

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Uttar Pradesh Power Corporation Limited,
Shakti Bhawan,
Lucknow.

Report on Consolidated Financial Statements

Qualified Opinion:

We have audited the accompanying consolidated financial statements of Uttar Pradesh Power Corporation Limited (hereinafter referred to as the "Holding Company"), and its six subsidiaries, namely Madhyanchal Vidyut Vitran Nigam Limited, Lucknow, (MVVNL), Purvanchal Vidyut Vitran Nigam Limited, Varanasi, (PuVVNL), Paschimanchal Vidyut Vitran Nigam Limited, Meerut, (PVVNL), Dakshinanchal Vidyut Vitran Nigam Limited, Agra, (DVVNL), Kanpur Electricity Supply Company Limited, Kanpur, (KESCO) and Southern UP Power Transmission Company Limited (SUPPTCL) (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2020, the consolidated statement of Profit and Loss (including other Comprehensive Income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph of our report, the aforesaid consolidated 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India.

- a) In the case of consolidated balance sheet, of the state of affairs (Financial Position) of the Group as at March 31, 2020.
- b) In the case of consolidated statement of Profit and Loss, of the consolidated net loss (financial performance including other comprehensive income) of the Group for the year ended on that date;
- c) In the case of consolidated cash flows and changes in equity of the Group for the year ended on that date.

Basis for Qualified Opinion:

We draw attention to the matters described in "Basis for Qualified Opinion" paragraph of the audit report on standalone financial statements of Holding company, audited by us and the subsidiaries namely MVVNL, PuVVNL, PVVNL, DVVNL, KESCO and SUPPTCL audited by other auditors. These matters in so far, as it relates to the amounts and disclosures included in respect of Holding and its Subsidiaries, are included in 'Annexure-1', which forms an integral part of our report, the effects of which are not ascertainable individually or in aggregate on the consolidated financial statements that constituted the basis for modifying our opinion. Our opinion on the consolidated financial statements, is qualified in respect of the matters referred to in 'Annexure-1' to this report, to the extent applicable.



We conducted our audit of the consolidated financial statements in accordance with the 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 consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters except for the matters described in "Basis for Qualified Opinion" section. We have determined that there are no other key audit matters to communicate in our report.

Emphasis of Matter Paragraph:

As explained in Para 42 (X) of Note 31 - " Notes on Accounts", due to the outbreak of Covid-19 globally and in India, the Company's management has made an initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term in nature. The management does not see any medium to long-term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they fall due. Our opinion is not modified in respect of this matter.

Information other than the consolidated financial statements and Auditor's Report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The above Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above identified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Management's responsibility for the consolidated financial statements:

The Holding company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section



133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the consolidated financial statements:

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

- a. We did not audit the financial statements / financial information of subsidiaries namely MVVNL, PuVVNL, PVVNL, DVVNL, KESCO and SUPPTCL, whose financial statements / financial information reflect the Group's share of total assets, as detailed below, and the net assets as at 31st March, 2020, total revenues and net cash flows for the year ended on that date, and also include the Group's share of net loss for the year ended 31st March, 2020, as considered in the consolidated financial statements in respect of these subsidiaries, whose financial statements / financial information have been audited by other auditors and whose reports have been furnished to us by the Management . Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.



(Rs. in Lakhs)

Name of the Companies	Total Assets as at 31.03.2020	Net Assets i.e., Total Assets minus Total Liabilities as at 31.03.2020	Total Net Profit/ (Loss) as at 31.03.2020	Net Cash in Flows/ (outflows) as at 31.03.2020
Subsidiaries:				
Madhyanchal Vidyut Vitran Nigam Limited, Lucknow, (MVVNL)	41,10,464.66	2,77,791.47	(65,999.32)	(13,262.36)
Purvanchal Vidyut Vitran Nigam Limited, Varanasi, (PuVVNL)	49,80,075.35	(1,04,485.65)	(1,20,430.19)	(24,593.91)
Paschimanchal Vidyut Vitran Nigam Limited, Meerut, (PVVNL)	28,94,843.29	(2,06,730.42)	(1,06,786.32)	(38,924.58)
Dakshinanchal Vidyut Vitran Nigam Limited, Agra, (DVVNL)	36,34,345.98	(8,71,303.66)	(62,902.58)	(21,866.93)
Kanpur Electricity Supply Company Limited, Kanpur, (KESCO)	4,61,478.60	(1,82,545.13)	(23,105.17)	(32,838.61)
Southern UP Power Transmission Company Limited (SUPPTCL)	62.75	61.83	0.92	1.06
Total	1,60,81,270.6	(10,87,211.56)	(3,79,222.66)	(1,31,485.33)
CFS Adjustment	--		88,131.18	
Grand Total	1,60,81,270.6	(10,87,211.56)	2,91,091.48	

- b. One subsidiary company namely, Sonbhadra Power Generation Company Limited and one associate company namely, Yamuna Power Generation Company Limited has been dissolved w.e.f. 27th March, 2019 and 25th March, 2019 respectively and their names have been struck off by the ROC-Kanpur. Hence, the financial statements of these companies have not been incorporated in the Consolidated Financial Statements (Refer Para 29 and 30 of Note 31 "Notes on Accounts").

