



ANALYSIS OF RECEIVABLES AND PAYABLES

Total receivables of the Company at the beginning of the reported period totaled RUB 8,833 million, reaching RUB 8,064 million by the year-end. The change in receivables was mainly affected by reduced electricity transmission receivables. Receivables from customers and contractors totaled RUB 7,561 million (- RUB 897 million YoY). Advances paid reached RUB 14 million (-RUB 5 million YoY). Advances paid decreased in fixed asset lease and settlements with PAO FSK UES for technological connection. Other receivables gained RUB 133 million and amounted to RUB 489 million by the year-end due to increased 1Q 2018 income tax advances, as compared to 1Q 2017, pursuant to clause 2 Article 286 of the Russian Tax Code.

Electricity transmission receivables contributed 91% to the Company's total receivables. Overdue claim administration, performed by the Company during 2017, has resulted in positive judgments worth RUB 4,132 million, incl. RUB 3,481 million principle debt recovery claim and RUB 651 million penalty recovery claim, namely:

- electricity transmission: 183 positive judgments worth RUB 3,902 million (RUB 3,312 million principle debt recovery claim and RUB 590 million penalty recovery claim). Efficiency of overdue electricity transmission claim administration totaled 99% in 2017.
- technological connection: 167 positive judgments worth RUB 161 million (RUB 116 million principle debt recovery claim, RUB 45 million penalty recovery claim).
- other legal relations (incl. no-contract consumption): 825 positive judgments worth RUB 69 million (RUB 53 million principle debt, RUB 16 million penalties).

During FY2017 OAO IDGC of Urals claimed and successfully collected RUB 990 million as payments to cover penalties imposed for failures to pay for electricity transmission services, incl. payments from: PAO Chelyabenergosbyt (RUB 509 million), AO Roskommunenergo (RUB 195 million), OOO NUESK (RUB 19 million), AO Oboronenergosbyt (RUB 16 million). Volume of denied electricity transmission debt claims totaled RUB 96 million (RUB 33 million as principle debt recovery claim, RUB 63 million as penalties recovery claim). During the reported period the Company wrote off the inventory bad debt worth RUB 45 million, incl. RUB 22 million for the electricity transmission.

As of 31.12.2017 payables totaled RUB 6,878 million (- RUB 1,433 million YoY). Payables underwent the following changes:

- Suppliers and contractors: payables reached RUB 3,812 million (- RUB 981 million) due to reduced payables owed to: electricity transmission suppliers (- RUB 660 million), building contractors (- RUB 142 million), repair contractors (- RUB 19 million), other electric and thermal power suppliers (- RUB 71 million), other suppliers and contractors (- RUB 89 million). The contraction is accounted for by changes in settlement periods with PAO FSK UES for electricity transmission services in line with the Decree³⁸; partial recovery of debt for purchased energy to compensate losses in December 2017 to sales companies by the set-off; payment for the works/services to Company's SMB contractors.
- Advances paid: payables totaled RUB 1,408 million (- RUB 132 million YoY). Reduction is accounted for by lowered connection advances and advances to compensate power line transfers.
- Taxes and levies: payables amounted to RUB 991 million (- RUB 248 million YoY) due to decreased income tax liabilities.
- Other payables: payables totaled RUB 667 million (- RUB 72 million YoY) due to lowered debt to state and non-budgetary funds.

Analysis of receivables, RUB million

Indicator	As of 31.12.2017	As of 31.12.2016	As of 31.12.2015
Total receivables, incl.:	8,064	8,833	8,379
customers and contractors	7,561	8,458	6,964
electricity transmission	7,353	8,071	6,507
bills receivable			
advances paid	14	19	38
other receivables	489	356	1,377

Analysis of payables, RUB million

Indicator	As of 31.12.2017	As of 31.12.2016	As of 31.12.2015
Total payables, incl.:	6,878	8,311	9,671
customers and contractors	3,812	4,793	5,888
bills payable			
advances received	1,408	1,540	1,746
taxes and levies	991	1,239	790
other payables	667	739	1,247