



B.R SOBTI & CO.

CHARTERED ACCOUNTANTS

Limited Review Report on the Interim Financial Statements of M/S Kashmir Power Distribution Corporation Limited:

We have reviewed the accompanying interim financial statements of M/S Kashmir Power Distribution Corporation Limited, which comprise the balance sheet as on 31st December 2023, and the related statements of Profit and Loss for the ended on 31st December 2023, and the related notes to the interim financial statements.

Management's Responsibility for the Interim Financial Statements:

The Company's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with applicable financial reporting framework and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility:

Our responsibility is to conduct the review engagements in accordance with applicable review standards issued by ICAI, which require us to perform procedures to obtain limited assurance about whether the interim financial statements are free from material misstatement.

Limited Review Procedures:

We conducted our review in accordance with review standard **SRE 2410** issued by ICAI, including performing analytical procedures and making inquiries of management. A review is substantially less in scope than an audit conducted in accordance with auditing standards, the objective of which is the expression of an opinion regarding the financial statements as a whole.

Conclusion:

Except for **Emphasis of Matter** Para below and based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with applicable financial reporting framework.



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Emphasis of Matter:

The corporation does not have suitable procedure for recording of Fixed assets and liabilities w.r.t such Fixed assets as a result, we are not able to conclude accuracy of Fixed Assets and liabilities thereof.

The Revenue grants received as GIA and Police Salary along with matching share has been received through PAOs for which Expenditure statements have been received for verifying the financial statements. As such books have not been kept on double entry system as required under the applicable reporting framework.

Similarly, for the Centre sponsored schemes, the organization does not have proper accounting system in place, for recording such grants and expenditure thereof. Therefore, the additions made to assets and the Grants recognized in the financial statements could not be cross verified.

The Capital WIP cannot be cross verified as the details of all projects which are undergoing and are classified as WIP have not been provided.

Report on Other Legal and Regulatory Requirements (if applicable):

The corporation has not completed its audit for financial year 2021-22 & 2022-23 the opening balances remain unaudited and therefore could not be cross verified.

The ROC filing of the corporation has not been done since financial year 2019-20.

For. B R Sobti and Co.

Chartered Accountants

FRN: 000449N

(Partner)

Format For Discoms For FY2021-22 on wards

State:	Kashmir UT
Discom:	KASHMIR POWER DISTRIBUTION CORPORATION LIMITED
Current Year (CY)	2023-24
Previous Year (PY)	2022-23

Profit & Loss

Table 1: Revenue Details

Quarter 3
2023-24

Revenue from Operations (A = A1+A2+A3+A4+A5+A6)	-
A1: Revenue from Sale of Power	
A2: Fixed Charges/Recovery from theft etc.	
A3: Revenue from Distribution Franchisee	
A4: Revenue from Inter-state sale and Trading	
A5: Revenue from Open Access and Wheeling	
A6: Any other Operating Revenue	
Revenue - Subsidies and Grants (B = B1+B2+B3)	47,776.61
B1: Tariff Subsidy Booked	
B2: Revenue Grant under UDAY	
B3: Other Subsidies and Grants	47,776.61
Other Income (C = C1+C2+C3)	-
C1: Income booked against deferred revenue*	
C2: Misc Non-tariff income from consumers (including DPS)	
C3: Other Non-operating income	
Total Revenue on subsidy booked basis (D = A + B + C)	47,776.61
Tariff Subsidy Received (E)	
Total Revenue on subsidy received basis (F = D - B1 + E)	47,776.61
Whether State Government has made advance payment of subsidy for the quarter(Yes/No)	No

Figures in lakhs

*Revenue deferred by SERC as per tariff order for the relevant FY

Note: For B3 * (Other Subsidies & Grants) amounts to the Revenue GIA received by KPDCL on monthly basis from the Govt. of UT of J&K

Table 2: Expenditure Details

Quarter 3
2023-24

Cost of Power (G = G1 + G2+ G3)	-
G1: Generation Cost (Only for GEDCOS)	
G2: Purchase of Power	
G3: Transmission Charges	
O&M Expenses (H = H1 + H2 + H3 + H4 + H5 + H6 + H7)	55,297.58
H1: Repairs & Maintenance	1,360.35
H2: Employee Cost	44,485.10
H3: Admn & General Expenses	1,842.88
H4: Depreciation	7,520.97
H5: Total Interest Cost	
H6: Other expenses	88.28
H7: Exceptional Items	
Total Expenses (I = G + H)	55,297.58
Profit before tax (J = D - I)	(7,520.97)
K1: Income Tax	
K2: Deferred Tax	
Profit after tax (L = J - K1 - K2)	(7,520.97)

Figures in lakhs

Director Finance, KPDCL

Managing Director, KPDCL

Balance Sheet	
Table 3: Total Assets	2023-24 As on 31st Dec, 2023
M1: Net Tangible Assets & CWIP	4,39,313.89
M2: Other Non-Current Assets	0.00
M3: Net Trade Receivables	
M3a: Gross Trade Receivable Govt. Dept.	
M3b: Gross Trade Receivable Other-than Govt. Dept.	
M3c: Provision for bad debts	
M4: Subsidy Receivable	
M5: Other Current Assets	33,930.26
Total Assets (M = M1 + M2 + M3 + M4 + M5)	4,73,244.15
Table 4: Total Equity and Liabilities	
N1: Share Capital & General Reserves	5.000
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	3,30,807.39
N3: Government Grants for Capital Assets	1,04,346.73
N4: Non-current liabilities	
N5: Capex Borrowings	-
N6a: Long Term Loans - State Govt	
N6b: Long Term Loans - Banks & Fls	
N6c: Short Term/ Medium Term - State Govt	
N6d: Short Term/ Medium Term - Banks & Fls	
N6: Non-Capex Borrowings	-
N7a: Short Term Borrowings/ from Banks/ Fls	
N7b: Cash Credit/ OD from Banks/ Fls	
N8: Payables for Purchase of Power	
N9: Other Current Liabilities	38,085.04
Total Equity and Liabilities (N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)	4,73,244.16
Balance Sheet Check	0.01

