

U.P. POWER CORPORATION LIMITED

CONSOLIDATED BALANCE SHEET

AS AT

31st MARCH 2018

&

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED ON

31st MARCH 2018

Registered Office :- 14, Ashok Marg, Lucknow - 226001

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U.P. POWER CORPORATION LIMITED
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
 CIN: U32201UP1999SGC024928
 CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET AS AT 31.03.2018

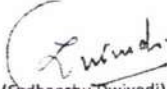
₹ in Lakhs)

Particulars	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	3174873.17	2729513.99
(b) Capital work-in-progress	3	645331.26	462207.85
(c) Assets not in Possession	4	11830.07	8852.25
(d) Intangible assets	5	96.99	33.26
(e) Financial Assets			
(i) Investments	6	240990.00	232919.37
(ii) Loans	7	-	-
(iii) Others	8	829586.52	619313.08
(2) Current assets			
(a) Inventories	9	318107.30	252842.03
(b) Financial Assets			
(i) Trade receivables	10	5607183.99	4589448.58
(ii) Cash and cash equivalents	11-A	624316.69	655757.67
(iii) Bank balances other than (ii) above	11-B	79093.98	51812.31
(iv) Others	12	305774.66	286324.68
(c) Other Current Assets	13	604746.91	348308.93
Total Assets		12441931.54	10237334.00
(II) EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	8040093.81	7287540.82
(b) Other Equity	15	(6340669.76)	(5863351.14)
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	5522761.78	4024704.05
(ii) Other financial liabilities	17	358730.91	329560.07
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	210402.18	130849.16
(ii) Trade payables	19	1868109.75	2166049.19
(iii) Other financial liabilities	20	2782500.64	2161979.89
(b) Provisions	21	2.23	1.96
Significant Accounting Policies of Consolidated Financial Statement	1(A)		
Notes on Accounts of Consolidated Financial Statement	1(B)		
Note 1(A) to 30 form integral part of Accounts.			
Total Equity and Liabilities		12441931.54	10237334.00

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


 (Pradeep Soni)
 Company Secretary
 (Part Time)


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

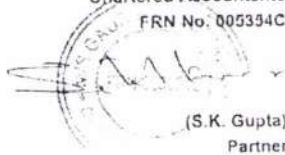

 (Sudhanshu Dwivedi)
 Director(Finance)
 Din-6533235


 (Aparna U)
 Managing Director
 Din-06523278

Place : Lucknow

Date : 29 MAR 2019

Subject to our report of even date

For Gaur & Associates
 Chartered Accountants
 FRN No. 005334C

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

U.P. POWER CORPORATION LIMITED

14-A SHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

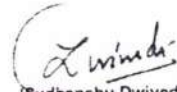
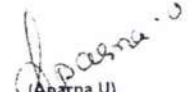
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2018

(₹ in Lakhs)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I Revenue From Operations	22	4449316.26	4052426.42
II Other Income	23	906229.04	823251.38
III Total Income (I+II)		5355545.30	4875677.80
EXPENSES			
1 Cost of materials consumed		-	-
2 Purchases of Stock-in-Trade (Power Purchased)	24	4841907.66	4417582.50
3 Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-	-
4 Employee benefits expense	25	132733.20	136985.87
5 Finance costs	26	344652.03	203341.57
6 Depreciation and amortization expenses	27	110286.41	98205.16
7 Administration, General & Other expense	28	147355.95	106783.12
8 Repair and Maintenance	29	242726.50	184011.96
9 Bad Debts & Provisions	30	856097.10	918100.01
10 Other expenses		-	-
IV Total expenses		6675758.85	6065010.19
V Profit/(Loss) before exceptional items and tax (III-IV)		(1320213.55)	(1189332.39)
VI Exceptional Items		-	-
VII Profit/(Loss) before tax (V(+/-)VI)		(1320213.55)	(1189332.39)
VIII Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
IX Profit (Loss) for the period from continuing operations (VII-VIII)		(1320213.55)	(1189332.39)
X Profit/(Loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit/(Loss) for the period (IX+XII)		(1320213.55)	(1189332.39)
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss- Remeasurement of Defined Benefit Plans (Actuarial Gain or Loss)		(868.89)	44.73
(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)		(1320882.44)	(1189287.66)
XVI Earnings per equity share (continuing operation):			
(1) Basic		(170.28)	(175.72)
(2) Diluted		(170.28)	(175.72)
XVII Earnings per equity share (for discontinued operation)			
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		(170.28)	(175.72)
(2) Diluted		(170.28)	(175.72)
Significant Accounting Policies of Consolidated Financial Statement	1(A)		
Notes on Accounts of Consolidated Financial Statement	1(B)		
Note 1(A) to 30 form integral part of Accounts			

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

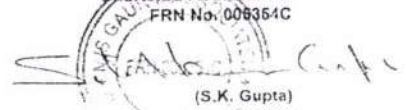

(Pradeep Soni)
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Director (Finance)
Din-6533235

(Aparna U)
Managing Director
Din-06523278

Place: Lucknow

Date: 29 MAR 2019

Subject to our report of even date

For Gaur & Associates
Chartered Accountants
FRN No. 008354C

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

U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(₹ in Lakhs)

A. EQUITY SHARE CAPITAL AS AT 31.03.2018		Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Balance at the end of the reporting period
		7287540.82	752552.99	8040093.81

B. OTHER EQUITY AS AT 31.03.2018		Particulars	Share application money pending allotment	Capital / Other Reserve	Retained Earnings	Total
		Balance at the beginning of the reporting period	327715.53	2745493.94	(14230611.61)	(11157402.14)
		Changes in accounting policy or prior period errors	0.00	0.00	(109.03)	(109.03)
		Restated balance at the beginning of the reporting period	327715.53	2745493.94	(14230720.64)	(11157511.17)
		Total Comprehensive Income for the year	0.00	0.00	(1320882.44)	(1320882.44)
		Addition during the Year	0.00	133823.91	0.00	133823.91
		Reduction during the Year	0.00	31760.73	0.00	31760.73
		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	269075.02	2847557.11	(15551603.08)	(124444970.95)
		Adjustment of Reversed Provision				6104301.19
		Net Balance at the end of the reporting period				(6340669.76)



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U.P. POWER CORPORATION LIMITED
CIN - U32201UP1999SGC024928

NOTE NO. 1(A)

COMPANY INFORMATION & SIGNIFICANT ACCOUNTING POLICIES OF
CONSOLIDATED 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. These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its Associates. The Group is primarily involved in the purchase and sale/supply of power.

2. GENERAL/BASIS OF PREPARATION

- (a) The consolidated 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 Consolidated 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.

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(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 Group 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- **BASIS OF CONSOLIDATION**

The consolidated financial statements related to U.P Power Corporation Ltd. (the Company), its Subsidiaries and Associates together referred to as "Group".

(a) **Basis of Accounting:**

- i) The financial statements of the Subsidiary Companies and Associates in the consolidation are drawn up to the same reporting date as of the Company for the purpose of consolidation.
- ii) The consolidated financial statements have been prepared in accordance with the Indian Accounting Standard, Ind AS-110- 'Consolidated Financial Statements' and Ind AS-28- 'Investments in Associates and Joint Ventures' as specified in Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015.







(b) Principles of consolidation:

The consolidated financial statements have been prepared as per the following principles:

- i) The financial statements of the company and its Subsidiaries are combined on a line basis by adding together the like items of the assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealized profits or losses.
- ii) The consolidated financial statements include the investment in Associates, which has been accounted for using the method of accounting by diminution/impairment in investment in associates.
- iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the significant accounting policies/Notes on accounts.

II- 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) Consumer Contribution, Grants and Subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged.
- (d) In the case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.
- (e) Due to multiplicity of functional units as well as multiplicity of function at particular unit, Employees cost to capital works are capitalized @ 15% on deposit works, 13.50% on Distribution works and @ 9.5% on other works on the amount of total expenditure.
- (f) Borrowing cost during construction stage of capital assets are capitalized as per provisions of Ind AS-23.





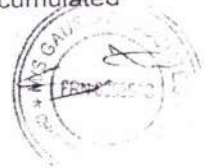
III- Capital Work-In-Progress

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.

IV- 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.

V- 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.

VI- 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.

VII- 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.

VIII- REVENUE/ EXPENDITURE RECOGNITION

- (a) Revenue from sale of energy is accounted for on accrual basis.
- (b) Late payment surcharge recoverable from consumers on energy bills is accounted for on cash basis due to uncertainty of realisation.
- (c) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission.
- (d) In case of detection of theft of energy, the consumer is billed on laid down norms as specified in Electricity Supply Code.
- (e) Penal interest, over due interest, commitment charges, restructuring charges and incentive/rebates on loans are accounted for on cash basis after final ascertainment.

IX- 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.
- (d) Transmission charges are accounted for on accrual basis on bills raised by the U.P Power Transmission Corporation Limited at the rates approved by UPERC.

X- 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.

XI- 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, if any, are disclosed in the Notes on Accounts.
- (c) The Contingent assets of unrealisable income are not recognised.

XII- 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.

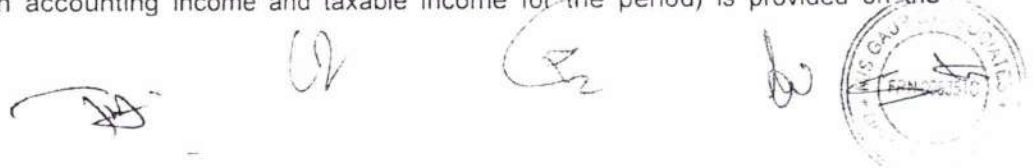
Consumer Contributions, Grants and Subsidies received towards cost of capital assets are treated initially as capital reserve and subsequently amortized in the proportion in which depreciation on related asset is charged.

XIII- 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.

XIV- 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".

XV- CASH FLOW STATEMENT

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

XVI- 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.

XVII- 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.

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XVIII- MATERIAL PRIOR PERIOD ERRORS

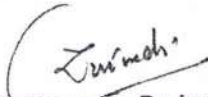
Material prior period errors are corrected retrospectively by restating the comparative amount for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balance of assets, liabilities and equity for the earliest period presented,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



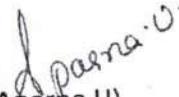
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Executive Director
(Accounts & Audit)



(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

CIN:U32201UP1999SGC024928

Note No. 1 (B)

Notes on Accounts forming part of Consolidated Financial Statements for the F.Y 2017-18

1. The Holding, Subsidiary, and Associate companies considered in the Consolidated Financial Statements are as follows:

S No.	Name of Company	Status	Proportion (%) of Shareholding as on*	
			31-03-2018	31-03-2017
1	U.P Power Corporation Limited	Holding	NA	NA
2	Purvanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
3	Pashchimanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
4	Madhyanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
5	Dakshinanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
6	Kanpur Electricity Supply Company Limited**	Subsidiary	100	100
7	Sonebhadra Power Generation Company Limited	Subsidiary	100	100
8	Southern Power Generation Company Limited	Subsidiary	100	100
9	Yamuna Power Generation Company Limited	Associate	25	25

* Includes the shares of promoters subsequently held by their Nominees.