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements:

1. As required by section 143(3) of the Act, based on our audit on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph to the extent applicable, we report that:



- a. Except for the matters described in the "Basis for Qualified Opinion" paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion and except for the matters described in the "Basis for Qualified Opinion" paragraph of our report, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the company so far as it appears from our examination of those books and the reports of the other auditors.
- c. The reports on the accounts of the subsidiaries of the company audited under section 143 (8) of the Act by the other auditors have been provided to us by the management and have been properly dealt with by us in preparing this report.
- d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- e. Except for the matters described in the "Basis for Qualified Opinion" paragraph, in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.
- f. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India; provisions of sub-section (2) of section 164 of the Act, regarding disqualification of the directors are not applicable to the Company.
- g. With respect to the adequacy of the internal financial controls system over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure-II", which is based on the auditors' report of the holding company and its subsidiary companies incorporated in India. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the effects of the matters described in the "Basis of Qualified Opinion" paragraph, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Annexure I to Independent Auditors Report

(As referred to in "Basis of Qualified Opinion" paragraph of our audit report of even date to the members of U.P. Power Corporation Limited on the Consolidated Financial Statements of the Group for the year ended 31st March, 2020)

Based on our audit on the consideration of our report of the Holding Company and the report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph to the extent applicable, we report that:

1. The Group has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended):

- a. *Trade Receivable (Note-10), Financial Assets-Other (Note-12), Other Current Assets (Note-13), Trade payable (Current) (Note-19) and Other Financial Liabilities (Note-20)* have been classified as current assets/liabilities include balances which are outstanding for realisation/settlement since previous financial years and in the absence of adequate information/explanations regarding the realisability/settlement of such amounts within twelve months after the year end, reasons for not classifying them as non-current assets/liabilities **is inconsistent with Ind AS-1 "Presentation of Financial Statements"**. This has resulted in over statement of respective current assets/liabilities and understatement of the corresponding non-current assets/liabilities.
- b. Recognition of Insurance and other claims, refunds of Custom duty, Interest on Income Tax & trade tax, license fees, interest on loans to staff and other items of income covered by *Significant Accounting Policy no. 2 (c) of Note-1* has been done on cash basis. **This is not in accordance with the provisions of Ind AS-1 "Presentation of Financial Statements"**.
- c. Accounting for Employee Benefits: Actuarial Valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (*Refer Para 14 Note – 31 "Notes on Accounts"*). **This is inconsistent with Ind AS-19 "Employee Benefits"**.
- d. Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost (*Refer accounting policy no. 3(VII)(a) of Note-1*). Valuation of stores and spares for O & M and others **is not consistent with Ind AS-2 "Inventories" i.e., valuation at lower of cost and net realizable value**. Further, the stores and spares for capital work should be classified as part of Property, Plant and Equipment and recognised, measured and disclosed in accordance with *Ind AS-16 "Property, Plant and Equipment"*.
- e. As per the opinion drawn by the auditors of KESCO, according to *Ind AS-16 "Property, Plant and Equipment"*, the carrying amount of an item of property, plant and equipment shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. There may be property, plant & equipment from which no future economic benefits are expected and the same have not been derecognized. The company has a prevalent practice of derecognizing property plant & equipment as and when it is sold as scrap which is in violation to Ind AS 16. The impact of the above is not ascertainable.

f. "Inventories" includes obsolete stock, valued at cost, which is inconsistent **with Ind AS-2 "Inventories" i.e., it should be valued at its Net Realisable Value**.



- g. Additions during the year in Property, Plant and Equipment include employee cost at a fixed percentage of the cost of each addition to Property, Plant and Equipment in accordance with *Note-1 Significant Accounting Policy Para (3)(II)(e)*. Such employee cost to the extent not directly attributable to the acquisition and/or installation of Property, Plant and Equipment is ***inconsistent with Ind AS-16 "Property, Plant and Equipment"***. This has resulted in overstatement of fixed assets and depreciation and understatement of employee cost and loss.
- h. The auditors of the subsidiaries reported that depreciation on fixed assets have not been provided on pro-rata basis which is ***inconsistent with Schedule – II of the Companies Act, 2013 and Ind AS-16 "Property, Plant and Equipment"*** to the extent applicable.
- i. Assessment of the Impairment of Assets has not been done by the Group, ***which is inconsistent with Ind AS-36 "Impairment of Assets"***.
- j. Right to use an asset is classified as tangible asset instead of Intangible asset by PVVNL and distribution license taken by DVVNL is not yet recognised at all by the Group which is ***inconsistent with Ind AS-38 "Intangible assets"***. This has resulted in understatement of Intangible assets and amortisation expenses.
- k. The *Financial Assets- Trade Receivables (Note-10), Advances to Suppliers/Contractors (O&M) (Note- 13), Employees (Receivables) (Note-12) and Loans (Note-7)* have not been measured at fair value as required by ***Ind AS-109 "Financial Instruments" (Refer Para 8 of Note-31 "Notes on Accounts")*** and proper disclosures as required in ***Ind AS-107 "Financial Instruments: Disclosures"*** have not been done for the same.
- l. The Borrowing Cost allocated to CWIP amounting to Rs. 21,565.30 lacs by PVVNL is not in accordance with ***Ind AS-23 "Borrowing Cost"*** as there is no system of identification of qualifying assets and interrupted projects.
- m. PVVNL has not made any disclosure with respect to nature of contingent liabilities and estimate of its financial effects which is not in compliance with disclosure requirement of ***Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets"***.
- n. As per the opinion drawn by the auditors of KESCO, according to ***Ind AS-10 'Events after the reporting period'***, an entity shall adjust the amounts recognized in its Ind AS financial statements to reflect adjusting events after the reporting period. In this regard the company has not adjusted the liability of pending litigations as at 31st March, 2020 which have been settled till the date of approval of Ind AS financial statements by the Board of Directors. Also, no details were made available for verification. The impact of the above is not ascertainable.
- o. As per the opinion drawn by the auditors of PVVNL, License Fees is not accounted for on accrual basis. License Fees is paid as and when the demand is raised by UPERC and no provision is made for the amount due, which is not in adherence to the provisions of ***Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets"***. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.
- p. As per the opinion drawn by the auditors of PVVNL, ***IND AS-20 Accounting for Government grants*** is done on the basis of advice from Uttar Pradesh Power Corporation Ltd., the holding company, which is not in accordance with accrual system of accounting as required by Indian GAAP and also not in consonance with the IND AS 20. Impact of non-compliance of the above IND AS on the financial statements is not ascertainable. (Refer to 2(X) of 'Significant Accounting Policies' to the Financial Statements.



