
Statutory Audit Report of Utility Powertech Limited

For the year ended March 31,
2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Utility Powertech Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Utility Powertech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the notes to the Ind AS financial statements:

1. Note 41 to the accompanying Ind AS financial statements with regards to Trade and Other Receivables, Advances and Security Deposits Receivables which are outstanding for a considerable period of time. For the reasons more fully explained in the said note the management has considered the same as fully recoverable since such outstanding are against actual services rendered under a valid contractual agreements and receivables are from related parties. These outstanding are pending due to necessary procedural clearances and submission of required documents.
2. Note 42 to the accompanying Ind AS financial statements with regards to Trade Payables, Advances and Security Deposits Payable to contractors and are unpaid for considerable period of time. For the reasons more fully explained in the said note, the management has considered the same as fully payable and are outstanding mainly on account of submission of documents and proof of compliances.

Our opinion is not modified in respect of these matters.



Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal



financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, 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, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
 - e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;



f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid/provided by the company to its Directors during the year.

h. 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:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 29 on Contingent Liabilities to the Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co.LLP
Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Raj Kumar Agarwal
Partner

Membership No.074715

Place: New Delhi

Date: May 1, 2019



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Utility Powertech Limited ("the Company") on the financial statements for the year ended March 31, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The Company does not hold any inventory. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us, there are no loans, investments, guarantees, and securities. Accordingly, provisions of Section 185 and 186 of the Act are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the activity of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in a few cases and delays in deposits have not been serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, goods and service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount of demand (Rs. In Lacs)	Amount paid under protest (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
A.P. General Sales Tax Act	Sales tax demand	11.22	9.14	FY 2002-03	Sales tax Appellate Tribunal
Finance Act, 1994	Service tax demand	151.71	-	FY 2005-06 to 2009-10	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	7.22	-	FY 2005-06 & 2008-09	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	76.17	-	FY 2006-07 to 2010-11	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	8.79	1.09	FY 2007-08 to 2011-12	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	64.56	2.42	FY 2012-13 to 2015-16	Commissioner of Service Tax (Appeal)
Finance Act, 1994	Service tax demand	5.98	1.80	FY 2009-10 to 2012-13	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	148.74	5.56	FY 2009-10 to 2011-12	Commissioner of Service Tax (Appeal)
Finance Act, 1994	Service tax demand	71.86	2.65	FY 2012-13 to 2015-16	Commissioner of Service Tax (Appeal)



Finance Act, 1994	Service tax demand	10.59	0.52	FY 2006-07 to 2007-08	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	386.72	14.49	FY 2009-10 to 2013-14	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	194.78	7.30	FY 2006-07 to 2010-11	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	6.48	0.65	FY 2008-09 to 2012-13	Commissioner of Service Tax (Appeal)
Finance Act, 1994	Service tax demand	47.06	1.75	FY 2010-11 to 2012-13	Commissioner of Service Tax (Appeal)

- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution or bank or government. There are no debenture holders. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., 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. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.



HARIBHAKTI & CO. LLP

Chartered Accountants

- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048



Raj Kumar Agarwal
Partner
Membership No. 074715

Place: New Delhi
Date: May 1, 2019



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Utility Powertech Limited on the Ind AS financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Utility Powertech Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS 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 with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Raj Kumar Agarwal

Partner

Membership No.074715



Place: New Delhi

Date: May 1, 2019



Utility Powertech Limited
Balance Sheet as at March 31, 2019

Particulars	Note no.	(Amount ₹ in lacs)	
		As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,683.08	1,743.69
Capital work-in-progress	2A	283.13	12.53
Other intangible assets	3	1.32	3.52
Financial assets			
(i) Loans	4	52.75	52.96
(ii) Other financial assets	5	61.68	69.66
Deferred tax assets (net)	6	951.79	683.24
Other non-current assets	7	1,405.23	1,345.52
Total non-current assets		4,438.98	3,911.12
Current assets			
Financial assets			
(i) Trade receivables	8	15,545.35	12,700.96
(ii) Cash and cash equivalents	9	3,946.82	4,170.54
(iii) Bank balances other than cash and cash equivalents	9A	11,346.27	10,693.24
(iv) Loans	10	475.56	421.05
(v) Other financial assets	11	12,615.67	10,747.10
Current tax assets (net)	12	700.57	657.18
Other current assets	13	366.06	9.67
Total current assets		44,996.30	39,399.74
TOTAL ASSETS		49,435.28	43,310.86
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	400.00	400.00
(b) Other equity	15	11,413.55	9,401.04
Total equity		11,813.55	9,801.04
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	16	434.75	376.85
Provisions	17	2,157.63	1,544.74
Total non-current liabilities		2,592.38	1,921.59
Current liabilities			
Financial liabilities			
(i) Trade payables	18		
-Total outstanding dues of Micro enterprises and small enterprises		15,309.67	3,992.54
-Total outstanding dues of creditors other than Micro enterprises and small enterprises		4,552.55	14,299.51
(ii) Other financial liabilities	19	14,134.07	12,400.19
Other current liabilities	20	834.97	739.57
Provisions	21	198.09	156.41
Total current liabilities		35,029.35	31,588.23
TOTAL EQUITY AND LIABILITIES		49,435.28	43,310.86

Significant accounting policies 1C
The accompanying notes 1 to 44 form an integral part of these financial statements.

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. W-13573/W-100048

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date: May 01, 2019



For and on behalf of the Board of Directors
Utility Powertech Limited

A. N. Verma
Chairman
DIN-07937764

Amarjeet Singh
Director
DIN-08265546

A. C. Srivastava
Chief Financial Officer

Place: New Delhi
Date: May 01, 2019

Aditya Das
Director
DIN-08079013

S. M. Gokhale
Chief Executive Officer

Gaurav Agrawal
Company Secretary
FCS - 6823





Utility Powertech Limited
Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note no.	(Amount ₹ in lacs)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from operations	22	1,04,525.08	95,485.39
Other Income	23	1,132.59	771.90
Total revenue		1,05,657.67	96,257.29
Expenses			
Cost of materials and services consumed		95,938.58	87,799.45
Employee benefits expense	24	4,022.38	3,521.54
Finance costs	25	160.65	276.95
Depreciation and amortization expense	26	125.81	126.54
Other expenses	27	773.03	814.17
Total expenses		1,01,020.45	92,538.65
Profit before tax		4,637.22	3,718.64
Tax expense			
Current tax			
Current year		1,848.80	1,518.50
Earlier years		201.65	174.16
Deferred tax		(268.55)	(76.08)
Total tax expense		1,781.90	1,616.58
Profit for the year		2,855.32	2,102.06
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of post employment benefit obligations		1.66	207.02
- Income tax related to above item		(0.58)	(71.65)
Other comprehensive income for the year, net of income tax		1.08	135.37
Total comprehensive income for the year		2,856.40	2,237.43
Significant accounting policies	1C		
Earnings per equity share (Par value of ₹ 10 per share)	28		
Basic & Diluted (₹)		71.38	52.55

The accompanying notes 1 to 44 form an integral part of these financial statements.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103993W/W100048

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date: May 01, 2019



For and on behalf of the Board of Directors
Utility Powertech Limited

A. N. Verma
Chairman
DIN-07937764

Amarjeet Singh
Director
DIN-08265546

A. C. Srivastava
Chief Financial Officer

Place: New Delhi
Date: May 01, 2019

Aditya Dar
Director
DIN-08079013

S. M. Gokhale
Chief Executive Officer

Gaurav Agrawal
Company Secretary
FCS - 6823





Utility Powertech Limited
Cash flows for the year ended March 31, 2019

Particulars	(Amount ₹ in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,637.22	3718.64
Adjustments for:		
Depreciation and amortization expense	125.81	126.54
Property, plant and equipment written off	-	0.31
Profit on sale of property, plant and equipment	0.21	(3.17)
Liabilities written back	(122.91)	-
Sundry balances written off	0.07	0.03
Interest income on bank deposits	(844.55)	(622.98)
Unwinding of discounting of security deposit payable	160.65	162.47
Dividend income on mutual fund investment	(89.52)	(70.33)
Operating profit before working capital changes	3,866.98	3,311.51
Movement in operating liabilities:		
Increase Trade payables	1,693.07	4440.07
Increase Non-current provisions	614.56	438.56
Decrease Other non-current financial liabilities	(102.75)	(326.81)
Increase Other current financial liabilities	1,733.88	1763.10
Increase Other current liabilities	95.40	389.37
Increase / (Decrease) Current provisions	41.68	(27.07)
Movement in operating assets:		
Decrease / (Increase) Non-Current loans and advances	0.21	(13.58)
Decrease Other non-current assets	36.69	50.41
(Increase) Trade receivables	(2,844.39)	(3040.08)
(Increase) Current loans and advances	(54.51)	(131.68)
(Increase) Other current financial assets	(1,817.09)	(2164.36)
(Increase) / Decrease Other current assets	(356.46)	3.98
Cash generated from operations	2,907.27	4,693.43
Less: Taxes paid, net of refund	(2,190.81)	(1797.22)
Net cash from operating activities - A	716.46	2,896.21
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(63.00)	(69.12)
Capital work-in-progress	(270.60)	(12.53)
Proceeds from sale of property, plant and equipment	(0.21)	6.91
Interest received on bank deposits	793.05	604.57
Dividend income on mutual fund investment	89.52	70.33
Proceeds from realisation of bank deposits	21,805.93	19,508.84
Investment in bank deposits	(22,450.98)	(22,205.93)
Redemption of mutual funds	12,560.00	14,180.00
Investment in mutual funds	(12,560.00)	(14,180.00)
Net cash from investing activities - B	(96.29)	(2,096.93)

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Utility Powertech Limited
Cash flows for the year ended March 31, 2019

Particulars	(Amount ₹ in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
....Continued from previous page		
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(700.00)	(500.00)
Tax on dividend paid	(143.89)	(101.79)
Net cash used in financing activities - C	(843.89)	(601.79)
Net increase in cash and cash equivalents (A+B+C)	(223.72)	197.49
Cash and cash equivalents at the beginning of the year	4,170.54	3,973.03
Cash and cash equivalents at the end of the year	3,946.82	4,170.52

Notes:

- (i) Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.
(ii) Previous year figures have been regrouped/rearranged wherever considered necessary.
(iii) Components of cash and cash equivalents included under cash and bank balances (Note 8) are as under:

Cash and cash equivalents (Note 8)

Balances with banks

- In current account

- Deposits with original maturity of upto 3 months

Total

	1,526.82	1,470.54
	2,420.00	2,700.00
Total	3,946.82	4,170.54

The accompanying notes 1 to 44 form an integral part of these financial statements.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: New Delhi

Date: May 01, 2019



For and on behalf of the Board of Directors
Utility Powertech Limited

A. N. Verma
Chairman
DIN-07937764

Aditya Dar
Director
DIN-08079013

Amarjeet Singh
Director
DIN-08265546

S. M. Gokhale
Chief Executive Officer

A. C. Srivastava
Chief Financial Officer

Gaurav Agrawal
Company Secretary
FCS - 6823

Place: New Delhi

Date: May 01, 2019





Utility Powertech Limited
Statement of changes in equity for the year ended March 31, 2019

A. Equity Share Capital

For the year ended March 31, 2019

(Amount ₹ in lacs)

Balance as at April 01, 2018	400.00
Changes in equity share capital during the year	-
Balance as at March 31, 2019	400.00

For the year ended March 31, 2018

(Amount ₹ in lacs)

Balance as at April 01, 2017	400.00
Changes in equity share capital during the year	-
Balance as at March 31, 2018	400.00

B. Other equity

For the year ended March 31, 2019

(Amount ₹ in lacs)

