GROSS)

(Amount in lakh ₹)

| Particulars | For the Year ended on 31.03.2018 | For the Year ended on 31.03.2017 |
|-----------------------|-------------------------------------|-------------------------------------|
| SALE OF POWER | | |
| Supply in Bulk | | |
| Subsidiaries | | |
| Dakshinanchal VVNL | 1073408.91 | 950584.48 |
| Madhyanchal VVNL | 916201.69 | 817440.64 |
| Paschimanchal VVNL | 1457360.54 | 1329452.68 |
| Purvanchal VVNL | 997211.49 | 1011754.84 |
| KESCO | 198309.59 | 157640.08 |
| | 4642492.22 | 4266872.72 |
| TOTAL | 4642492.22 | 4266872.72 |

NOTE - 22

OTHER INCOME

(Amount in lakh ₹)

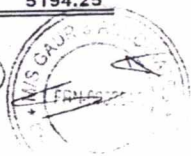
| Particulars | For the Year ended on 31.03.2018 | For the Year ended on 31.03.2017 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| a Interest from : | | |
| Loans to Staff | 2.21 | 0.87 |
| Loans to NPCL (Licencee) | 1287.36 | 1120.09 |
| Fixed Deposits | 1768.65 | 1629.95 |
| Others | 7662.20 | 194.26 |
| | 10720.42 | 2945.17 |
| b Other non operating income | | |
| Income from Contractors/Suppliers | 22.50 | 34.96 |
| Rental from Staff | 26.48 | 15.44 |
| Miscellaneous Receipts | 2869.90 | 2198.68 |
| | 2918.88 | 2249.08 |
| TOTAL | 13639.30 | 5194.25 |

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 23

PURCHASE OF POWER

(Amount in lakh ₹)

| Particulars | For the Year ended on 31.03.2018 | For the Year ended on 31.03.2017 |
|--|-------------------------------------|-------------------------------------|
| Power Purchased from - | | |
| NTPC | 750103.23 | 845435.30 |
| Power Trading Corporation Ltd. | 252839.86 | 172088.70 |
| NPCIL | 84831.87 | 70974.17 |
| UPRVUNL | 986822.01 | 1128531.13 |
| Satljaj JVNL | 36166.85 | 52276.26 |
| NHPC | 122180.37 | 132417.65 |
| UPJVNL | 8065.24 | 6254.71 |
| Adani Export | 234.14 | 274.08 |
| NTPC (VVNL) | 36951.48 | 39761.84 |
| Tata Power Trading Co. Ltd. | 8199.15 | 9273.79 |
| THDC | 78944.82 | 89110.43 |
| Vishnu Prayag | 30342.37 | 38486.29 |
| ROSA Power Co. Ltd. | 317650.23 | 245457.64 |
| Arawali Power Co. Pvt. Ltd. | 14054.85 | 14021.51 |
| Power Purchase Through Energy Exchange | 94146.18 | 24417.51 |
| Bajaj Energy Pvt. Ltd. | 62598.77 | 137743.02 |
| Lanco Anpara Power Ltd. | 201744.03 | 172937.82 |
| SASAN (UMPP) | 53472.52 | 57332.45 |
| G.M.R. Energy Pvt. Ltd. | 1759.95 | 3306.02 |
| Lalitpur Power Project | 393451.04 | 186527.25 |
| Co-Generating Units | 778381.74 | 532757.18 |
| Surcharge | 42066.73 | 57982.74 |
| Unscheduled Interchange & Reactive Energy Charges | 31550.72 | 20812.99 |
| PPE Adjustment of Purchase of Power | 0.00 | (5.47) |
| Inter-state Transmission & Related Charges to - | | |
| Power Grid Corporation Ltd. | 245236.11 | 218740.44 |
| Power System Operation Corp. | 393.45 | 516.57 |
| WUPPTCL | 41657.81 | 5189.97 |
| TOTAL - Purchase of Power | 4673845.52 | 4262621.99 |
| Less - Rebate against Power Purchase | 31347.84 | 11449.69 |
| TOTAL | 4642497.68 | 4251172.30 |