**It represents the Distribution Companies (DISCOMs).

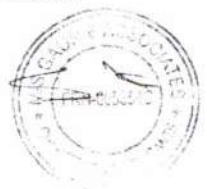
2. The amount of Loans, Subsidies and Grants were received from the State Government by the Uttar Pradesh Power Corporation Limited centrally, being the Holding Company and distributed by the Holding Company to the DISCOMs, which have been accounted for accordingly.
3. The loan taken by the Subsidiary Companies during the financial year 2017-18 amounting to ₹ 1715885.15 Lacs out of which ₹ 153522.37 Lacs directly and ₹ 1562362.78 Lacs by Holding Company i.e. UPPCL for and on behalf of Discoms as per details given below:-



(₹ In Lacs)

Sl. No.	Particulars	DVVNL	PuVVNL	PVVNL	MVNNL	Kesco	UPPCL	Total
1	REC	17885.34	24224.01	70696.97	15202.81	-	316080.93	444090.06
2	PFC	7363.48	5470.46	575.89	12103.41	-	334221.85	359735.09
3	Bond	-	-	-	-	-	912060.00	912060.00
4	Uday (Intt. Free)	-	-	-	-	-	-	-
5	Govt. Loan	-	-	-	-	-	-	-
Total		25248.82	29694.47	71272.86	27306.22	0.00	1562362.78	1715885.15

4. The Board of Directors of distribution companies have escrowed all the Revenue receipt accounts in favour of U.P. Power Corporation Limited, Lucknow. The Holding Company has been further authorized to these escrow revenue accounts for raising or borrowing the funds for & on behalf of distribution companies for all necessary present and future financial needs including Power Purchase obligation.
5. 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.
6. (a) The Property, Plant & Equipment including Land remained with the company after notification of final transfer scheme are inherited from erstwhile UPSEB which had been the title holder of such Non-Current Assets. The title deeds of new Property, Plant & Equipment created/purchased after incorporation of the company, are held in the respective units where such assets were created/ purchased.
- (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).
7. (a) Capitalisation of Interest on borrowed fund utilized during construction stage of Property, Plant & Equipment (i.e. Capital Assets) has been done by identifying the Schemes/Assets and the funds used for the purpose to the extent established.
- (b) Borrowing cost capitalized during the year is ₹ 40954.18 Lacs (31st March 2017 ₹ 28778.09 Lacs).



8. (a) The Provision for Bad & Doubtful Debts against revenue from sale of power has been made @ 5 % on the 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 by UP Power Corporation Limited, Purvanchal Vidyut Vitran Nigam Limited, Pashchimanchal Vidyut Vitran Nigam Limited and an amount of ₹ 27.62 Lacs by Kanpur Electricity Supply Company Limited against the unadjusted advances for more than two year.

(ii) Provision @ 100% on interest accrued and due during the year on loan of NPCL has been made by UP Power Corporation Limited under the Note No. 07 (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" (excluding Receivable on account of loan & Prepaid Expenses)/ "Other Current Assets" (Receivable from Employees) has been made by UP Power Corporation Limited, Purvanchal Vidyut Vitran Nigam Limited, Pashchimanchal Vidyut Vitran Nigam Limited and an amount of ₹ 0.17 Lacs by Kanpur Electricity Supply Company Limited against the doubtful receivables from Employees.

(d) The provision for unserviceable store has been made @10% of closing balance by Pashchimanchal Vidyut Vitran Nigam Limited.

9. Transmission charges are accounted for as per the bills raised by UPPTCL.

10. Government dues in respect of Electricity Duty and other Levies amounting to ₹ 705674.74 Lacs shown in Note-20 include ₹ 65956.24 Lacs on account of Other Levies realized from consumers.

11. Liability towards staff training expenses, medical expenses and LTC has been provided to the extent established.

12. (a) Some balances appearing under the heads 'Financial Assets-Other (Current)', Financial Assets- Loans (Non-Current)', 'Other Current Assets', 'Other Financial Liabilities (Current)' and Financial Liabilities- Trade Payables (Current)' Material in transit/ under inspection/lying with contractors 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.

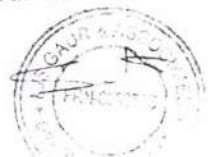
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13. Basic and diluted earnings per share has been shown in the Statement of Profit & Loss in accordance with Ind-AS 33 "Earnings Per Share". Basic earnings per share have been computed by dividing net loss after tax by the weighted average number of 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).

	(₹ in Lacs)	
	<u>31.03.2018</u>	<u>31.03.2017</u>
Earning per share:		
(a) Net loss after tax (numerator used for calculation)	(1320882.44)	(1189287.66)
(b) Weighted average number of Equity Shares* (denominator for calculating Basic EPS)	7757.06	6767.94
(c) Weighted average number of Equity Shares* (denominator for calculating Diluted EPS)	7816.58	6999.29
(d) Basic earnings per share of Rs. 1000/- each (EPS Amount in Rupees)	— (170.28)	(175.72)
(e) Diluted earnings per share of Rs. 1000/- each (EPS Amount in Rupees)	(170.28)	(175.72)

(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.

14. Based on actuarial valuation report dt.9.11.2000 submitted by M/s Price Waterhouse Coopers to UPPCL (the Holding Company) 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, Grade pay and DA paid to employees.
15. 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 the process to obtain the complete information in this regard.
16. Provision for Employees Cost has been made amounting to ₹ 950 20 Lakh for the period 01.04.2017 to 30.06.2017 regarding 7th Pay Commission order no.999/काविनी एवं वे0प्र0-29/पाकालि/2017-5-काविनी एवं वे0प्र0/16 dated 01.09.2017
17. Debts due from Directors were Rs. NIL (previous year Nil).
18. Payment to Directors and Officers in foreign currency towards foreign tour was NIL (Previous year NIL).



(b) Key management personnel:-

S. No.	Name	Designation	Working Period (For FY 2017-18)	
			Appointment	Retirement/Cessation
A- UPPCL (Holding Company)				
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	01/01/2018
			Additional Charge of Director (Distribution) from 06/12/2017 to 01/01/2018.	
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
B- Subsidiary & Associates (Having Related Party Transactions)				
I- Madhyanchal Vidyut Vitran Nigam Limited				
1	Shri Sanjay Agarwal	Chairman	17/05/2013	20/05/2017



15	Shri. Raj Kumar	Director (Technical)	11/10/2017	Working
16	Shri. Yatish Vats	Director (P&A)	24/06/2017	Working
17	Shri. Arvind Rajvedi	Director (Commercial)	30/06/2016	10/04/2017
18	Shri. Satyaveer Singh Rathore	Director (Commercial)	19/04/2017	03/10/2017
19	Shri. Arvind Rajvedi	Director (Commercial)	22/09/2017	Working
20	Shri P.K. Agarwal	CFO	30/06/2016	Working
21	Dr. Jyoti Arora	Company Secretary	02/11/2015	Working
III- Purvanchal Vidyut Vitran Nigam Limited				
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	01/04/2017	03/09/2017
4	Smt. Aparna U.	Managing Director	26/10/2017	Working
5	Smt. Selva Kumari J	Women Director	01/04/2017	Working
6	Shri. Anil Kumar	Managing Director	10/04/2017	17/05/2017
7	Shri. Suresh Chand Bharari	Managing Director	17/05/2017	19/06/2017
8	Shri. Atul Nigam	Managing Director	19/06/2017	Working
9	Shri. Ajit Singh	Director (T)	01/04/2017	10/04/2017
10	Shri Anil Kumar	Director (T)	10/04/2017	17/05/2017
11	Shri. Suresh Chand Bharari	Director (T)	17/05/2017	24/03/2018
12	Shri A.K Awasthi	Director (F)	01/04/2017	Working
13	Shri Rakesh Kumar Verma	Director (P&A)	01/04/2017	21/06/2017
14	Shri. Mohit Arya	Director (C)	01/04/2017	Working
15	Shri. S.C. Tiwari	Company Secretary	01/04/2017	Working
IV- Dakshinanchal Vidyut Vitran Nigam Limited				
1	Shri Sanjay Agarwal	Chairman	17/05/2013	20/05/2017
2	Shri Alok Kumar	Chairman	20/05/2017	Working
3	Smt. Aparna U.	Director	26/10/2017	Working
4	Shri Suchanshu Dwivedi	Director	30/06/2016	Working
5	Shri. S.V.S Rathore	Managing Director	04/02/2016	10/04/2017
6	Shri. S.K Verma	Managing Director	10/04/2017	Working
7	Shri. K.C Pandey	Director (Finance)	21/06/2017	Working
8	Shri. S.C Bharti	Director (Technical)	24/03/2015	10/04/2017
9	Shri. Rakesh Kumar	Director (Technical)	04/01/2018	Working



10	Shri. S.V.S Rathore	Director (Commercial)	24/03/2015	10/04/2017
11	Shri. D.K Singh	Director (Commercial)	22/06/2017	Working
12	Shri. N.C Agarwal	Director (P&A)	24/03/2015	24/03/2018
V- Kanpur Electricity Supply Company Limited				
1	Shri Sanjay Agarwal	Chairman	17/05/2013	20/05/2017
2	Shri Alok Kumar	Chairman	20/05/2017	Working
3	Shri. Ranvir Prasad	Managing Director	17/02/2017	22/05/2017
4	Shri. Ashutosh Niranjn	Managing Director	22/05/2017	20/12/2017
5	Smt. Saumya Agarwal	Managing Director	22/12/2017	Working
6	Shri. Radhey Shyam Yadav	Director (Technical)	02/07/2016	Working
7	Shri. Vijay Singh Srivastava	Director (Commercial)	30/06/2016	17/08/2017
8	Shri. Kaushal Raj Sharma	DM Kanpur (Nominee Director)	21/09/2015	27/04/2017
9	Shri. Surendra Singh	DM Kanpur (Nominee Director)	27/04/2017	Working
VI- Sonebhadra Power Generation Company Limited				
1	Shri. Rama Nand Yadav	Director	07/09/2015	01/01/2018
2	Shri. Sudhanshu Dwivedi	Director	26/09/2016	Working
3	Shri. Vinay Prakash Srivastava	Director	12/01/2018	Working
VII- Southern UP Power Transmission Company Limited				
1	Shri. Vishal Chauhan	Director (Nominated as Chairman on 05/08/2016)	18/06/2015	13/04/2017
2	Shri. Sanjay Kumar Singh	Director (Nominated as MD on 12/06/2017)	20/04/2016	16/03/2018
3	Shri. Sudhanshu Dwivedi	Nominee Director (Nominated as MD on 16/03/2018)	23/03/2017	Working
4	Shri Rama Nand Yadav	Nominee Director	23/03/2017	16/03/2018
5	Shri. Vijay Kumar	Nominee Director	16/03/2018	Working
6	Shri. V.P Srivastava	Nominee Director	16/03/2018	Working
VIII- Yamuna Power Generation Company Limited				
1	Dr. Prabhat Kumar	Chairman	13/06/2017	12/12/2017
2	Dr. Anoop Chandra Pandey	Chairman	13/12/2017	Working
3	Shri. Vishal Chauhan	Managing Director	25/03/2017	03/00/2017





4	Smt. Aparna U	Managing Director	26/10/2017	Working
5	Shri. Deepak Agrawal	Director	25/07/2016	12/06/2017
6	Shri. Arun Veer Singh	Director	19/08/2016	Working
7	Shri. Sudhanshu Dwivedi	Director	30/06/2016	Working
8	Shri. Debashish Panda	Director	13/06/2017	Working
9	Shri. Amit Mohan Prasad	Director	13/06/2017	12/12/2017
10	Shri. Alok Tandon	Director	13/12/2017	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) Transactions with related parties- Remuneration and Benefits paid to key management personnel (Chairman, Managing Director and Directors) are as follows: -

	(₹ In Lacs)	
	2017-2018	2016-2017
Salary & Allowances	632.13	462.16
Leave Encashment	110.58	35.33
Contribution to Gratuity/ Pension/ PF	80.26	49.81

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

		(₹ In Lacs)		
S No.	Name of The Company	Nature of Transaction	2017-18	2016-17
1	UP Power Transmission Corporation Limited	Power Transmission & Misc. Transaction	200989.20	168860.65
2	Uttar Pradesh Rajya Utpadan Nigam Limited	Power Purchase	986822.01	1128531.13

JA

CP

CE

DW



3	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Receivable (Unsecured)	47.27	106.95
3	Uttar Pradesh Jal Vidyut Nigam Limited	Power Purchase	8065.24	6254.71

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

Particulars	₹ In Lacs	
	31 st March 2018	31 st March 2017
Amount Recoverable		
From Associates		
> YPGCL	63.76	62.76
From Others		
> UPRVUNL	310.63	263.36
> UPPTCL	46674.15	40051.71
Amount Payable		
To Others		
> UPJVNL	8837.52	8850.44
> UPPSET	126249.97	126542.69
> JVUNL	0.04	0.04

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. Financial Risk Management

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

The group is exposed to the following risks from its use of financial instruments:

(a) **Regulatory Risk:** The Group's substantial operations are subject to regulatory interventions, introductions of new laws and regulations including changes in competitive framework. The rapidly changing regulatory landscape poses a risk to the Group.

