



महालेखाकार (लेखा परीक्षा), उत्तराखण्ड  
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT),  
UTTARAKHAND



पत्रांक- म.ले/उ.ख/आर्थिक-1/ उ0पा0का0लि0/2015-16/272  
दिनांक: 29.09.2016

सेवा मे,

प्रबंध निदेशक

उत्तराखण्ड पावर कारपोरेशन लि0

उर्जा भवन, कांवली रोड, देहरादून.

महोदय,

एतत्सह कम्पनी अधिनियम, 2013 की धारा 143 (6) (b) के अधीन उत्तराखण्ड पावर कारपोरेशन लि0 के 31 मार्च, 2016 को समाप्त होने वाले वर्ष के लेखों पर, भारत के नियंत्रक एवं महालेखा परीक्षक की टीका-टिप्पणियाँ, उपरोक्त अधिनियम के प्रावधानों के अनुसरण में प्रेषित की जा रही हैं। कृपया कम्पनी की वार्षिक सामान्य बैठक के समक्ष इन टीका टिप्पणियों के प्रस्तुत किए जाने की वास्तविक तिथि की सूचना देने का कष्ट करें।

कृपया पावती भेजें।

संलग्नक- यथोपरि।

भवदीय,  
29/9  
(सौरभ नारायण)  
महालेखाकार

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Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of Uttarakhand Power Corporation Limited for the year ended 31 March 2016.

The preparation of financial statements of Uttarakhand Power Corporation Limited (UPCL) for the year ended 31 March 2016 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 August 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) of the Act, of the financial statements of Uttarakhand Power Corporation Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) of the Act which have come to my attention and which, in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report.

### BALANCE SHEET

#### 1. Current Liabilities

Trade Payables (Note 7): ₹ 2841.86 crore

This does not include ₹ 0.30 crore being the amount of power purchased from various Independent Power Producers for the months from November 2015 to March 2016. The provision for the same should have been made in the accounts, which was not done. This has resulted in understatement of Trade Payables as well as Losses during the year by ₹ 0.30 crore.

2. Short Term Provisions (Note 9): ₹ 158.77 crore.

2.(i) Uttarakhand Electricity Regulatory Commission notified Regulations 2010 in respect of compliance of Renewable Purchase Obligations (RPO). As per the Regulations, the Utility should procure power from Renewable Energy Sources (Solar and Non-Solar)

to meet the RPO targets set out by Commission itself, and only if energy from such sources is not available, it should procure Renewable Energy Certificates (RECs). There was a shortfall in procurement of Non-Solar and Solar-power, i.e.700.42 MUs and 7.63 MUs respectively up to March2016. The company should have purchased RECs to meet the shortfall, which was not done. Instead of making provision for the same amounting to ₹ 107.73 crore, it has been shown as Contingent Liability which is not in-order. This has resulted in understatement of Short-Term Provisions as well as Losses by ₹-107.73 crore.

2.(ii) Uttarakhand Electricity Regulatory Commission (UERC) notified Regulations 2007 and Regulations 2013 stipulates that if the distribution licensee fails to provide new low tension (LT)v connection to an applicant within specified period it shall be liable to pay penalty at the rate of ₹ 10/- per day on per ₹ 1000/- of the amount deposited by applicant subject to maximum of ₹ 1000/- for each day of delay. Due to non compliance with above regulations by UPCL; UERC levied a penalty of ₹ 6.52 crore on 29 January 2016. UPCL has neither paid the penalty nor provided for the same in the books of accounts. This has resulted in understatement of Short Term Provisions as well as Losses by ₹ 6.52 crore.

3. Current Assets

Short term loans and advances (Note 16): ₹ 58.23 crore

The above includes interest accrued on FDRs valuing ₹ 27.23 crore. These FDRs are shown in Cash and cash equivalent in Note 15. The interest accrued on FDRs should have been shown under other current assets instead of showing in short term loans and advances. This has resulted in overstatement of Short Term Loans and Advances and understatement of Other Current Assets to the extent of ₹ 27.23 crore.

4. Impact of the Comments

As a result of audit comments the current year's loss has been understated by ₹ 114.55 crore. In case these adjustments are carried out, current year's loss would have been ₹ 239.68 crore against depicted figure of ₹ 125.13 crore.

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

Place : Dehradun

Dated: 23/ 5/ 2016

(SAURABH NARAIN)  
Accountant General (Audit)  
Uttarakhand

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Uttarakhand Power Corporation Limited (Formerly known as Uttaranchal Power Corporation Ltd.), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information annexed thereto, in which are incorporated the accounts of Garhwal Zone audited by us and Kumaon Zone audited by Branch Statutory Auditors duly appointed and whose report has been considered by us in framing our report.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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


An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit

procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

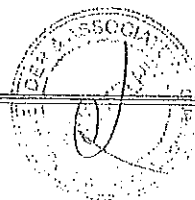
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified audit opinion on the financial statements.

#### Basis for Qualified Opinion

- a) *The Assets and Liabilities of the company contain balances transferred under the transfer scheme as on 01<sup>st</sup> June, 2004 by virtue of Notification no. 87/1/2004-06(3) 259/2003 dated May 31, 2004. As per the information given to us, these balances of Fixed Assets, Non-Current Assets, Current Assets, Non-Current Liabilities and Current Liabilities as approved by the Government of Uttarakhand (GoU) have been incorporated in the books of accounts. Final Transfer Scheme is yet to be notified by the Government of Uttarakhand (GoU). Any changes in the figures, if made at the time of final notification may have an impact on Balance Sheet and the statement of Profit and Loss Account.*
- b) *Uttarakhand Power Corporation Limited is a rate regulated entity since the tariff charged from the consumers is fixed by the regulator i.e., Uttarakhand Electricity Regulatory Commission. The company has not accounted for the rate regulatory income/expenses and the related rate regulatory assets/liabilities as on 31.03.2016. The quantification of the same is also not available; as a result we are unable to comment on the impact, if any, on the financial statements of the company.*
- c) *As on 31.03.2016 the balance of Power Transmission Corporation Of Uttarakhand Limited in the books of Uttarakhand Power Corporation Limited is not matching with the balance of Uttarakhand Power Corporation Limited in the books of Power Transmission Corporation Of Uttarakhand Limited. The impact, if any, can't be determined, as a result we are unable to comment on the impact, if any, on the financial statements of the company.*
- d) *Accounting policy no. 3.3, 4.3 and 7.2 relating to accounting and issue of store and spares i.e., "Inventories for capital works" at centralized store at issue price is not in accordance with AS-10 "Accounting for Fixed Assets". The stores and spares are accounted for and issued at issue price, which is higher than the cost, due to this profits of the company are overstated by Rs. 58,33,73,406 and overstatement of the Fixed assets by the same amount.*
- e) *As referred to in Note No. 3 of the Balance Sheet, the balance under the head Inter Unit Balance of Rs. 33,51,74,585 has not been reconciled. Consequential effect of the same on the financial statements cannot be ascertained.*
- f) *As per point 8.2.2 of Note No. 26 'Significant Accounting Policies', depreciation on fixed assets is provided only on the assets in existence at the beginning of the year and no depreciation is provided on the additions made during the year. Charging of depreciation is not in accordance with AS-10 "Accounting for Fixed Assets". To the extent of non charging of depreciation on additions of fixed assets during the year has resulted in overstatement of profit and fixed assets by an amount which is unascertained.*



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- g) Provision for leave encashment has not been made in accordance with the requirements of AS-15 "Employee Benefits".

#### Qualified Opinion

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

- (a) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

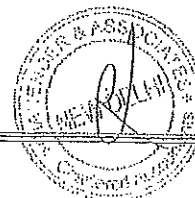
#### Emphasis of Matter

Without qualifying our report, we draw attention to fact that the accumulated losses of the company are more than fifty percent of its net worth. However financial statements are prepared on going concern basis as the management anticipates profit from operations in future years which will result in positive net worth.

Our opinion is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India in terms of sub-section 11 of section 143 of the Act, and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, in terms of clause (i) of Sub-section 3 of Section 143 of the Act, refer to our separate report in Annexure 2.
3. We are enclosing our report in terms of Section 143(5) of the Act on the basis of such checks of the Books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure 3 on the Directions /Sub-Directions issued by Comptroller & Auditor General of India.
4. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained *except the matter described in the Basis for Qualified Opinion paragraph*, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

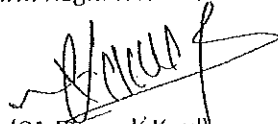


- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) *Except for the effects of the matter described in the basis for Qualified Opinion paragraph*, in our opinion, the aforesaid financial statements comply with the Accounting Standards as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written declarations received from the Directors as at 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a Director in terms of Section 164 (2) of the Act as on 31st March, 2016.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in the financial statements – Refer point no.5 of footnotes to the note no.8 to the financial statements;
  - The Company has not entered into any long term contract including derivative contract. Hence no provision is required for material foreseeable losses;
  - The Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with relevant provisions of the Companies Act and the Rules made there under.