2. Inter unit transactions amounting Rs. 3,20,704.16 lacs, are subject to reconciliation and consequential adjustments. (Refer Note-13)
3. Loans (Note-7), Financial Assets - Other (Note-8), Trade Receivables Others (Note-10), Financial Assets-Others - Employees, Others (Note-12), Other Current Assets - Suppliers & Contractors (Note-13), Financial Liability-Trade Payables (Note-19), Other Financial Liabilities - Liability for Capital/O&M Suppliers/Works, Deposits from Suppliers (Note-20) are subject to confirmation/reconciliation.
4. Documentary evidence in respect of ownership/title of land and land rights, building was not made available to us and hence ownership as well as accuracy of balances could not be verified. Additionally, the identity and location of Property, Plant and Equipment transferred under the various transfer schemes has also not been identified (Refer Para 6(a) of Note - 31 "Notes on Account").
5. It was observed that the maintenance of party-wise subsidiary ledgers and its reconciliation with primary books of accounts i.e., cash books and sectional journal are not proper and effective.
6. Sufficient and appropriate documentary audit evidences in respect of Contingent liabilities disclosed in Para 18(b) of Note - 31 "Notes on Accounts" were not provided to us.
7. Revenue earned from the sale of power through Indian Energy Exchange Limited, India has not been recognised separately in the statement of Profit and Loss, but has been reduced from the cost of purchase of power aggregating Rs. 54,01,531.23 Lacs (Refer Note-24 Purchase of Power). Additionally, details of aggregate units sold during the year and revenue earned from such sale was not made available to us.
8. As per the opinion drawn by the auditors of DISCOMs, Bank Reconciliation Statement (BRS) in respect of various bank accounts, have not been prepared on regular basis and these contains numerous outstanding unreconciled entries of earlier years including those of stale cheques, uncashed cheques and other debits/credits.
9. As per the opinion drawn by the auditors of DISCOMs, Revenue collection through NEFT/RTGS and unbilled revenue have not been properly dealt in books of accounts, impact of the same on receivable from consumers is uncertainable.
10. The Group has not maintained proper records showing full particulars including quantitative details and situation of fixed assets. Further, the physical verification of the fixed assets has not been carried out. Hence, we are unable to comment whether any material discrepancy exists or not.
11. Maintenance of records in respect to inventories is not satisfactory. The details of inventories were not provided for verification by the respective zones of Holding Company and its Subsidiaries.
12. Records for inventories lying with the third parties are not being maintained properly at Zonal Offices of the Holding Company and its Subsidiaries.
13. The branch auditor has expressed the audit opinion on the Trial Balances as at 31st March, 2020 of the Zonal Accounts Office (Material Management) and these have been considered for the preparation of the financial statement of the company. As per existing practices, financial statement of the branch has not been prepared.



14. **Audit observations in Branch Audit report of MM Zone excluding those which have been appropriately dealt with elsewhere in the report.**

a. **Purchase of power**

The system of accounting/recording of power purchase is weak and requires further improvement to strengthen the internal control. The electricity import export & payment circle unit of zone has levied the penalty on power suppliers for non-achievement of contracted supply of power to the company. But the amount of penalty computed is not in accordance with Power Purchase Agreement (PPA) with suppliers. The details of total amount of penalty levied on suppliers for non-achievement of contracted supply of power are not available with the unit. We, therefore unable to which amount profit/ loss of the zone has been overstated/ understated on account of levy of penalty which is not in accordance with PPA. The details of transmission loss have not been provided. We are, therefore unable to verify whether transmission loss is within the limit specified in PPA.

b. **Provision for Late Payment Surcharge**

The electricity import export & payment circle unit of zone /unit # 330 is liable to pay the late payment surcharge to the suppliers on default of non-payment of supplier bills on due date. But there is no proper system to compute the late payment surcharge payable to various power suppliers. There is no control register to verify whether payment of supplier bills has been made on due date or not. However, on sample checking we observed that late payment surcharge amounting to Rs. 46,402.00 lacs payable to various suppliers was not adjusted in the books and same has been adjusted in the books after pointing out by us. This represents that there is no system to compute the liability of late payment surcharge payable to suppliers. We are, therefore unable to comment on the amount of overstated profit/ understated loss of the zone for the year 2019-20 on account of provision of late payment surcharge.

c. **Accounting of Accrued Interest for Noida Power Company Limited**

The electricity import export & payment circle unit of zone /Unit # 330 has charged interest of Rs. 1,701.00 lacs @ 14% from the Noida Power Company Limited on the total amount of Rs. 11,387.00 lacs, but no documentary evidence was made available to us to verify the accuracy of interest charged from Noida Power Company Limited. There is no debit balance in the account of Noida Power Company Limited in the books. However, there is opening debit balance of Rs. 11,147.00 lacs in the account of accrued interest against which no amount received during the year. We are, therefore unable to comment on the recoverability of accrued interest amounting to Rs. 12,848.00 lacs outstanding in the books as at 31-03-2020.

d. **Internal Control**

Internal control system with regard to cash transaction, purchase transaction, maintenance of inventory, maintenance of book accounts, fixed assets register, delegation of powers to various employees etc. requires to be further strengthened.

e. **Accounting for Accrued Penal Interest Income**

The accounting policy in respect of late payment surcharge recoverable from customer for non-payment of bill on due date is as under:

Late payment surcharge recoverable from subsidiaries and other bulk power purchasers are accounted for on cash basis due to uncertainty of realization. But electricity import export & payment circle unit of zone /unit # 330 have adjusted the late payment surcharge amounting to Rs. 6,967.00 lacs on accrual basis till 31st March, 2020, under the account head Penal Interest (AG code 28.805) which is not in accordance with the accounting policy of the company. Profit/loss of the company has therefore overstated/understated to the extent of Rs. 6,967.00 lacs.