Particulars	Reserves & surplus		Remeasurement of defined benefit plans	Total
	General reserve	Retained earnings		
Balance as at April 1, 2018	3,797.32	5,509.06	94.64	9,401.04
Profit for the year	-	2,855.32	-	2,855.32
Other comprehensive Income	-	-	1.08	1.08
Total Comprehensive Income	-	2,855.32	1.08	2,856.40
Dividends	-	(700.00)	-	(700.00)
Tax on dividend paid	-	(143.89)	-	(143.89)
Balance as at March 31, 2019	3,797.32	7,520.49	95.72	11,413.55

For the year ended March 31, 2018

(Amount ₹ in lacs)

Particulars	Reserves & Surplus		Remeasurement of defined benefit plans	Total
	General reserve	Retained earnings		
Balance as at April 1, 2017	3,797.32	4,008.81	(40.73)	7,765.40
Profit for the year	-	2,102.06	-	2,102.06
Other comprehensive Income	-	-	135.37	135.37
Total Comprehensive Income	-	2,102.06	135.37	2,237.43
Dividends	-	(500.00)	-	(500.00)
Tax on dividend paid	-	(101.79)	-	(101.79)
Balance as at March 31, 2018	3,797.32	5,509.06	94.64	9,401.04

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

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Utility Powertech Limited

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Place: New

Date: May 01, 2019



Utility Powertech Limited
Notes to financial statement for the year ended March 31, 2019

1. Company Information and Significant Accounting Policies

A. Reporting entity

Utility Powertech Limited (the "Company") incorporated on November 23, 1995 is a Company domiciled in India and limited by shares (CIN: U45207MH1995PLC094719). The address of the Company's registered office is Dhirubhai Ambani Knowledge City, H Block, First Floor, Thane Belapur Road, Navi Mumbai - 400710. The company is engaged in contracting services for power utilities. The activities of the company include operation and maintenance of electrical and mechanical equipments, civil maintenance of townships, residual life assessment studies, construction/erection of buildings and electrical equipments in power distribution sector. The Company is a 50:50 joint venture with NTPC Limited and Reliance Infrastructure Limited contributing in the share capital of the Company either directly or through nominees/affiliate.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), and applicable provisions of the Companies Act, 1956.

These financial statements were authorized for issue by Board of Directors on Date May 01, 2019.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments).
- Defined benefit plans - Plan assets are measured at fair value.

The methods used to measure fair values are discussed in note no. 34 to the financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lacs (upto two decimals), except as stated otherwise.

4. Current and non-current classification

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

An asset is current when it is:

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



Utility Powertech Limited
Notes to financial statement for the year ended March 31, 2019

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

1 Recent accounting pronouncements

1.1 Ind AS 116 Leases:

On March 30, 2019, Ministry Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard set out the principles for the recognition, measurement, presentation and disclosures of the leases for the both to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless underlying asset of low value. Currently, operating lease expenses are charged to statement of Profit & Loss. The Standard also contains enhanced disclosure for leases.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right to use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application. Or;
- Amount equals to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Company is currently evaluating the effect of this amendment on the financial statements.



Utility Powertech Limited
Notes to financial statement for the year ended March 31, 2019

1.2 Ind AS 12 Income Tax

(a) Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS-12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

- Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

(b) Amendment to Ind AS 12

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

1.3 Ind AS 19 Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

2. Property, plant and equipment

2.1. Initial recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use.



Utility Powertech Limited

Notes to financial statement for the year ended March 31, 2019

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

2.2. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.3. Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

3. Intangible assets

3.1. Initial recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

3.2. Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

3.3. Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

4. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.



Utility Powertech Limited
Notes to financial statement for the year ended March 31, 2019

5. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

6. Revenue:

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard requires apportioning revenue earned from contracts to customers, promises, or performance obligations, on a relative stand-alone contract price basis, using a certification model. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018) and the comparative information in the statement of profit and loss is not restated and continues to be reported as per Ind AS 18.

There is no impact of the adoption of the Standard on the financial statements of the Company.

The Company derives revenue from services rendered based on the consideration that is specified in power station and office maintenance agreement (PSOMA) and Non-PSOMA agreements with the customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange of those products or services, particularly as follows;

- a. In respect of service contracts, where the performance obligation is satisfied over time, income is recognized using output method i.e. proportionate to value of work done/services rendered.
- b. Tender fees represent non-refundable amount received on account of bid fees for auctions of tenders raised by the company. These are recognized in statement of profit & loss upon receipt.
- c. Unbilled revenue is recognized on completion of services in respect of service contracts. These are billed in subsequent period as per the terms of the contract. Unbilled revenue is classified as financial asset by the company.

7. Other Income

For debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

Interest on term deposits is recognised on the time proportion basis using effective interest rate method.

8. Depreciation/amortization

Depreciation on all property, plant & equipment, except leasehold land and building on leasehold land, is recognised in profit or loss on a straight-line basis up to 95% of the total cost incurred to purchase/construct the assets at the useful lives specified in schedule II to the Companies Act, 2013.



Utility Powertech Limited
Notes to financial statement for the year ended March 31, 2019

Leasehold land and building on such leasehold land is amortised over the period of lease or 30 years, whichever is lesser.

Leasehold building is amortised over the period of lease or 60 years, whichever is lesser.

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less.

Depreciation on addition to property, plant and equipments/amortisation on addition to intangible assets is provided on pro-rata basis from the date the asset is ready/available for its intended use. Depreciation/amortisation on sale/deduction from the assets is provided for up to the date of sale/deduction/discard, as the case may be.

Depreciation/amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted as appropriate.

All individual assets costing Rs.5,000 or less are depreciated in full by way of a one-time depreciation charge.

9. Employee benefits

9.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

The Company pays fixed contribution to Provident Fund at predetermined rates to the fund administered and managed by Government of India. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund & Miscellaneous Provisions Act, 1952. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss.

The company also pays benefits to eligible employees under superannuation plan. The plan is accounted for on the basis of contributions made to a fund set up by the company and administered by a board of trustees. The company has no further obligations under these plans beyond its yearly contributions.

A few employees are on secondment basis from NTPC Limited. Employee benefits include provident fund, pension, gratuity, post-retirement medical facilities, compensated absences, long service award, economic rehabilitation scheme & other terminal benefits. In terms of arrangement with NTPC, the company is to make a fixed percentage contribution of the aggregate of basic pay and dearness allowance for the period of service rendered in the company. Accordingly, these employee benefits are treated as defined contribution schemes.

9.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company has defined benefit gratuity plan.

In respect of regular employees the Company contributes to (Life Insurance Corporation of India) a fund set up by the Company and administered by a board of trustees with respect to its gratuity obligation and in case of fixed tenure/contractual employee, the liability is recorded as at balance sheet date and is non-funded.

The Company's net obligation in respect of defined benefit plans for regular and contractual employees is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that



Utility Powertech Limited
Notes to financial statement for the year ended March 31, 2019

benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the

Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in other comprehensive income in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

9.3. Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the

Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

9.4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Leave encashment benefits payable to employees with respect to accumulated casual leaves outstanding at the year-end and which are expected to be utilized/ encashed within the next 12 months and exgratia, are treated as short term employee benefits. The Company measures the expected cost of such expenses as the additional amount on actual basis that it expects to pay as a result of unused entitlement that has accumulated at the reporting date.

10. Leases

10.1 As Lessee

Accounting for finance leases

Leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



Utility Powertech Limited
Notes to financial statement for the year ended March 31, 2019

Accounting for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

11. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

12. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic



Utility Powertech Limited

Notes to financial statement for the year ended March 31, 2019

benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

13. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under 'Income tax payable' net of payments on account, or under 'Tax receivables' where there is a credit balance.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

14. Dividends

Dividends and interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

15. Material prior period errors

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

16. Earnings per Share

Basic earnings per equity share are computed by dividing the net profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.



Utility Powertech Limited

Notes to financial statement for the year ended March 31, 2019

Diluted earnings per equity share is computed by dividing the net profit attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

17. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

18. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

18.1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL (Fair Value through Profit or Loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



Utility Powertech Limited
Notes to financial statement for the year ended March 31, 2019

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

18.2. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:



Utility Powertech Limited
Notes to financial statement for the year ended March 31, 2019

1. Formulation of Accounting Policies

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviews, at the end of each reporting date, the useful life of property, plant and equipment and changes, if any, are adjusted prospectively, if appropriate.

3. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

6. Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

2- Non-current assets - Property, plant & equipment

Particulars	Gross block			Depreciation			(Amount ₹ in lacs)	
	As at April 1, 2018	Additions	Deductions/ adjustments	As at March 31, 2019	For the year	Deductions/ Adjustments	Upto March 31, 2019	Net block As at March 31, 2019
Assets taken on lease								
Leasehold land	1,596.98	-	-	1,596.98	51.98	-	177.48	1,419.50
Leasehold building	19.58	15.60	-	35.18	0.66	-	1.83	33.35
(A)	1,616.56	15.60	-	1,632.16	52.64	-	179.31	1,452.85
Own assets								
Building on leasehold land	104.60	-	-	104.60	4.10	-	16.40	88.20
Temporary structure	17.46	3.47	-	20.93	5.08	-	13.35	7.58
Furniture and fixtures	75.36	9.54	1.61	83.29	11.73	1.56	49.43	31.86
Computer equipments	143.17	25.21	4.63	163.75	35.13	4.46	104.63	59.12
Office equipments	36.54	3.46	0.86	39.14	6.22	0.83	20.61	18.53
Air conditioners	15.48	5.66	2.03	19.11	3.22	1.93	6.40	12.51
Vehicles	10.18	-	-	10.18	1.21	-	2.48	7.70
Plant & machinery	0.19	-	-	0.19	-	-	-	0.19
Electrical installations	17.93	-	-	17.93	3.87	-	15.96	1.97
Generator sets	0.57	-	-	0.57	-	-	-	0.57
(B)	421.48	47.34	9.13	459.69	70.56	8.78	229.46	230.23
Total (A) + (B)	2,038.04	62.94	9.13	2,091.85	123.20	8.78	408.77	1,683.08

As at March 31, 2018

Particulars	Gross block			Depreciation			(Amount ₹ in lacs)	
	As at April 1, 2017	Addition	Deductions/ Adjustments	As at March 31, 2018	For the year	Deductions/ Adjustments	Upto March 31, 2018	Net block As at March 31, 2018
Assets taken on lease								
Leasehold land	1,596.98	-	-	1,596.98	51.90	-	125.50	1,471.48
Leasehold building	19.58	-	-	19.58	0.39	-	1.17	18.41
(A)	1,616.56	-	-	1,616.56	52.29	-	126.67	1,489.89
Own assets								
Building on leasehold land	104.60	-	-	104.60	4.10	-	12.30	92.30
Temporary structure	17.46	-	-	17.46	4.86	-	8.27	9.19
Furniture and fixtures	62.30	13.06	-	75.36	14.47	-	39.26	36.10
Computer equipments	96.97	46.43	0.23	143.17	31.74	-	73.96	69.21
Office equipments	34.04	3.31	0.81	36.54	6.96	0.65	15.22	21.32
Air conditioners	11.13	4.35	-	15.48	2.41	-	5.31	10.17
Vehicles	10.18	-	-	10.18	1.21	-	1.27	8.91
Plant & machinery	20.37	-	20.18	0.19	1.82	16.43	-	0.19
Electrical installations	17.93	-	-	17.93	4.03	-	12.09	5.84
Generator sets	0.57	-	-	0.57	-	-	-	0.57
(B)	375.55	67.15	21.22	421.48	71.60	17.08	167.68	253.80
Total (A) + (B)	1,992.11	67.15	21.22	2,038.04	123.89	17.08	294.35	1,743.69

Note:

(1) Refer Note 27 for loss on sale of assets.