Regulations are framed by State Regulatory Commission as regard to Standard of Performance for utilities, Terms & Conditions for determination of tariff, obligation of Renewable Energy purchase, grant of open Access, Deviation Settlement Mechanism, Power Market Regulations etc. Moreover, the State Government is notifying various guidelines and policy for growth of the sector. These Policies/Regulations are modified from time to time based on need and development in the sector. Hence the policy/regulation is not restricted only to compliance but also has implications for operational performance of utilities, return of Equity, Revenue, competitiveness, and scope of supply.

To protect the interest of utilities, State Utilities are actively participating while framing of Regulations. ARR is regularly filed to UPERC considering

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the effect of change, increase/decrease, of power purchase cost and other expenses in deciding the Tariff of Sales of Power to ultimate consumers.

- (b) **Credit Risk:** Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation resulting in a financial loss to the Group. Credit risk arises principally from cash & cash equivalents and deposits with banks and financial institutions. In order to manage the risk, group accepts only high rated bank/FIs.
- (c) **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 Group'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 Group has no material foreign currency transaction hence there is no Market Risk w.r.t foreign currency translation.
- (d) **Market Risk- Interest Rate Risk:** The Group 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 Group manages the interest rate risks by entering into different kind of loan arrangements with varied terms (eg. Rate of interest, tenure etc.).

Fair value sensitivity analysis for fixed-rate instruments

The group'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.

- (e) **Liquidity Risk:** Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group'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 Group manage 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.

24. Capital Management

The Group'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 Group 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

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Group 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.

25. 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.
26. Statement containing salient features of the financial statements of Subsidiaries and Associates of UP Power Corporation Limited pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, in form AOC-I is attached.
27. Jawaharpur Vidyut Utpadan Nigam Limited (a Subsidiary of UPPCL) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited on 16.06.2015 (Refer GoUP letter No. 836 dated 24.09.2014 read with letter No. 1029 dated 27.11.2014 and the decision of 116th BoD of UPPCL dated 03.06.2015). Thus, Jawaharpur Vidyut Utpadan Nigam Limited (JVUNL) was no more a subsidiary of UPPCL AS ON 31.03.2016. Hence, the balances of JVUNL have not been considered in Consolidated Financial Statements for the F.Y 2015-16 onwards with a corresponding effect in Previous Year.
28. Uttar Pradesh Power Transmission Corporation Limited was Associate of Uttar Pradesh Power Corporation Limited up to Financial Year 2015-16. During the Financial Year 2016-17 the percentage of Shareholding of Uttar Pradesh Power Corporation Limited in Uttar Pradesh Power Transmission Corporation Limited has been reduced below the required limit of Associates disclosure, hence, the Company Uttar Pradesh Power Transmission Corporation Limited is no more Associates of Uttar Pradesh Power Corporation Limited from Financial Year 2016-17 and treated in financial statement accordingly.

29. Disclosure as per Ind AS 112 "Disclosure of Interest in Other Entities"

(a) Subsidiaries

The Group's subsidiaries at 31st March 2018 are set out below. They have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group.

Name of Entity	Place of Business/County of Origin	Ownership interest held by the Group (%)		Ownership interest held by Non-controlling interest (%)		Principal activities
		31-03-18	31-03-17	31-03-18	31-03-17	

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MVVNL	India	100	100	-	-	Distribution of energy
DVVNL	India	100	100	-	-	Distribution of energy
PVVNL	India	100	100	-	-	Distribution of energy
PUVNNL	India	100	100	-	-	Distribution of energy
Kesco	India	100	100	-	-	Distribution of energy
Southern UP Power Transmission Company Limited	India	100	100	-	-	Transmission of energy
Sonebhadra Power Generation Company Limited	India	100	100	-	-	Generation of energy

(b) Associates

The Group has one Associate Company "Yamuna Power generation Company Limited". The Company was formed with the objective to meet out growing demand of electricity during 12th five year plan. But due to non-availability of required land and uncertainty of allocation of fuel (coal/gas) for the project, ultimately lead Energy Task Force (ETF) Govt. of U.P, come to conclusion to abandon the project in its meeting dated 07-05-2012. Subsequently on the recommendation of the said Task Force, Govt. of UP took the decision to abandon the project and wind up the company and conveyed its decision on 05.05.2015.

The Company is incorporated in India and the Group hold 25% of the share capital.

30. The figures as shown in the Balance Sheet, Statement of Profit & Loss, and Notes shown in (.....) denotes negative figures.
31. The Annual Accounts of F.Y 2015-16 and 2016-17 have yet to be adopted in Annual General meeting as final comments of CAG is awaited for F.Y 2015-16 and CAG Audit is yet to be started for F.Y 2016-17.
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.
33. As a result of Prior Period Adjustments in the F.Y 2016-17 or before and Regrouping of items in the Balance Sheet, figures have been changed as under:

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A- Reconciliation of Consolidated Balance Sheet as at 31st March 2017

Particulars	Note	Audited 2016-17	Corresponding figures of 2016-17 given in F.Y 2017-18	Difference	Reasons
ASSETS					
Non-current assets					
(a) Property, Plant and Equipment	2	2729596.17	2729513.99	(72.18)	PPE Adjustment
(b) Capital work-in-progress	3	462207.85	462207.85	-	
(c) Assets not in Possession	4	8852.25	8852.25	-	
(d) Intangible assets	5	33.26	33.26	-	
(e) Financial Assets					
(i) Investments	6	232919.37	232919.37	-	
(ii) Loans	7	-	-	-	
(iii) Others	8	618570.00	619313.08	743.08	Regrouping & PPE Adjustment
Current assets					
(a) Inventories	9	252769.47	252842.03	72.56	PPE Adjustment
(b) Financial Assets					
(i) Trade receivables	10	4589448.58	4589448.58	-	
(ii) Cash and cash equivalents	11-A	655757.61	655757.67	0.06	PPE Adjustment
(iii) Bank balances other than (ii) above	11-B	51812.31	51812.31	-	
(iv) Others	12	286344.32	286324.68	(19.64)	Regrouping & PPE Adjustment
(c) Other Current Assets	13	349060.10	348308.93	(751.17)	Regrouping & PPE Adjustment
Total Assets		10237361.29	10237334.00	(27.29)	
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	14	7287540.82	7287540.82	(1816.86)	PPE Adjustment
(b) Other Equity	15	(5861534.28)	(5863351.14)		
LIABILITIES					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	16	4024704.05	4024704.05	1.75	Regrouping
(b) Other financial liabilities	17	329558.32	329560.07		
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	18	130849.16	130849.16	(5.47)	PPE Adjustment
(ii) Trade payables	19	2166054.65	2166049.19	1793.29	Regrouping & PPE Adjustment
(i) Other financial liabilities	20	2160186.60	2161979.89		
(b) Provisions	21	1.95	1.96		
Total Equity and Liabilities		10237361.29	10237334.00	(27.29)	

B- Reconciliation of Consolidated Statement of Profit & Loss for the year ended 2016-17

S No.	Particulars	Note	Audited 2016-17	Corresponding figures of 2016-17 given in F.Y 2017-18	Difference	Reasons
I	Revenue From Operations	22	4052426.42	4052426.42	-	
II	Other Income	23	823329.13	823251.38	(77.75)	PPE Adjustment
III	Total Income (I+II)		4875755.55	4875677.80	(77.75)	

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IV	EXPENSES					
1	Cost of materials consumed	24	4417587.97	4417582.50	(5.47)	PPE Adjustment
2	Purchases of Stock-in-Trade (Power Purchased)					
3	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress					
4	Employee benefits expense	25	135699.49	136985.87	1286.38	PPE Adjustment
5	Finance costs	26	203341.63	203341.57	(0.06)	PPE Adjustment
6	Depreciation and amortization expenses	27	86043.34	98205.16	12161.82	PPE Adjustment
7	Administration, General & Other Expense	28	106363.45	106783.12	419.67	PPE Adjustment
8	Repair and Maintenance	29	184002.97	184011.96	8.99	PPE Adjustment
9	Bad Debts & Provisions	30	918100.01	918100.01	-	-
10	Other expenses					
IV	Total expenses (IV)		6051138.86	6065010.19	13871.33	PPE Adjustment
V	Profit/(Loss) before exceptional items and tax (III-IV)		(1175383.31)	(1189332.39)	(13949.08)	PPE Adjustment
VI	Exceptional items					
VII	Profit/(Loss) before tax (V(+/-)VI)		(1175383.31)	(1189332.39)	(13949.08)	PPE Adjustment
VIII	Tax expense:					
	(1) Current tax					
	(2) Deferred tax					
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(1175383.31)	(1189332.39)	(13949.08)	PPE Adjustment
X	Profit/(Loss) from discontinued operations					
XI	Tax expense of discontinued operations					
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)					
XIII	Profit/(Loss) for the period (IX+XII)		(1175383.31)	(1189332.39)	(13949.08)	PPE Adjustment
XIV	Other Comprehensive Income					
	A (i) items that will not be reclassified to profit or loss- Remeasurement of Defined Benefit Plans (Actuarial Gain or Loss)		44.73	44.73	-	
	(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)		(1175338.58)	(1189287.66)	(13949.08)	PPE Adjustment



34. Other separate relevant notes given by the Holding, Subsidiary & Associates are given below:

U.P Power Corporation Limited (Holding Company)

1) 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.No	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

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.

VII) In Electricity Service Commission, examination fees collected and professional charges paid during the year is accounted for on cash basis.

Purvanchal Vidyut Vitran Niqam Limited (Subsidiary Company)

I) In respect of Mobilization advance of ₹ 7.14 crore the agreement was terminated in July 2015 on account of Fake Bank Guarantee produced by M/s Bicco Laware Ltd. for 10% mobilization advances amounting to ₹ 0.27 Crore has been made by superintending engineer, electricity distribution Circle-Mau and payment of Bill amounting to ₹ 6.99 Crore has been withheld by superintending engineer, electricity distribution circle-Azamgarh, which is in process of recovery. In the samemanner bills against supply of materials and erection of works are also lying in electricity distribution circle-Basti and siddhartnagar. From above it is clear that mobilization advances paid to M/s Bicco Laware Ltd is not irrecoverable. Hence, the provision of irrecoverable Mobilization advance is not made in the accounts of PūVVNL Varanasi.

Pashchimanchal Vidyut Vitran Niqam Limited (Subsidiary Company)

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

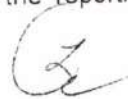
II) Management estimates that the provision for Bank charges has not been made in current financial year, since the sufficient provision already exists.

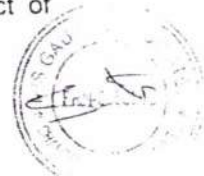
III) Management estimates that the provision for Advance to Suppliers(Capital) has not been made since the sufficient provision already exists.

IV) Capitalisation of Interest on borrowed fund utilized during construction stage of Property, Plant & Equipment (i.e. Capital Assets) has been done by identifying the Schemes/Assets and the funds used for the purpose to the extent established.

V) The Security deposit collected from the consumers on the basis of 2 month average billing. On overdue of the payment of bills raised, a notice is to be served to the consumers. The company has most of the consumers with capacity to meet their obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are passed due are still collectable. Hence, no impairment loss has been recognised during the reporting period in respect of Trade Receivables.







Sonebhadra Power Generation Company Limited (Subidiary Company)

I) As per Guidelines issued by Ministry of Power, Govt. of India for the implementation/development of project, the Company initiated the preparatory activities such as process of land acquisition, arrangement for coal linkage, arrangement of water resources and environmental clearance etc. The Company reviewed the progress of the project work and observed the following facts:-

- Ministry of Coal, Gol did not communicate about allotment of coal to the project, though the application was submitted in July 2009 and too much time had elapsed since then.
- Due to practical problems and resistance from land owners there was no considerable progress in the land acquisition.
- Ministry of Environment and Forest, Gol, finding Singauralli region (which is adjoining to project area) as critically polluted declared moratorium on establishing new projects in this area.
- The concerned department did not communicate regarding allocation of water to the project.