Figures in lakhs

Table 5: Technical Details	Quarter 3 2023-24
O1: Total Installed Capacity (MW) (Quarter Ended) (Only for GEDCOs)	-
O1a: Hydel	
O1b: Thermal	
O1c: Gas	
O1d: Others	
O2: Total Generation (MU) (Quarter Ended) (Only for GEDCOs)	-
O2a: Hydel	
O2b: Thermal	
O2c: Gas	
O2d: Others	
O3: Total Auxiliary Consumption (MU) (Quarter Ended)	
O4 : Gross Power Purchase (MU) (Quarter Ended)	2,510
Gross Input Energy (MU) (O5 = O2 - O3 + O4)	2,510
O6: Transmission Losses (MU)(Interstate & Intrastate)	35
O7: Gross Energy sold (MU)	1,308
O7a: Energy Sold to own consumers	1,308
O7b: Bulk Sale to Distribution Franchisee	-
O7c: Interstate Sale/ Energy Traded/Net UI Export	-
Net Input Energy (MU) (O8 = O5 - O6 - O7c)	2,475
Net Energy Sold (MU) (O9 = O7 - O7c)	1,308
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	-
O11: Opening Gross Trade Receivables (including any adjustments) (Rs crore)	
O12: Adjusted Gross Closing Trade Receivables (Rs crore)	
Revenue Collected including subsidy received (O13 = A1 + A2 + A3 + E + O11 - O12)	-
Billing Efficiency (%) (O14 = O9/O8*100)	52.86
Collection Efficiency (%) (O15 = O13/O10*100)	78.99
Energy Realised (MU) (O15a = O15*O9)	1,033
AT&C Loss (%) (O16 = 100 - O14*O15/100)	58.25

Director, Finance, KPDCL

Managing Director, KPDCL

Table 6: Key Parameters		Quarter 3 2023-24
ACS (Rs./kWh) (P1 = I*10/O5)		220.35
ARR on Subsidy Booked Basis (Rs./kWh) (P2 = D*10/O5)		190.38
Gap on Subsidy Booked Basis (Rs./kWh) (P3 = P1 - P2)		29.97
ARR on Subsidy Received Basis (Rs./kWh) (P4 = F*10/O5)		190.38
Gap on Subsidy Received Basis (Rs./kWh) (P5 = P1 - P4)		29.97
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (Rs./kWh) (P6 = (F-B-C1)*10/O5)		190.38
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P7 = P1 - P6)		29.97
Receivables (Days) (P8 = 365*M5/A)		#DIV/0!
Payables (Days) (P9 = 365*N10/G)		#DIV/0!
Total Borrowings (P10 = N6 + N8 + N9)		38,085

Table 7: Consumer Categorywise Details of Sale (MU)		Quarter 3 2023-24
Q1: Domestic		894
Q2: Commercial		143
Q3: Agricultural		11
Q4: Industrial		114
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)		98
Q6: Others		49
	Railways	
	Bulk Supply	
	Miscellaneous	
	Distribution Franchisee	
	Interstate/ Trading/ UI	
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)		1,309

Table 8: Consumer Categorywise Details of Sale (Rs. Crore)		Quarter 3 2023-24
Q1: Domestic		266
Q2: Commercial		84
Q3: Agricultural		7
Q4: Industrial		57
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)		74
Q6: Others		42
	Railways	
	Bulk Supply	
	Miscellaneous	
	Distribution Franchisee	
	Interstate/ Trading/ UI	
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)		529.65

Note:-

In pursuance of the Govt. of J&K Power Development Department unbundling Order No. 191-PDD of 2019 Dated: 23-10-2019, Kashmir Power Distribution Corporation Limited (KPDCL) came into existence as a Distribution company. The Power Purchase and Revenue realization is been done by the Administrative Department J&K, PDD. KPDCL receives Grants (both Revenue & Capital) from administrative Department, J&K, PDD. The Revenue Grants are received by KPDCL on monthly basis for carrying out the operational expenditure. Both the Grants have been duly reflected in the Balance Sheet of KPDCL. the Revenue Grants have been shown as Other Subsidies & Grants in the Excel Sheet above. The Power purchase and Revenue receipts are not reflected in the Books of Accounts of KPDCL, as such the same are not shown in the Balance sheet of Q3, F/Y 2023-24. Keeping in view the above facts, the Revenue & Power purchase do not form part of the Table -1 & Table-2 given above.

Table 8: Consumer Categorywise Details of Revenue (Rs. Crore)		Quarter 3 2023-24 Revenue Booked excluding subsidy
R1: Domestic		246
R2: Commercial		71
R3: Agricultural		4
R4: Industrial		56
R5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)		63
R6: Others		41
	Railways	
	Bulk Supply	
	Miscellaneous	
	Distribution Franchisee	
	Interstate/ Trading/ UI	
Gross Energy Sold (R7 = R1 + R2 + R3 + R4 + R5 + R6)		481

Director Finance, KPDCL

Managing Director, KPDCL

Table 9: Power Purchase Details		Quarter 3 2023-24
		in MUs
Power Purchase through Long term PPA		
Own Generation for GEDCOs		
Power Purchase (Short term & Medium Term)		2,510
Total Power Purchase		2,510


Director Finance, KPDCL


Managing Director, KPDCL