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

2A. Non-current assets - Capital Work-in-Progress

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Opening balance	12.53	-
Addition during the period	270.60	12.53
Capitalised during period	-	-
Closing balance	283.13	12.53

Note:

- (i) Capital work in progress as at March 31, 2019 comprise the expenditure for the property located at B-16, Sector-153,
(ii) For capital commitment (Refer note 29)

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Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

3. Non-current assets - Intangible assets

Particulars	Gross block					(Amount ₹ in lacs)		
	As at April 1, 2018	Addition	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Upto March 31, 2019	
Software	10.02	0.41	-	10.43	6.50	2.61	9.11	
Total	10.02	0.41	-	10.43	6.50	2.61	9.11	
As at March 31, 2018								1.32
Particulars	Gross block					(Amount ₹ in lacs)		
	As at April 1, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Upto March 31, 2018	
Software	7.97	2.05	-	10.02	3.85	2.65	6.50	
Total	7.97	2.05	-	10.02	3.85	2.65	6.50	
Notes:								3.52
(1) The Company does not have any internally generated intangible assets.								3.52

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Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

4. Non-current financial assets - Loans

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Loans		
Unsecured, considered good		
Security deposit with customers (Refer note i)	-	2.68
Others deposits for utilities	52.75	50.28
Total	52.75	52.96

Note:

- (i) It includes the amounts due from related parties (Refer note 36)
(ii) For explanation on the Company credit risk management process (Refer note 34)

5. Non-current financial assets - Other financial assets

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Restricted deposit with banks (Refer note-i & ii)		
Time deposits with banks	2.49	0.97
Unsecured, considered good		
Other receivables from contractors	59.19	68.69
Total	61.68	69.66

Note:

- (i) The restrictions are primarily on account of time deposits pledged with various government authorities.
(ii) The deposits maintained by the Company with banks comprise of time deposits which can be withdrawn by the Company subject to compliance of restrictions.

6. Non-current assets - Deferred tax assets (net)

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
On account of property, plant & equipment	8.32	-
Provision for leave encashment	107.77	83.79
Provision for gratuity	695.03	484.77
Provision for doubtful advances	125.08	103.00
Provision for ex-gratia	40.09	33.33
Measurement of assets at amortised cost	-	0.11
Deferred tax liabilities		
On account of property, plant & equipment	-	(1.56)
Measurement of liabilities at amortised cost	(24.50)	(20.20)
Net deferred tax asset	951.79	683.24

Note:

- (i) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

Movement in deferred tax balances

Particulars	(Amount ₹ in lacs)		
	Net balance April 1, 2018	Recognised in profit or loss	Net balance March 31, 2019
Difference in book depreciation and tax depreciation	(1.56)	9.88	8.32
Leave encashment	83.79	23.98	107.77
Gratuity	484.77	210.26	695.03
Doubtful advances	103.00	22.08	125.08
Ex-gratia	33.33	6.76	40.09
Measurement of liabilities at amortised cost	(20.20)	(4.30)	(24.50)
Measurement of assets at amortised cost	0.11	(0.11)	-
Net tax assets/(liabilities)	683.24	268.55	951.79

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Utility Powertech Limited

Notes to financial statements for the year ended March 31, 2019

7. Other Non Current Assets

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Capital advance (Refer note i)	46.70	-
Advances other than capital advance		
Advances to Contractors & suppliers		
Unsecured, considered doubtful	355.61	372.37
Less: Provision for doubtful advances (Refer note 36)	(201.94)	(201.94)
	153.67	170.44
Deposits under disputes		
Sales tax	9.14	10.20
Service tax	94.54	108.88
Others	63.96	39.86
Balance with statutory / Government authorities		
Cenvat credit receivable	-	30.77
Work contract tax	438.40	483.79
Less: Provision for doubtful works contract tax recoverable	37.37	37.37
	401.03	446.42
Advance tax and tax deducted at source (Net of provision for tax amounting to ₹ 2,842.78 lacs) (March 31, 2018: ₹ 2,274.95 lacs)	635.35	538.96
Others-Gold coins	0.84	-
Total	1,405.23	1,345.52

Note:

(i) Capital advance as at March 31, 2019 comprise the expenditure for the property located at B-16, Sector-153, Noida which is under the construction.

8. Current financial assets - Trade receivables

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Unsecured, considered good	15,545.35	12,700.96
Unsecured, considered doubtful		
With significant increase in credit risk (Refer note i)	-	-
Credit impaired (Refer note i)	60.32	-
Total		
Less: Allowance for the doubtful debts	(60.32)	-
	-	-
Total	15,545.35	12,700.96

Note:

(i) The Company has customers (NTPC Limited-"Government of India undertaking" and also shareholder of the company) and with capacity to meet the obligations and therefore the risk of default is negligible or NIL. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of the customer credit risk. Hence, no impairment loss recognised during the reporting period in respect of trade receivables.

(ii) Trade receivables are non interest bearing and generally receivables on terms of 15-30 days.

(iii) No trade receivable are due from directors or other officers of the Company and firms or Private companies in which any director is a partner, a director or a member either jointly or severally with other persons.

(iv) It includes the amount due from related parties (Refer note 36)

(v) For terms & conditions of trade receivables owing from related parties (Refer note 36).

(vi) For explanation on the company credit risk management process (Refer note 34)

(vii) For long outstanding trade receivables (Refer note 41).

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Utility Powertech Limited

Notes to financial statements for the year ended March 31, 2019

9. Current financial assets - Cash and cash equivalents

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Balances with banks		
Current accounts		
Deposits with original maturity upto three months	1,526.82	1,470.54
	2,420.00	2,700.00
Total	3,946.82	4,170.54

Note:

(i) For explanation on the company credit risk management process (Refer note 34)

9A. Current financial assets - Bank balances other than cash and cash equivalents

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Bank balances other than cash and cash equivalents		
Deposits with original maturity for more than three months and maturing within twelve months from Balance Sheet date (Refer note i)	11,346.27	10,693.24
Total	11,346.27	10,693.24

Note:

(i) Net of bank overdraft of ₹ 1.44 lacs (March 31, 2018: ₹ 1.14 lacs). The current accounts are linked to such time deposits with sweep in/sweep out facility, wherein in case of insufficient funds in current account, amounts are transferred from linked fixed deposits account as and when cheques are presented for payment. Time deposits made under this facility has original maturity of one year.

(ii) For explanation on the company credit risk management process (Refer note 34).

10. Current financial assets - Loans

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Loans		
Unsecured, considered good		
Security deposits with customers (Refer note i)		
Total	475.56	421.05

Note:

(i) It includes amount due from related parties (Refer note 36)

(ii) For explanation on the company credit risk management process (Refer note 34)

(iii) For long outstanding receivables (Refer note 41).

11. Current financial assets - Other financial assets

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Interest accrued on deposits with banks		
Advances & other recoverable from employees (Refer note i)	316.84	265.35
Unbilled revenue (Refer note i)	41.65	32.02
Total	12,257.18	10,449.73

Note:

(i) It includes amount due from related parties (Refer note 36)

(ii) For explanation on the company credit risk management process (Refer note 34)

12. Current assets - Current tax assets (net)

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Current tax (net of provision for tax amounting to ₹ 1,849.38 lacs) (March 31, 2018: ₹ 1,590.15 lacs)	700.57	657.18
Total	700.57	657.18

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Utility Powertech Limited

Notes to financial statements for the year ended March 31, 2019

13. Current assets - Other current assets

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Staff imprest	2.50	3.68
Prepaid expenses	17.13	5.97
Balances with Statutory/Government authorities		
Input tax credit-Goods and Service Tax	-	0.02
Interest receivable on income tax refund	43.10	-
Tax deducted at source-Goods and Service Tax	303.33	-
Total	366.06	9.67

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14. Equity share capital

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Equity share capital		
The Company has only one class of share capital having a par value of ₹ 10 each per share (Referred to herein as equity share)		
Authorised shares		
10,000,000 (March 31, 2018: 10,000,000) equity shares of ₹ 10 each	1,000.00	1,000.00
Issued, subscribed and fully paid up shares		
4,000,000 (March 31, 2018: 4,000,000) equity shares of ₹ 10 each	400.00	400.00

a) **Movements in equity share capital:**

During the year, the Company has neither issued nor bought back any shares.

b) **Terms and rights attached to equity shares:**

Voting

Each holder of equity share is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting, except in the case where interim dividend is distributed.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

c) During the last five financial years, company has not issued the bonus shares for any class of shares.

d) Shares held by the holding Company / ultimate holding Company and/or their associates/ affiliates/ subsidiaries and shareholders holding more than 5% shares in the Company.

The Company is a joint venture of NTPC Limited and Reliance Infrastructure Limited with each contributing to 50% of the share capital of the Company either directly or through their nominees/affiliates.

Name of the share holders	As at March 31, 2019		As at March 31, 2018	
	No. of shares	%age holding	No. of shares	%age holding
Equity share of ₹ 10 each, fully paid				
- NTPC Limited and its nominees (Refer note i)	20,00,000	50%	20,00,000	50%
- Reliance Infrastructure Limited and its nominees (Refer note ii)	20,00,000	50%	20,00,000	50%

Notes:

(i) None of the nominees /affiliates individually own more than 5% of the total shares issued by the Company.

(ii) Nominees /affiliates which hold more than 5% of the shares issued by the Company are as below:

Name of the share holders	As at March 31, 2019		As at March 31, 2018	
	No. of shares	%age holding	No. of shares	%age holding
- Species Commerce and Trade Private Limited (Formerly known as Spice Commerce and Trade Private Limited)	4,08,000	10.20	4,08,000	10.20
- Space Trade Enterprises Private Limited	4,00,000	10.00	4,00,000	10.00
- Skyline Global Trade Private Limited	4,00,000	10.00	4,00,000	10.00

e) **Dividend paid and proposed:**

During the year ended March 31, 2019, the amount of per share dividend recognised as distribution to equity share holders is ₹ 17.50 per share. (March 31, 2018: ₹ 12.50 per share).

Dividends proposed to be distributed for the equity shareholders for the year ended March 31, 2019 is ₹ 20.00 dividend per share (31 March 2018: ₹ 17.50 per share).



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

15. Other equity

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
General reserve	3,797.32	3,797.32
Retained earnings	7,616.23	5,603.72
Total	11,413.55	9,401.04

	(Amount ₹ in lacs)	
	For the year ended	
	March 31, 2019	March 31, 2018
(a) General reserve		
Opening balance	3,797.32	3,797.32
Add: Transfer from retained earnings	-	-
Closing balance	3,797.32	3,797.32
(b) Retained earnings		
Opening balance	5,603.72	3,968.08
Add: Profit after tax for the year as per Statement of Profit and Loss	2,855.32	2,102.06
Less: Dividend paid	700.00	500.00
Tax on dividend paid	143.89	101.79
	7,615.15	5,468.35
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurement of post-employment benefit obligation, net of tax	1.08	135.37
Closing balance	7,616.23	5,603.72
Total (a)+(b)	11,413.55	9,401.04

16. Non-current financial liabilities - Other financial liabilities

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Security deposits received from contractors	434.75	376.85
Total	434.75	376.85

Note:

(i) Deposits received from contractors are payable on successful completion of contract and fulfilment of all statutory compliances.