II) Board of Directors took cognizance of the facts narrated in note- 13 (3) above and decided to abandon/close the Project with dissolution of the company and directed to present the case before the Energy Task Force, Govt. of U.P. for its approval in its meeting dated 07-10-2013.

III) The Energy Task Force, Govt. of U.P. also recommended for abandoning the Project with dissolution of M/s Sonebhadra Power Generation Company Ltd. and further directed to get this decision approved by the Hon'ble Cabinet, Govt. of UP. The Govt. of UP vide its letter no. 432/24-ऊनिनिनिप्र०/१८-२०(प्रकोष्ठ) 14 dated 02.July.2018 conveyed its decision to dissolve M/s Sonebhadra Power Generation Company Ltd. and abandon Dopaha Thermal Power Project at Duddhi Tehshil of district Sonebhadra under case-2 bidding guidelines.

In view of the above, there is no probability that the Company shall carry out any business in future, hence financial statement are prepared on Non-Going Concern basis and treatment to various items in the balance sheet has been given accordingly.

Yamuna Power Generation Company Limited (Associate)


I) Due to non availability of required land and uncertainty of allocation of fuel (coal/gas) for the project, ultimately lead Energy Task Force (ETF) Govt of UP, come to conclusion to abandon the project in its meeting dated 07-05-2012 and on




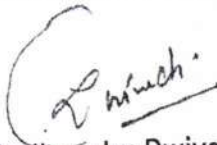
recommendation of said Task Force, Govt. of UP took the decision to abandon the project and wind up the Company and conveyed its decision on 05-05-2015.

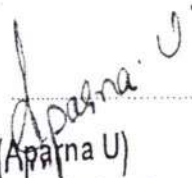
In view of the above, there is no probability that the Company shall carry out any business in future; hence financial statement are prepared on Non-Going Concern basis and treatment to various items in the balance sheet has been given accordingly.

II) The Annual Accounts of F.Y. 2010-2011, 2011-2012, 2012-2013, 2013-14, 2014-15, 2015-16 and 2016-17 have yet to be approved by members in Annual General Meeting.


(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, AS-OK MARG, SHAKTI BHAWAN, LUCKNOW.
 CINE: U32201UP1995SCD24828
 CONSOLIDATED FINANCIAL STATEMENT

NOTE-2
 (₹ in Lakhs)

PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation			Net Block	
	As at 31.03.2017	Addition	Adjustment/ Deletion	As at 31.03.2018	Addition	Adjustment/ Deletion	As at 31.03.2018	As at 31.03.2017
Land & Land Rights	1077.76	0.00	0.00	1072.76	39.89	0.00	39.89	1032.87
Buildings	83119.94	8121.37	0.60	91241.71	24272.58	1677.76	25948.33	65293.38
Plant & Pipe Lines	94.98	-	-	94.98	73.49	6.02	79.51	35.47
Other Civil Works	4074.47	0.00	-	4075.47	2510.59	78.62	2589.21	1486.26
Plant & Machinery	1381197.94	450920.53	248065.37	1584053.15	105988.44	66793.87	142260.02	1441793.13
Jines, Cable Networks etc.	2059701.50	325874.31	8767.94	2376807.87	676905.68	80225.79	720869.05	1655998.82
Vehicles	1726.07	76.22	17.56	1784.73	1255.65	107.79	1352.96	431.77
Furniture & Fixtures	3470.19	305.23	0.26	3725.16	1288.82	201.98	1493.12	2232.04
Office Equipments	15244.30	1068.22	0.10	16312.42	7804.07	1858.12	9662.99	6649.43
Total	3549653.15	786366.88	256851.78	4079168.25	820139.16	150951.95	904295.08	3174873.17
Previous Year	3014043.94	797040.59	261431.78	3549653.15	762207.96	132755.64	74824.44	2729513.99
								2251835.98



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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

CAPITAL WORKS IN PROGRESS

Note-3

(₹ in Lakhs)

Particulars	As at 01.04.2017	Additions	Deductions/ Adjustments	Capitalised During the Year	As at 31.03.2018
Capital Work in Progress	462207.85	967341.51	2148.77	(786366.87)	645331.26
	<u>462207.85</u>	<u>967341.51</u>	<u>2148.77</u>	<u>(786366.87)</u>	<u>645331.26</u>

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-4

ASSETS NOT IN POSSESSION

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Lines, Cable Networks etc.	11830.07	8852.25
Total	11830.07	8852.25

Note-5

INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Intangible Assets	96.99	33.26
Total	96.99	33.26

Note-6

FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
UPPTCL-Investment in Share Capital	221333.52	221333.52
Share Application Money	18072.31	18072.31
Provision for Impairment	(20715.83)	(21386.46)
	218690.00	218019.37
Yamuna PGCL	1.25	1.25
Provision for Impairment	(1.25)	(1.25)
Other Investments:-		
(a) 7.75% PFC Bonds	17400.00	10000.00
(b) 7.59% HUDCO Bonds	4900.00	4900.00
	22300.00	14900.00
Total	240990.00	232919.37

Note-7

FINANCIAL ASSETS - LOANS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Capital Advances		
NPCL LOAN	568.43	558.43
Interest Accrued and Due	9339.21	8051.84
Provision for B/D Loan & Interest	(9907.64)	(8620.27)
Total		

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-8

FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(₹ in Lakhs)

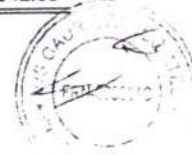
Particulars	As At 31.03.2018	As At 31.03.2017
Advances to Capital Suppliers / Contractors	828901.12	618644.44
Provision for Doubtful Advances	(101.93)	(118.77)
UPPTCL		
Receivable	70.00	70.00
Payable	(26.64)	(26.64)
Advance paid to State Govt. for freehold title of Land		743.87
TDS F.Y. 2013-14		0.1
TDS F.Y. 2016-17		0
Total	829586.52	619313.08

Note-9

INVENTORIES

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
(a) Stores and Spares		
Stock of Materials - Capital Works	242402.02	201156.39
Stock of Materials - O&M	81476.70	43187.37
(b) Others		
B	343204.20	276772.39
Provision for Unserviceable Stores	(25096.90)	(23930.36)
Total	318107.30	252842.03



U.P. POWER CORPORATION LIMITED

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CONSOLIDATED FINANCIAL STATEMENT

Note-10

FINANCIAL ASSETS - TRADE RECEIVABLES (CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Sundry Debtors	52297.94	52297.94
Debt outstanding for a period exceeding six month from the date they are due for payment		
Secured & Considered goods	401578.01	324851.23
Unsecured & considered good	4453290.41	3678818.10
Considered doubtful	682325.72	5537194.14
Other Debts		
Secured & considered good	3436.56	39285.55
Unsecured & considered good	822812.74	634776.90
Considered doubtful	13195.52	839444.82
Sub Total	6428936.90	5376559.72
Allowance for Bad & Doubtful Debts	(714923.60)	(620405.25)
Allowance for Bad & Doubtful Debts	(106650.17)	(166370.45)
Allowance for Bad & Doubtful Debts	-	(821573.77)
Advance received from Consumers		(179.14)
Sub Total	(821752.91)	(787111.14)
Total	5607183.99	4589448.58

Note-11-A

FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
(a) Balance with Banks		
In Current & Other Account	598129.36	603140.06
PPE Adjustment of in Current & Other account	0	0.06
Dep. with original maturity upto 3 months	8615.6	606744.96
(b) Cash in Hand		
Cash in Hand (Including Stamps in Hands)	16166.57	26318.66
Cheque/Drafts in Hand	234.61	1260.78
Cash imprest with Staff	1170.55	17571.73
Total	624316.69	655757.67

Note-11-B

**FINANCIAL ASSETS - BANK BALANCES
OTHER THAN ABOVE (CURRENT)**

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Deposit with original maturity of more than 3 months but less than 12 months	79093.98	51812.31
Total	79093.98	51812.31

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

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CONSOLIDATED FINANCIAL STATEMENT

Note-12

FINANCIAL ASSETS - OTHERS (CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017	
Receivables (unsecured)			
Uttar Pradesh Government	146297.34	132955.03	
Claims receivable from GoUP against Bunkar Arrears	0.00	0.00	
Uttar Pradesh jal Vidyut Nigam	0.00	0.00	132955.03
Uttaranchal PCL			
Receivable	19262.27	19262.27	
Payable	(16.70)	(16.70)	19245.57
UPRVUNL			
Receivable	375.56	328.29	
Payable	(64.93)	(64.93)	263.36
UPPTCL			
Receivable	46899.41	40276.00	
Payable	(268.62)	(268.62)	
PPE Adjustment of UPPTCL	0.00	(20.60)	39986.78
Employees (Receivables)	27514.93	25359.33	
Provision for Doubtful receivables from Employees	(887.14)	(835.22)	24524.11
Others	85647.49	88333.81	
Prov. For Doubtful Receivables	(18984.95)	(18983.98)	69349.83
Theft of Fixed Assets Pending Investigation	13549.86	13022.13	
Prov. For estimated Losses	(13549.86)	(13022.13)	
Total	305774.66	286324.68	

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-13

OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Advances (Unsecured/Considered Good)		
Suppliers/Contractors	15996.87	14972.57
Provision for Doubtful Advances	<u>(1347.34)</u>	<u>14649.53</u> (1283.57)
Tax Deducted at source		3087.69
Advance Income Tax		13.28
Fringe Benefit Tax Advance Tax	52.78	52.78
Provision	<u>(41.03)</u>	<u>(41.03)</u>
Advances to Staff		
Unsecured Considered Good	118.58	117.29
Unsecured Considered Doubtful	37.29	36.91
Provision for Doubtful Loans & Advances	<u>(37.29)</u>	<u>118.58</u> (36.91)
Advances recoverable in Cash or in kind of value to be received		
Unsecured Considered Good	359.88	384.38
Unsecured Considered Doubtful	340.61	312.99
Provision for Doubtful Loans & Advances	<u>(340.61)</u>	<u>359.88</u> (312.99)
Misc. Recovery		
Unsecured Considered Good	163.27	78.25
Unsecured Considered Doubtful	296.45	296.66
Provision for Doubtful Loans & Advances	<u>(296.45)</u>	<u>163.27</u> (296.66)
Income Accrued & Due		2191.00
Income Accrued but not Due		7985.32
Prepaid Expenses		526.96
Inter Unit Transfers		496.52
		575639.65
Total	604746.91	348308.93

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U.P. POWER CORPORATION LIMITED
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
CIN: U32201UP1995SC021928
CONSOLIDATED FINANCIAL STATEMENT

NOTE-14

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
(A) AUTHORISED:		
125000000 (Previous Years 900000000) Equity shares of par value of Rs. 1000/- each	12500000.00	9000000.00
(B) ISSUED SUBSCRIBED AND FULLY PAID UP		
804009381 (Previous Years 728754082) Equity, shares of par value Rs. 1000/- each	8040093.81	7287540.82
(of the above shares 36113400 were allotted as fully paid up pursuant to UP Power Sector Reform Scheme for consideration other than cash) (It includes 2000 shares of 1000/- each of Promoter's Share of Discom)		
Total	8040093.81	7287540.82

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

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

Shareholder's Name	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
Government of UP	804009381	100	728754082	100

e) Reconciliation of No. of Shares

No. of Shares as on 01.04.2017	Issued During the Year	Buy Back during the Year	No. of Shares as on 31.03.2018
728754082	75255299	-	804009381