Place: Dehradun

Date: 29/8/16

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

  
(CA. Ramesh Koul)  
Partner  
M. No. 077804



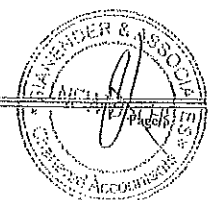


Annexure 1

Annexure to the Independent Auditor's Report of Uttarakhand Power Corporation Limited for the Year ended as on 31<sup>st</sup> March 2016

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

- i. a) *The Company has not maintained proper records for Fixed Assets showing full particulars including quantitative and location of fixed assets. The Company has represented that the fixed assets Register is updated up to Financial Year 2012-13. The company has also updated its fixed asset register for 2013-14 and 2014-2015 in respect of Urban Distribution Division (South) Dehradun. The company is in the process of updating the same thereafter.*  
b) *Physical verification of fixed assets has not been carried out.*  
c) *The title deeds of immovable properties are held in the name of the company.*
- ii. a) *Physical verification of inventory at decentralized stores has not been produced before us for verification. In absence of the complete record we are not in a position to comment whether frequency of verification is reasonable or not in respect of decentralized stores.*  
b) *Physical verification of inventory at centralized stores has been conducted by the management. In our opinion, procedures of physical verification of inventory followed as a whole by the management are reasonable and adequate in relation to the size of the company and the nature of its business.*  
c) *Records of inventories in respect of the centralized stores are maintained. Stock records for inventory at decentralized stores at unit level are maintained by the concerned Junior Engineer. Item wise list of quantity with value in support of closing stock as on 31.03.2016 has not been made available to us at some of the divisions. As per information and explanation given to us, the company is maintaining proper records of inventory (at Centralized store) and material discrepancies, if any have been properly dealt with in the books of account.*
- iii. *The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.*
- iv. *The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.*
- v. *The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.*
- vi. *The Company is prima-facie maintaining the cost records as specified by the Central*

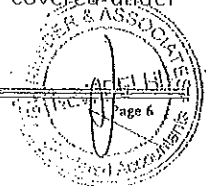




Government under sub-section (1) of section 148 of the Companies Act, 2013.

- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, VAT, Service Tax and other Statutory dues with appropriate authorities. As per records produced before us and as per information & explanation given to us, there are no undisputed statutory dues which were outstanding as at 31<sup>st</sup> March 2016 for a period of more than Six months from the date they payable *except the Electricity Duty and other levies thereon amounting to Rs.248,82,46,474 (Previous Year Rs.601,92,01,205) and Green Cess Rs. 43,24,02,700 (Previous Year Nil) and interest of Rs. 259,05,97,591 on liabilities from UP Power Corporation Limited of GPF.*
- b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. The company has taken term loans from financial institutions. During the year the company has not defaulted in repayment of loan and interest thereon.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, Fraud amounting to Rs.55,47,191/- on account of misappropriation of funds in EDD (Rural) Haridwar was reported during the year by the management. The whole amount Rs.55,47,191/- along with interest of Rs.7,62,739/- was recovered.
- xi. In view of exemptions given vide in terms of Notification No. G.S.R 463(E) dated 05<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 read with schedule V of the Act regarding Managerial remuneration are not applicable to the company.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information provided to us, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the Order is not applicable to the company.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under

*[Handwritten Signature]*



section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.


- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

Place: Dehradun

Date: 29/8/16

For Gianender & Associates  
Chartered Accountants  
Firm Regn. No. 04661N



  
CA. Ramesh Koul  
Partner  
M. No.077804



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

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

We have audited the internal financial controls over financial reporting of Uttarakhand Power Corporation Limited ("the Company") as on March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

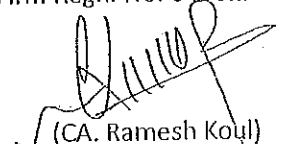
In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India except as stated in para no. (i) and (ii) of 'Report on Other Legal and Regulatory Requirements' of our report and para (c), (d) and (e) of the Basis for Qualified Opinion of our report.

Place: Dehradun

Date: 29/04/16

For Gianender & Associates  
Chartered Accountants  
Firm Regn. No. 04661N



  
(CA. Ramesh Koul)  
Partner

M. No.077804



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## Annexure 3

Annexure referred to in our report of even date to the Members of Uttarakhand Power Corporation Limited on the Accounts for the year ended 31<sup>st</sup> March 2016. Sub-Directions under section 143(5) of the Companies Act, 2013.

S.No	Directions	Action Taken	Impact on Financial Statements
1.	Adequacy of steps to prevent encroachment of Idle land owned by the company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	The Company does not possess any Idle Land.	NIL
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	Where land acquisition is involved in setting up new projects, settlement of dues is done expeditiously and in a transparent manner in all cases. No cases of deviations reported/observed.	NIL
3.	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards.	The Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards.	NIL
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	No abandoned projects reported/observed.	NIL
5.	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company?	As informed, the Company has not entered into any such agreements, however, the Process has been initiated for finalization of draft request for proposal (RFP) for appointment of input based distribution franchise in EDC Roorkee and EDC Kashipur.	NIL
6.	Report on the efficacy of the system of billing and collection of revenue in the company.	Adequate system of billing and collection of revenue is in place.	NIL
7.	Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.	As reported, tamper proof meters have been installed for all consumers.	NIL
8.	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	A mechanism for recovery of Fuel Cost Adjustment (FCA) has been provided in the regulations by Uttarakhand Electricity Regulatory Commission. This provision has been implemented and recovery of FCA is being done as and when the same is due as per the provisions contained in the said regulations.	NIL
9.	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	The reconciliation of payables to the generation, and transmission companies is carried out from time to time. However balance of Power Transmission Corporation of Uttarakhand Ltd is not matching with the balance of books in UPCL as at 31.03.2016. The reason of non reconciliation is attributed to non accounting of some entries.	The impact on financial statements, if any, can't be quantified.

10.	Whether the Company is supplying power to franchisees, if so, whether the Company is not supplying power to franchisees at below its average cost of purchase.	No franchise has been appointed.	NIL
11.	How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government shortfall if any may be commented?	Not applicable.	NIL
12.	Examine the system of effective utilization of Loans/Grant-in-Aid/Subsidy. List the cases of diversion of funds.	Money raised by way of Term Loans were applied for the purpose for which it was raised. Grant-in-Aid received under Deen Dayal Upadhyaya Gram Jyoti Yojana is pending utilization.	NIL
13.	Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period.	The cost benefit analysis of major capital expenditure is to strengthen and augment distribution network infrastructure for ensuring reliable and quality power supply in distribution areas.	NIL
14.	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the company is in the electronic format, which of the area such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and the company has evolved proper security policy for data/software/hardware?	The accounting data of the Company is being maintained in online Financial Accounting System. For Sales, R-APDRP and KCC systems are in use. Pay roll processing is computerized. Inventory at Centralized stores is maintained in online MMS however Stock records for inventory at decentralized stores at unit level are maintained by the concerned JE manually. Draft security policy for data/software/hardware has been framed which is being finalized. For data security there is provision of regular backup. For RAPDRP application data is also replicated in Disaster Recovery Center of UPCL.	NIL

Place: Dehradun

Date: 29/8/16

For Gianender & Associates  
Chartered Accountants  
Firm Regn. No. 04661N



(CA Ramesh Koul)  
Partner  
M. No. 077804

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

S.N.	Directions	Action Taken	Impact on Financial Statements
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	Yes	NIL
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons there for and amount involved.	Trade Receivables for Rs. 56,11,29,337/- have been waived off and adjusted against Provision for Bad & Doubtful Debts.	Provision for Bad & Doubtful Debts as well as Trade Receivables have been reduced by Rs. 56,11,29,337/-
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	Yes, proper records are maintained for inventories lying with third parties. I.e. contractors. No Assets received as gift/grant(s) from the Government or other authorities.	NIL

Place: Dehradun

Date:

29/8/16

For Gianender & Associates  
Chartered Accountants

Firm Regn. No. 01661N



(CA. Ramesh Koul)  
Partner

M. No.077804

# UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

## BALANCE SHEET AS AT 31ST MARCH, 2016

Amount in Rupees

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	108690,00,000	100890,00,000
(b) Reserves and Surplus	2	(103700,40,633)	(102306,75,084)
(c) Money received against share warrants			
<b>1(A) Share application money pending allotment</b>	1	15113,00,000	6800,00,000
<b>2 Inter Unit Transactions Balances</b>	3	(3351,74,585)	(5869,20,799)
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	98629,49,954	86136,47,291
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	5	6154,15,865	6154,15,865
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	9827,78,580	9445,58,947
(b) Trade Payables	7	284186,15,058	269157,53,930
(c) Other Current Liabilities	8	196403,46,804	216226,36,490
(d) Short-Term Provisions	9	15877,43,486	15275,01,118
<b>Total</b>		<b>627829,34,529</b>	<b>601909,17,758</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
i) Tangible & Intangible Assets	10	262253,55,417	251920,65,755
ii) Intangible Assets		-	-
iii) Capital Work In Progress	10	62977,11,980	38263,76,578
iv) Inventory for Capital Works	11	35629,81,376	22489,55,541
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	12	7096,21,837	4145,95,345
(d) Long term loans and advances	13	84194,20,359	73328,26,904
(e) Other non-current assets		-	-
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	14	66611,86,105	107906,93,977
(d) Cash and cash equivalents	15	103242,88,052	97530,21,661
(e) Short-term loans and advances	16	5823,69,403	6323,81,997
(f) Other current assets		-	-
<b>Total</b>		<b>627829,34,529</b>	<b>601909,17,758</b>