NOTE - 24

Employee benefits expense

(Amount in lakh ₹)

| Particulars | For the Year ended on 31.03.2018 | For the Year ended on 31.03.2017 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Salaries & Allowances | 11639.24 | 6531.20 |
| Dearness Allowance | 1356.62 | 5614.19 |
| Other Allowances | 760.25 | 663.12 |
| Bonus/ Ex-gratia | 65.38 | 35.61 |
| Medical Expenses (Re-imbursement) | 752.52 | 694.56 |
| Leave Travel Assistance | 0.11 | 0.55 |
| Earned Leave Encashment | 960.17 | 615.41 |
| Compensation | 0.00 | 5.13 |
| Staff Welfare Expenses | 148.03 | 158.48 |
| Pension & Gratuity | 1752.21 | 1545.88 |
| Other Terminal Benefits | 309.60 | 463.35 |
| Expenditure on Trust | 11.65 | 15.20 |
| SUB TOTAL | 17775.78 | 16342.68 |
| LESS - Expenses Capitalised | 147.33 | 301.31 |
| TOTAL | 17628.45 | 16041.37 |



U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 25

FINANCE COSTS

(Amount in lakh ₹)

| Particulars | For the Year ended on 31.03.2018 | For the Year ended on 31.03.2017 |
|--------------------------------|-------------------------------------|-------------------------------------|
| Interest on Loans | | |
| Bank Charges | 0.28 | 0.41 |
| PPE Adjustment of Bank charges | | (0.06) |
| Interest to CPF Trust | 1.99 | 1.00 |
| GRAND TOTAL | 2.27 | 1.35 |

NOTE - 26

DEPRECIATION AND AMORTIZATION EXPENSE

(Amount in lakh ₹)

| Particulars | For the Year ended on 31.03.2018 | For the Year ended on 31.03.2017 |
|---|-------------------------------------|-------------------------------------|
| Depreciation on - | | |
| Buildings | 91.87 | 70.63 |
| Other Civil Works | 15.35 | 15.35 |
| Plant & Machinery | 52.58 | 33.37 |
| Vehicles | 12.13 | 11.15 |
| Furniture & Fixtures | 28.04 | 23.13 |
| PPE Adjustment of Dep. On Furniture & Fixtures | 0.00 | 0.03 |
| Office Equipments | 133.89 | 25.44 |
| Intangible Assets | 17.12 | 1.06 |
| GRAND TOTAL | 350.98 | 180.16 |





U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 27

ADMINISTRATIVE, GENERAL & OTHER EXPENSES

(Amount in lakh ₹)

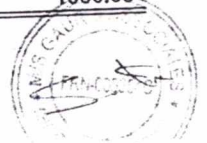
| Particulars | For the Year ended on 31.03.2018 | For the Year ended on 31.03.2017 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Rent | 4.94 | 0.72 |
| PPE Adjustment of Rent | | 0.84 |
| Insurance | 6.56 | 4.82 |
| Communication Charges | 81.78 | 75.47 |
| Legal Charges | 499.89 | 227.03 |
| Auditors Remuneration & Expenses | | |
| Audit Fee | 4.68 | 4.88 |
| GST/Service Tax | 0.84 | 0.88 |
| Travelling Expenses | 0.00 | 0.00 |
| Consultancy Charges | 676.64 | 95.45 |
| Technical Fees & Professional Charges | 482.68 | 876.30 |
| Travelling and Conveyance | 401.77 | 391.09 |
| Printing and Stationery | 151.66 | 225.44 |
| Advertisement Expenses | 193.48 | 82.00 |
| Electricity Charges | 536.71 | 309.72 |
| Water Charges | 0.00 | 0.09 |
| Entertainment | 6.21 | 6.94 |
| Expenditure on Trust | 1.33 | 1.48 |
| Miscellaneous Expenses | 1466.34 | 1258.19 |
| TOTAL | 4515.51 | 3561.34 |

NOTE - 28

REPAIRS AND MAINTENANCE

(Amount in lakh ₹)

| Particulars | For the Year ended on 31.03.2018 | For the Year ended on 31.03.2017 |
|--|-------------------------------------|-------------------------------------|
| Plant & Machinery | 372.88 | 90.00 |
| Buildings | 1116.63 | 1149.02 |
| Other Civil Works | 9.17 | 6.10 |
| Vehicles - Expenditure | 229.61 | 177.17 |
| Less - Transferred to different Capital & O&M Works/Administrative Exp. | 229.61 | 0 |
| Furniture & Fixtures | 7.22 | 3.09 |
| Office Equipments | 154.07 | 138.44 |
| TOTAL | 1659.97 | 1386.65 |