NOTE-15

OTHER EQUITY

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
A. Share Application Money (Pending For Allotment)	259075.02	327715.53
B. Capital Reserve		
(i) Consumers Contributions towards Service Line and other charges	709472.57	638530.38
(ii) Subsidies towards Cost of Capital Assets	1566539.77	1555045.99
(iii) APDRP Grant/Other Grants	18472.17	18945.27
(iv) Restructuring Reserve	56521.68	56521.68
(v) Uday Grant	456855.50	456855.50
(vi) Others	19595.12	19595.12
C. Surplus in Statement of P&L		
Opening Balance	(14230720.64)	(13041405.18)
Add: Profit/(Loss) for the year	(1320882.44)	(1189287.66)
Less: Prior Period Expenditure/(Income)	(15551603.08)	(27.80)
	6104301.19	5294348.25
Add: Provision for Impairment of Subsidiaries Reversed		9311.77
Add: Provision for Interest on Loan to Kesco Reversed		
Total	(6340669.75)	(5863351.14)

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-16

FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
(A) SECURED LOANS		
TERM LOANS		
Rural Electrification Corporation Ltd.	94837.20	162911.01
Power Finance Corporation Ltd.	112052.53	31419.05
APDRP(PFC)	1,60,174.53	-
R-APDRP(PFC)	1,36,421.96	155400.60
R-APDRP(REC)	29,000.00	116259.68
REC(Kesco)	217.79	15000.00
APDRP(REC)	-	797.88
	532704.01	481788.22
WORKING CAPITAL LOANS		
(i) Rural Electrification Corporation Ltd.	0.00	15000.00
(B) UNSECURED LOANS		
Bonds	1112986.85	250277.21
REC	373593.94	199303.90
PFC	314189.93	127701.75
U.P. State Industrial Development Corporation Ltd.	0.54	0.54
Housing Development Finance Corporation Ltd.	0.07	0.07
	1800771.33	577283.47
(C) BONDS/ LOANS RELATE TO DISCOMS(Secured)		
9.68% Non-Convertible Bonds	1622353.78	640731.50
8.97% Rated Listed Bond	178722.15	223620.00
8.68% /8.48% Rated Listed Bonds	205910.00	131960.00
9.70% Bond/Uday Bond	134900.00	852535.30
8.68% /8.48% Rated Listed Bonds	19210.00	-
	2161095.93	1848846.80
(D) Interest free Loans (UDAY LOAN) (Unsecured)		
	978344.00	978344.00
(E) Other than Bank		
REC	12500.00	82686.38
PFC	37346.51	40755.18
	49846.51	123441.56
Total	5522761.78	4024704.05

(Handwritten signatures and initials)



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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-17

FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017	
Security Deposits From Consumers	276034.42	249725.12	
Interest on Security Deposits from Consumers	43589.25	319623.67	292762.51
Liability/Provision for Leave Encashment		23884.04	21860.96
Liability for Gratuity on CPF Employees		4097.04	3323.75
Provision VII Pay Commission		11126.12	11611.1
Payable to JVUNL		0.04	0.04
Amount payable to Parties		-	1.71
Total	358730.91	329560.07	

Note-18

FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017	
Secured Loan			
Overdraft from Banks			
[Paripassu charge on Receivables on Corporation]			
Central Bank of India	1556.30	10454.43	
Canara Bank	-	7655.43	
Punjab National Bank	2846.86	45134.09	
Allahabad Bank	30131.42	37605.16	
ICICI Bank	27,842.89	0.05	
Indian Overseas Bank	25,828.52	-	
Bank of India	49,596.19	-	
Rural Electrification Corporation	57500.00	195402.18	115849.16
NOIDA Loan		15000.00	15000.00
Total	210402.18	130849.16	

Note-19

FINANCIAL LIABILITIES - TRADE PAYABLE (CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017	
Liability for Purchase of Power	1480199.35	1733291.01	
Liability for Wheeling charges	387879.26	432732.51	
UHBVN Ltd.	31.14	31.14	
PPE Adjustment	-	1868109.75	2166049.19
Total	1868109.75	2166049.19	

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-20

OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Interest accrued & due (Loans through PCL)		
Interest accrued & due on borrowings	8262.17	6435.79
Current Maturity of Long Term Borrowings (Other)	36617.02	50121.97
Current Maturity of Long Term Borrowings through UPPCL	182868.54	70954.59
Liability for Capital Supplies/works	862738.75	648288.03
Liability for O&M Supplies/works	83656.14	57486.49
Deposits & Retentions from Suppliers & others	946394.89	705774.52
Electricity Duty & other levies payable to govt.	372644.03	260306.66
Deposit for Electrification works	705674.74	580842.60
Deposit Works	82647.09	75882.88
Liabilities towards UPPCL CPF Trust	2129.04	2219.70
Liabilities for Gratuity on CPF Employees	1793.35	1022.25
Liability for Leave Encashment	60.84	46.29
Interest Accrued but not Due on Borrowings	1965.90	1802.33
Staff related Liabilities	66892.82	49404.50
Sundry Liabilities	153482.07	142500.18
PPE Adjustment	71175.13	63879.12
Liabilities for GST	-	-
Payable to UPJVNL		
Payable	8851.30	8851.97
Receivable	(13.78)	(1.53)
Liabilities for Expenses	13015.01	13958.76
PPE Adjustment	-	6.16
Liabilities towards UP Power Sector Employees Trust		
Provident Fund	86156.78	91729.77
Provision for Interest on GPF Liability	5762.53	4809.40
Pension & Gratuity Liability	34330.66	30003.52
Provision VII Pay Commission		126542.69
		1790.52
		1428.48
Total	2782500.64	2161979.89

Note-21

PROVISIONS (CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Provision for Liabilities/Payments	0.11	0.17
Payment for Audit Expenses	0.53	0.35
Legal & Professional Charges	1.59	1.44
Provision for Income Tax	-	-
Total	2.23	1.96

U.P.POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-22

REVENUE FROM OPERATIONS (GROSS)

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Supply in Bulk	90956.03	79983.20
Torrent Power Ltd.		
Large Supply Consumer		
Industrial	1059939.57	982659.79
Traction	85353.95	67824.99
Irrigation	58660.90	41669.40
Other	3569.49	
Public Water Works	142783.75	108464.58
Small & Other Consumers		
Domestic	1452264.47	1330680.24
Commercial	593569.83	569256.15
Industrial Low & Medium Voltage	352360.00	334646.38
Public Lighting	75725.24	75674.82
STW & Pump Canals	168503.54	141718.14
PTW & Sewage Pumping	149570.31	124065.39
Institution	66661.90	32384.19
Railway	8280.69	6988.24
Assessment against Theft	6458.76	3413.25
Regulatory Surcharge	40551.43	43319.69
Miscellaneous Charges form Consumers	102624.64	117666.32
Electricity Duty	(14907.55)	(13652.87)
Other Operating Revenue		
Delayed Payment charges from Consumers	2449.17	1103.73
Other recoveries form consumers	144.27	72.80
Sale of Scrap	224.29	323.58
Penalty from Contractor	357.51	134.19
Extra State Consumer	3214.07	4030.21
Total	4449316.26	4052426.42

Handwritten signatures and a circular official stamp are present below the table. The stamp contains the text 'U.P. POWER CORPORATION LIMITED' and 'LUCKNOW'.

U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-23

OTHER INCOME

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
From U.P. Govt.		
RE Subsidy from Govt. of U.P.	20679.05	20406.00
Revenue Subsidy from Govt. of U.P.	560255.39	587100.96
Subsidy for Operational Losses of 2015-16	30947.79	21476.30
Interest on UPPCL Loan written Back	5083.80	-
Subsidy Against Loan/Interest	49738.19	27172.21
Subsidy against Compounding Charges	-	7464.00
Cross Subsidy	856.13	353.61
Subsidy from Govt.	-	5137.39
Additional Subsidy as per UDAY Loss	26702.84	-
Subsidy against UDAY/Govt. Guarantee Loan	1108.40	695371.59
		<u>4603.95</u>
		673714.42
(a) Interest from :		
Loans to Staff	3.07	1.11
Loans to NPCL (licencee)	1287.36	1120.09
Fixed Deposits	5426.55	6373.18
Advance to Contractors	-	87.02
Banks (Other than on Fixed Deposits)	966.75	902.31
Others	35598.68	43282.41
		<u>24528.93</u>
		33012.64
(b) Other non operating income		
Delayed Payment Charges	155951.49	107914.15
Income from Contractors/Suppliers	5666.02	4612.71
Rental from Staff	75.03	83.88
Miscellaneous Income/ Receipts	5856.63	3887.29
Excess found on Verification of Stores	6.19	2.42
Sale of Tender Forms	19.68	167575.04
		<u>23.87</u>
		116524.32
Total	906229.04	823251.38

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-24

PURCHASE OF POWER

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Transmission Charges	199409.98	166369.06
UHBVN Ltd.	-	41.14
Power Purchase from:	199409.98	166410.20
NTPC	750103.23	845435.30
Power Trading Corporation Ltd.	252839.85	172088.70
NPCIL	84831.87	70974.17
UPRVUNL	986822.01	1128531.13
Satlaj JVNL	36166.85	52276.26
NHPC	122180.37	132417.65
UPJVNL	8065.24	6254.71
Adani Exports	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 Purchased through Energy Exchange	94146.18	24417.51
Bajaj Energy Pvt. Ltd.	62598.77	137743.02
Lanco Anpara Power Ltd.	201744.03	172937.82
SASAN (JMPP)	53472.52	57332.45
GMR Energy Pvt. Ltd.	1759.95	3306.02
Lalitpur Power Projects	393451.04	186527.25
Co-Generating Units	778381.74	532757.18
Surcharge	42066.73	57982.74
Unsheduled interchange & Reactive Energy Charges	31550.72	20812.99
PPE adjustment of Purchase of Power	-	(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
Sub Total	4873255.50	4429032.19
Rebate against Power Purchase	(31347.84)	(11449.69)
Total	4841907.66	4417582.50

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-25

EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	As At 31.03.2018	As At 31.03.2017
Salaries & Allowances	118647.27	99064.81
Dearness Allowance	49566.79	73905.74
Other Allowances	7351.79	6377.32
Bonus/Ex.Gratia	1140.01	953.48
Medical Expenses (Reimbursement)	4588.65	4302.07
Leave Travel Assistance	0.11	0.55
Earned Leave Encashment	20072.99	9989.27
Compensation	191.56	87.65
Staff Welfare Expenses	468.21	470.13
Pension & Gratuity	18990.70	16154.96
Other Comprehensive income of Gratuity	(701.70)	44.73
Other Terminal Benefits	4374.70	3889.95
Interest on GPF	3585.64	3623.17
Gratuity (CPF)	2567.55	1160.12
Other Terminal Benefit (CPF)	1485.10	1408.35
Expenditure on Trust	80.24	104.71
Contributions to provident and other funds	1604.32	1646.63
Sub Total	234015.93	223183.64
Expense Capitalised	(101282.73)	(86197.77)
Total	132733.20	136985.87

Note-26

FINANCE COST

₹ in Lakhs

Particulars	As At 31.03.2018	As At 31.03.2017
(a) Interest on Loans		
Working Capital	4076.47	3426.96
Interest expenses on Borrowings	16226.36	10416.61
(b) other borrowing costs		
Finance Charges/Cost of Raising Fund	8725.07	7732.89
Bank Charges	504.37	577.11
PPE Adjustment of Bank Charges	-	(0.06)
(c) Interest on Loans		
Interest on Bonds	197088.20	52780.43
PFC	40808.27	28516.23
R-APDRP	10958.62	6238.38
HUDCO	0.00	(431.69)
REC	50876.87	42446.44
Bank Loan	1118.41	17968.17
Interest on GPF	2390.22	2365.91
Interest on CPF	1.99	1.00
Interest to Consumers	18682.42	30851.87
Provision of Int on ED/Licence Fee/GPF	13558.13	13241.40
Interest on Secured Loan	20590.81	15988.01
Sub Total	385606.21	232119.66
Interest Capitalised	(40954.18)	(28778.09)
Total	344652.03	203341.57