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

FOR GIANENDER & ASSOCIATES

FOR & ON BEHALF OF BOARD OF DIRECTORS

CHARTERED ACCOUNTANTS

Firm Reg. No.: 046511 ASSOCIATES

(CA RAMESH KOUJAL)

PARTNER

M.No. 077804

DATED: 29/8/16



*(Signature)*  
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(R.J. MALIK)  
COMPANY SECRETARY

*(Signature)*

(M.A. KHAN)  
DIRECTOR (FINANCE)  
DIN:07271051

*(Signature)*

(S.S. YADAV)  
MANAGING DIRECTOR  
DIN:06467944



# UTTARAKHAND POWER CORPORATION LTD.

CIN: U40109UR2001SGC025867

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rupees

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
I. Revenue from operations	17	466768,04,910	401069,70,458
II. Other Income	18	22816,37,446	45528,24,511
<b>III Total Revenue (I+II)</b>		<b>489584,42,356</b>	<b>446597,94,969</b>
<b>IV. EXPENSES</b>			
Purchase cost of electricity	19	423259,74,055	373287,06,240
Repair and Maintenance Expenses	20	11550,59,869	8698,80,281
Employee Benefit Expenses	21	24693,95,887	26372,33,745
Financial Costs	22	18209,79,718	14496,27,571
Depreciation and Amortization Expense	23	13413,84,662	11374,49,989
Other Administrative Expenses	24	1750,71,079	2099,35,728
Provision for bad and doubtful debts		8528,40,000	7468,92,198
<b>Total Expenses</b>		<b>501407,05,270</b>	<b>443797,25,751</b>
<b>V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>(11822,62,914)</b>	<b>2800,69,218</b>
VI. Exceptional/Prior Period items	25	690,67,168	31694,54,512
VII. Profit/(Loss) before extraordinary items and tax (V-VI)		<b>(12513,30,082)</b>	<b>(28893,85,294)</b>
VIII. Extraordinary Items			
<b>IX. Profit/(Loss) before tax (VII-VIII)</b>		<b>(12513,30,082)</b>	<b>(28893,85,294)</b>
<b>X. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		2950,26,492	2922,55,788
<b>XI. Profit(Loss) for the Year from Continuing Operations (IX-X)</b>		<b>(9563,03,590)</b>	<b>(25971,29,506)</b>
<b>XII. Profit(Loss) for the Year</b>		<b>(9563,03,590)</b>	<b>(25971,29,506)</b>

XIII. Earning per Equity share: (Face Value of Rs. 1000/- each)

- (1) Basic
- (2) Diluted

Significant Accounting Policies attached thereto form an integral part of Profit & Loss Statement

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

FOR GIANENDER & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No.: 04661N

CA. RAMESH KOUL )  
PARTNER



(R.J. MALIK)  
COMPANY SECRETARY

FOR & ON BEHALF OF BOARD OF DIRECTORS

(M.A. KHAN)  
DIRECTOR (FINANCE)  
DIN: 07271051

(S.S. YADAV)  
MANAGING DIRECTOR  
DIN: 06467944

1.No: 077804  
DATED: 29/8/16  
PLACE: DEHRADUN

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**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

Note No.1 => Share Capital

		Amount in Rupees	
Sr. No	Particulars	As at 31st March, 2016	As at 31st March, 2015
1	<u>AUTHORIZED CAPITAL</u> 20,000,000 Equity Shares of Rs. 1000 each.	200000,00,000	200000,00,000
2	<u>ISSUED CAPITAL</u> 10869000, Equity Shares of Rs.1000 each.	108690,00,000	100890,00,000
3	<u>SUBSCRIBED AND FULLY PAID UP</u> 10869000, Equity Shares of Rs.1000 each fully paid up.	108690,00,000	100890,00,000
Total		108690,00,000	100890,00,000
Share Application Money Pending Allotment 1511300, Equity Shares of Rs.1000 each		15113,00,000	6800,00,000
Total		15113,00,000	6800,00,000

Reconciliation of no. of shares outstanding	As at 31-03-2016	As at 31-03-2015
Opening number of shares outstanding	10089000 shares (10089000000)	9689100 shares (9689100000)
Add: Allotted during the year	780000 shares (780000000)	399900 shares (399900000)
Less: Bought Back		
Closing number of shares outstanding	10869000 shares (10869000000)	10089000 shares (10089000000)

1 **Detail of Shareholders Holding more than 5 percent Shares**

Name of the Shareholder	No. of Shares	% Shareholding
Uttarakhand Govt. & its nominee	10869000	100%

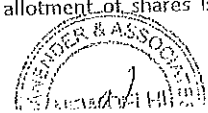
2 **Additional Information**

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

- 3 Share application money received during the FY 2014-15 Vide GO No. 2263/1(2)/2014-06/14/2012 dated 15-10-2014 for Rs. 20,76,00,000.00, GO No. 2975/1(2)/2015-06/14/2012 dated 21-01-2015 for Rs. 37,75,51,000.00 & GO No. 477/1(2)/2015-06/14/2012 dated 31-03-2015 for Rs. 9,48,49,000.00 totalling to Rs. 68,00,00,000.00 from the State Government against which allotment of shares was made on 23/07/2015.
- 4 During the FY 2015-16, a GO No. 823/1(2)/2015-06/14/2012 dated 01-07-2015 for Rs. 3,00,00,000.00, GO No. 621/1(2)/2015-08/04/2008 dated 18-05-2015 & 1471/1(2)/2015-08-04/2008 dated 08.12.2015 for Rs. 5,00,00,000.00 & GO No. 41/1(2)/2016-06/14/2012 dated 02-01-2016 for Rs. 2,00,00,000.00 totalling to Rs. 10,00,00,000.00 was sanctioned towards Share Capital of the State Govt. Accordingly, Rs.10,00,00,000.00 was received from the State Government & allotment of 30,000 Equity Shares was made on 27/11/2015 & 70,000 Equity Shares was made on 18/03/2016.
- 5 As per para no.2 of GO no.389/1(2)/2016-05-48/2015 dated 21.03.2016 of Uttarakhand Govt. Unsecured Loan of UP Government along with interest amounting to Rs 141.04 crores is to be converted into Equity Share capital of Government of Uttarakhand in UPCL. Accordingly the loan along with interest amounting to Rs.141.04 crores outstanding as on 30.09.2015 has been approved for conversion into equity Shares of Uttarakhand in UPCL, against which allotment of shares is pending.
- 6 As per para no.3 of GO no.389/1(2)/2016-05-48/2015 dated 21.03.2016 of Uttarakhand Govt., Unsecured Loan of District Plan of Uttarakhand Government amounting to Rs 10.09 crores is to be converted into Equity Share capital of Government of Uttarakhand in UPCL. Accordingly, out of loan amount of Rs10.90 crores outstanding as on 30.09.2015, an amount of Rs 10.09 crores has been approved for conversion into equity Shares of Uttarakhand in UPCL, against which allotment of shares is pending.

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*[Signature]*



**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

Note No.2 => Reserve & Surplus

Amount in Rupees

Sr. No	Particulars	As at 31st March, 2016	As at 31st March, 2015
	<b>A. Capital Reserve</b>		
1	Consumer contribution for service connections & lines and Deposit Works	37218,22,212	8172,85,132
	Balance as per last balance sheet	6293,14,979	51204,33,641
	Add: Addition/Adjustment during the year	-	-
	Less: Deductions/Adjustments during the year	2457,48,094	22158,96,560
	Less: Depreciation	41053,89,097	37218,22,212
2	Government grants towards capital works	55881,34,320	12026,16,871
	Balance as per last balance sheet	9466,58,300	88109,38,600
	Add: Addition/Adjustment during the year	-	-
	Less: Deductions/Adjustments during the year	5029,81,333	44254,21,151
	Less: Depreciation	60318,11,287	55881,34,320
	<b>B. General Reserve &amp; Surplus</b>		
1	Transitory reserve	103,05,811	103,05,811
	Balance as per last balance sheet	-	-
	Add: Addition during the year	103,05,811	-
	Less: Deductions/Adjustments during the year	-	103,05,811
2	Material Cost Variance Reserve	-	17882,16,951
	Balance as per last balance sheet	-	-
	Add: Addition during the year	-	(17882,16,951)
	Less: Deductions/Adjustments during the year	-	-
3	Surplus (Profit & Loss Account)	(195509,37,427)	(169538,07,921)
	Balance as per last balance sheet	(9563,03,590)	(25971,29,506)
	Add: Transfer from Statement of Profit & loss	(205072,41,017)	(195509,37,427)
	<b>Total of (A and B)</b>	<b>(103700,40,522)</b>	<b>(102306,75,084)</b>



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# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

## Note No.3 => Inter Unit Transactions

Amount in Rupees

Sr. No	Particulars	As at 31st March,2016	As at 31st March,2015
1	Inter Unit Transactions Balances	(3351,74,585)	(5869,20,799)
	Total	(3351,74,585)	(5869,20,799)

- 1 Inter-Units Transfers amounting to Rs.33,51,74,585 (net) are under reconciliation and the effect of reconciliation shall be provided in the coming years.