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Utility Powertech Limited

Notes to financial statements for the year ended March 31, 2019

17. Non-current liabilities - Provisions

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Gratuity	1,873.19	1,329.15
Leave encashment	284.44	215.59
Total	2157.63	1544.74

Note:

- (i) Disclosures as per Ind AS 19 'Employee Benefits' (Refer note 31)
(ii) Refer note 21 for short term provisions of Gratuity and Leave Encashment

18. Current financial liabilities - Trade payables

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Trade payables		
(i) Total outstanding dues of Micro enterprises and small enterprises (Refer note 37)	15,309.67	3,992.54
(ii) Total outstanding dues to creditors other than Micro enterprises and small enterprises	4,552.55	14,299.51
Total	19,862.22	18,292.06

Note:

- (i) The Company's exposure to liquidity risk related to trade payables is disclosed in (Refer note 34).
(ii) Disclosure with respect to micro and small enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is made in (Refer note 37).
(iii) Trade payables are non interest bearing and are normally settled in normal trade cycle.
(iv) It includes the amount due from related parties (Refer note 36)

19. Current financial liabilities - Other financial liabilities

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Other payables:		
Security deposits received from contractors (Refer note i)	13,650.72	11,946.34
Employee related payables	346.42	358.24
Payable for expenses	136.93	95.61
Total	14,134.07	12,400.19

Note:

- (i) Deposits received from contractors are payable on successful completion of contract and fulfillment of all statutory compliances.

20. Current liabilities - Other Current Liabilities

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Advances from customers and others	-	11.53
Statutory dues payables	834.97	728.04
Total	834.97	739.57

21. Current liabilities - Provisions

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Provision for		
Employee benefits (Refer note i)		
Gratuity	115.81	71.59
Leave encashment	23.98	26.52
Service tax liability (Refer note ii)	58.30	58.30
Total	198.09	156.41

Note:

- (i) Disclosures as per Ind AS 19 'Employee Benefits' (Refer note 31)
(ii) Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in (Refer note 33).
(iii) Refer note 17 for long term provision of Gratuity and Leave Encashment.



22. Revenue from operations

Particulars	(Amount ₹ in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from services rendered (Refer note below)	1,04,479.24	95,472.76
Other operating revenues		
Tender fees	45.84	12.63
Total	1,04,525.08	95,485.39

Note:

- (i) Revenue from operations represents revenue from contract with customers in accordance with Ind AS 115. Also refer note 43.
(ii) For related party transactions Refer note 36

23. Other Income

Particulars	(Amount ₹ in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on		
Deposits with banks	844.24	620.79
Financial assets measured at amortised cost	0.31	2.18
Dividend income on mutual fund investment (Refer note i)	89.52	70.33
	934.07	693.30
Other non-operating income		
Liabilities written back (Refer note ii)	122.91	-
Miscellaneous income	32.22	14.61
Interest on tax refund	43.39	60.82
Profit on sale of property, plant and equipment	-	3.17
	198.52	78.60
Total	1,132.59	771.90

Note:

(i) During the current year, The Company has invested an amount of ₹ 12,560.00 lacs in mutual funds of various Asset Management Companies and redeemed the invested amount including dividend.

(ii) As per section 15 chapter v for delayed payment to Micro and Small Enterprises supplier supplies goods and render any services to the any buyer, the buyer shall make the payment on or before the date agreed upon him and delayed payment to be calculated from the date of submission of bill along with all supporting documents (i.e. wage payment sheet, PF, ESI, GST and other compliances) as per contract. Accordingly the company will not be liable to pay interest on MSME and write back the amount of ₹ 123.65 lacs during the year. Net liability written back amounting ₹ 122.91 lacs is net off other miscellaneous items amounting ₹ 0.74 lac.

24. Employee benefits expense

Particulars	(Amount ₹ in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and other short term employees benefits (Refer note i)	2,821.32	2,588.82
Contributions to provident and other funds (Refer note i)	326.60	308.35
Gratuity expenses (Refer note ii)	618.38	437.61
Leave encashment	119.82	56.12
Staff welfare expenses	138.56	132.14
Total	4,024.68	3,523.04
Less: CSR expenses (Refer note 38)	(2.30)	(1.50)
Total	4,022.38	3,521.54

Notes:

(i) In accordance with significant accounting policy no 1C (7.1) an amount of ₹ 26.06 lacs (2017-18: ₹ 13.35 lacs) towards provident fund, pension, gratuity, post retirement medical facilities & other terminal benefits and ₹ NIL (2017-18: ₹ 4.39 lacs) towards leave & other benefits, are paid/payable to NTPC Ltd (venturer of the Company) and included under 'Employee benefits'.

(ii) Gratuity expenses include the expenses pertaining to employees directly engaged on the projects, which has not been separately disclosed under 'cost of materials and services consumed' as they are determined on an actuarial basis for the Company as a whole.

(iii) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 31.



Utility Powertech Limited

Notes to financial statements for the year ended March 31, 2019

25. Finance costs

Particulars	(Amount ₹ in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Finance charges on financial liabilities measured at amortised cost		
Unwinding of discounting of security deposit payable	160.65	162.47
Interest on payables to Micro and Small Enterprises (Refer note i)	-	114.29
Interest on delayed payment of TDS	-	0.19
Total	160.65	276.95

Note:

(i) As per section 15 chapter v for delayed payment to Micro and Small Enterprises supplier supplies goods and render any services to the any buyer, the buyer shall make the payment on or before the date agreed upon him and delayed payment to be calculated from the date of submission of bill along with all supporting documents (i.e. wage payment sheet, PF, ESI, GST and other compliances) as per contract. Accordingly the company will not be liable to pay interest on MSME and the same has been written back during the year.

26. Depreciation and amortisation expenses

Particulars	(Amount ₹ in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on Property, plant & equipment	123.20	123.89
Amortisation of intangible assets	2.61	2.65
Total	125.81	126.54

27. Other expenses

Particulars	(Amount ₹ in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Telephone expenses	91.80	87.10
Travelling expenses	63.41	68.33
Local conveyance expenses	6.50	5.63
Tender expenses	43.39	26.60
Legal and professional fees	125.81	92.56
Printing and stationery expenses	49.10	51.15
Vehicle hiring expenses	20.06	27.13
Payment to statutory auditors (excluding Goods and Service Tax):		
- Audit fee	13.20	12.00
- Tax audit fee	4.40	4.00
- Limited review	6.00	6.00
- Reimbursement of expenses	4.04	4.14
Insurance premium	10.39	14.37
Training & seminar expenses	13.12	19.67
Office rent (Refer Note 32)	4.35	5.04
Recruitment expenses	9.15	3.29
Rates and taxes	0.99	0.18
Repairs		
- Buildings	0.39	-
- Others	16.76	14.31
Office maintenance	104.30	94.20
Power & fuel	18.52	20.00
Business promotion expenses	1.69	1.00
Bank charges	4.95	4.67
Property, plant and equipment written off	-	0.31
Loss on sale of property, plant and equipment	0.21	-
Sundry balances written off	0.07	0.03
Swatch Bharat Cess	-	112.92
CSR expenses (refer note 39)		
- from Identified activities	60.48	66.19
- from Salary & wages	2.30	1.50
Provision for doubtful WCT recoverable	-	37.37
Provision for doubtful trade receivables	60.32	-
Miscellaneous expenses	37.33	34.48
Total	773.03	814.17



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

28. Disclosure as per Ind AS 33 on 'Earnings per Share'

Basic and diluted earnings per share

	March 31, 2019	March 31, 2018
Basic and diluted earnings per share (Refer note a & b)	71.38	52.55
Nominal value per share	10	10
(a) Profit attributable to equity shareholders (used as numerator)		
	(Amount ₹ in lacs)	
	March 31, 2019	March 31, 2018
Profit from operations	2,855.32	2,102.06
Profit attributable to equity shareholders	<u>2,855.32</u>	<u>2,102.06</u>
(b) Weighted average number of equity shares		
	March 31, 2019	March 31, 2018
Opening balance of issued equity shares	40,00,000	40,00,000
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares for Basic and Diluted EPS	<u>40,00,000</u>	<u>40,00,000</u>

(a) At present, the Company does not have any dilutive potential equity shares.

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Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

29. Contingent liabilities and commitments

Contingent liabilities

Particulars	Site	Footnote reference	Pertaining to the year	(Amount ₹ in lacs)	
				As at March 31, 2019	As at March 31, 2018
Sales tax demand	Samalkot Durgapur	a	FY 2002-03	11.22	11.22
		b	FY 2013-14	-	5.05
Service tax demand	Ramagundam	c	FY 2005-06 to 2009-10	151.71	161.09
	Kawas	d	FY 2005-06 & 2008-09	7.22	7.22
	Sipat	e	FY 2006-07 to 2010-11	76.17	76.18
	Korba	f	FY 2006-07 to 2010-11	-	252.04
	Vindhyanchal	g	FY 2006-07 to 2009-10	-	43.20
	Shaktinagar	h	FY 2006-07 to 2010-11	-	66.08
	Hazaribagh	i	FY 2007-08 to 2011-12	8.79	8.74
	Auraiya	j	FY 2012-13 to 2015-16	64.56	-
	Kahalgau	k	FY 2009-10 to 2012-13	5.98	-
	Talcher (TSTPP)	l	FY 2009-10 to 2011-12	148.74	-
	H.O.(Noida)	m	FY 2012-13 to 2015-16	71.86	-
	Durgapur	n	FY 2006-07 to 2007-08	10.59	10.37
	Farakka	o	FY 2009-10 to 2013-14	386.72	386.81
	Rihand	p	FY 2006-07 to 2010-11	194.78	-
	Shaktinagar	q	FY 2002-03 to 2006-07	-	0.39
	Simhadri	r	FY 2003-04 to 2007-08	-	23.34
	Tanda	s	FY 2008-09 to 2012-13	6.48	6.48
	Tanda	t	FY 2004-05 to 2008-09	-	65.38
	Talcher	u	Oct. 2010 to June 2012	47.06	-
Other matters	Other matters	v	-	601.53	393.28
Total				1,793.41	1,516.87

(a) **Samalkot:** The sales tax department had raised a demand of ₹11.22 lacs (previous year ₹ 11.22 lacs) on account of non grant of credit for Work Contract receivable. The Company has deposited ₹ 9.14 lacs (previous year ₹ 9.14 lacs) under protest against the demand and has filed an appeal with Sales Tax Appellate Tribunal. However, the date of next hearing is awaited.

(b) **Durgapur:** The company has settled the demand of Sales tax for the financial year 2013-14 under a scheme of West Bengal State Government by paying 35% of the demand amount. Accordingly the company has accepted the sales tax of ₹ 1.41 lacs. To close the case, the protest money deposited earlier ₹ 1.06 lacs and further amount of ₹ 0.35 lac has been deposited.

(c) **Ramagundam:** The Commissioner of Service Tax raised a demand towards service tax liability of ₹ 71.11 lacs (Previous year ₹ 80.49 lacs) and additional amount of ₹ 80.60 lacs (Previous year ₹ 80.60) towards penalty and interest thereon, as may be determined, on account of misclassification of services related to financial years 2005-06 to 2009-10. The Company filed an appeal against the assessment order before Custom Excise and Service Tax Appellate Tribunal (CESTAT). The CESTAT passed a stay order for demand and directed the company to deposit an amount of ₹ 3.15 lacs along with interest. In view of stay order, Company deposited ₹ 5.33 lacs towards demand and interest thereon. However the date of next hearing is awaited.