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

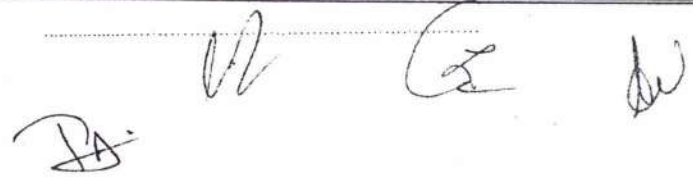
CONSOLIDATED FINANCIAL STATEMENT

Note-27

DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017	
Depreciation on -			
Buildings	1653.67	1459.69	
Hydraulic Work	1.01	10.95	
Other Civil Works	105.64	99.87	
Plant & Machinery	92785.82	80530.07	
Lines Cables Networks etc.	55009.25	49002.57	
Vehicles	107.76	60.37	
Furnitures & Fixtures	204.52	182.24	
PPE Adjustment of Dep. On Furniture & Fixtures	0.00	0.03	
Office Equipments	1858.97	1478.59	
Intangible Assets	17.12	1.06	132825.44
Equivalent amount of dep. on assets aquired out of the consumer's contribution & GoUP subsidy		(41890.28)	(34920.04)
Capital Expenditure Assets not pertains to Corporation/Nigam		432.93	299.76
Total	110286.41	98205.16	





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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

ADMINISTRATIVE, GENERAL & OTHER EXPENSES

Note-28

(` in Lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
Interest Expense on Electricity duty	5629.74	4145.42
Rent	297.13	280.95
PPE Adjustment of Rent	-	0.84
Rates & Taxes	391.90	434.37
Insurance	267.47	244.97
Communication Charges	1883.52	1574.78
Legal Charges	2665.64	1416.89
Auditors Remuneration & Expenses	233.41	146.67
Internal Audit	0.10	0.10
Consultancy Charges	9715.03	8727.37
Licence Fees	1019.82	918.05
Technical Fees & Professional Charges	649.68	942.51
Travelling & Conveyance	2625.64	3741.11
Printing & Stationary	1702.30	1824.59
Advertisement Expenses	1409.06	1180.70
Electricity Charges	74911.01	46769.68
Water Charges	6.58	36.83
Entertainment	24.39	6.97
Expenditure on Trust	69.44	97.93
Miscellaneous Expenses	9760.53	7448.66
Expenses incurred for Revenue Realisation	2528.90	2633.08
Compensation	608.48	264.81
Compensation (Other than Staff)	1934.59	600.25
Fees & Subscription	901.28	478.36
Online, Spot Billing & Camp Charges	5430.62	6797.70
Security charges	1347.63	1116.55
Rebate to consumer	1419.08	467.87
Payment to Contractual Persons	9168.39	6343.44
Honrariams	64.13	382.84
Professional Charges	250.76	97.95
Interest on Late payment of TDS/VAT	2.30	0.72
Revenue Expenses	10427.43	7660.15
Sub Total	147345.98	106783.12
Expense Capitalised	9.97	0
Total	147355.95	106783.12

Handwritten signatures and a circular stamp are present below the table. The stamp is partially legible and appears to be an official seal.

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-29

REPAIRS AND MAINTENANCE

(₹ in Lakhs)

Particulars	As At	
	31.03.2018	31.03.2017
Plant & Machinery	117809.65	76304.85
Buildings	9803.52	11465.98
Other Civil Works	271.12	215.05
Lines, Cables Networks etc.	113246.73	94518.08
Vehicles - Expenditure	2804.69	2400.47
Less: Transferred to different Capital & O&M Works/ Administrative Exp.	(2074.91)	(2233.47)
Furnitures & Fixtures	69.16	24.47
Office Equipments	796.54	1316.52
Payment to Contractual Persons	8632.76	8020.10
Transferred to different Capital & O&M Works/ Administrative Exp.	(8632.76)	(8020.10)
Total	2,42,726.50	184011.96

Note-30

BAD DEBTS & PROVISIONS

(₹ in Lakhs)

Particulars	As At	
	31.03.2018	31.03.2017
PROVISIONS		
Doubtful Debts (Sale of Power)	38433.52	35352.87
Doubtful Loans and Advances		
Other Current Assets	28.94	107.55
Financial Assets Others (Non Current)	(16.84)	16.08
Loans (Non Current)	(2940.61)	1120.09
Short Term	60.41	9.45
Provision (Other)/Loss in Land acquisition process	890.35	(909.77)
Doubtful Other Current Assets (Receivables)	329.08	2169.33
Impairment in Investments	818782.30	877074.26
Advances to Supplier/Contrator	2.22	0.04
Provision for obselete store	-	1930.34
Provision for Theft of Fixed Assets/Estimated Losses(Fixed Assets)	527.73	1189.77
Total	856097.10	918100.01

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

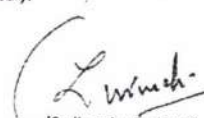
PARTICULARS		(₹ in Lakhs)	
		2017-18	2016-17
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Loss Before Taxation & Extraordinary items		
	Adjustment For:	(1320213.55)	(1189332.39)
a	Depreciation and Amortization Expenses		
b	Finance Cost	110286.41	98205.16
c	Bad Debts & Provision	344652.03	203341.57
d	Interest Income (Other Income)	856097.1	918100.01
e	Other Comprehensive Income	(43282.41)	33012.64
	Sub Total	(668.89)	44.73
	Operating Profit Before Working Capital Change	1267084.24	1252704.11
	Adjustment for:	(53129.31)	63371.72
a	Inventories		
b	Financial Assets - Trade Receivable (Current)	(65265.27)	5011.30
c	Other Current Assets	(1056168.93)	(1149900.39)
d	Financial Assets - Others (Current)	(257748.98)	(93120.60)
e	Financial Assets - Bank Balance other than Financial Assets - Cash and Cash Equivalent (Current)	(19977.71)	(20922.84)
f	Other Financial Liabilities (Current)	(27281.67)	(21579.88)
g	Financial Liabilities - Borrowings (Current)	620520.75	(1411763.28)
h	Financial Liabilities - Trade Payable (Current)	79553.02	13814.03
i	Provisions (Current)	(297939.44)	(92620.19)
	Sub Total	0.27	(0.99)
	NET CASH FROM OPERATING ACTIVITIES (A)	(1024307.96)	(2771082.84)
B	CASH FLOW FROM INVESTING ACTIVITIES	(1077437.27)	(2707711.12)
a	Decrease (Increase) in Property, Plant And Equipment		
b	Decrease (Increase) in Work in Progress	(555628.47)	(575883.17)
c	(Increase) Decrease in Financial Assets - Investments (Non-Current)	(183123.41)	(108967.20)
d	Decrease (Increase) in Financial Assets - Others (Non-Current)	(826852.93)	(894811.36)
e	Decrease (Increase) in Other Non-Current Assets - Assets Not in Possession	(210256.60)	(128651.57)
f	Decrease (Increase) in Intangible assets	(2977.82)	(1764.09)
g	Decrease (Increase) in Financial Assets - Loans (Non-Current)	(80.85)	(33.26)
h	Interest Incomes (Other Income)	2940.61	(1120.09)
	NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	43282.41	(33012.64)
C	CASH FLOW FROM FINANCING ACTIVITIES	(1732697.06)	(1744243.38)
a	Proceeds from Financial Liabilities - Borrowings (Non-Current)		
b	Proceeds from Share Capital	1498057.73	2075020.35
c	Proceed from Other Equity	752552.99	1601248.96
d	Financial liabilities - Others (Non-Current)	843563.82	1075928.16
e	Finance Cost	29170.84	46822.77
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	(344652.03)	(203341.57)
	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	2778693.35	4595678.67
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(31440.98)	143724.17
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note No. 11-A)	655757.67	512033.50
		624316.69	655757.67

Notes to the Consolidated Statement of Cash Flow

- (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-06523278

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

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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Form AOC-1





(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

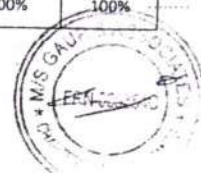
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures as at 31st March 2018

Part A:- Subsidiaries

1. Sl. No.	(₹ in Lakhs)						
	1	2	3	4	5	6	7
2. Name of the subsidiary	MVVNL, Lucknow	PurVVNL, Varanasi	PVVNL, Meerut	DVVNL, Agra	KESCO, Kanpur	Sonebhadra PGCL	Southern UPPTCL
3. The date since when subsidiary was acquired	12.08.2003	12.08.2003	12.08.2003	12.08.2003	15.01.2000	14.02.2007	08.08.2013
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6. Share capital	1069904.37	1362186.25	888214.33	500231.19	132701.74	6.65	5.00
7. Reserves and surplus	(836110.88)	(1251305.28)	(927739.85)	(1646846.74)	(183831.49)	(620.14)	(160.98)
8. Total assets	2923418.23	3690369.70	2528832.32	2768882.84	373788.04	1.84	62.24
9. Total Liabilities	2689624.74	3579488.73	2568357.84	3915498.39	424917.79	615.33	218.22
10. Investments	-	-	-	-	-	-	-
11. Turnover	880173.38	996273.14	1476491.22	844284.15	252094.37	-	-
12. Profit/(Loss) before taxation	(43170.58)	(83957.73)	(151695.16)	(236649.85)	6441.75	(0.84)	(2.85)
13. Provision for taxation	-	-	-	-	-	-	-
14. Profit/(Loss) after taxation	(43170.58)	(83957.73)	(151695.16)	(236649.85)	6441.75	(0.84)	(2.85)
15. Proposed Dividend	-	-	-	-	-	-	-
16. Extent of shareholding (in percentage)	100%	100%	100%	100%	100%	100%	100%

Note:- Sonebhadra Power Generation Company Ltd. & Southern UP Power Transmission Corporation Ltd. are yet to commence operations.



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U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures as at 31st March 2018

Part B:- Associates and Joint Ventures

Name of Associates or Joint Ventures	(₹ in Lakhs)	
	Yamuna Power Generation Company Ltd.	
1. Latest audited Balance Sheet Date	2017-18	
2. Date on which the Associate or Joint Venture was associated or acquired	20.04.2010	
3. Shares of Associate or Joint Ventures held by the company on the year end		
No.	12500	
Amount of Investment in Associates or Joint Venture	125000	
Extent of Holding (in percentage)	25%	
4. Description of how there is significant influence	NA	
5. Reason why the associate/joint venture is not consolidated	NA	
6. Networth attributable to shareholding as per latest audited Balance Sheet	(247.26)	
7. Profit or Loss for the year		
i. Considered in Consolidation	(0.75)	
ii. Not Considered in Consolidation	NA	



INDEPENDENT AUDITOR'S REPORT

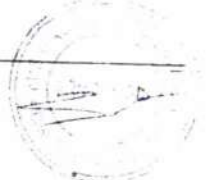
TO,
THE MEMBERS OF
UP POWER CORPORATION LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of UP Power Corporation Limited (hereinafter referred to as "the Holding Company"), its seven subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and one associates which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind As Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (Including Other Comprehensive Income), consolidated cash flows and consolidated changes in Equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.



Auditors' Responsibility

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

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

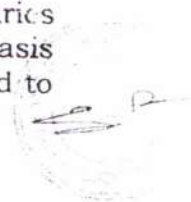
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Basis for Qualified Opinion

The consolidated Ind AS financial statements include the financial statements/financial information of the Holding Company and its Subsidiaries and Associate.

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



Opinion

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

- (a) In the case of Consolidated Balance Sheet, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2018
 (b) In the case of Consolidated Statement of Profit and Loss, of the consolidated net Loss (financial performance including Other Comprehensive Income) for the year ended on that date;
 (c) In the case of Consolidated Cash Flows and Changes in Equity for the year ended on that date.