f. **Interest Received Rs. 4,299.00 lacs**

The zone has received interest amounting to Rs. 4,299.00 lacs and TDS of Rs. 365.00 lacs have been deducted there from. But the amount of interest of Rs. 4,231.00 lacs (Out of Rs. 4,299.00 lacs) has been netted off in purchase cost in the books. This is not the correct accounting treatment of interest received. Purchase cost and interest income has, therefore understated to the extent of Rs. 4,231.00 lacs

15. **Audit observations in Audit Report of the Subsidiaries Companies excluding those which have been appropriately dealt elsewhere in the report are reproduced below-**
(Notes referred to in the following sub paras form part of the notes on accounts to the standalone financial statements of the respective subsidiaries)

(i) **DVVNL**

- a. The Company has received Depreciation on Land & Land rights in earlier years through gazette notification amounting to Rs. 39, 80,597.00. No depreciation is chargeable on Land & Land Rights hence the company is required to reverse the depreciation on same and treat it as a Prior Period adjustment in Financial Statements. Despite similar comment in Statutory Audit Report for financial year 2018-19, no corrective action has been taken by the Management.
- b. The following AG Code in the following zones are having credit balances:

AG CODES	ZONES	AMOUNT (In Rs.)
22.780 (Transformer sent to repairs)	JHANSI	5,36,26,075.00
	ALIGARH	1,14,39,951.00
	AGRA	6,71,83,765.59
22.791 (LED Bulb)	AGRA	2,14,70,042.00
22.660	JHANSI	55,38,06,862.09
22.662	JHANSI	2,00,37,02,251.16
22.770 (Scrap Material)	JHANSI	23,17,61,742.70
	KANPUR	1,34,97,692.47
22.810 (Stock Excess Pending for Investigation)	KANPUR	3,011.00
	JHANSI	8,20,049.72
TOTAL		<u>2,95,73,11,442.73</u>

It is impracticable as Stock value cannot be negative. Moreover these balances have been shown by deduction from inventory therefore assets have been undervalued by 2,95,73,11,442.73 and need to be reconciled.

- c. As per Ind AS 20, "A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognized in profit or loss of the period in which it becomes receivable. A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching



to it, and that the grant will be received.” UDAY Scheme provides that the State Government shall take over the future losses of DISCOMs in a graded manner and shall fund the losses as follows:

F. Y.	Loss for the year (as per audited balance sheet)	Grade of Grant	Claimable Grant (a)	Credited in P & L A/c (b)	Excess/Short age (c)=(a)-(b)	Remarks
2016-17	1,44,348.34	0% of Loss of FY 2015-16	0.00	0.00	0.00	Nil
2017-18	2,36,649.85	5% of Loss of FY 2016-17	7,217.42	12,293.80	-5,076.38	Prior Period item
2018-19	2,56,716.23	10% of Loss of FY 2017-18	23,664.99	25,649.68	-1,984.70	Prior Period item
2019-20		25% Loss of FY 2018-19	64,179.06	51,696.32	12,482.74	Revenue has been understated.

As explained by management, the treatment of grants has been made in the books of accounts on the basis of Credit Notes provided to management by the Holding Company i.e. UPPCL. This practice has been followed by the Company since its inception. The company is not making account of these entries independently.

- d. In EE Admin Head, we have observed that the company has contract with UPDESCO for annual maintenance charge amounting to Rs (92,06,827.00 + 11,14,371.00) = 1,03,21,198.00 to be paid quarterly for Repair & Maintenance of Computer and Office Equipments but A.G. Code 74.809 depicts expenditure amounting to Rs.1,95,28,025.00 instead of Rs.4,12,84,792.00 (1,03,21,198.00*4) which leads to understatement of loss by an amount of Rs. 2,17,56,767.00. No Provision of balance expenditure has been done thereby violating accrual concept.
- e. In EE Admin Head, we observed that many expenditure heads are not booked on accrual basis. Some instances are given below: 74.809 (OFFICE EQUIPMENTS {OTHERS}), 76.107 (INSURANCE), 76.112 (POSTAGE AND TELEGRAM), 76.121 (LEGAL EXPENSES), 76.153 (PRINTING AND STATIONERY), 76.155 (ADVERTISEMENT EXPENSES), 76.190 (MISC EXPENSES).
- f. As reported in Audit Report of Jhansi Zone, various prior period bills have been found recorded in the current financial year in violation of generally accepted accounting principle-accrual accounting. Some instances are:

DIVISION	NO. OF INSTANCES	AMOUNT (in Rs)
ESD – JHANSI	2	22,57,035.00
EDD-I LALITPUR	5	9,01,116.00
EDD II LALITPUR	13	17,08,410.00
EDD – HAMIRPUR	17	33,50,043.00
EDD RATH	2	6,12,380.00
EDD – MAHOBA	2	15,72,147.00
ETD – MAHOBA	4	1,27,921.00



DIVISION	NO. OF INSTANCES	AMOUNT (in Rs)
EDD- CHITRAKOOT	13	72,23,249.00
ESD – BANDA	1	5,34,778.00
EDD – II –ORAI	3	3,50,411.00
EWD – BANDA	9	101,06,233.00
ESWC – BANDA	3	11,44,632.00

- g. As per Para 111 of IND AS 115, "Revenue From Contracts With Customers" the company has not disclosed the total Cash flow realised from the customers, uncertainty of Revenue and timing of realization under Notes to accounts. Company has not complied with the disclosure requirement as per IND AS 115.
- h. As per sub point (c) of Para 39 of IND AS – 20, "an entity shall disclose all conditions and other contingencies attaching to government assistance that has been recognised", but the management has not disclosed about the conditions and contingencies for each government grant received. We recommend the management to comply with these disclosure requirements in their financial statements.
- i. **NON - COMPLIANCE OF SCHEDULE III UNDER COMPANIES ACT,2013.**