(d) **Kawas:** The Commissioner of Service Tax had raised a demand towards service tax liability of ₹ 12.47 lacs and further ₹ 12.52 lacs towards penalty and interest thereon on account of additions made related to year 2005-06 & 2008-09. Thereafter, the company filed an appeal before Commissioner (Appeal). The Commissioner (Appeal) reduced the demand to ₹ 3.61 lacs and an additional amount of ₹ 3.61 lacs towards penalty and interest thereon. Aggrieved by the order, both, the company and the department filed the appeal before the Custom Excise and Service Tax Appellate Tribunal (CESTAT). In response to the appeal, CESTAT dismissed the department appeal and granted a stay in the case of company's appeal. However, the date of next hearing is awaited.

(e) **Sipat:** The Commissioner of Service Tax had raised a demand towards service tax liability of ₹ 94.31 lacs and additional amount of ₹ 94.36 lacs towards penalty and interest thereon for the financial years 2006-07 to 2010-11. The company filed an appeal before CESTAT and CESTAT reduced the demand to ₹ 35.07 lacs plus penalty of ₹ 52.66 lacs and remanded back the case to original authority (Commissioner) for review towards the reduced demand. The Commissioner further reduced the demand to ₹ 16.72 lacs along with penalty of ₹ 74.55 lacs and interest thereon. Aggrieved by the order, the company filed an appeal against the balance demand of ₹ 16.72 lacs with Custom Excise and Service Tax Appellate Tribunal (CESTAT). Company has also made a provision of ₹ 15.10 lacs in earlier year. However, the date of next hearing is awaited.



Utility Powertech Limited

Notes to financial statements for the year ended March 31, 2019

- (f) **Korba:** The Commissioner of Service Tax had raised a demand towards service tax liability of ₹ NIL (Previous year ₹ 126.00 lacs) and additional amount of ₹ NIL (Previous year ₹ 126.04 lacs) towards penalty and interest thereon, as may be determined, on account of misclassification of services and other additions related to years 2006-07 to 2010-11. The Company deposited ₹ 18.82 lacs and ₹ 8.68 lacs against demand and interest respectively and ₹ 10.00 lacs towards pre-deposit for Appeal. The Company filed an appeal against the demand notice before Custom Excise and Service Tax Appellate Tribunal (CESTAT). The CESTAT dropped the demand by way of remand back the case to original adjudicating authority for re-assessment.
- (g) **Vindhyachal:** The Commissioner of Service Tax had raised a demand towards service tax liability of ₹ 43.20 lacs (Previous year ₹ 43.20 lacs) and additional amount of ₹ 43.20 lacs (Previous year ₹ 43.20 lacs) towards penalty and interest thereon, as may be determined, on account of misclassification of services and the additions related to years 2006-07 to 2009-10. The company filed an appeal with the Commissioner (Appeal) by depositing ₹ 43.20 lacs (Previous year 43.20 lacs) as amount under protest. However the the commissioner appeals rejected the same and accordingly the company recorded a provision of ₹ 43.20 lacs (Previous year ₹ 43.20 lacs) in books of accounts on conservative basis. Thereafter, the Company filed an appeal before Custom Excise and Service Tax Appellate Tribunal (CESTAT). During the current year CESTAT dropped the demand by way of remand back to original adjudicating authority for re-assessment.
- (h) **Shaktinagar:** The Service Tax department had raised a demand towards service tax liability of ₹ NIL as on March 31, 2019 (Previous years ₹ 32.99 lacs) and additional amount of ₹ NIL as on March 31, 2019 (Previous year ₹ 33.09 lacs) towards penalty and interest thereon, as may be determined, on account of misclassification of services and the additions related to years 2006-07 to 2010-11. The Company had filed an appeal before the Commissioner (Appeal) and the appeal was accepted by the Commissioner (Appeal) and awarded decision in favour of the Company. During the previous year, the department filed an appeal against the order of the Commissioner (Appeal) before Custom Excise and Service Tax Appellate Tribunal (CESTAT). During the current year, the CESTAT dropped the demand by way of rejecting the department appeal.
- (i) **Hazaribagh:** The Commissioner of Service Tax had raised a demand towards service tax liability of ₹ 14.49 lacs and additional amount of ₹ 14.54 lacs towards penalty and interest thereon, as may be determined, on account of non reconciliation of ST-3 return with financial statements related to financial years 2007-08 to 2011-12. Further the Company filed an appeal before the Commissioner (Appeal) by depositing ₹ 1.09 lacs (Previous year ₹ 1.09 lacs) towards pre-deposit for appeal and the appeal was accepted by the Commissioner (Appeal) by reducing the demand towards service tax liability to ₹ 4.37 lacs (Previous year ₹ 4.37 lacs) and towards penalty to ₹ 4.42 lacs (Previous year ₹ 4.37 lacs). Aggrieved by the order of Commissioner (Appeal), the Company filed a review petition against the order before the Custom Excise and Service Tax Appellate Tribunal (CESTAT). However the date of hearing is awaited.
- (j) **Auraiya:** The Commissioner of Service Tax raised a demand towards service tax liability of ₹ 32.23 lacs (Previous year ₹ NIL) and further an amount of ₹ 32.33 lacs (Previous year ₹ NIL) towards penalty and interest thereon, as may be determined, on account of difference between trial balance and ST-3 returns for the financial years 2012-13 to 2015-16. Aggrieved by the order, the Company has filed an appeal before the Commissioner (Appeal) by depositing ₹ 2.42 lacs towards pre-deposit for Appeal. However the date of hearing is awaited.
- (k) **Kahalgau:** The Commissioner of Service Tax raised a demand towards service tax liability of ₹ 23.52 lacs (Previous year ₹ NIL) and additional amount of ₹ 23.62 lacs (Previous year ₹ NIL) towards penalty and interest thereon, as may be determined on account of availing and utilizing inadmissible Cenvat Credit related to financial years 2009-10 to 2012-13. The Company filed an appeal before Commissioner (Appeal), by deposing ₹ 1.80 lacs towards pre-deposit for appeal. The Commissioner (Appeal) accepted the appeal by reducing the demand of Service Tax to ₹ 2.94 lacs and further ₹ 3.04 lacs towards penalty and interest thereon. In respond to the order of Commissioner (Appeal), company filed an appeal before the Custom Excise and Service Tax Appellate Tribunal (CESTAT). However the date of hearing is awaited.
- (l) **Talcher (TSTPP):** The Commissioner of Service Tax raised a demand towards service tax liability of ₹ 74.07 lacs (Previous year ₹ NIL) and additional amount of ₹ 74.67 lacs (Previous year ₹ NIL) towards penalty and interest thereon, as may be determined on account of misclassification of service related to financial years 2009-10 to 2011-12. The Company filed an appeal against the assessment order before The Commissioner (Appeal) by depositing ₹ 5.56 lacs towards pre-deposit for appeal. However the date of hearing is awaited.
- (m) **Noida:** The Commissioner of Service Tax raised a demand towards service tax liability of ₹ 35.93 lacs (Previous year ₹ NIL) and additional amount of ₹ 35.93 lacs (Previous year ₹ NIL) towards penalty and interest thereon, as may be determined on account of availing and utilizing inadmissible Cenvat Credit related to years 2012-13 to 2015-16. Aggrieved by the order, the Company filed an appeal against the assessment order before the Commissioner (Appeal) by depositing an amount of ₹ 2.65 lacs towards pre-deposit for appeal. However the date of hearing is awaited.
- (n) **Durgapur:** The Commissioner of Service Tax has raised a demand towards service tax liability of ₹ 5.19 lacs (Previous year ₹ 5.19 lacs) and additional amount of ₹ 5.40 lacs (Previous year ₹ 5.18 lacs) towards penalty and interest thereon, as may be determined on account of difference between trial balance and ST-3 return related to years 2006-07 to 2007-08. The Company filed an appeal before Commissioner (Appeal), but the appeal was rejected due to time barred. The Company filed an appeal against the assessment order before the Custom Excise and Service Tax Appellate Tribunal (CESTAT) by depositing ₹ 0.52 lac towards pre-deposit for appeal. The appeal was allowed by CESTAT by way of remand back the case to Commissioner (Appeal) for re-consideration of the earlier appeal. However the date of hearing is awaited.



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Notes to financial statements for the year ended March 31, 2019

(o) **Farakka:** The Commissioner of Service Tax has raised a demand towards service tax liability of ₹ 193.10 lacs (Previous year ₹ 193.10 lacs) and additional amount of ₹ 193.62 lacs (Previous year ₹ 193.71 lacs) towards penalty and interest thereon, as may be determined on account of difference between trial balance and ST-3 return and other miscellaneous points related to financial years 2009-10 to 2013-14.

The Company has filed an appeal against the assessment order before The Custom Excise and Service Tax Appellate Tribunal (CESTAT) by depositing ₹ 14.49 lacs towards pre-deposit for appeal. However the date of hearing is awaited.

(p) **Rihand:** The Commissioner of Service Tax raised a demand towards service tax liability of ₹ 97.29 lacs (Previous year ₹ NIL) and additional amount of ₹ 97.49 lacs (Previous year ₹ NIL) towards penalty and interest thereon, as may be determined on account of difference between trial balance and ST-3 return related to financial years 2006-07 to 2010-11. The Company filed an appeal against the assessment order before The Custom Excise and Service Tax Appellate Tribunal (CESTAT) by depositing an amount of ₹ 7.30 lacs towards pre-deposit for appeal. However the date of hearing is awaited.

(q) **Shaktinagar:** The Commissioner of Service Tax has raised a demand towards service tax liability of ₹ NIL as on March 31, 2019 (Previous year ₹ 0.19 lac) and additional amount of ₹ NIL as on March 31, 2019 (Previous year ₹ 0.20 lac) towards penalty and interest thereon, as may be determined on account of misclassification of service and others related to years 2002-03 to 2006-07. The Company filed an appeal before Commissioner (Appeal), but the appeal was rejected. The Company has deposited ₹ 0.09 lac as amount under protest. The Company filed an appeal against the demand order before The Custom Excise and Service Tax Appellate Tribunal (CESTAT). The case has been decided in favour of the company and demand has been dropped by the CESTAT.

(r) **Simhadri:** The Commissioner of Service Tax has raised a demand towards service tax liability of ₹ 31.13 lacs and additional amount of ₹ 31.13 lacs towards penalty and interest, as may be determined on account of misclassification of service and others related to years 2003-04 to 2007-08. The Company has deposited ₹ 31.13 lacs towards service tax amount and ₹ 23.56 lacs towards penalty (25%) and interest. The Company has filed an appeal before The Custom Excise and Service Tax Appellate Tribunal (CESTAT) for waiver of 75% penalty amount. The CESTAT has dropped the demand by way of remand back the case to original adjudicating authority for re-assessment.

(s) **Tanda:** The Service Tax officer issued a SCN for a demand of ₹ 7.19 lacs. The company filed the reply and considering the reply, Additional commissioner reduced the demand to ₹ 0.70 lac along penalty of Rs.0.70 lac. Accordingly, the company deposited ₹ 1.40 lacs towards the reduced assessment order.

Aggrieved by the order of Additional Commissioner, the department filed an appeal before the Commissioner (Appeal) and Commissioner (Appeal) accepted the same and restored the reduced demand of ₹ 6.48 lacs. In respond to order of Commissioner (Appeal), company filed an Appeal before The Custom Excise and Service Tax Appellate Tribunal (CESTAT) by depositing an amount of ₹ 0.65 lac towards pre-deposit for appeal. Hearing has been done on March 5, 2019 and the order is awaited.

(t) **Tanda:** The Service Tax officer issued a SCN for a demand of ₹ 66.23 lacs. The company filed the reply and considering the reply, commissioner reduced the demand to ₹ 0.85 lac along with interest and penalty. The company deposited ₹ 1.31 lacs towards demand including interest & penalty.

Aggrieved by the order of Commissioner, the department filed an appeal before CESTAT. During the current financial year, The CESTAT dismissed the appeal filed by the department.