Other matter

We did not audit the financial statements/financial information of following subsidiaries and associate companies whose financial statements/financial information reflect the details given below of total assets and net assets as at 31st March 2018, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated Ind AS financial statements:

Name of the Companies	Total Assets	(Rupees in Lakhs)		
		Net Assets	Total Net Profit/ (Loss)	Net Cash InFlows/ (outflows)
Subsidiaries:				
Madhyanchal Vidyut Vitran Nigam Limited, Lucknow	2923418.23	96246.87	(43170.58)	28933.49
Purvanchal Vidyut Vitran Nigam Limited, Varanasi	3690369.70	(239503.11)	(83957.73)	8869.03
Pashchimanchal Vidyut Vitran Nigam Limited, Meerut	2528832.32	(185076.15)	(151695.16)	(17712.82)
Dakshinanchal Vidyut Vitran Nigam Limited, Agra	2768882.84	(947367.65)	(236649.85)	7948.24
Kanpur Electricity Supply Company Limited, Kanpur	373788.04	(142464.05)	6441.75	(7713.75)
Sonebhadra Power Generation Company Limited	1.84	(613.49)	(2.85)	1.39
Southern UP Power Transmission Company Limited	62.24	(155.98)	(0.84)	(4.38)
Total	12285355.21	(1418933.56)	(509035.26)	20321.20
Associates:				
Yamuna Power Generation Company Limited	0.80	(247.26)	(0.75)	(0.46)
Total	0.80	(247.26)	(0.75)	(0.46)
Grand Total	12285356.01	(1419180.82)	(509036.01)	20320.74

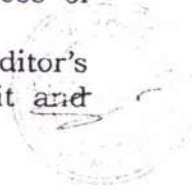
These financial statements/financial information have been audited by other Auditor whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) and

(11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the matters as stated in Other Matter paragraph above, with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Holding Company's Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate as noted in the other matter paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, except for the effect of the matters described in the basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified 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 5th 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 Holding Company. Further, on the basis of the reports of the Statutory Auditors of its Subsidiaries and Associate incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the ACT.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its Subsidiaries and Associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **Annexure-1**.
 - 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



Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate , as noted in the 'other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no requirement to transfer the amounts, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and associate incorporated in India.
2. The Annual Accounts of F.Y 2015-16 and 2016-17 have yet to be adopted in Annual General meeting as final comments of CAG is awaited for F.Y 2015-16 and CAG Audit is yet to be started for F.Y 2016-17.

For Gaur & Associates
Chartered Accountants
FRN: 005354C

S. K. Gupta



CA S. K. Gupta
Partner
Membership No.: 016746

Place: Lucknow
Date: 29 MAR 2019

ANNEXURE-1 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 (f) of the Independent Auditors' Report of even date to the members of UPPCL on the consolidated 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 consolidated 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 ("the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred as "the Group") and Associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its Subsidiaries, and Associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering 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" (ICAI). 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 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 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

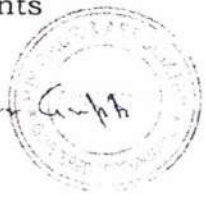
In our opinion, to the best of our information and according to explanation given to us, the Holding Company, its subsidiaries and Associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal 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.

Other Matters

Our Aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven Subsidiaries and one Associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Gaur & Associates
Chartered Accountants
FRN: 005354C

Satish Kumar Gupta



CA S. K. Gupta
Partner
Membership No.: 016746

Place: Lucknow
Date:

29 MAR 2019

**MANAGEMENT'S REPLY TO THE STATUTORY AUDITOR'S REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF THE CORPORATION FOR
THE YEAR ENDED ON 31.03.2018**

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>TO,</p> <p>THE MEMBERS OF</p> <p>UP POWER CORPORATION LIMITED</p> <p>Report on the Consolidated Ind AS Financial Statements</p> <p>We have audited the accompanying consolidated Ind AS financial statements of UP Power Corporation Limited (hereinafter referred to as "the Holding Company"), its seven subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and one associates which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").</p>	<p>No Comments</p>
<p>Management's Responsibility for the Consolidated Ind AS Financial Statements</p> <p>The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind As Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (Including Other Comprehensive Income), consolidated cash flows and consolidated changes in Equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting</p>	<p>No Comments</p>

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.</p>	
<p>Auditors' Responsibility</p> <p>Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.</p> <p>We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.</p>	<p>No Comments</p>

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.</p> <p>We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in Other Matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.</p>	
<p>Basis for Qualified Opinion</p> <p>The consolidated Ind AS financial statements include the financial statements/financial information of the Holding Company and its Subsidiaries and Associate.</p> <p>The Accounts of the Holding company is audited by us and the Accounts of Subsidiaries and Associate are audited by other Auditors whose reports have been furnished to us by the Holding Company's management. Our opinion on the</p>	<p>No Comments</p>

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>consolidated Ind AS financial statements, in so far it relates to the amounts and disclosures included in respect of these Subsidiaries and Associate, our report is qualified, to the extent applicable, on the basis of our audit report of Holding Company and the audit reports furnished to us by the management related to Subsidiaries and Associate.</p>	
<p>Opinion</p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the "Basis for Qualified Opinion" paragraph above, the aforesaid Consolidated Ind AS Financial Statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;</p> <p>(a) In the case of Consolidated Balance Sheet, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2018</p> <p>(b) In the case of Consolidated Statement of Profit and Loss, of the consolidated net Loss (financial performance including Other Comprehensive Income) for the year ended on that date;</p> <p>(c) In the case of Consolidated Cash Flows and Changes in Equity for the year ended on that date.</p>	<p>No Comments</p>
<p>Other matter</p> <p>We did not audit the financial statements/financial information of following subsidiaries and associate companies whose financial statements/financial information reflect the details given below of total assets and net assets as at 31st March 2018, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated Ind AS</p>	<p>No Comments</p>

AUDITOR'S REPORT

MANAGEMENT REPLY

financial statements:

(Rupees in Lakhs)

Name of the Companies	Total Assets	Net Assets	Total Net Profit/ (Loss)	Net Cash InFlows / (outflows)
Subsidiaries:				
Madhyanchal Vidyut Vitran Nigam Limited, Lucknow	2923418.23	96246.87	(43170.58)	28933.49
Purvanchal Vidyut Vitran Nigam Limited, Varanasi	3690369.70	(239503.11)	(83957.73)	8869.03
Pashchimanchal Vidyut Vitran Nigam Limited, Meerut	2528832.32	(185076.15)	(151695.16)	(17712.82)
Dakshinanchal Vidyut Vitran Nigam Limited, Agra	2768882.84	(947367.65)	(236649.85)	7948.24
Kanpur Electricity Supply Company Limited, Kanpur	373788.04	(142464.05)	6441.75	(7713.75)
Sonebhadra Power Generation Company Limited	1.84	(613.49)	(2.85)	1.39
Southern UP Power Transmission Company Limited	62.24	(155.98)	(0.84)	(4.38)
Total	12285355.21	(1418933.56)	(509035.26)	20321.20
Associates:				
Yamuna Power Generation Company Limited	0.80	(247.26)	(0.75)	(0.46)
Total	0.80	(247.26)	(0.75)	(0.46)
Grand Total	12285356.01	(1419180.82)	(509036.01)	20320.74

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

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements

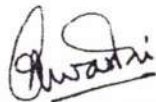
AUDITOR'S REPORT	MANAGEMENT REPLY
<p>below, is not modified in respect of the matters as stated in Other Matter paragraph above, with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Holding Company's Management.</p>	
<p>Report on Other Legal and Regulatory Requirements</p> <ol style="list-style-type: none"> 1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate as noted in the other matter paragraph, we report, to the extent applicable, that: <ol style="list-style-type: none"> a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements. b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements. d) In our opinion, except for the effect of the matters described in the basis for Qualified Opinion paragraph above, 	<p>No comment</p> <p>No comment</p> <p>No comment</p> <p>No comment</p>

(Handwritten mark)

(Handwritten mark)

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.</p> <p>e) Being a Government Company, pursuant to the Notification No. GSR 463 (E) dated 5th 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 Holding Company. Further, on the basis of the reports of the Statutory Auditors of its Subsidiaries and Associate incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the ACT.</p> <p>f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its Subsidiaries and Associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure-1.</p> <p>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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'other matter' paragraph:</p> <p>i. The consolidated Ind AS financial statements disclose</p>	<p>No comment</p> <p>No comment</p> <p>No comment</p>

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>the impact of pending litigations on the consolidated financial position of the Group and its associates.</p> <p>ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.</p> <p>iii. There has been no requirement to transfer the amounts, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and associate incorporated in India.</p>	<p>No comment</p> <p>No comment</p> <p>No comment</p>
<p>2. The Annual Accounts of F.Y 2015-16 and 2016-17 have yet to be adopted in Annual General meeting as final comments of CAG is awaited for F.Y 2015-16 and CAG Audit is yet to be started for F.Y 2016-17.</p>	<p>No comment</p>



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



(SUDHIR ARYA)
Director (Finance)

ANNEXURE-1 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 (f) of the Independent Auditors' Report of even date to the members of UPPCL on the consolidated financial statements as of and for the year ended March 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")

ANNEXURE-1 TO THE INDEPENDENT AUDITORS' REPORT	MANAGEMENT REPLY
<p>In conjunction with our audit of the consolidated 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 ("the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred as "the Group") and Associate, which are companies incorporated in India, as of that date.</p>	<p>No comment</p>
<p>Management's Responsibility for Internal Financial Controls</p> <p>The respective Board of Directors of the Holding company, its Subsidiaries, and Associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering 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" (ICAI). These responsibilities include the</p>	<p>No comment</p>

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.

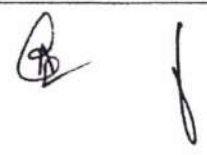
Auditors' Responsibility

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 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.

No comment

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.




<p>Meaning of Internal Financial Controls over Financial Reporting</p> <p>A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's</p>	<p>No comment</p>



assets that could have a material effect on the financial statements.	
<p>Inherent Limitations of Internal Financial Controls over Financial Reporting</p> <p>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.</p>	No comment
<p>Opinion</p> <p>In our opinion, to the best of our information and according to explanation given to us, the Holding Company, its subsidiaries and Associate, which are companies incorporated in India, have, 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</p>	No comment

<p>Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.</p>	
<p>Other Matters Our Aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven Subsidiaries and one Associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.</p>	<p>No comment</p>



(A.K. AWASTHI)

Chief General Manager (Accounts)



(SUDHIR ARYA)

Director (Finance)

MANAGEMENT'S REPLY TO THE STATUTORY AUDITOR'S REPORT ON THE
STANDALONE FINANCIAL STATEMENTS OF THE CORPORATION FOR THE
YEAR ENDED ON 31.03.2018

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>TO, THE MEMBERS OF UP POWER CORPORATION LIMITED</p> <p>Report on the Standalone Ind AS Financial Statements</p> <p>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.</p>	<p align="center">No Comments</p>
<p>Management's Responsibility for the Standalone Ind AS Financial Statements</p> <p>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</p>	<p align="center">No Comments</p>

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>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.</p>	
<p>Auditor's Responsibility</p> <p>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.</p>	<p>No Comments</p>


AUDITOR'S REPORT	MANAGEMENT REPLY
<p>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.</p> <p>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.</p>	
<p>Basis for Qualified Opinion</p> <ol style="list-style-type: none"> 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)}. 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. 	<p>The reconciliation of the inter unit transactions is a continuous process and the effect of the entries is given in the accounts on reconciliation. However, necessary instructions have been issued to zone/units for taking effective steps in this regard.</p> <p>Documentary evidence in respect of ownership/title are kept at unit level. However, Units have been instructed to ensure that records are put up during the course of audit.</p>

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>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).</p>	<p>Reconciliation and necessary confirmation of the balances of assets and liabilities is a continuous process and consequential accountal/ adjustment is made in the books of accounts, as and when required. As regards, the adequacy of the provision for Bad & doubtful debts, it is stated that the provisions have been made on consistent basis and are adequate.</p>
<p>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.</p>	<p>Proper and effective procedure for maintenance of sub- ledger are already prescribed in the Company. However for implementing the procedure more smoothly and efficiently, necessary instructions have been issued to zone/units.</p>
<p>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)).</p>	<p>The business of the corporation is to purchase electricity from generation source and sale the same to distribution companies. Hence, the company do not have any trade inventory. The company maintains inventory only for internal use i.e. for construction and maintenance of fixed assets for which the company has a policy for valuation of stores and spares. Hence, there is no contravention of Ind AS- 2.</p>
<p>(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</p>	<p>Considering the uncertainty of realization, income covered by accounting policy of the company is in line with Ind AS 18.</p>

AUDITOR'S REPORT	MANAGEMENT REPLY
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".	Due to multiplicity of functional units as well as multiplicity of function at particular unit, capitalization policy for employee cost are framed to capitalize the said expenses at a predetermined rate and accordingly the treatment has been given while capitalizing the employee cost.
(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".	In absence of the latest actuarial valuation report, the provision of pension and Gratuity has been made on the basis of actuarial valuation report dated 09.11.2000.
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.	The issue has been settled with the Uttarakhand Power Corporation Ltd and, accordingly, necessary accounting entries have been made in the accounts for the F.Y. 2018-19.
7. As per Branch Audit Report (a) Some units have not maintained proper stock accounts.	Units/zone have been instructed to maintain the proper records in accordance with the procedure prescribed by the company.