Sr No	Requirement as per Schedule III of Companies Act 2013	Remarks
1	Separate disclosure with regard to Cash & Bank Balances: Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.	'Cash & cash equivalents at the end of the period includes FDR deposited with Honourable High court, Dehradun of Rs 1.13 crore, which is not freely available for the use of company' is not separately disclosed in 'Cash and Bank Balance'.
2)	Bonds, Debentures (along with the rate of interest and particulars of redemption or conversion, as the case may be) shall be stated in descending order of maturity or conversion, starting from farthest redemption or conversion date, as the case may be where bonds/ debentures are redeemable by instalments, the date of maturity for this purpose must be reckoned as the date on which the first instalment becomes due.	The details of bonds are not properly disclosed in Balance Sheet pertaining to each individual bond like rate of interest, tenure etc. are merged for bonds subscribed by different entities. Further the classification is also not having details of names of the subscribers for several categories.

- j. While scrutinizing the Zonal Trial balance it was observed that under AG Head 14(CWIP), various amounts are persisting since long for which no capitalization is made. As per management no reconciliation for the same is available. We recommend the management to reconcile the above at earliest, so that necessary adjustment can be made.



ZONES	AG CODE	NAME	AMOUNT (In Rs.)
KANPUR	14.80	APDRP	3,87,41,087.79
	14.81	Survey & Investigation	13,386.76
	14.91	Local Bodies	2,05,000.00
	14.99	Service Collection above 11000	15,62,198.72
	14.73A	Ambedkar Village Electrification	1,81,91,280.61
AGRA	14.73B	Taj Trapezium	1,53,084.00
ALIGARH	14.72	REC Normal Work	1,38,771.00
	14.73R	Ram ManoharLohia	24,79,016.00
	14.74	RGC Works	4,06,371.00
	14.73B	RGC Works	1,11,260.30

- k. The Private Tube well {PTW} consumers are exempted from Electricity Duty. However, an amount of Rs. 10,36,03,135.57 under AG Code 23.205 is accounted for by the company with respect to it. Due to which the company has overstated its Trade Receivables (Current Assets) and Electricity Duty & other levies payable to government (Current Liabilities) by the same amount.
- l. On scrutinising consolidated trial balance, it is found that in AG Code 23.8(REC-Theft of Power) an amount of Rs. 21,51,53,654.34(Debit) is outstanding and in AG Code 23.808(Provision for REC-Theft of Power) an amount of Rs. 8,93,763.10(Credit) is outstanding. Management is required to provide for whole amount of theft of power. Hence provision is short by Rs.21,42,59,891.24.
- m. SUNDRY LIABILITIES under NOTE-16 of accompanied Financial Statements includes an amount of Rs. 32,51,80,611.93 (Debit Balance) under AG HEAD 46.922 "SALE OF SCRAP" which should be adjusted to the Profit and Loss Account. Due to the above the liabilities and loss for the year has been understated by Rs.32,51,80,611.93.
- n. While scrutinizing the Zonal Trial Balance, it has been observed that in case of Kanpur Zone under AG 28.210& 28.250 (Income Accrue and Due) and in case of Jhansi Zone under AG Code 28.210, there are opening Balance of Rs. 2,80,43,418.00 (6,00,221+2,74,43,197) and Rs. 23,64,876.00 respectively, but the amount has neither been received nor adjusted during the year and the same value is carried forward as closing balance, as on 31.03.2020. The management has not provided proper justification for the same.
- o. In AG Code 23.103(Public Lamp) of Aligarh Trial Balance, it is observed that it is a receivable head and should have a debit balance instead of credit balance of Rs. 13,64,58,749.42. Management should reconcile/adjust the same.
- p. There are unreconciled entries under AG Code 22.780 (Transformers sent for repairs), AG Code - 22.770(Scrap Materials), AG code.31 to 37(Inter Unit Transfer) and AG Code 46.94 (Goods and Service Tax) as on 31st March, 2020. The



unreconciled entries should be reconciled. In absence of reconciliation exact impact on the financial statement could not be worked out.

- q. Under AG Code 46.910(Stale Cheques) indicates cheques which have become time barred. Proper adjustments are recommended in this regard.
- r. There are various balances under AG Code 46.929(Service Tax Liability) amounting to Rs. 1,46,59,993.00, AG code 46.926 (Central Sales Tax) amounting to Rs. 3,52,289.00 and AG Code 46.927(State Sales Tax) amounting to Rs. 1,62,02,348.49. After introduction of Central Goods State Tax Act, 2017, service tax and sale tax are no more applicable but some credit entries has been passed during the year which does not seems to be justified. Management could not provide any explanation to us.
- s. In the following codes balance are pending since long but management is unable to explain the nature of such accounts. The balance under this head should be identified and necessary rectification entries should be passed:

ZONES	AG CODE	NAME	Amount (In Rs.)
Aligarh	42.2	Supply Control Account	5,20,49,047.00 Cr
Agra	22.710	Workshop Suspense Account	2,87,14,937.79 Dr

- t. Following is liability head which shows debit balance. It seems some entries from some other head have been parked in these codes which are understating Trade Payables, it needs to be reconciled and required entry must be passed.