U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN - U32201UP1999SGC024928

NOTE - 29

BAD DEBTS & PROVISIONS

| Particulars | (Amount in lakh ₹) | |
|--|-------------------------------------|-------------------------------------|
| | For the Year ended on 31.03.2018 | For the Year ended on 31.03.2017 |
| <u>PROVISIONS</u> | | |
| Doubtful Debts (Sale of Power) | (14193.16) | (22137.12) |
| Other Current Assets | 1.15 | (1.09) |
| Financial Assets Others (Non Current) | (16.84) | 16.08 |
| Loans (Non Current) | (2940.61) | 1120.09 |
| Doubtful Financial Assets (Others) | (276.19) | 823.54 |
| Provision for impairment in investment | 818782.30 | 877074.26 |
| TOTAL | 801356.65 | 856895.76 |

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

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

(' in Lakhs)

| | 2017-18 | 2016-17 |
|--|-----------------------|-----------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Loss Before Taxation & Extraordinary Items | (8,11,879.99) | (8,57,171.96) |
| Adjustment For: | | |
| a Depreciation and Amortization Expenses | 350.98 | 180.16 |
| b Interest & Financial Charges | 2.27 | 1.35 |
| c Bad Debts & Provision | 8,01,356.65 | 8,56,895.76 |
| d Interest Income | (10,720.42) | (2,945.17) |
| e Other Comprehensive Income | 32.81 | |
| Sub Total | 7,91,022.29 | 8,54,132.10 |
| Operating Profit Before Working Capital Change | (20,857.70) | (3,039.86) |
| Adjustment for: | | |
| a Inventories | 3.68 | (6.42) |
| b Trade Receivable | 2,83,863.19 | (7,36,173.58) |
| c Other Current Assets | (2,267.33) | 196.60 |
| d Financial Assets-others | 94,669.44 | 30,77,587.52 |
| e Other financial Liab. | 88,796.56 | (18,56,716.70) |
| f Financial liabilities -Borrowings | 37,053.02 | (1,185.97) |
| g Trade Payable | (2,53,086.19) | (61,287.79) |
| h Bank balance other than cash | (24,951.37) | (21,268.55) |
| Sub Total | 2,24,081.00 | 4,01,145.11 |
| NET CASH FROM OPERATING ACTIVITIES (A) | 2,03,223.30 | 3,98,105.25 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| a Decrease (Increase) in Property, Plant & Equipment | (1,153.39) | (1,619.10) |
| b Decrease (Increase) in Work in Progress | (610.85) | 2,916.41 |
| c (Increase)/Decrease in Investments | (9,23,099.47) | (8,94,799.73) |
| d Decrease/(Increase) in Other Non-Current Assets | (14,87,206.54) | (23,24,123.96) |
| e Decrease/(Increase) in Loans- Non-Current Assets | 20,490.61 | (1,120.09) |
| f Interest Incomes | 10,720.42 | 2,945.17 |
| g Decrease/(Increase) in Intangible assets | (80.85) | (33.26) |
| NET CASH GENERATED FROM INVESTING ACTIVITIES (B) | (23,80,940.07) | (32,15,834.56) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| a Proceeds from Borrowing : | 14,44,171.47 | 18,94,788.29 |
| Increase from Borrowing | | |
| Repayment of Borrowing | | |
| b Proceeds from Share Capital | 7,52,552.99 | 16,01,248.96 |
| c Proceed from Other Equity | (68,640.51) | (6,28,978.62) |
| d Other Financial Liabilities | 203.21 | 5,875.29 |
| e Interest & Financial Charges | (2.27) | (1.35) |
| NET CASH GENERATED FROM FINANCING ACTIVITIES (C) | 21,28,284.89 | 28,72,932.57 |
| NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | (49,431.88) | 55,203.26 |
| CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 1,97,204.90 | 1,42,001.64 |
| CASH & CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note no.10) | 1,47,773.02 | 1,97,204.90 |

Notes to the Cash-Flow Statement

- (i) This Statement has been prepared under indirect method as prescribed by Ind AS-07
(ii) Cash and cash equivalent consists of cash in hand, bank balances with scheduled banks and fixed deposits having maturity less than three months with banks
(iii) Previous year figures have been regrouped and reclassified wherever considered necessary.