**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

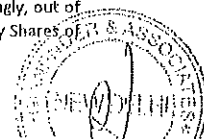
Note No.4 =>Long Term Borrowings

Sr. No	Particulars	Amount in Rupees	
		As at 31st March, 2016	As at 31st March, 2015
1.	<b>Secured Borrowings</b>		
	R.E.C. LOANS-(Secured By Guarantee of Uttarakhand Govt.) (This loan pertains to transfer scheme between UPPCL & UPCL. The EMI of principle for Rs. 77.21 lac is payable upto Dec.2022 at the annual rate of Interest of 9.75%)	8426,34,618	9352,86,618
	AERP-(REC Loan)-(Secured by Uttarakhand Govt.) (This loan pertains to Rural Electrification & funding agency is M/s REC Ltd. The yearly repayment of loan is Rs. 0.02 crores. The repayment shall be completed in the 1st half of FY 2017-18. The annual rate of interest is 3.00%.)	940,24,910	1742,69,720
	NEW REC Loan (Secured Rs. 451.26 Cr. by hypothecation of New Fixed Assets) (These loans pertain to system improvement & funding agency is M/ REC Ltd. The moratorium period of loans is 3 years from the date of receipt of each tranche of loan amount and each tranche of loan received is repayable in 10 equal yearly installments. The rate of interest is 12.25% p.a.)	15814,41,281	2555,42,488
	REC(NEF)(Secured Rs. 370.88 Cr. by hypothecation of New Fixed Assets) (Loan pertains to system improvement & funding agency is M/ REC Ltd. The moratorium period of loans is 3 years from the date of receipt of each tranche of loan. Each tranche of loan is repayable in 10 equal yearly installments. The rate of interest is 12.25% p.a., however the 7% interest is refundable if the parameter/terms & conditions of loan are	30148,88,358	28681,73,318
	R.E.C. LOANS-RGGVY (Secured By Guarantee of Uttarakhand Govt.) (This loan pertains to Rural Electrification & funding agency is M/ REC Ltd. The yearly repayment of loan is Rs. 6.85 crores. The repayment shall be completed by FY 2021-2022. The average rate of interest is 11.25%.)	3867,80,197	4552,53,377
	R-APDRP-Part A (Secured By Guarantee of Uttarakhand Govt.) (This loan pertains to system improvement & funding agency is M/ PFC Ltd. The loan is convertible into grant on completion of work and fulfilling terms and conditions.)	7177,68,087	6980,27,539
	R-APDRP-Part A : SCADA (Secured By Guarantee of Uttarakhand Govt.) (This loan pertains to system improvement & funding agency is M/ PFC Ltd. The loan is convertible into grant on completion of work and fulfilling terms and conditions.)	496,00,000	-
	R-APDRP-Part B (Secured By Guarantee of Uttarakhand Govt.)loan (This loan pertains to system improvement & funding agency is M/ PFC Ltd. Each tranche of loan is repayable in ten years, in quarterly installments from the date of receipt of each tranche and the rate of interest is 11.50%)	499,33,965	150,00,000
	R-APDRP-Part B (Secured By Guarantee of Uttarakhand Govt.) (This loan pertains to system improvement & funding agency is M/ PFC Ltd. The loan is convertible in grant on completion of work and fulfilling terms and conditions.)	17626,00,000	17523,00,000
	<b>Sub Total (A)</b>	<b>84996,71,416</b>	<b>71538,53,060</b>
2.	<b>Unsecured Borrowings</b>		
	U.P. GOVERNMENT LOAN (This loan pertains to transfer scheme between UPPCL & UPCL. Refer footnote No. 2 )	-	6773,24,295
	G.P.F. LOAN (This loan pertains to transfer scheme between UPPCL & UPCL. )	12710,00,000	12710,00,000
	STATE GOVERNMENT LOANS (This loan pertains to system improvement & rural electrification and funding agency is State Government. 10 instalments in a year of Rs.62.39 lacs each is payable upto FY 2023-24, and the average rate of interest is 10.00%)	4575,23,958	6208,40,940
	<b>Sub Total (B)</b>	<b>17285,23,958</b>	<b>25691,65,235</b>
	<b>Total (A+B)</b>	<b>102281,95,375</b>	<b>97230,18,295</b>
	Less: Current Maturity (C)	3652,45,421	11093,71,004
	<b>Total (A+B-C)</b>	<b>98629,49,954</b>	<b>86136,47,291</b>

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

2 As per para no.2 of GO no.389/1(2)/2016-05-48/2015 dated 21.03.2016 of Uttarakhand Govt. Unsecured Loan of UP Government (Principal Rs.67.73 crores and interest Rs.73.31 crores) amounting to Rs 141.04 crores is to be converted into Equity Share capital of Government of Uttarakhand in UPCL. Accordingly, the loan along with interest amounting to Rs 141.04 crores outstanding as on 30.09.2015 has been approved for conversion into Equity Shares of Uttarakhand in UPCL, against which allotment of shares is pending.

3 As per para no.3 of GO no.389/1(2)/2016-05-48/2015 dated 21.03.2016 of Uttarakhand Govt., Unsecured Loan of District Plan of Uttarakhand Government amounting to Rs 10.09 crores is to be converted into Equity Share capital of Government of Uttarakhand in UPCL. Accordingly, out of loan amount of Rs10.90 crores outstanding as on 30.09.2015, an amount of Rs 10.09 crores has been approved for conversion into equity Shares of Uttarakhand in UPCL, against which allotment of shares is pending.



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**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016*

Note No.5 => Other Long Term Liabilities

Amount in Rupees

Sr. No	Particulars .	As at 31st March,2016	As at 31st March,2015
1	Trade Payables		
2	Others		
	-Payable to PTCUL (Transfer of Assets/Liabilities)	6154,15,865	6154,15,865
	<b>Total</b>	<b>6154,15,865</b>	<b>6154,15,865</b>

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




# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

## Note No.6 => Short Term Borrowings

Amount in Rupees

Sr. No	Particulars	As at 31st March,2016	As at 31st March,2015
	Secured Borrowings		
	Loans repayable on demand		
	From Banks		
	PUNJAB NATIONAL BANK- payable on demand	9827,78,580	9445,58,947
	Secured against Deposits of the Company.		
	Total	9827,78,580	9445,58,947

- 1 Against above facility from the Bank, FDRs amounting to Rs. 346,81,27,569.00 have been pledged with Punjab National Bank, Astley Hall Branch. maximum overdraft limit of Rs. 313,50,00,000.00.
- 2 The Company has also sanctioned limit of Rs 150,00,000.00 which is secured against charge on Fixed Assets of the Company from the same Bank. Availed amount is Rs Nil as on 31.03.2016.
- 3 Rate of interest applicable on above limit is some percentage points above the applicable rate of interest payable on the deposits.



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**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016*

Note No.7 => Trade Payables

		Amount in Rupees	
Sr. No	Particulars	As at 31st March, 2016	As at 31st March, 2015
	<u>Summary of Trade Payables</u>	269902,14,210	255727,51,285
i	For Power Purchase	9872,27,122	10999,83,649
ii	For Capital Supplies/Works	4411,73,725	2430,18,996
iii	For O&M Supplies/Works		
	<b>Total</b>	<b>284186,15,058</b>	<b>269157,53,930</b>

**Dues to Micro, Small and Medium Enterprises**

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

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





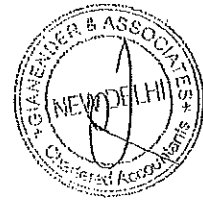
**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

Note No.8 => Other Current Liabilities

Amount in Rupees

Sr. No	Particulars	Amount in Rupees	
		As at 31st March,2016	As at 31st March,2015
1	Interest Accrued and due on Un-secured Borrowings-GPF Liability.	25905,97,591	32168,29,244
2	Interest Accrued and due on Security Deposits	5081,62,246	6610,89,451
3	Interest Accrued but not due on Borrowings	9848,12,224	8586,76,916
4	<u>Other Payables</u>		
	i) Deposits for Electrification, Service Connections etc.	24297,45,213	21941,59,357
	ii) Deposits & Retention Money from supplier / contractors	21287,04,032	13746,26,315
	iii) Other Deposits Payable	350,39,454	65,23,274
	iv) Other Liabilities & Provisions	13675,67,416	7174,19,984
	v) E.D. & Other levies Payable To Government	29206,49,193	60192,01,205
	vi) Security Deposit from Consumers	63098,24,014	54647,39,740
5	Current Maturities of Long Term Debts	3652,45,421	11093,71,004
	<b>Total</b>	<b>196403,46,804</b>	<b>216226,36,490</b>