ZONE	AG CODE	NAME	Amount (In Rs.)
Aligarh	47.410	Railways	16,82,89,324 Dr

(ii) KESCO

- a. It has been observed that inoperative debtors have been continuously billed on the basis of IDF/RDF for more than 2 billing cycles which is in contravention of the provisions of Electricity Supply Code 2005. (Impact not ascertainable)
- b. Sale of Energy Major portion of sale comprises of sale to consumers which is recorded on the basis of processed data given by an outside agency deputed for generation of bills to such consumers. Instances were observed wherein the consumers are billed on provisional basis due to no reading, defective meter, defective reading etc.; in contravention to the provisions of Electricity Supply Code, 2005 as well as Ind AS-115 "Revenue from contracts with customers" (Impact not ascertainable). According to the information and explanations given to us the figures of sales accounted for on actual spot billing the date of which is not fixed. In the absence of billing on 31st of March, 2020, the impact of the same on revenue is not ascertainable.
- c. The Company has not disclosed the impact of Rs. 43.05 Crores pertaining to interest payable to Government of Uttar Pradesh on account of conversion of Najul land to freehold land till F.Y. 2017-18 as commented by Comptroller and Auditor General of India. The final comments of Comptroller and Auditor General of India for F.Y. 2018-19 have not been received yet and thus we are not commenting on the impact of interest for F.Y. 2018-19 & 2019-20. Hence, the deficit as at 31st March, 2020 is understated by Rs. 43.05 crores and other current financial liability is understated by Rs. 43.05 crores.



(iii) PVVNL

- a. Due to non-availability of proper and complete records of Work Completion Reports, there have been instances of non-capitalization and/or delayed capitalization of Property, Plant and Equipment, resulting delay in capitalization with corresponding impact on depreciation for the delayed period. (Refer to 2(II) and IV(b) of 'Significant Accounting Policies' to the Financial Statements.)
- b. In case of withdrawal of an asset, its gross value and accumulated depreciation is written off on estimated basis. In the absence of sufficient and appropriate audit evidence thereof, we are not in a position to ascertain impact of the same on financial statements
- c. We have observed that the depreciation on Property, Plant and Equipment has not been worked out properly as there are discrepancy/ variation in date of put to use of various assets. Besides depreciation on addition and capitalisation in Property, Plant & Equipment during the year has been provided on average 6-month basis instead of actual period of availability of asset for its intended use, which is in contravention to provisions of Schedule-III of the Companies Act, 2013 and also against accounting policy of the Company as stated in Para 2(IV)(b) under the head Depreciation. In the absence of proper audit trail, we are unable to quantify the impact of the same on depreciation and consequential impact on the financial statements.
- d. The depreciation/amortisation on Bay (Assets not in Possession of Pashchimanchal Vidyut Vitran Nigam Ltd.) is calculated on the opening gross value of the assets with the life of 25 years on SLM basis and on addition during the year has been provided on average 6-month basis instead of actual period of availability of asset for its intended use. In the absence of complete details, we are unable to quantify the impact of the same on depreciation/amortisation and consequential impact on the financial statements. (Refer to Para 2(IV)(b) of Significant Accounting Policies)
- e. Non-current Borrowings of Rs. 10,26,875.73 lacs and Current Borrowing of Rs. 9,401.08 lacs have been shown in Note No.12 and Note No. 14 respectively to the Financial Statements. IND AS 109 requires management to classify all the financial liabilities and assets at amortized cost using effective interest rate method. Transaction cost has been netted off in borrowing upon initial recognition but the management is unable to comply with the effective interest rate method stating that, being a government company, all loans are backed by the State government guarantee or by charge on Assets. It is also stated that the loan is squared off by many ways such as conversion into bonds, equity, and subsidy by State Government. As a result of this, we are unable to comment on it.
- f. As per UPERC (MYT) Regulation 2013, In case the payment of any bills of Transmission charges, wheeling charges is delayed beyond the period of 60 days from the date of billing, a late payment surcharge @ 1.25% per month shall be levied by the transmission licensee. However, the company has not made any provision for liability for late payment surcharge on account of non-payment of dues in compliance of above regulation. Consequential impact of the same on the financial statements is not ascertained.
- g. Besides non-compliance of IND AS referred above, compliance status of other accounting standards are as under :

IND AS-8: The management has made several adjustments/correction relating to prior period errors in the current financial year as current year's Expense/Income without



restating the previous year figures, while entity ought to have corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts for the prior period(s) presented in which the error has occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of Assets, Liabilities and Equity for the earliest prior period presented. Impact of non-compliance of the above IND AS on the financial statements is not ascertainable. (Refer to point no. 32 of 'Notes to Accounts').

IND AS-19: Gain due to Adjustment as per Actuarial Valuation in respect of liability for leave encashment and gratuity amounting to Rs. 905.80 lacs is not routed through other comprehensive income but routed through profit and loss account, which is deviation from IND AS-19. This has resulted in understatement of both other comprehensive income and loss for the period by Rs 905.80 lacs. (Refer to Note No. 25 of Financial Statements)

- h. Expenses for ERP software implementation amounting Rs. 1,116.50 lacs are shown under Capital work in Progress. However, the same should be classified under the heading "Intangible assets under development" as per provisions of Schedule III of the Companies Act, 2013.
- i. **Significant observations of Zonal Auditors are as under:**

(A) Meerut Zone:

Repeated instances of theft of assets (transformers, cables etc) are noticed in divisions and the accumulated amount of theft assets is Rs. 24.53 crore as on 31-03 2020. Branch/divisions have not made any adequate arrangement to save their assets from such incidents. Assets of the zone are uninsured too.

According to the information and explanations given to us, frauds in shape of misappropriation of cash collected from customers but not deposited amounting to Rs. 3.68 crore by Suresh Babu TG-2 (EDD, Baghpat, Meerut during 12/13 to 03/19). Also in EDD-II, Baghpat a fraud case of collecting cash Rs. 31,30,289 from customers and not depositing the amount in division is under enquiry against Mr. Sanjay Kumar, Cashier. We are informed by the management that departmental and legal proceedings are in process against the concerned staff, soon these frauds surfaced.

(B) Moradabad Zone:

Theft of Cash (AG 28.744) Rs. 4,46,502.00 - Two cases of cash theft, adequate provision should be made at H.O.

As informed by Branch Auditor of Moradabad Zone, during the year two frauds by the employees has been detected amounting to Rs. 40,99,849.32 out of which Rs. 2,60,000.00 is deposited by the person concerned till date.