(Pradeep soni)
Company Secretary
(Part Time)

(P.N. Sahay)
Executive Director
(Accounts & Audit)

(Sudhanshu Dwivedi)
Director (Finance)
DIN - 6533235

(Aparna U)
Managing Director
DIN - 6523278

Place : Lucknow

Date : 29 MAR 2019

Subject to our report of even date

For Gaur & Associates
Chartered Accountants
FRN No. 005354C

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



INDEPENDENT AUDITOR'S REPORT

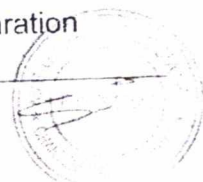
TO,
THE MEMBERS OF
UP POWER CORPORATION LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of UP POWER CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (Which have been signed by us on this date with reference to this report) wherein are incorporated the accounts of Zonal Accounts Office (Material Management) audited by the branch auditor.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Standalone Ind AS financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

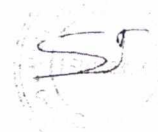
Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the Standalone Ind AS financial statements 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

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

Basis for Qualified Opinion

1. Regarding the un reconciled balance of inter Unit Transactions amounting to Rs 15692.91 Lacs (previous year Rs 14537.37 Lacs), the company has informed that the reconciliation of inter unit account is under process {Refer Point 8 of Notes on Accounts of Note 1(B)}.



2. Documentary evidence in respect of ownership/title of land and land rights, buildings were not provided to us and hence ownership as well as accuracy of balances could not be verified.
3. The balances of assets and liabilities of the Company/Transfer under Final Transfer Scheme other than secured loans, non-current investments and bank balances are subject to confirmation, reconciliation and consequential adjustments, if any, further in view of the above and in the absence of adequate information, we are unable to comment on the adequacy or otherwise of the provision for bad & doubtful debts made in respect of Financial Assets- Others-Non Current (Note No. 07), Other Current Assets (Note No. 13), Financial Assets-Loans-Non Current (Note No. 06), Trade Receivables (Note No. 09) and Financial Assets-Other- Current (Note No. 12).
4. It was observed that the maintenance of party- wise subsidiary ledger and its reconciliation with primary books of accounts i.e. cash book and sectional journal are not proper and effective.
5. (a) The inventories have been valued at cost and not at 'lower of cost or net realizable value' as required by Ind AS 2 "Inventories" (Refer accounting policy no. 3 (VI)(a) of Note no. 1(A)).

(b) Recognition of Insurance and other claims, refunds of Custom duty, Interest on Income tax & Trade Tax , interest on loans to staff and other items of income covered by Accounting Policy no. 2 (c) of Note no. 1 (A) has been done on cash basis. This is not in accordance with the provisions of Ind AS 18 "Revenue".

(c) The cost of Property, Plant & Equipment includes employees cost, as per the accounting policy 3 (I) (d) of Note no. 01 (A). This is not in accordance with the provisions of Indian Accounting Standard (Ind AS) 16 "Property, Plant & Equipment".

(d) Provisions for pension and gratuity in respect of employees covered under GPF have been made on the basis of actuarial valuation report



dated .09.11.2000 adopted by the board of directors (Refer accounting policy no. 3 (IX) (a) of Note no. 1 (A) and point 4 (a) of Notes on Accounts, Note no. 1 (B)).

Recognition, measurement and disclosure of employee benefits for the above provision is not in accordance with the provisions of Ind AS 19, "Employee Benefits".

6. Uttaranchal Power Corporation Limited came into existence on dated 05/11/2000 vide notification no. 42/7/2000-R & R. The assets & liabilities were transferred on dated 12/10/2003 Point No. 2(b) of "Notes on Accounts" Note No. 1 (B). However there is an outstanding dues amounting to Rs. 19260.86 Lacs which is still not recovered needs provisioning & amount is subject to balance confirmation.