- The provision for Interest accrued & due on unsecured borrowings-GPF Liability is provided at the applicable rate of 8.70%. This GPF Liability/Loan was received as a result of Transfer of Assets and liabilities from UP Power Corporation Limited.
- Interest accrued but not due on borrowings of Rs.98,48,12,224/- is the interest payable on loan from PFC for R-APDRP (Part A), (Part B) and REC for construction of 33/11 kv sub-stations and NEF schemes.
- Contingent liabilities and commitments ( to the extent not provided for ):
  - There are some pending court cases against the Corporation, which are lying undecided in various courts and thus an approximate amount to the tune of Rs. 5,02,29,612/- is foreseen as a Contingent Liability.
  - Estimated amount of contracts remaining to be executed on capital account and not provided for ( contracts exceeding Rs 50 lakhs) is Rs. 335,03,53,673.22 as on 31st March 2016.
  - Contingent Liability on account of shortfall in procurement of non-solar & solar power is 700.42 MUs amounting to Rs 105,06,30,000/- & 7.63 MUs amounting to Rs 2,67,05,000/- respectively.



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**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

Note No.9 =>Short Term Provisions

Amount in Rupees

Sr. No	Particulars	As at 31st March,2016	As at 31st March,2015
1	Provision for Employee Benefits	10396,42,859	11509,38,083
	Staff-related liabilities & provisions	1028,22,062	1026,80,694
	Staff Pension ,Gratuity & Leave Salary Fund		
2	Other Provision	4452,78,565	2738,82,341
	For Expenses		
	<b>Total</b>	<b>15877,43,486</b>	<b>15275,01,118</b>

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

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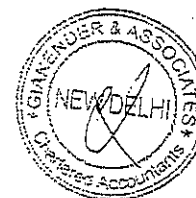
SLM C.	Assets Group	Gross Block						Depreciation Block					Net Block	
		Opening Bal. As on 1-04-2015 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Adjustments (Rs.)	Adjustments on Account of AS-12 (Rs.)	Balance as on 31.03.16 (Rs.)	Depreciation upto 1-04-2015 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Adjustments on Account of AS-12 (Rs.)	Balance as on 31-03-16 (Rs.)	As at 31.3.2016 (Rs.)	As at 31.3.2015 (Rs.)
1	Land and Rights	1887,67,399	48,29,087	-	-	-	1935,96,486	-	-	-	-	-	1935,96,486	1887,67,399
	Land held under lease	918,41,261	124,66,325	-	-	-	1043,07,586	26,32,852	30,67,498	-	-	57,00,351	986,07,235	892,08,408
2	Buildings	10930,03,635	737,05,970	-	-	-	11667,09,605	3378,14,570	317,44,751	-	47,61,571	3743,20,891	7923,88,713	7551,89,065
3	Plant & Machinery	72236,01,925	12606,64,875	(6776,45,405)	(202,75,377)	202,75,377	78066,21,397	4267,23,639	3636,20,386	(2524,55,016)	188,35,058	5567,24,066	71498,97,330	67968,78,286
4	Lines & Cable Network	311716,31,785	25025,42,145	(1821,18,202)	(9962,17,340)	9962,17,340	332920,55,726	139467,74,498	9208,67,427	(231,19,541)	7249,94,731	155695,17,115	177225,38,611	172248,57,285
5	Furniture and Fixtures	562,92,477	377,86,521	-	-	-	940,78,998	510,21,033	35,63,514	-	-	345,84,347	594,94,651	252,71,444
6	Vehicles	299,06,562	-	-	-	-	299,06,562	278,86,939	-	-	-	278,86,939	20,19,623	20,19,623
7	Office Equipment	1837,14,554	156,48,292	(53,225)	-	-	1993,09,621	846,72,550	178,42,777	(2,810)	-	1025,12,517	967,97,104	990,42,004
8	OTHERS:-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-1. Hydraulic Works	80,20,227	-	-	-	-	80,20,227	44,05,094	3,50,974	-	72,495	48,28,563	31,91,664	36,15,132
	-2. Other Civil Works	155,64,336	-	-	-	-	155,64,336	83,47,227	3,27,537	-	65,572	87,40,336	68,24,000	72,17,109
	<b>TOTAL</b>	<b>400623,44,157</b>	<b>37076,43,214</b>	<b>(8598,16,329)</b>	<b>(10164,92,716)</b>	<b>10164,92,716</b>	<b>429101,70,542</b>	<b>148702,78,402</b>	<b>13413,84,662</b>	<b>(2755,77,567)</b>	<b>7487,29,427</b>	<b>166848,15,124</b>	<b>262253,55,417</b>	<b>251920,65,755</b>
	<b>PREVIOUS YEAR</b>	<b>218662,71,354</b>	<b>59503,04,436</b>	<b>(10180,72,326)</b>	<b>-</b>	<b>132638,40,693</b>	<b>400623,44,157</b>	<b>74005,92,207</b>	<b>11374,49,989</b>	<b>(3090,81,506)</b>	<b>66413,17,712</b>	<b>148702,78,402</b>	<b>251920,65,755</b>	<b>144656,79,146</b>

- Fixed Assets have been taken over by the company from UPPCL on 09.11.2001 gross Rs. 1058,18,00,000.00 with accumulated depreciation of Rs. 397,10,00,000.00. Details of the Individual's block of assets have been taken at values as per the transfer scheme finalized between UPCL & UPPCL and the total value of Rs. 1058,18,00,000.00 has been treated as gross block and Rs. 397,10,00,000.00 as accumulated depreciation. As on 1st June, 2004 Power Transmission Corporation of Uttarakhand Limited (PTCUL) has been separated from corporation and Rs. 263,39,06,961.00 from Gross block transferred to PTCUL and Rs. 112,95,30,101.00 from accumulated depreciation has been transferred from Fixed Assets.
- The Company has charged Depreciation in F.Y 2015-16 on the value of Fixed Assets in use as on 01-04-2015 in accordance with Straight Line Method as per rates prescribed in Appendix VI to para 362 of Chapter IX of CERC and also adopted by the State Commission.
- As per Accounting policy, Depreciation shall be charged to the extent of maximum 90% of the Capital cost of the assets. Therefore, Depreciation on vehicles has not been charged during the year as Accumulated Depreciation upto FY 2014-15 is more than 90% of the Cost.
- Gross Block as on 31.03.2016 includes Assets created out of grants & consumer contribution for Rs.1428,03,33410.00 (Previous Year Rs 1326,38,40,693 & accumulated Depreciation thereon for Rs 739,00,47,138.00 (Previous Year Rs 664,13,17,712).

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

iii) Capital Work In Progress

Sr. No	Particulars	Current year	Previous Year
1	Capital Work In Progress		
	Balance as per last balance sheet	38263,76,577	41169,82,449
	Add: Additions during the year	61726,05,840	56836,80,486
	Less: Capitalisation during the year	37012,70,438	62977,11,979
	<b>Total</b>	<b>62977,11,980</b>	<b>38263,76,577</b>



**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016*

Note No.11 => Inventory for Capital Works

Sr. No	Particulars	Amount in Rupees	
		As at 31st March,2016	As at 31st March,2015
1	Capital inventory and stores	35629,81,376	22489,55,541
	Total	35629,81,376	22489,55,541

1. Based on the consumption pattern of inventory comprising of stores and spares in the past, company is of the view that substantial portion of such inventory shall be consumed in future for construction/erection of the capital assets. Since the identification/determination of inventory to be consumed for other than capital purpose is not possible at this stage, the whole inventory of stores and spares has been classified as " Inventory for Capital Works".
2. The company has not identified any obsolete, slow moving and dead stock except for those lying in the Centralised Stores Division as all the items in the store are useable in spite of the fact that they are very old.