(C) Ghaziabad Zone:

As informed by the management, Ghaziabad zone has noticed a case of fraud in its EUDD-II, EUDD-V and EUDD-VII Noida division by few bank officials. Some of ICICI bank officials wrongly credited the cheques amounting Rs. 1,72,36,919/- related to these division in some other account. Management has duly taken the matter its notice and has lodged the Police FIR with the authorities.

(D) Saharanpur Zone:

Fixed assets of Rs. 352.47 lakh were stolen from site during the year. FIR for the same was also lodged in police station.



(iv) PuVVNL

- a. The Company has categorized cost of bay construction for 33/11 KV substation under "Assets not in possession of Purvanchal Vidyut Vitran Nigam Limited" and disclosed the same under "Property, Plant & Equipment" in the Balance Sheet.
- b. Stock shortage/ excess pending investigation amounting to Rs.96.83 Lacs is outstanding as on 31/03/2020. In absence of proper information, we are unable to comment upon its nature and proper accounting. No movement analysis is available to categorize fast moving, slow moving, non-moving and dead stock items. No provision for obsolete, unserviceable stores and spares has been made. An old provision amounting to Rs.62.97 Crores is lying against obsolete stores since 2003 under Final Transfer Scheme.
- c. In almost all the banks flexi fix facility is available but there are huge balances in current account and amount has not been transferred by the bank to flexi fix account which is resulting into loss of interest.
- d. **In Gorakhpur Zone it has been observed that:**
Most of the Bank reconciliation has been prepared with opening differences, which is not correct. The bank reconciliation should have been prepared after taking in to account the opening entries pending relating to earlier years in the bank reconciliation.

(v) MVVNL

- a. Zonal Auditor of Bareilly zone reported that there may be difference in sundry debtors as per billing ledger and amount shown in trial balance because sales is booked on assessment basis and amount credited to sundry debtors on the basis of actual receipt basis, hence, it could not be tallied with billing ledger (Category wise). Books have been adjusted in MTB as per actual billing ledger. Balances of consumer as per consumer ledger are not in agreement with balances appearing in account books. Zonal Auditor of Devipatan zone reported that Revenue collection booked against different type of consumers on estimated basis which has resulted in negative balance in some customer group account e.g., Rs. (2505.84) lakh in code 23.106 and Rs. (7.74) lakh in 23.707 at EDD II Baharaich. Zonal auditor of Ayodhya Zone reported that, Credit Balance of Rs. 90,665.00 lakh in 22 units are appearing in some of accounts under the head receivable against supply of power. Auditor of LESA Trans Zone reported that no breakup or bifurcation of receipt made under others was furnished which was other than receipt from E-Suvidha on account of Electricity Duty & Electricity Charges. Hence, Figures of receivable against supply of power are subject to reconciliation with billing software and confirmation, impact whereof is unascertainable at this stage.
- b. We draw attention to para 3 (IV) (b) of General Information and Significant accounting policies stating that depreciation on addition to/ deduction from Property plant and equipment during the year is charged on Pro Rata basis. However, as reported by zonal auditors, capitalization of fixed assets is made at the end of financial year irrespective of actual date of Put to use and depreciation is not charged on assets capitalized during the year which is not in accordance with provisions of Companies Act and IND AS 16 resulting in understatement of Loss and depreciation for the year and overstatement of Assets. In the absence of complete details, effect of said understatement of depreciation & Loss and Overstatement of fixed assets on financial statement could not be ascertained.



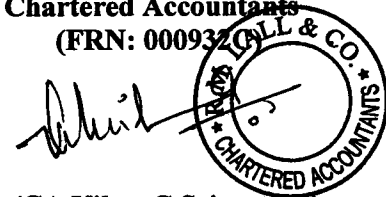
- c. It was generally reported by Zonal Auditor that since value of capital assets on decommissioned assets is on pro rata basis/ estimated basis, closing balance of fixed assets & Accumulated depreciation shows negative/ adverse balance in some units/item. Further, there was misclassification in few items resulting in appearance of negative balance. E.g., at Ayodhya Zone, credit balances of Rs. 777.00 lakh is appearing under Fixed Assets in 4 units and debit balance of 72164 lakh appearing under the head Provision for depreciation in 24 units. Overall, property plant and equipment are appearing in note 2 – ‘Property Plant & Equipment’ at Gross block of Rs. 13, 45,983.49 lakh and accumulated depreciation of Rs. 1,79,960.84 lakh. Such practice of determination of carrying cost on estimated basis and charging depreciation thereon is not in accordance with IND AS 16. In the absence of complete details, effect of said deviation with Ind AS, on financial statement could not be ascertained.
- d. Depreciation on computer is calculated considering their useful life as 15 years as against useful life of three years specified as per Schedule II of Companies Act. In absence of complete details, Impact of the same on financial statement is not ascertainable at this stage. Further, aspect of emergence of net block in respect of vehicles below 5 % of gross block requires reinstatement.
- e. CWIP is appearing in Financial statement at Rs. 5,20,071.31 lakh (P.Y. Rs. 6,64,934.65 lakh) including various schemes i.e. RGGY, APDRP Scheme, IDPS, Saubhagya, Uday and others schemes. Zonal auditors have generally reported that Item wise, Project-wise detail, Age-wise detail and status of completion of Capital work in progress were not available for verification. At Ayodhya Zone, devipatan Zone and LESA Trans Zone Completion certificate of Capital Work completed were not made available to auditors. In the absence of detailed information regarding status of progress, reasons for long pendency, stagnated work in progress etc. particularly in respect of various schemes i.e. RGGY, APDRP Scheme, IDPS, Saubhagya, Uday and others schemes under implementation, we are unable to comment over the timeliness of capitalization of capital work in progress, provisions required, if any, on this account and its resulting impact on Property plant & Equipment and depreciation thereon.
- f. Zonal Auditor of Devipatan Zone reported that Negative balance of Rs. 4159.36 lakh is appearing in 8 Division. Further, Stock records are not properly maintained at some units and Difference of physical stock and book stock not properly adjusted. Auditor of Bareilly Zone reported that no comment could be made upon surplus / obsolete /non-moving items of stores, raw material, finished goods that may be lying unused at the end of last 3 years or inventory lying with third parties & assets received as gift from government or other authorities due to non-furnishing of details of such items by zone. Auditors of Lesa CISS Zone and Ayodhya Zone reported that some of the inventory accounts reflect negative balances in most of the units primarily due to misclassifications, which could potentially result in misstatement in inventory in MTB.
- g. Provision for Unserviceable store of Rs. 41.22 crore appearing in Note 4- Inventories continues since 2012-13 despite substantial increase in level of inventory i.e., Rs. 705.43 crore in 2019-20 as compared to Rs. 229.99 crore in 2012-13. In view of various observations made by zonal auditors regarding lack of proper system of physical verification of inventory & determination of obsolete/unserviceable/ non- moving items etc., emergence of adverse balances in inventory as dealt above at (a) & (b) above and non-formulation of accounting policy for provision on unserviceable stock, stores & spare etc., adequacy of provision on this account and its impact on financial statement is not ascertainable at this stage.
- h. We were informed that Billing for sale of electricity to consumers are accounted for on the basis of report generated through Online Billing System implemented through various outsourced Agencies. However, system audit of the said billing system, if any,