7. As per Branch Audit Report

- a) Some units have not maintained proper stock accounts.

b) PTC INDIA LIMITED- TRN ENERGY

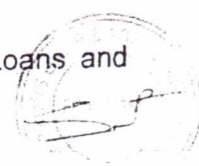
As per clause 4.2.1 of PPA, the monthly bill for any month in a Contract year shall consist of the monthly capacity charges, energy charges, incentives and penalty determined in accordance with clause 4.2.5 of Schedule 4 (applicable on a cumulative basis and included in each monthly bill)

As per clause 4.2.5, the penalty shall be calculated in case the availability for a contract year is less than 80% of annual contracted quantity.

The penalty was calculated on monthly basis and Rs. 1203920088/- was deducted as penalty. In Jan 2018, in terms of letter from Planning department, penalty was calculated on monthly basis on non-cumulative basis and penalty amounting to Rs. 995827508/- was reversed which was not correct in terms of PPA. Hence, the expenditure and the liability was understated by Rs. 99,58,27,508/-.

c) Non-accounting of Interest on Loans:

A sum of 11542.91 lacs was outstanding as on 31st March 2018 in Loans and advances- Others (27.8) details of which is as under:



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 including the Ind AS:

- (a) In the case of Balance Sheet, of the state of affairs (financial position) of the Company as at March 31, 2018;
- (b) In the case of the Statement of Profit and Loss (financial performance including other comprehensive income), of the loss for the year ended on that date,
- (c) In the case of the Statement of Cash Flow, of the cash flows for the year ended on that date, and
- (d) In the case of the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditors' Report) order, 2016("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the **Annexure-I**, a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and expectations given to us, in the **Annexure-II** on the directions issued by the comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report 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.
 - (b) In our opinion, and subject to the matters described in 'Basis of Qualified Opinion' paragraph proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and subject to our observation in basis for qualified opinion paragraph proper returns adequate for the purpose of our audit have been received from branches not visited by us.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Change in Equity dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, subject to matters described in 'Basis for qualified opinion' the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 05th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the company.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in **Annexure-III**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements.
 - The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - There has been no requirement to transfer the amounts to the Investor Education and Protection Fund by the Company.
4. The Annual Accounts of F.Y. 2015-16 and 2016-17 have yet to be adopted in Annual General meeting as final comment of CAG is awaited for the F.Y 2015-16 and CAG Audit for the F.Y 2016-17 is yet to be started.

In terms of our report of even date

For GAUR & ASSOCIATES

Chartered Accountants

Firm Registration No. 005354C



CA S. K. GUPTA

Partner

Membership No. 016746

Place: Lucknow

Date : 29 MAR 2019



Annexure I to the Auditors' Report

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" our report of even date to the members of U.P. Power Corporation Limited on the accounts for the year ended on 31st March, 2018

On the basis of such tests as we considered appropriate to apply, the information and explanation rendered to us by the management during the course of audit of head office and the Auditor Report of Zonal Accounts Office (Material Management) audited by other auditors, we report as under:-

(1) In Respect of Fixed Assets

(a) The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant & Equipment) as required by the Company Act, 2013

(b) The company has not carried out physical verification of the Fixed Assets (Property, Plant & Equipment) hence we are unable to comment whether any material discrepancy was noticed as such or not.

(c) All the immovable properties held by the Company are mainly inherited from erstwhile UPSEB through GoUP Transfer Scheme. Immovable properties created after the incorporation of the Company are held by the respective unit of Company.

(2) In Respect of Inventory

Physical verification of inventory has not been conducted at reasonable intervals by the management. As the company has not physically verified the inventory during the year, the discrepancies on physical verification cannot be commented upon.



(3) Loans and advances to parties covered under section 189 of Companies Act 2013

As per the information and explanation given to us, the Company has not granted any loans Secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013.

In view of the above, the clause 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.

(4) Loan to directors and investment by the company

As informed to us, the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.

(5) Rules followed while accepting Deposits

As per the information and explanation given to us, the company has not accepted any deposits from the public. Therefore, clause 3 (v) of the order regarding the directives issued by the Reserve Bank of India and the provisions of the section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.

(6) Maintenance of cost records

In our opinion, the cost records prescribed under section 148(1) of the companies Act 2013 have been maintained by the company.