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**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016*

Note No.12=> Deferred Tax Assets

Amount in Rupees

Sr. No	Particulars	As at 31st March,2016	As at 31st March,2015
1	Balance as per last balance sheet	4145,95,345	1223,39,557
	Add/Less: Deffered Tax on account of timing differences		
	i) Depreciation	(640,03,670)	(263,92,780)
	ii) Interest on GPF loan u/s 43B	955,02,602	878,58,879
	iii) Prov. for bad Debts	2635,27,560	2307,89,689
	Total	7096,21,837	4145,95,345



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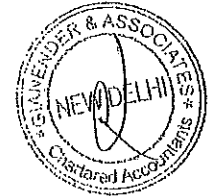
**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

Note No.13 => Long Term Loans and Advances

Amount in Rupees

Sr. No	Particulars	As at 31st March,2016	As at 31st March,2015
A	Capital Advances :		
	Secured & Considered good	42838,28,546	31883,23,898
	Un-Secured , Considered good	-	-
	Considered Doubtful	42838,28,546	31883,23,898
B	OtherLoans & Advances:		
	1 Sundry Receivables		
	Secured & Considered good	22474,51,499	22563,62,693
	Un-Secured & Considered good	-	-
	Considered doubtful	22474,51,499	22563,62,693
	2 Recoverable from state Govt.(On finalisation of transfer scheme of PTCUL)		
	Secured & Considered good	18881,40,313	18881,40,313
	Un-Secured & Considered good	-	-
	Considered doubtful	18881,40,313	18881,40,313
	<b>Total</b>	<b>84194,20,359</b>	<b>73328,26,904</b>

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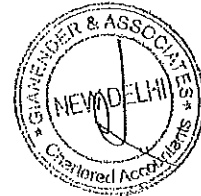
**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

Note No.14 =>Trade Recievables

Amount in Rupees

Sr. No.	Particulars	As at 31st March,2016	As at 31st March,2015
1	Un-Secured ,Considered Good		
	For a period exceeding Six Months from due date of payment	25354,08,278	102511,59,278
	Others	41257,77,827	5395,34,699
	SUB TOTAL (1)	66611,86,105	107906,93,977
2	Un-Secured, Considered Doubtful		
	Exceeding Six Months from due date of payment	94990,72,636	94776,63,974
	Others	8752,59,276	6049,57,275
	SUB TOTAL (2)	103743,31,912	100826,21,249
	TOTAL (1 + 2 )	170355,18,017	208733,15,226
	Less: Provision for bad & doubtful debts	(103743,31,912)	(100826,21,249)
	Total	66611,86,105	107906,93,977

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



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**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

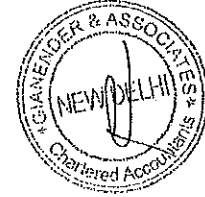
Note No.15 => Cash & Cash Equivalent

Amount in Rupees

Sr. No	Particulars	As at 31st March,2016	As at 31st March,2015
	<u>1. Cash Balance</u>		
	Cash in Hand	1497,64,960	1103,56,788
	Cheques / DD in hand	10551,09,030	9440,53,791
		12048,73,990	10544,10,579
	<u>2. Bank Balance</u>		
	With scheduled banks		
	- In current account	18694,55,195	10964,79,980
	- In Deposits account	72499,58,867	76021,31,102
		91194,14,062	86986,11,082
	<b>Total</b>	<b>103242,88,052</b>	<b>97530,21,661</b>

1. The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.
2. Cash and cash equivalents as of March 31, 2016 include Fixed Deposit Receipts of Rs. 346,81,27,569.00 pledged with Punjab National Bank, Astley Hall Branch for overdraft limit of Rs. 313,50,00,000.00.

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**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016*

Note No.16 => Short Terms Loans and Advances

Amount in Rupees

Sr. No	Particulars	As at 31st March,2016	As at 31st March,2015
A	To related parties	-	-
B	Others		
1	Advances for O&M Supplies/Works		
	Secured & Considered good	-	-
	Un-Secured & Considered good	1150,86,224	988,90,064
	Considered doubtful	-	-
		1150,86,224	988,90,064
2	Loans & Advances -others		
	Secured & Considered good	-	-
	Un-Secured & Considered good	4672,83,179	5334,91,933
	Considered doubtful	-	-
		4672,83,179	5334,91,933
	<b>Total</b>	<b>5823,69,403</b>	<b>6323,81,997</b>



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**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016*

**Note No.17 => Revenue from Operations**

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
1	Revenue from Sale of Power to Consumers	466768,04,910	401069,70,458
	Total	466768,04,910	401069,70,458

- 1 The operation of the Corporation comprise of purchase & distribution of electricity is considered as a single segment, which operates in one geographical segment, hence segment Reporting as required under Accounting Standard (AS) -17 is not applicable.
- 2 The energy is billed on the basis of categories of consumers i.e residential, commercial, industrial etc. at the tariff rates notified/approved by the Uttarakhand Electricity Regulatory Commission.
- 3 The tariff rates stated above have been notified by Uttarakhand Electricity Regulatory Commission vide their Tariff Order dated 11.04.2015 effective from 01.04.2015 and onwards.

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**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016*

Note No.18 => Other Income

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
1	Interest on Deposits	6558,66,445	6079,74,557
2	Miscellaneous Receipts	3714,07,611	1499,74,467
3	Income from Staff Welfare Activities	15,45,957	16,83,262
4	Rebate/Incentives on power purchase	4568,85,858	4514,97,435
5	Material Cost Variance	5833,73,406	19886,37,261
6	Transitory Reserve Written Back	103,05,811	
7	Interest on Institutional/Liabilities for previous years written back	2022,52,358	12078,57,529
8	Reversal of Provision for Obsolete Stock Material		1452,00,000
	<b>Total</b>	<b>22816,37,446</b>	<b>45528,24,511</b>



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**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016  
Note No.19 => Purchase Cost of Electricity

Sr. No	Particulars	Amount in Rupees	
		For the year ended 31st March, 2016	For the year ended 31st March, 2015
		83796,51,985	79419,55,257
1	NTPC	9225,79,580	7242,92,464
2	NPCL	24725,25,316	21500,27,906
3	NHPC	14504,41,042	11632,73,881
4	NRLDC	70420,16,093	40374,64,313
5	UJVNL	8959,62,920	7267,12,712
6	SATLUJ JAL VIDYUT NIGAM	19809,11,490	1573,79,760
7	NVVNL	11900,20,144	11181,46,460
8	THDC	3212,24,013	2682,52,128
9	HIM URJA PVT. LTD.	6639,67,696	7963,79,780
10	PDF TO GOVT.	152,70,909	210,90,361
11	UREDA	180,32,143	208,05,789
12	REGENCY AQUAELECTRO & MOTEL RESORTS, PONTA	-	6067,82,308
13	PTC INDIA LTD.	633,61,837	651,77,676
14	PARVTIYA POWER (P) LTD, RANIKHET	1714,36,640	1535,36,324
15	RBNS SUGAR MILL	685,14,302	617,73,330
16	CHAMOLI HYDRO POWER PROJECT	542,09,992	626,26,006
17	GUNSOLA HYDRO POWER GENERATION PVT. LTD.	3248,11,578	3074,26,229
18	SWASTI POWER	1080,56,786	1102,93,367
19	BIRAHU GANGA HYDRO POWER LIMITED	6710,56,697	2403,71,395
20	TATA POWER TRADING COMPANY LTD.	983,63,773	225,92,423
21	HIMALAYA HYDRO PRIVATE LIMITED.	14893,05,267	37259,85,934
22	SHREE CEMENT LIMITED.	571,74,320	252,40,000
23	RISHIGANGA POWER CORPORATION LTD.	-	7546,15,947
24	MITTAL PROCESSORS PVT. LTD.	-	11261,32,887
25	GLOBAL ENERGY PRIVATE LIMITED	-	2513,80,035
26	NATIONAL ENERGY TRADING AND SERVICES LIMITED	9640,26,924	323,94,367
27	MANIKARAN POWER LTD.	831,14,115	469,84,625
28	REGENCY YAMUNA ENERGY PVT. LTD.	821,06,877	352,78,600
29	UTTAR BHARAT HYDRO POWER PVT. LTD.	187,96,285	(10,68,761)
30	RV AKASH GANGA INFRASTRUCTURE LTD.	579,52,935	663,83,469
31	UTTAM SUGAR MILL	12786,81,221	3838,88,275
32	GMR ENERGY TRADING LIMITED	83,04,618	(5,35,850)
33	METRO FROZEN FRUITS & VEGETABLES PVT. LTD.	163,60,162	(19,19,970)
34	JAY ACE TECHNOLOGIES LTD.	1668,23,486	919,64,142
35	ARAVALI POWER COMPANY PRIVATE LIMITED (APCPL)	11258,77,037	4932,64,218
36	SASAN POWER LTD.	1072,22,500	-
37	JSW POWER TRADING CO. LTD.	2356,11,720	2063,91,539
38	LAKSHMI SUGAR MILLS CO. LTD.	1706,51,997	1486,20,596
39	REGENCY GANGANI ENERGY PVT. LIMITED	40,25,589	-
40	SOURABH ARORA	41,54,931	-
41	ASHOK ANEJA	18,938	-
42	OM PRAKASH AGRAWAL	11,08,539	-
43	PRADEEP KUMAR BANSAL	757,62,411	-
44	GREENKO BUDHIL HYDRO POWER PVT LTD	13,94,186	-
45	PURAN CHAND	-8,01,828	-
46	S.K.SOLAR POWER	8,51,260	-
47	S.R.SOLAR ENERGY PARK	2068,80,670	-
48	GAMA INFRAPROP (P) LTD.	3513,03,889	2853,51,173
49	SHORT TERM OPEN ACCESS CHARGES	5088,81,500	29937,62,500
50	BANKING OF POWER	14181,00,000	13678,00,000
51	FREE POWER (STATE ROYALTY POWER)	35347708141	32788273595
52	PGCIL -(Wheeling Charges)	37966,52,182	21800,70,433
53	PTCUL -(Wheeling Charges)	3185024784	2367828828
	Total Cost (Including Transmission Charges)	42329385107	37336172856
	LESS : U.I. Charges received	34,11,052	74,66,616
	<b>Net Cost</b>	<b>423259,74,055</b>	<b>373287,06,240</b>