AUDITOR'S REPORT	MANAGEMENT REPLY																					
<p>(b) (PTC INDIA LIMITED- TRN ENERGY)</p> <p>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)</p> <p>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.</p> <p>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/-.</p>	<p>The penalty for the year 2016-17, 2017-18 and 2018-19 has been revised in accordance with the terms and conditions of PPA and as per the CERC order dated 14.05.2019 and accordingly, the deduction has been made and necessary accountal has also been done in the accounts for the year 2018-19. As regards, the reversal of Rs. 995827508.00, the entry was reversed on account of excess penalty deducted earlier.</p>																					
<p>(c) <u>Non-accounting of Interest on Loans:</u></p> <p>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:</p> <table border="1" data-bbox="247 1426 1029 1924"> <thead> <tr> <th>Name of Party</th> <th>Amount of Advance</th> <th>Interest taken in A/c</th> </tr> </thead> <tbody> <tr> <td>Orrisa Integrated Power Ltd</td> <td>696882459.00</td> <td>3495000.00</td> </tr> <tr> <td>Coastal Tamilnadu Power Ltd</td> <td>92680746.00</td> <td>3495000.00</td> </tr> <tr> <td>Sakhigopal Integrated Power Co.</td> <td>48000000.00</td> <td>3490965.00</td> </tr> <tr> <td>Tatiya Andhra Mega Power Ltd</td> <td>59500000.00</td> <td>1725135.00</td> </tr> <tr> <td>Karanpura Energy Limited</td> <td>11277830.00</td> <td>0.00</td> </tr> <tr> <td>Bihar Mega Power</td> <td>60000000.00</td> <td>3813849.00</td> </tr> </tbody> </table>	Name of Party	Amount of Advance	Interest taken in A/c	Orrisa Integrated Power Ltd	696882459.00	3495000.00	Coastal Tamilnadu Power Ltd	92680746.00	3495000.00	Sakhigopal Integrated Power Co.	48000000.00	3490965.00	Tatiya Andhra Mega Power Ltd	59500000.00	1725135.00	Karanpura Energy Limited	11277830.00	0.00	Bihar Mega Power	60000000.00	3813849.00	<p>Unit/Zone concerned have been instructed to review the matter in detail and ensure proper accountal of interest in the ensuing accounts in hand.</p>
Name of Party	Amount of Advance	Interest taken in A/c																				
Orrisa Integrated Power Ltd	696882459.00	3495000.00																				
Coastal Tamilnadu Power Ltd	92680746.00	3495000.00																				
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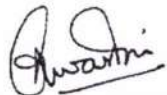
AUDITOR'S REPORT			MANAGEMENT REPLY
Limited			
	185950000.00	0.00	
	1154291035.00	16019949.00	
<p>It was noticed that in case of M/s Karanpura Energy Limited and M/s Jharkhand Integrated Power Limited, interest was not accounted for in the books of accounts. Further, the basis/ rate of interest on which interest is payable is not available with the unit. The unit has accounted for the interest on the basis of information available on 26AS. The quantification of effect on profit/ loss could not be ascertained.</p>			
<p>(d) INTEREST FROM LANCO POWER:</p> <p>During the year 2017-2018, a sum of Rs. 58,32,76,956/- was accounted for towards interest on advance which includes Rs. 18,47,58,592/- of 2016-17 & Rs. 39,85,18,364/- of 2017-18. The basis of interest was not provided. In absence of the requisite information, correctness of the same could not be confirmed.</p>			<p>As per the order of APTEL dated 30.11.2016, the negative bill of Rs. 712.48 Crore given by M/s Lanco Anpara Power Limited had been adjusted against outstanding dues of LAPC on 30.11.2016 i.e. on the date of order of APTEL. After adjustment of negative bill, as agreed by the LAPC, UPPCL has charged additional rebate of 2 percent on the unadjusted amount after adjusting advance payments made during the year 2016-17 and 2017-18 in addition to normal rebate of 2 percent on instant payment. Accordingly, the amount of Rs. 58,32,76,956/- which was earlier accounted for as interest, has been withdrawn and the same has been adjusted/accounted for against power purchase in the F.Y. 2018-19.</p>
<p>8. For want of complete information, the cumulative impact of our observation in paras 1 to 7 above and in the annexure to this Report is not</p>			<p>No Comments</p>

7 

AUDITOR'S REPORT	MANAGEMENT REPLY
ascertained.	
<p>Opinion</p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for matters described in 'Basis for Qualified Opinion' paragraph the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS:</p> <p>(a) In the case of Balance Sheet, of the state of affairs (financial position) of the Company as at March 31, 2018;</p> <p>(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,</p> <p>(c) In the case of the Statement of Cash Flow, of the cash flows for the year ended on that date, and</p> <p>(d) In the case of the changes in equity for the year ended on that date.</p>	<p>No Comments</p>
<p>Report on Other Legal and Regulatory Requirements</p> <p>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.</p>	<p>No Comments</p>

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>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.</p>	<p>No Comments</p>
<p>3. As required by Section 143 (3) of the Act, we report that:</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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</p>	<p>No Comments</p>

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>of the Companies Act, 2013, are not applicable to the company.</p> <p>(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.</p> <p>(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:</p> <ol style="list-style-type: none"> i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. ii. 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. iii. There has been no requirement to transfer the amounts to the Investor Education and Protection Fund by the Company. 	
<p>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.</p>	<p>No Comments</p>



(A.K. AWASTHI)

Chief General Manager (Accounts)



(SUDHIR ARYA)

Director (Finance)

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

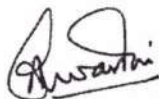
ANNEXURE I OF STATUTORY AUDITORS' REPORT	MANAGEMENT REPLY
<p>On the basis of such tests as we considered appropriate to apply, the information and explanation rendered to us by the management during the course of audit of head office and the Auditor Report of Zonal Accounts Office (Material Management) audited by other auditors, we report as under:-</p>	<p>No Comments</p>
<p>(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</p>	<p>The company is in process to manage fixed assets in ERP system. However, necessary instructions have been issued to zone/units for maintenance and updating the fixed assets register showing full particulars including quantitative details and situation of fixed assets.</p>
<p>(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.</p>	<p>Necessary instructions regarding physical verification have been issued to zone/unit.</p>
<p>(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.</p>	<p>No Comments</p>
<p>(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</p>	<p>Zone/units have been instructed to conduct physical verification of stock regularly in accordance with procedure prescribed in the company.</p>

ANNEXURE I OF STATUTORY AUDITORS' REPORT	MANAGEMENT REPLY
verification cannot be commented upon.	
<p>(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.</p> <p>In view of the above, the clause 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.</p>	No Comments
<p>(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.</p>	No Comments
<p>(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.</p>	No Comments
<p>(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.</p>	No Comments
<p>(7) According to the information and explanations given to us in respect of statutory dues (a) According to the information and</p>	No Comments

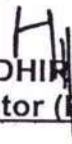
ANNEXURE I OF STATUTORY AUDITORS' REPORT	MANAGEMENT REPLY																				
<p>explanation given to us, the company is generally regular in depositing undisputed statutory dues including Employee state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value Added Tax and cess, GST etc.</p>																					
<p>(b)As informed to us, there are following dues that have not been deposited on account of dispute:-</p> <table border="1" data-bbox="180 619 768 995"> <thead> <tr> <th>Sl. No</th> <th>Name of the statute</th> <th>Assessment year</th> <th>Amount (Rs. In Lakhs)</th> <th>Forum where dispute is pending</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Income Tax Act, 1961</td> <td>1991-92</td> <td>1.00</td> <td>Hon'ble Income Tax Appellate Tribunal</td> </tr> <tr> <td>2.</td> <td>Income Tax Act, 1961</td> <td>1992-93</td> <td>1.00</td> <td>Hon'ble Income Tax Appellate Tribunal</td> </tr> <tr> <td>3.</td> <td>Income Tax Act, 1961</td> <td>2018-19</td> <td>2.13*</td> <td>Income tax Department</td> </tr> </tbody> </table> <p>* The status is given for the Assessment Year 2018-19 based on 26 AS report generated as on date.</p>	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	<p>The decision in respect of disputed Income Tax for the A.Y. 1991-92 and 1992-93 is still pending.</p> <p>In respect of dues of Rs. 2.13 lacs for the assessment year 2018-19, corrective action is in process.</p>
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																	
<p>(8) Repayment of Dues The company has not defaulted in repayment of dues to financial institution, banks or debenture holders.</p>	<p>During the year all the dues to Financial institution, banks or debenture holders was paid in time.</p>																				
<p>(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.</p>	<p>No Comments</p>																				
<p>(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</p>	<p>No Comments</p>																				

ANNEXURE I OF STATUTORY AUDITORS' REPORT	MANAGEMENT REPLY
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 05 th 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.	No Comments
(12) Nidhi Company The provisions of clause 3(xii) of the Order, for Nidhi Company, are not applicable to the Company.	No Comments
(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".	No Comments
(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.	No Comments
(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.	No Comments
(16) Register under RBI Act 1934 According to the information and explanation	No Comments

ANNEXURE I OF STATUTORY AUDITORS' REPORT	MANAGEMENT REPLY
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.	



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

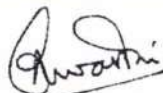


(SUDHIR ARYA)
Director (Finance)

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

ANNEXURE II OF STATUTORY AUDITORS' REPORT			MANAGEMENT REPLY
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	No Comments
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.	No Comments
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.	No Comments



(A.K. AWASTHI)

Chief General Manager (Accounts)



(SUDHIR ARYA)

Director (Finance)

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 financial statements as of and for the year ended March 31st, 2018

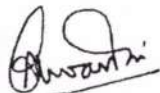
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

ANNEXURE III OF STATUTORY AUDITORS' REPORT	MANAGEMENT REPLY
<p>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.</p>	<p>No Comments</p>
<p>Management's Responsibility for Internal Financial Controls</p> <p>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.</p>	<p>No Comments</p>
<p>Auditors' Responsibility</p> <p>Our responsibility is to express an opinion on</p>	

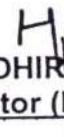
ANNEXURE III OF STATUTORY AUDITORS' REPORT	MANAGEMENT REPLY
<p>the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued 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.....</p> <p>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.</p> <p>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</p>	<p>No Comments</p>

ANNEXURE III OF STATUTORY AUDITORS' REPORT	MANAGEMENT REPLY
financial reporting.	
<p>Meaning of Internal Financial Controls over Financial Reporting</p> <p>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</p> <p>(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;</p> <p>(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</p> <p>(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.</p>	<p>No Comments</p>
<p>Inherent Limitations of Internal Financial Controls over Financial Reporting</p> <p>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</p>	<p>No Comments</p>

ANNEXURE III OF STATUTORY AUDITORS' REPORT	MANAGEMENT REPLY
<p>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.</p>	
<p>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.</p>	<p>No Comments</p>



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



(SUDHIR ARYA)
Director (Finance)