(7) According to the information and explanations given to us in respect of statutory dues

(a) According to the information and explanation given to us, the company is generally regular in depositing undisputed statutory dues including Employee state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value Added Tax and cess, GST etc.



(b) As informed to us, there are following dues that have not been deposited on account of dispute:-

| Sl. No. | Name of the statute | Assessment year | Amount (Rs. In Lakhs) | Forum where dispute is pending |
|---------|----------------------|-----------------|-----------------------|---------------------------------------|
| 1. | Income Tax Act, 1961 | 1991-92 | 1.00 | Hon'ble Income Tax Appellate Tribunal |
| 2. | Income Tax Act, 1961 | 1992-93 | 1.00 | Hon'ble Income Tax Appellate Tribunal |
| 3. | Income Tax Act, 1961 | 2018-19 | 2.13* | Income tax Department |

* The status is given for the Assessment Year 2018-19 based on 26 AS report generated as on date.

(8) Repayment of Dues

The company has not defaulted in repayment of dues to financial institution, banks or debenture holders.

(9) Utilisation of IPO and further public offer

The Company has not raised any money by way of initial public offer or further public offer. According to the information and explanation given to us, the money raised by the Company by way of debt instruments i.e. Bonds etc. and term loans have been applied for the purpose for which they were obtained.

(10) Reporting of Fraud during the year

According to the information and explanations given to us by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or fraud on the company by its officers or employees has been noticed or reported during the year.



(11) Approval of managerial remuneration

As per Notification no. GSR 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3(xi) of the Order are not applicable to the Company.

(12) Nidhi Company

The provisions of clause 3(xii) of the Order, for Nidhi Company, are not applicable to the Company.

(13) Related Party Transaction

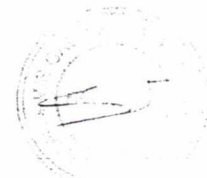
The Company has entered into in Related Party Transaction as per section 177 and 188 of the Companies Act 2013. Refer Point No. 21 of Note No. 1(B) "Notes on Accounts".

(14) Private Placement of Preferential Issues

The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3(xiv) of the Order are not applicable to the Company.

(15) Non Cash Transaction

The Company has not entered into any non-cash transactions with the directors or person connected with them as covered under Section 192 of the Companies Act, 2013.



(16) Register under RBI Act 1934

According to the information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

In terms of our report of even date

For GAUR & ASSOCIATES

Chartered Accountants

Firm Registration No. 005354C



CA S. K. Gupta

Partner

Membership No. 016746



Place: Lucknow

Date : 29 MAR 2019

Annexure II to the Auditors Report (Directions U/S 143(5))

Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" our report of even date to the members of U.P. Power Corporation Limited on the accounts for the year ended on 31st March, 2018

| S.No. | Directions | Action taken |
|-------|--|---|
| 1. | Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available. | All the immovable properties held by the Company are mainly inherited from erstwhile UPSEB through GoUP Transfer Scheme. Immovable properties created after the incorporation of the Company are held by the respective unit of Company |
| 2. | Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved. | During the year 2017-18 Principal amount of Loan has been paid by Kesco and interest Rs. 5083.79 Lacs has been Waived off by UPPCL on request of Kesco. |
| 3. | Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities? | Proper records are maintained for inventories lying with third parties and no cases reported related to assets received as gift from Govt. or other authorities. |

In terms of our report of even date

For GAUR & ASSOCIATES

Chartered Accountants

Firm Registration No. 005354C



CA S. K. Gupta

Partner

Membership No. 016746

Place: Lucknow

Date : 29 MAR 2019

ANNEXURE-III TO THE AUDITORS' REPORT

Referred to in paragraph 3 (f) of the Auditors' Report of even date to the members of UPPCL on the standalone Ind AS financial statements as of and for the year ended March 31st, 2018

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

In conjunction with our audit of the standalone Ind AS financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of UP Power Corporation Limited, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

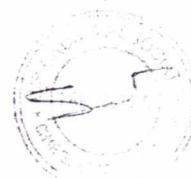
Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting


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



Opinion

In our opinion, the Company, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gaur & Associates
Chartered Accountants
FRN: 005354C



CA S. K. Gupta
Partner
Membership No. 016746



Place: Lucknow

Date : 29 MAR 2019