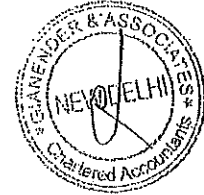


UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

Note No.20 => Repair and Maintenance Expenses

Sr. No.	Particulars	Amount in Rupees	
		For the year ended 31st March,2016	For the year ended 31st March,2015
1	Repair and maintenance-Plant and machinery	2534,59,676	1981,28,284
2	Repair and maintenance-Building & Civil works	724,55,816	305,10,005
3	Repair and maintenance-Lines, cables works, etc.	8178,47,481	6369,27,039
4	Repair and maintenance-Others	112,96,896	43,14,952
	Total	11550,59,869	8698,80,281



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**UTTARAKHAND POWER CORPORATION LTD.**  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

Note No.21 => Employment Benefit Expenses

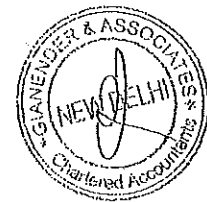
Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
1	Salaries, wages, allowances and bonus	20275,04,285	20251,06,288
2	Directors Remuneration	82,34,729	49,14,238
3	Terminal Benefits	4001,86,129	4758,72,403
4	Other staff costs	6577,19,118	6347,40,857
	Less: Employee cost charged to Capital WIP	(6242,48,375)	(5034,00,041)
	<b>Total</b>	<b>24693,95,887</b>	<b>26372,33,745</b>

1. None of the employee were in receipt of remuneration which was more than Rs. 24,00,000/- p.a. or Rs.2,00,000/- p.m.
2. The details of Managerial Remuneration paid during year is as below :-

Sr. No	Name of Director with Designation	For the year ended 31st March,2016	For the year ended 31st March,2015
1	Sh. Sumer Singh Yadav, Managing Director	1278736	746634
2	Sh.Sharad Krishna, Director (HR)	2144992	1976242
3	Sh.G.K.Sharma, Director (Projects)	440762	1734052
4	Sh.Anil Kumar, Director (Operation)		457310
5	Sh. Atul Kumar Agarwal, Director (Operation)	1454517	
6	Sh. Manoj Kumar Jain, Director (Project)	1457861	
7	Sh. Mohammed Afaq Khan, Director (Finance)	1457861	
	<b>Total</b>	<b>82,34,729</b>	<b>49,14,238</b>

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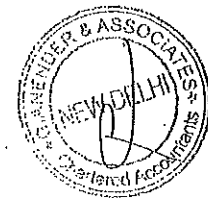


# UTTARAKHAND POWER CORPORATION LTD.

*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016*

## Note No.22 => Financial Cost

		Amount in Rupees	
Sr. No	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
A	Interest Expense		
1	Interest on State Govt.Loans	2823,50,907	4855,09,040
2	Interest on Other Loans & Liabilities	9659,15,933	9194,87,006
3	Interest on Consumers Security Deposit	5104,44,475	4394,61,952
	Total -A	17587,11,315	18444,57,999
B	Other Borrowing Costs		
1	Guarantee Fees to U.A.Govt.	682,80,000	340,08,000
2	Other financial and bank charges	2162,09,935	1089,17,785
	Total -B	2844,89,935	1429,25,785
	Total (A+B)	20432,01,250	19873,83,784
	Less: Interest and other financial charges charged to Capital WIP	(2222,21,531)	(5377,56,213)
	Total	18209,79,718	14496,27,571



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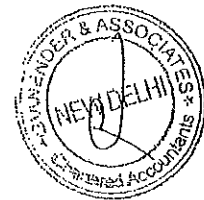
UTTARAKHAND POWER CORPORATION LTD.  
Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

Note No.23 => Depreciation & Amortised Cost

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
1	Depreciation	1341384662	1137449989
	Total	13413,84,662	11374,49,989

*[Handwritten Signature]*





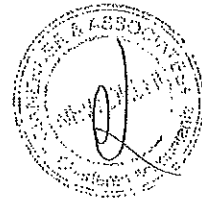
# UTTARAKHAND POWER CORPORATION LTD.

Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016

## Note No.24 => Other Administrative Expenses

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
1	Rent Rates & Taxes	44,68,974	42,13,273
2	Electricity and water	508,15,110	720,04,709
3	Insurance	9,56,683	9,27,527
4	Communication	218,97,562	203,22,366
5	Printing and stationery	162,24,351	121,01,599
6	Travelling and conveyance	499,85,644	462,14,806
7	Legal & professional	410,54,695	416,70,529
8	Fees & Subscription	124,96,066	19,47,110
9	Statutory auditors Remuneration- Audit fees	7,24,320	3,06,180
10	Honorarium	5,000	2,513
11	Departmental Training	6,52,195	9,37,456
12	Advertisement and promotion	412,32,913	318,18,949
13	Miscellaneous Expenses	425,45,991	367,84,850
14	Other debit to Revenue A/c/Compensation expenses to staff/outside	67,09,501	43,69,782
15	Bandwidth Charges	123,09,287	-
16	U.E.R.C. Fees	199,53,442	176,90,000
17	Expenditure on CSR activities	146,43,518	-
	Less: Expenses charged to Capital WIP	(1616,04,174)	(813,75,921)
	<b>Total</b>	<b>1750,71,079</b>	<b>2099,35,728</b>



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**UTTARAKHAND POWER CORPORATION LTD.**  
*Notes Forming Integral Part of the Balance Sheet as at 31st MARCH 2016*

Note No.25 => Exceptional/Prior Period items

Amount in Rupees

Sr. No	Particulars	For the year ended 31st March,2016	For the year ended 31st March,2015
1	Other Recoverable from NRLDC	-	3115,85,635
2	License Fees to UERC for Prior Period	11,65,168	-
3	Power Purchase Expenses	-	28378,66,761
4	Prior period income - FD/Bond interest	-	(15,97,884)
5	Prior Period Expenses - Guarantee fees	679,02,000	216,00,000
	<b>Total</b>	<b>690,67,168</b>	<b>31694,54,512</b>

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**UTTARAKHAND POWER CORPORATION LIMITED**  
**CIN: U40109UR2001SGC025867**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2016**

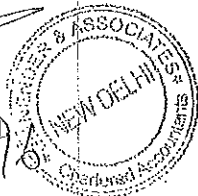
SR NO.	PARTICULARS	AMOUNT IN RUPEES	
		2015-16	2014-15
<b>A.</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit/(Loss) before tax and Exceptional & extra-ordinary items		
	Adjustments for:	(11822,62,914)	2800,69,218
	i) Depreciation		
	ii) Interest	13413,84,662	11374,49,989
	iii) License Fees to UERC for Prior Period	(11,65,168)	13407,09,785
	iv) Transitory Reserve written back	(103,05,811)	-
	v) Interest Income	(8581,18,803)	(18158,32,086)
	vi) Prior-period Items	(679,02,000)	(200,02,116)
	vii) Power purchase liabilities /other recoverables		(31494,52,396)
	viii) Provision for Bad & Doubtful debts	8528,40,000	7468,92,198
	Operating profit before working capital changes	744,69,966	(14801,65,408)
	<u>Adjustment for Working Capital Changes</u>		
	i) Inventory		(1222,49,278)
	ii) Debtors	41295,07,872	6042,69,873
	iii) Other Current Assets, Loans and Advances	3106,70,002	1651,59,329
	iv) Current Liabilities & Provisions	(4191,86,190)	66452,93,586
	Cash generated from Operations	40954,61,650	58123,08,102
	Net Cash from Operating Activities		
		40954,61,650	58123,08,102
<b>B.</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	i) Purchase & Sale of Fixed Assets	(31234,03,752)	(52423,13,615)
	ii) Capital Work in Progress	(24713,35,402)	2906,05,872
	iii) Capital Advances	(10955,04,648)	(1641,10,650)
	iv) Interest Income	8581,18,803	18158,32,086
	v) Inventory for Capital Works	(13140,25,835)	
	Net Cash from Investing Activities	(71461,50,834)	(32989,86,307)
<b>C.</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	i) Increase in Loan Balances & Cash Credit	12875,22,296	28008,26,881
	ii) Increase in Share Capital/Application	16113,00,000	6800,00,000
	iii) Interest paid		(13407,09,785)
	iv) Increase in Capital Reserve	15759,73,279	(11206,85,404)
	v) Provision for Bad & Doubtful Debts	(8528,40,000)	(7468,92,198)
	Net Cash from Financing Activities	36219,55,575	2725,39,494
	<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS [A+B+C]</b>	5712,66,390	27858,61,289
	<b>CASH &amp; CASH EQUIVALENTS AS AT 1ST APRIL [OPENING BALANCE]</b>	97530,21,662	69671,60,373
	<b>CASH &amp; CASH EQUIVALENTS AS AT 31st MARCH [CLOSING BALANCE]</b>	103242,88,052	97530,21,662