(u) **Talcher:** The Commissioner of Service Tax raised a demand towards service tax liability of ₹ 23.33 lacs (Previous year ₹ NIL) and additional amount of ₹ 23.73 lacs (Previous year ₹ NIL) towards penalty and interest thereon, as may be determined on account of misclassification of service related to the period of October 2010 to June 2012.

Aggrieved by the order, the Company has filed an appeal against the demand order before The Commissioner (Appeal) by depositing ₹ 1.75 lacs towards pre-deposit for appeal. However the date of hearing is awaited.

(v) **Other Matters:** In respect of claims made by various parties towards compensation, recovery etc. under various statutes such as Contract Labour & Abolition Act, 1970, Workmen compensation Act, 1923, Civil Procedure code 1908, etc., contingent liability of ₹ 601.53 lacs (Previous year ₹ 306.00 lacs) has been estimated. The Company has deposited ₹ 63.96 lacs (Previous year ₹ 39.86 lacs) as amount under protest against such demands.

Based on the Interpretations of the provisions of the relevant statutes, the Company is of the view that the demands referred above are likely to be deleted or substantially reduced and penalty waived off by appellate authorities at higher levels and accordingly no further provision is required.

In current year, Two cases related compensation under contract labour & abolition Act, 1970 has been dismissed by court and decretal amount deposited to court has been credited to plaintiff:

i) In case of M/s Amit Traders filed a suit for a sum of ₹ 17.14 lacs against due compensation against the work executed by him. The court passed the judgement in favour of the plaintiff on June 20, 2015. The Company had deposited ₹ 29.82 lacs alongwith interest on August 31, 2015. Thereafter the company filed SLP before Supreme Court.

During the current year, the final verdict of Supreme Court has come with dismissal of SLP. The total amount deposited under protest with deciding authority under decretal amount of ₹ 29.82 lacs has been set off against total compensation to plaintiff based on dismissal of case by supreme court of India.

ii) In the case of Vijay Bahadur, the claimant had claimed ₹ 7.00 lacs towards the death of his son on the plea that he was working under the employment supervision and control of the contract under BSES. An Appeal was filed by the company by depositing an amount of ₹ 4.85 lacs each by M/s UPL & BSES.

During the current year, the appeal filed by the company has been rejected by court and decretal amount of ₹ 4.85 lacs deposited with deciding authority has been set off accordingly.



Utility Powertech Limited

Notes to financial statements for the year ended March 31, 2019

iii) During the current year, one case related to employee State insurance Corporation is added in which the Deputy Director, ESIC Hyderabad passed an order under section 45A of ESI Act to deposit an amount of contribution on omitted wage in ESI Contribution for the period from September 1, 2013 to March 31, 2017. Aggrieved against the said order, the company filed an Appeal on November 27, 2018 before Appellate Authority by depositing an amount of ₹ 58.77 lacs, i.e., 25% of demand amount. However, the date of next hearing is awaited.

Capital commitments

Estimated amount of contracts remaining to be executed on capital account (Property, plant and equipment) and not provided for as at March 31, 2019 is ₹ 856.30 lacs inclusive of estimated amount of contract ₹ 792.46 lacs entered during the year (March 31, 2018: ₹ 71.82 lacs).



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

30. Disclosure as per IND AS - 12 on 'Income taxes'

(a) Income Tax Expense

i) Income tax recognised in Statement of Profit and Loss

Particulars	(Amount ₹ in lacs)	
	For the year ended March 31,	For the year ended March 31,
Current tax expense		
Current year		
Adjustment for earlier years	1,848.80	1,518.50
Total current tax expense	201.65	174.16
	2,050.45	1,692.66
Deferred tax expense		
Origination and reversal of temporary differences		
Total deferred tax expense	(268.55)	(76.08)
	(268.55)	(76.08)
Total income tax expense	1,781.90	1,616.58

ii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
	- Net actuarial gains/(losses) on defined benefit plans	1.66	0.58	1.08	207.02	71.65
	1.66	0.58	1.08	207.02	71.65	135.38

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
Profit before tax	4,637.22	3,718.64
Tax using the Company's domestic tax rate of 34.94% (March 31, 2018 - 34.61%)	1,620.43	1,287.01
Tax effect of:		
Difference in WDV as per Income tax & Companies Act	13.42	18.90
Tax-exempt income	(31.28)	(24.35)
CSR Expenses	21.94	23.43
Expense disallowed u/s 14A of the Income Tax Act, 1961	7.00	6.28
Interest on MSME parties	(39.94)	39.56
Earlier year tax adjustment	201.65	174.16
Others	(11.32)	91.59
At the effective Income tax rate of 38.43% (March 31, 2018: 43.47%)	1,781.90	1,616.58



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

31. Disclosure as per Ind AS 19 on 'Employee benefits'

(i) Defined Contribution Plans:

A. Provident Fund

The Company pays fixed contributions to the Provident fund plan at a predetermined rate as per the provisions of The Employees Provident Fund & Miscellaneous Provisions Act, 1952. These contributions made to the fund are administered and managed by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The contribution of ₹ 1,035.76 lacs (March 31, 2018: ₹ 808.18 lacs) to the Provident fund for the year is recognised as expense and is charged to the Statement of Profit and Loss. Out of total contribution made during the year, ₹ 290.34 lacs (March 31, 2018: ₹ 281.05 lacs) included in Contribution to Provident Fund and other funds under employee benefit expenses (Refer Note 24) and ₹ 745.42 lacs (March 31, 2018: ₹ 527.13 lacs) included in cost of material and services consumed.

Particulars	(Amount ₹ in lacs)	
	March 31, 2019	March 31, 2018
Employee benefit expense	290.34	281.05
Cost of material and services consumed	745.42	527.13
Total	1035.76	808.18

B. Superannuation Fund

The company pays yearly contributions to the superannuation fund set up by the company and administered by a board of trustees. The company pays benefits to eligible employees under superannuation plan. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The contribution of ₹ 13.73 lacs (March 31, 2018: ₹ 11.00 lacs) to the superannuation fund for the year is recognised as expense and is charged to the Statement of Profit and Loss. (Refer note 24)

(ii) Defined Benefit Plan:

A. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 20.00 lacs on superannuation, resignation, termination, disablement or on death.

In case of permanent employees, liability in respect of Gratuity is recorded based on actuarial valuation at the balance sheet date. Gratuity in respect of such employees is funded by the Company and contribution is made to group gratuity policy issued by Life Insurance Corporation of India.

In case of fixed tenure / contractual employees, the liability in respect of Gratuity is recorded based actuarial valuation as at the Balance Sheet date. Gratuity in respect of such employees

I. Movement in net defined benefit (asset)/liability on Gratuity plan (Funded)

	(Amount ₹ in lacs)					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening balance	162.74	130.38	122.21	100.96	40.53	29.42
Included in the Statement of Profit and Loss:						
Current service cost	18.38	13.99	-	-	18.38	13.99
Past service cost	-	7.89	-	-	-	7.89
Interest cost / (income)	12.36	9.91	-	-	12.36	9.91
Total amount recognised in the Statement of Profit and Loss	30.74	31.79	-	-	30.74	31.79
Included in OCI:						
Remeasurement loss / (gain):						
Actuarial loss / (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	36.70	0.57	-	-	36.70	0.57
Experience adjustment	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	8.90	9.14	(8.90)	(9.14)
Total amount recognised in other comprehensive income	36.70	0.57	8.90	9.14	27.80	(8.57)
Others						
Contributions paid by the employer	-	-	11.60	12.12	(11.60)	(12.12)
Benefits paid	-	-	-	-	-	-
Closing balance	230.18	162.74	142.71	122.21	87.47	40.53



Utility Powertech Limited

Notes to financial statements for the year ended March 31, 2019

II. Movement in net defined benefit (asset)/liability on Gratuity plan (Unfunded)

	Defined benefit obligation		Fair value of plan assets		(Amount ₹ in lacs) Net defined benefit (asset) liability	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Opening balance	1,360.24	1,165.51	-	-	1,360.24
Included in the Statement of Profit and Loss:						
Current service cost	493.54	324.92	-	-	493.54	324.92
Past service cost	-	-	-	-	-	-
Interest cost / (Income)	103.38	88.58	-	-	103.38	88.58
Total amount recognised in the Statement of Profit and Loss	596.92	413.50	-	-	596.92	413.50
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss / (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(38.75)	(206.13)	-	-	(38.75)	(206.13)
Experience adjustment	-	-	-	-	-	-
Total amount recognised in other comprehensive income	(38.75)	(206.13)	-	-	(38.75)	(206.13)
Others						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(16.88)	(12.64)	-	-	(16.88)	(12.64)
Closing balance	1,901.53	1,360.24	-	-	1,901.53	1,360.24

III. Plan assets

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at March 31, 2019 has not been provided by Life Insurance Corporation of India.

IV. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Economic assumptions:
Discount rate
Salary escalation rate
Demographic assumptions:
Retirement age
Mortality table
Withdrawal rates (All ages)

Gratuity (Funded)		Gratuity (Unfunded)	
March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
7.66%	7.60%	7.87%	7.60%
8.50%	6.50%	9.00%	8.00%
58 years		65 years	
Indian Assured Lives Mortality (2006-08) ultimate table		Indian Assured Lives Mortality (2006-08) ultimate table	
1% per annum	1% per annum	6% per annum	7% per annum



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

Notes:

- (i) The discount rate has been assumed at 7.66% p.a. (Regular employees) & 7.87% p.a. (Contractual employees) (Previous year 7.60% p.a. For all employees) which is determined by reference to market yield on government security at the Balance Sheet date.
(ii) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the

V. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

Discount rate 0.5% (0.5% movement)
Salary escalation rate 0.5% (0.5% movement)
Mortality rate 0.5% (1 year)
Withdrawal rates (All ages) 0.5% (1 year)

(Amount ₹ in lacs)			
Gratuity (Funded)			
March 31, 2019		March 31, 2018	
Increase	Decrease	Increase	Decrease
(8.69)	9.20	(6.35)	6.72
8.12	(7.93)	6.76	(6.44)
Negligible	Negligible	Negligible	Negligible
Negligible	Negligible	Negligible	Negligible

Discount rate 0.5% (0.5% movement)
Salary escalation rate 0.5% (0.5% movement)
Mortality rate 0.5% (1 year)
Withdrawal rates (All ages) 0.5% (1 year)

(Amount ₹ in lacs)			
Gratuity (Unfunded)			
March 31, 2019		March 31, 2018	
Increase	Decrease	Increase	Decrease
(93.35)	102.65	(71.39)	78.24
99.85	(92.51)	76.28	(70.67)
Negligible	Negligible	Negligible	Negligible
Negligible	Negligible	Negligible	Negligible

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.
The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

VI. Expected maturity analysis of the gratuity plan in future years

Less than 1 year
Between 1-2 years
Between 2-5 years
Over 5 years
Total

(Amount ₹ in lacs)			
Gratuity (Funded)		Gratuity (Unfunded)	
March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
3.22	5.98	112.58	65.61
3.39	2.37	162.72	86.16
43.14	32.56	296.68	247.92
180.43	121.82	1,329.55	960.55
230.18	162.73	1,901.53	1,360.24

Expected contributions to gratuity plans for the year ending March 31, 2020 are ₹ 777.77 lacs

The weighted average duration of the gratuity (funded) defined benefit plan obligation at the end of the reporting period is 10.40 years (March 31, 2018: 11.06 years).

The weighted average duration of the gratuity (unfunded) defined benefit plan obligation at the end of the reporting period is 10.75 years (March 31, 2018: 11.27 years).