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

"NOTE NO. 1 TO 28 FORM AN INTEGRAL PART OF THE BALANCE SHEET"  
 AUDITOR'S REPORT  
 "AS PER OUR SEPARATE REPORT OF EVEN DATE"

FOR GIANENDER & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 Firm Reg. No.: 08851N

(CA RAMESH KOUL)  
 PARTNER  
 M.No: 077804  
 DATED: 29/3/16  
 PLACE: DEHRADUN



FOR & ON BEHALF OF BOARD OF DIRECTORS

(R.J. MALIK)  
 COMPANY SECRETARY

(M.A. KHAN)  
 DIRECTOR (FINANCE)  
 DIN:07271051

(S.S. YADAV)  
 MANAGING DIRECTOR  
 DIN:06467944

*Signature*

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## UTTARAKHAND POWER CORPORATION LIMITED

### SIGNIFICANT ACCOUNTING POLICIES:

#### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

#### 2. GRANT-IN-AID

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

#### 3. RESERVES AND SURPLUS

- 3.1 Contribution received for deposit works are treated as capital reserve on capitalization of the specific Fixed Assets against which it has been received.
- 3.2 Transitory reserve has been created on 09.11.2001 on preparation of Transfer Scheme between UPCL & UPPCL.

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3.3 The stock/stores at centralized store are accounted for at stock issue rate applicable as on date of issue. Price difference between the cost of stock/stores and value at stock issue rate is transferred to Profit & Loss a/c.

#### 4. FIXED ASSETS

4.1 Fixed Assets are shown on Historical Cost less accumulated depreciation.

4.2 All cost relating to acquisition and installation of fixed assets including departmental overhead costs till the date of commissioning are capitalized.

4.3 Fixed Assets booked under the head of "Fixed Assets not in use" are transferred to "Stock" / "Other Stock Account Head" at depreciated value and the accumulated depreciation thereon are transferred to "Provision for Depreciation on Fixed Assets". The damaged Fixed Assets under the category "Transformers" after repair are accounted for at stock issue rate applicable as on date of reissue. Price difference between the cost of assets and value as stock issue rate is transferred to material cost variance account. The same is transferred to Profit & Loss a/c.

#### 5. CAPITAL WORKS IN PROGRESS

5.1 Capital Expenditure on Assets not owned by the Corporation is reflected as a distinct item in Capital Works-in-Progress till the period of completion and thereafter transferred to Fixed Assets, if the ownership devolved upon the Corporation.

5.2 In the case of Commissioned Assets, where final settlement of bills with Contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of Final Settlement.

5.3 In respect of supply-cum-erection contracts (Turn-Key Contracts), the value of supplies received at site and accepted, is treated as Capital Works-in-Progress.

5.4 Claims of the Price Variation in case of contracts are accounted for on acceptance of Bills.

5.5 Value of Construction Stores is charged to Capital Works-in-Progress when material is issued. The material at the year end and lying at site is treated as part of the Capital Work-in-Progress, but the material lying in the stores is grouped under the head Stores and Spares.

5.6 Due to multiplicity of functional units as well as multiplicity of functions in a particular unit, Employees Cost and Administrative & General Expenses incurred on supervision of Capital works are capitalized @ 18.45% of the amount of total Capital Expenditure.

5.5 The Capital Works completed during the year have been capitalized at the year end.

#### 6. BORROWING COST

6.1 Funds borrowed specifically for the purpose of obtaining a qualifying asset, amount of related borrowing cost is capitalized as part of the cost of the specific qualifying asset. Whereas; funds which are borrowed generally and difficult to be related or rather cannot be related to any specific asset, borrowing cost of such funds has been capitalized on weighted average basis. Other Borrowing Costs are recognized as expense in the period in which they are incurred.

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## 7. INVENTORIES FOR CAPITAL WORKS:

- 7.1 The Inventory of Stores & Spares are being held both for use in Capital works, and partly for O&M works and not for sale. Therefore, Accounting Standard (AS) 2, "Valuation of Inventories" is not applicable.
- 7.2 Stores & Spares at the centralized store are accounted for at Issue Price. Issue price is fixed at in the beginning of the Financial Year on the basis of FOR destination rate (including all taxes) and Price Variation for the immediately preceding year plus 10% annual variation (increasing) and 3% Storage & handling cost of Stores wings. Issues from Centralised stores are valued at Issue Price. At Decentralised stores, the Stores and Spares are accounted for at cost. Issues from Decentralised Stores are valued by using FIFO method. Inventories of Miscellaneous Scrap and empties are not valued being insignificant.
- 7.3 Any shortage/excess of materials found during the physical verification at the year end are first shown as material short/excess pending investigation till the finalization of investigation and thereafter any excess, if established, is shown under the head of income. Similarly shortages are either recovered from staff concerned or charged to the profit and loss account as the case may be.
- 7.4 Shortage/loss due to theft or any other reason are first debited to the head "Misc. Advance" against staff and are shown as Current Assets till the finalization of enquiry/settlement of the case.

## 8. PROFIT AND LOSS ACCOUNT:

### 8.1 INCOME RECOGNITION

- 8.1.1 Sale of Energy is accounted for on the basis of Tariff Rates, notified/approved by the Uttaranchal Electricity Regulatory Commission.
- 8.1.2 Interest/Surcharge recoverable on Advances to Suppliers as well as warranty Claims/Liquidity Damages are recognized on receipt basis.
- 8.1.3 The Sale of Electricity does not include Electricity duty and Green Energy Cess payable to the State Government as the same is not the Income of the Corporation.
- 8.1.4 Cash Discount/Rebates allowed, if any, for timely payment is shown separately as an expense in the Accounts under the head Other Financial Charges.
- 8.1.5 Assessment of own Power Consumption at Sub-stations/Offices is done on the basis of connected load/ Hours of Supply. Own consumption is charged to expense at commercial rate.

### 8.2 EXPENDITURE

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

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8.2.5 Kutch Road is depreciated fully in the year of actual expenditure.

## 9. RETIREMENT BENEFITS

- 9.1. The contribution for Retirement Benefits in respect of "Gratuity Liability" of employees covered under EPF Scheme has been made to Life Insurance Corporation of India.
- 9.2. Contribution for pension and gratuity in respect of employees not covered under EPF Scheme is @ 16.70% and 2.38% respectively on the amount of basic pay and DA.
- 9.3. Encashment of leave is accounted for on cash basis. Earned leave is fixed at 31 days in each calendar year. In respect of Gazetted officers, Encashment for leave is allowed only at the time of retirement, but in case of Non-Gazetted employees, leave encashment facility is available upto 30 days every year. However, maximum upto 300 days leave encashment can be availed both by Gazetted officers and Non-Gazetted employees at the time of their retirement.
- 9.4. All the retirement benefits accruing to the employees before the transfer scheme are not taken as liabilities of the company since the same has been taken over by the state government.

## 10. INVESTMENTS

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

## 11. CONTINGENT LIABILITIES

- 11.1 Contingent Liabilities are disclosed in respect of which there are possible or present obligations that arise from past events but their existence is confirmed on occurrence or non-occurrence of one or more uncertain future events and in respect of which there may not probably be any outflow of resources.
- 11.2 These, if any, are disclosed in the notes to the Accounts. Provision is made in the Accounts in respect of those contingencies only which are likely to materialize into Liabilities at the year end and have any material effect on the position stated in the Balance Sheet.

## 12. PROVISION FOR BAD AND DOUBTFUL DEBTS

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

## 13. DEFERRED TAX ASSET/LIABILITY

- 13.1 Deferred Tax Asset/Liability is recognized subject to the consideration of prudence on timing differences between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognized and carried forward to the extent that there is a reasonable certainty that the assets will be realized in future.

## 14. OTHER INCOME

- 14.1 Other income includes interest on FDR, Sale of tender forms, penalty from contractors, Rebate/Incentives on timely payments of purchase bills, and other service charges, staff rental/vehicles income, etc.

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15. GENERAL NOTES ON ACCOUNTS

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

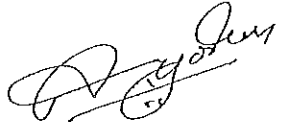
15.2 No transaction is made during the year by the Corporation in the books of accounts in which foreign exchange is involved.



  
(R.J. Malik)  
Company Secretary

  
(M.A. Khan)  
Director(Finance)  
DIN:07271051

FOR & ON BEHALF OF BOARD

  
(S.S. Yadav)  
Managing Director  
DIN:06467944

Place : Dehradun  
Date : 29/8/16