VII. Risk Exposure

The post employment benefit plan exposes the company to concentration risk and actuarial risks such as interest rate risk and market (investment) risk.



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

B. Leave encashment

Provision for leave encashment benefits payable to its regular employees with respect to accumulated privilege and sick leaves outstanding at the year end is made by the Company on basis of actuarial valuation and is non funded.

I. Movement in net defined benefit (asset)/liability

	Leave encashment (Unfunded) Defined benefit obligation		Sick leave encashment (Unfunded) Defined benefit obligation	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Amount ₹ in lacs)			
Opening balance	113.83	125.28	110.05	102.27
Included in the Statement of Profit and Loss:				
Current service cost	12.99	10.41	9.88	9.21
Past service cost	-	-	-	-
Interest cost (income)	8.65	9.52	8.37	7.77
Actuarial loss (gain)	32.35	(9.27)	7.69	(9.19)
Total amount recognised in the Statement of Profit and Loss	53.99	10.66	25.94	7.79
Others				
Contributions paid by the employer				
Benefits paid	(13.35)	(22.11)	(0.70)	-
Closing balance	154.47	113.83	135.29	110.05

II. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	Leave encashment (Unfunded)		Sick leave encashment (Unfunded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Amount ₹ in lacs)				
Economic assumptions:				
Discount rate	7.66%	7.60%	7.66%	7.60%
Salary escalation rate	8.50%	6.50%	8.50%	6.50%
Demographic assumptions:				
Retirement age	58 years		58 years	
Mortality table	Indian Assured Lives Mortality (2006-08) ultimate table		Indian Assured Lives Mortality (2006-08) ultimate table	
Withdrawal rates (All ages)	1% per annum	1% per annum	1% per annum	1% per annum
Rate of availing leave in the long run	5.00% per annum	5.00% per annum	2.84% per annum	16.20% per annum
Rate of encashment of leave whilst in service.	5.00% per annum	5.00% per annum	Nil	Nil

Notes:

- The discount rate has been assumed at 7.66% p.a. (Previous year 7.60% p.a.) which is determined by reference to market yield on government security at the Balance Sheet date.
- The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

32. Disclosure as per Ind AS 17 on 'Leases'

a) Operating leases

i Leases as lessee

The Company's leasing arrangements are in respect of office premises. The lease term of the premises is 11-17 months and is accordingly an operating lease. Following are the terms of the significant leasing arrangements:

- a) The lease is not cancellable and not non-cancellable. Lease payments amounting ₹ 1.56 lacs (March 31, 2018: ₹ 1.40 lacs) are included under 'Rent' in Note 27 - 'Other expenses'.
- b) The lease is cancellable and renewable at the option of lessee. Lease payments amounting ₹ 1.48 lacs (March 31, 2018: ₹ 1.54 lacs) are included under 'Rent' in Note 27 - 'Other expenses'.
- c) The lease is cancellable and renewable at the option of lessee. Lease payments amounting ₹ 1.31 lacs (March 31, 2018: ₹ 2.10 lacs) are included under 'Rent' in Note 27 - 'Other expenses'.

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Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

33. Disclosure as per Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'

Movements in provisions:

Provision for service tax liability	(Amount ₹ in lacs)	
	March 31, 2019	March 31, 2018
Carrying amount at the beginning of the year	58.30	58.30
Additions during the year	-	-
Amounts used during the year	-	-
Reversal/adjustments during the year	-	-
Carrying amount at the end of the year	<u>58.30</u>	<u>58.30</u>

The commissioner of service tax had raised a demand towards service tax liability on account of misclassification of services and additions made on account of abatement disallowed related to year 2006-07 to 2010-11 in Sipat and year 2006-07 to 2009-10 in Vindhyachal. (For details refer note 29).

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Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

34. Fair Value Measurements

(a) Financial instruments by category

Except investment in mutual funds which are measured through FVTPL, all other financial assets and liabilities viz. investment in National Savings Certificates, trade receivables, security deposit with customers, cash and cash equivalents, other bank balances, unbilled revenue, interest receivable, recoverable from employees, security deposits received from contractors, trade payables, employee related liabilities and payable for expenses, are measured at amortised cost.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under Ind As 113 "Fair Value Measurement" the accounting standard. An explanation of each level follows underneath the table.

There are no financial assets/liabilities measured at fair value/amortised cost for which Level 1 and 2 inputs have been used hence disclosure related to Level 1 and 2 inputs are not applicable.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 3* (Amount ₹ in lacs)	
	March 31, 2019	March 31, 2018
Financial liabilities:		
Security deposits received from contractors	14,085.46	12,323.19

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

There have been no transfers in either direction for the years ended 31 March 2019 and 2018.

*The fair value of the financial instruments is determined using discounted cash flow analysis.

(c) Fair value of financial assets and liabilities measured at amortised cost

Particulars	Note	(Amount ₹ in lacs)			
		March 31, 2019		March 31, 2018	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Security deposits received from contractors	16 & 19	14,155.58	14,085.46	12,381.55	12,323.19

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, unbilled revenue, interest receivable, recoverable from employees, trade payables, employee related liabilities and payable for expenses are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits received from contractors were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

34. Financial Risk Management (contd..)

The Company's principal financial liabilities comprise security deposits received from contractors, employee related liabilities, trade payables and other payables. The Company's principal financial assets include investments, trade and other receivables, security deposits and cash and fixed deposits that derive directly from its operations.

This note presents information about the sources of risks to which the company is exposed to, the Company's objectives, policies and processes for measuring and managing risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit rating	Diversification of bank deposits and credit limits
Liquidity risk	Security deposits received from contractors, trade payables and other financial liabilities.	Cash flow forecasts	Maintaining adequate funds in the form of cash and bank balances and monitoring expected cash inflows on trade receivables.
Market risk- other price risk	Investments in mutual funds	Sensitivity analysis	Portfolio diversification

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

34. Financial Risk Management (contd...)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables

The activities of the company primarily include operation and maintenance of electrical and mechanical equipments, civil maintenance of townships, residual life assessment studies, construction/erection of buildings and electrical equipments mainly in power sector. The invoices raised to customers immediately falls due for payment when raised and the average collection period comes out to be 30 days from the date of raising the invoice. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. The Company provides majority of its services to NTPC Limited (one of the shareholder of the company and is a government of India undertaking) and to its joint venture and subsidiary companies. The credit risk with respect to amounts outstanding from these companies is considered to be insignificant. Refer Note 36 on disclosure on related party transactions with respect to amount outstanding as at reporting date.

Investments

The Company invest in daily dividend mutual fund schemes. In these type of schemes mutual fund house declare dividend on daily basis. In order to manage the credit risk the company has following policies and procedures:

- The Company invest in only those mutual funds having credit rating not less than AAA/P1 as applicable.
- The corpus of any scheme of Public Sector Mutual Fund where investment is proposed shall not be less than Rs. 2,000 crore provided total average asset under management of AMC who is managing the scheme shall not be less than Rs.5,000 crore.
- The corpus of any scheme of Private Sector Mutual Fund where investment is proposed shall not be less than Rs.10,000 crore provided total average asset under management of AMC who is managing the scheme shall not be less than Rs.50,000 crore.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 3,946.82 lacs (March 31, 2018: ₹ 4,170.54 lacs). The cash and cash equivalents are held with scheduled banks.

Deposits with banks

The company held deposits with banks and financial institutions of ₹ 11,348.77 lacs (March 31, 2018: ₹ 10,693.24 lacs). In order to manage the risk, the company limits its investment in fixed deposits with a single bank upto 60% of total investment. Further the Company invest only with scheduled banks.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	(Amount ₹ in lacs)	
	March 31, 2019	March 31, 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current financial assets - Loans	52.75	52.96
Non-current financial assets - Other financial assets	61.68	69.66
Current financial assets - Cash and cash equivalents	3,946.82	4,170.54
Current financial assets - Bank balances other than cash and cash equivalents	11,348.27	10,693.24
Current financial assets - Loans	475.56	421.05
Current financial assets - Other financial assets	12,615.67	10,747.10
Total	28,498.75	26,154.55
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Current financial assets - Trade receivables	15,545.35	12,700.96
Total	15,545.35	12,700.96

Based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of any asset as the amount are insignificant.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing as at March 31, 2019	(Amount ₹ in lacs)						
	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount	-	7,143.17	1,861.23	742.51	207.72	5,590.72	15,545.35
Ageing as at March 31, 2018	(Amount ₹ in lacs)						
	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount	-	5,058.77	1,358.66	576.08	455.45	5,252.00	12,700.96

In case of payments due from government parties there is no default as there is insignificant credit risk. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. Further, the Company does not anticipate any material credit risk of any of its other receivables.



Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

34. Financial Risk Management (contd...)

Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due and to close out market positions. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities over the next six months. The Company also monitors the level of expected cash inflows on trade receivables with the expected cash outflows on trade payables and other financial liabilities. As at March 31, 2019, the expected cash flows from trade receivables realising in two months are ₹ 15,545.35 lacs (March 31, 2018: ₹ 12,700.96 lacs).

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

Contractual maturities of financial liabilities	(Amount ₹ in lacs)					
	March 31, 2019					
	3 months or less	3-12 months	1-2 years	2-3 years	More than 3 years	Total
Non-derivative financial liabilities						
Security deposits received from contractors	11,570.20	1,935.50	579.07	0.69	-	14,085.46
Employee related liabilities	166.17	180.25	-	-	-	346.42
Payable for expenses	132.85	4.08	-	-	-	136.93
Trade and other payables	19,862.22	-	-	-	-	19,862.22
	31,731.44	2,119.83	579.07	0.69	-	34,431.03

Contractual maturities of financial liabilities	(Amount ₹ in lacs)					
	March 31, 2018					
	3 months or less	3-12 months	1-2 years	2-3 years	More than 3 years	Total
Non-derivative financial liabilities						
Security deposits received from contractors	9,914.21	2,024.52	426.29	16.53	-	12,381.55
Employee related liabilities	155.75	202.49	-	-	-	358.24
Payable for expenses	95.61	-	-	-	-	95.61
Trade and other payables	18,292.06	-	-	-	-	18,292.06
	28,457.63	2,227.01	426.29	16.53	-	31,127.46

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Since, the Company does not have any foreign currency transactions and borrowings, the currency risk and interest risk is not applicable on the Company.

Other Price risk

The Company's exposure to mutual fund price risk arises from investments held by the company and classified in the balance sheet at fair value through profit or loss. The Company invest in debt based liquid mutual funds that offers daily dividend. To manage its price risk arising from investments in mutual funds, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company and approved by board of directors. The following limits are applicable in case investment in mutual funds;

- Investment (including existing investment) in any asset management company (AMC) shall not exceed Rs. 30 crores or 30% of total investment (Mutual Fund plus FDR's) of the company, whichever is less on the day of investment.
- Overall total investment of company in mutual fund shall not exceed Rs. 50 crores or 50% of total investment (Mutual Fund plus FDR's) of the company whichever is less on the day of investment.

Sensitivity analysis

The company does not have any market risk exposure as at March 31, 2019 hence sensitivity disclosure is not applicable.



35. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company's target is to achieve a return on capital above 39.25%; in previous year the return was 37.94%.

36. Disclosure as per Ind AS - 24 on 'Related Party Disclosures'

a) List of Related parties:

Name of the Party	Nature of relationship
(i) Venturers:	
1. NTPC Limited (NTPC)	Venturer
2. Reliance Infrastructure Limited (R. Infra)	Venturer
(ii) JV & Subsidiaries of venturers:	
1. Kanti Bijlee Utpadan Nigam Ltd.	Subsidiary of NTPC
2. Bhartiya Rail Bijlee Company Ltd..	Subsidiary of NTPC
3. Nabinagar Power Generating Company Ltd.	Subsidiary of NTPC
4. NTPC Vidyut Vyapar Nigam Ltd.	Subsidiary of NTPC
5. NTPC Electric Supply Company Ltd.	Subsidiary of NTPC
6. Patratu Vidyut Utpadan Nigam Ltd.	Subsidiary of NTPC
7. BSES Yamuna Power Ltd.	Subsidiary of NTPC
8. Parbati Koldam Transmission Company Ltd.	Subsidiary of Reliance Infra
9. Reliance Power Transmission Ltd.	Subsidiary of Reliance Infra
10. Delhi Airport Metro Express Private Ltd.	Subsidiary of Reliance Infra
11. Talcher II Transmission Company Ltd.	Subsidiary of Reliance Infra
12. NTPC- SAIL Power Company Ltd.	Subsidiary of Reliance Infra
13. NTPC-Tamil Nadu Energy Company Ltd.	Joint Venture of NTPC
14. Ratnagiri Gas and Power Private Ltd.	Joint Venture of NTPC
15. Aravali Power Company Private Ltd.	Joint Venture of NTPC
16. Energy Efficiency Services Ltd.	Joint Venture of NTPC
17. Meja Urja Nigam Private Ltd.	Joint Venture of NTPC
18. NTPC-BHEL Power Projects Private Ltd.	Joint Venture of NTPC
19. National High Power Test Laboratory Private Ltd.	Joint Venture of NTPC
20. Konkan LNG Pvt. Ltd.	Joint Venture of NTPC
21. Hindustan Urvarak & Rasayan Limited	Joint Venture of NTPC
22. NTPC -GE Power Service Private Ltd	Joint Venture of NTPC
23. BF-NTPC Energy Systems Ltd	Joint Venture of NTPC
24. Transformers and Electricals Kerala Ltd.	Joint Venture of NTPC
25. Anushakti Vidyut Nigam Ltd.	Joint Venture of NTPC
26. CIL NTPC Urja Pvt. Ltd.	Joint Venture of NTPC
27. Trincomalee Power Company Ltd	Joint Venture of NTPC
28. Bangladesh India Friendship Power Company Pvt. Ltd.	Joint Venture of NTPC
29. Reliance Power Ltd.	Joint Venture of NTPC
30. Reliance Infocomm Infrastructure Limited (Formerly known as Reliance Infocomm Limited)	Associate of Reliance Infra Significant influence of Reliance Infra
iii) Key Managerial Personnel (KMP):	
Shri Suhas Madhav Gokhale (w.e.f. March 19, 2019)	Chief Executive Officer
Shri Gopal Ravindra (w.e.f. July 19, 2018 to March 15, 2019)	Chief Executive Officer
Shri Rajendra Kumar Singh Gahlowt (till June 30, 2018)	Chief Executive Officer

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(Amount ₹ in lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Transactions made during the year with related party		
1. Revenue from services rendered		
NTPC Limited		
JV & Subsidiaries of venturers	82,842.91	76,620.32
	20,426.87	17,767.25
2. Employee Benefit Expense		
NTPC Limited (includes an amount of ₹ 42.26 lacs (March 31, 2018: ₹ NIL) towards remuneration of Key Managerial Personnel)	158.89	105.22
Key Management Personnel	2.75	11.00
3. Dividend		
NTPC Limited		
Reliance Infrastructure Limited	350.00	250.00
	138.60	99.00
4. Bank Guarantee issued/enhanced		
NTPC Limited		
JV & Subsidiaries of venturers	1,000.00	150.00
	141.65	124.50
5. Bank Guarantee Cancelled		
NTPC Limited		
JV & Subsidiaries of venturers	901.00	0.55
	30.00	6.35
6. Contribution paid		
Superannuation Fund	-	11.00
7. Leave Encashment		
Key Management Personnel	0.14	2.00
8. Sitting Fee		
Key Management Personnel*	-	1.90
* Sitting fee is exclusive of Service Tax / GST.		
9. Reimbursement of Expenses		
Key Management Personnel	1.72	2.96
10. Perquisite		
Key Management Personnel	6.33	8.15
11. Provision for doubtful trade receivable		
NTPC Ltd.	60.32	-

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	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
<i>Balances outstanding at the end of the period:</i>		
<u>1. Trade Receivables</u>		
NTPC Limited (Net of provisions)	11,876.03	9,373.78
Reliance Infra	57.60	57.60
JV & Subsidiaries of venturers	3,104.90	3,028.19
<u>2. Long Term Loans and Advances</u>		
NTPC Limited	-	2.68
<u>3. Short Term Loan and Advances</u>		
NTPC Limited	282.29	296.38
JV & Subsidiaries of venturers	44.97	55.00
<u>4. Other Current Financial Assets (including unbilled debtors)</u>		
NTPC Limited	9,186.87	8,320.39
JV & Subsidiaries of venturers	3,033.25	1,890.44
<u>5. Bank Guarantee</u>		
NTPC Limited	1,369.04	1,270.04
JV & Subsidiaries of venturers	454.61	342.96
<u>6. Employee related payables</u>		
Key Management Personnel	0.05	0.20
<u>7. Leave Encashment Payable</u>		
Key Management Personnel	-	2.00
<u>8. Trade payables</u>		
NTPC Limited	6.32	49.37

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Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

37. Information in respect of micro and small enterprises as at March 31, 2019 as required by Micro, Small and Medium Enterprises Development Act, 2006

Particulars	(Amount ₹ in lacs)	
	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in		
- Principal amount due to micro and small enterprises	15,309.67	3,992.54
- Interest due on above	-	114.29
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	123.65
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	2.58

38. Disclosure as per Ind AS 108 on 'Operating segments'

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Company's Chief executive officer has been identified as the Chief Operating Decision Maker (CODM), since he is responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning and alliance.

Chief executive officer reviews the operating results of "Power Station Operation and Maintenance business" at Company level to assess its performance. Accordingly, there is only one Reportable Segment for the Company which is "Power Station Operation and Maintenance business", hence no specific disclosures have been made.

Entity wide disclosures

Information about products and services

The Company primarily deals in one business namely 'Power Station Operation and Maintenance business', therefore product wise revenue disclosure is not applicable.

Information about geographical areas

The Company provides services to customers which are domiciled in India. Also, all the assets of the Company are located in India.

Information about major customers (from external customers)

The Company derives revenues from the following customers which amount to 10 per cent or more of an entity's revenues:

Customer	(Amount ₹ in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
NTPC Limited	82,842.91	76,620.32

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Utility Powertech Limited

Notes to financial statements for the year ended March 31, 2019

39. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

Particulars	(Amount ₹ in lacs)	
	March 31, 2019	March 31, 2018
A. Amount required to be spent during the year		
B. Shortfall amount of previous year	62.78	60.97
C. Total (A+B)	-	6.72
	<u>62.78</u>	<u>67.69</u>
D. Amount spent during the year on-		
- Construction/ acquisition of any asset		
- On purposes other than above		
- from identified activities		
- from Salary & wages	60.48	66.19
Total	2.30	1.50
	<u>62.78</u>	<u>67.69</u>
Shortfall/(Excess) amount carried forward to next year	-	-

a) Amount spent during the year ended March 31, 2019:

Particulars	In cash/bank	Yet to be paid in cash/bank	Total
Construction/ acquisition of any asset			
On purposes other than above	62.78	-	62.78

a) Amount spent during the year ended March 31, 2018:

Particulars	In cash/bank	Yet to be paid in cash/bank	Total
Construction/ acquisition of any asset			
On purposes other than above	67.69	-	67.69

40. The Company has neither transacted nor entered into any contract involving foreign currency transaction during the reporting period.

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Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

41. The details of trade and other receivables, advances and security deposits which are outstanding for a considerable period of time are given below. In the opinion of the management these amount are outstanding against actual services rendered and supported by valid contractual agreements. However such balances are outstanding due to necessary clearance, submission of required documents and satisfaction of other procedural requirement. The Company is in process of completing and complying with required terms of the contract. Wherever there are issues on contract terms and conditions the company has taken up with higher authorities of the customer, or has made required provisions after considering the facts and circumstances in certain cases. Since, these balances are receivables from related parties the management does not consider it necessary to record any further provision over and above already provided against such receivables.

Further in case of advances to contractor and suppliers, the required services have been given by them. However the bills submitted by them are on hold due to various procedural reasons which will be knocked-off in due course with the actual payments.

Nature of Balance	Note	As at March 31, 2019	
		Total Amount (₹ in lacs)	Amount o/s more than 36 Months (₹ in lacs)
Trade receivables	8	15,545.35	2,013.07
Other receivables from contractors	5	59.19	59.19
Advances to Contractors & suppliers	7	153.67	72.23
Security deposits with customers	4 & 10	475.56	136.38

Nature of Balance	Note	As at March 31, 2018	
		Total Amount (₹ in lacs)	Amount o/s more than 36 Months (₹ in lacs)
Trade receivables	8	12,700.96	1,369.40
Other receivables from contractors	5	68.69	68.69
Other receivables from contractors	7	170.44	65.11
Security deposits with customers	4 & 10	423.73	114.09

42. Trade payables, advances and security deposits payable to various sub-contractors are outstanding for a considerable period of time. In the opinion of the management such balances are payable and are outstanding mainly on account of submission of certain documents and proof of compliance with respect to statutory dues by sub-contractors. Management does not consider it necessary to write back such payables. Details of outstanding balances are as under:

Nature of Balance	Note	As at March 31, 2019	
		Total Amount (₹ in lacs)	Amount o/s more than 36 Months (₹ in lacs)
Trade payables	18	18,686.62	803.43
Security deposits	16 & 19	14,085.46	2,387.97

Nature of Balance	Note	As at March 31, 2018	
		Total Amount (₹ in lacs)	Amount o/s more than 36 Months (₹ in lacs)
Trade payables	18	18,292.06	714.14
Security deposits	16 & 19	12,323.19	1,976.40

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Utility Powertech Limited
Notes to financial statements for the year ended March 31, 2019

43. Details with regard to Revenue, Trade Receivables, Unbilled Revenue etc in reference to Ind AS 115. Refer note 1C for nature of revenue and Accounting Policy.

S.No.	Particulars	AMOUNT ₹ IN LACS
A. As at 31 March 2018		
1	Trade Receivables(Note 8)	12,700.96
2	Unbilled revenue(Note 11)	10,449.73
3	Advance / deposits received from customers	-
B. Transactions during the year 2018-19		
1	Revenue recognised during the year 2018-19 (total to tally with disclosed under Note- Revenue from operations)	1,04,479.24
2	Unbilled revenue billed during the year (out of A2 above)	10,132.33
3	Amount booked to Revenue from advance from customers (out of A3 and included in B1)	-
4	Revenue pertaining to previous years recognised during the current year (included in B1 above)	-
C. As at 31 March 2019		
1	Trade Receivables(Note 8)	15,545.35
2	Unbilled revenue(Note 11)	12,257.18
3	Advances / deposits received from customers	-

44. These financial statements were authorized for issue by Board of Directors on May 01, 2019.

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date: May 01, 2019



For and on behalf of the Board of Directors of
Utility Powertech Limited


A. N. Verma
Chairman
DIN-07937764


Amarjeet Singh
Director
DIN-68265546


A. C. Srivastava
Chief Financial Officer

Place: New Delhi
Date: May 01, 2019


Aditya Dar
Director
DIN-08079013


S. M. Gokhale
Chief Executive Officer


Gaurav Agrawal
Company Secretary
FCS - 6823