being dealt at UPPCL was not made available to us and as such we are unable to comment on implications, if any, arising on said account.

- i. Zonal Auditor of Ayodhya Zone reported provision of unbilled revenue at the end of current financial year and reversal of similar provision made in previous year has not been made in accounts. Further, regulatory surcharge was withdrawn w.e.f. 12.09.2019 but the same has been charged by certain units even after this date. In the absence of complete details, the impact of the same over financial statement is not ascertainable at this stage.
 - j. Interest on security deposit by Consumers was informed to be provided as per rates prescribed by UPERC. However, Auditors of Devipatan Zone has reported that Interest on security deposit given to consumers is not booked by distribution division except Gonda DD II. Security deposit was not adjusted in books of accounts in PD cases. Waiver is not adjusted in debtor balance in PD case. Effect of non-booking of Interest and non-adjustment of security deposit is not ascertainable at this stage.
 - k. Zonal auditor of Lucknow zone reported that security deposited by consumers was short by Rs. 367.74 lakh in Unnao Division I.
16. For want of complete information, the cumulative impact of our observations in *paras 1 to 16* above to this report on assets, liabilities, income and expenditure is not ascertained.

For R.M. LALL & CO.,
Chartered Accountants
(FRN: 000932)



(CA Vikas C Srivastava)
Partner

M.No.401216

UDIN: 21401216AAAABR1173

Place: Lucknow

Date: 4th October, 2021

Annexure II to Independent Auditors Report

(As referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our audit report of even date to the members of U.P. Power Corporation Limited on the Consolidated Financial Statements of the Group for the year ended 31st March, 2020)

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

We have audited the internal financial controls over financial reporting of U.P. Power Corporation Limited ("the Company") as of 31st March, 2020, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
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 Group are being made only in accordance with authorisations of management and directors of the Group; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations provided to us and based on the reports on Internal Financial Controls Over Financial Reporting of Holding company audited by us and its subsidiaries, audited by the other auditors, which have been furnished to us by the Management, the following control deficiencies have been identified in operating effectiveness of the Group's internal financial control over financial reporting as at 31st March 2020 –

1. The auditors of DVVNL have reported that -

- a. As informed and explained to us the Company is not having any licence software for accounting purpose. The Accounting entries at the unit level are done in manual manner, each unit get the account prepared in computerised format and the same is submitted to Zone level. The Zone further forwards the merged accounts of unit at Head office level, there is no integration of Accounts in different hierarchy. Therefore, it can be concluded that the processing of accounting transaction through IT System is not at all robust.
- b. During the course of audit, we observed that balance of transfer scheme are outstanding, the management could not satisfy us on the existence of asset & liabilities received in transfer scheme.
- c. Temporary Imprest provided to staff needs to be closed at the end of financial year, while we observed in many of the cases Temporary Imprest were not closed.
- d. The Books of accounts of the company has not been prepared on timely basis resulting in delayed preparation of final accounts.



- e. Cashbook is not updated on regular basis.
- f. Measurement Book provided to Junior Engineer by the Company are not returned back on timely basis by the Junior Engineer and Measurement Book are not closed on timely basis.
- g. The Company did not have an appropriate internal control system for obtaining external balance confirmation on periodic basis. This could potentially result in inaccurate Assets & Liabilities disclosed in the books of accounts.

2. The auditors of PVVNL have reported that -

- a. Internal control in respect of movement of inventories during maintenance and capital works, material issued/ received to/ from third parties and material lying with sub-divisions, need to be reviewed and strengthened. Further, implementation of real time integrated ERP software is strongly recommended.
- b. The Company did not have an appropriate internal control system to minimize electricity theft and line losses.
- c. Reconciliation of power received and power sold during year has not been done. Billing is not raised timely and correctly.
- d. There is lack in recovery of advances from employees, contractor and suppliers.

3. The auditors of MVVNL have reported that –

- a. Zonal Auditors have reported that Billing of power is generated through IT system. However, billing system is independent of account department and reports generated from billing system require reconciliation with accounts. Further, Consumer wise outstanding and ageing analysis of outstanding amount is not available with account department to reconcile trade receivable as per books of account.
- b. It was reported by Zonal Auditors and observed at HO that monthly trial balances are compiled from vouchers through outsourced software which are not under control of accounts department of zone and only printout of Monthly trial balances is available which impliedly has Risk of security of data as well as lack of mechanism to ensure correctness and completeness of report generated on timely basis.
- c. Huge amount of Cash, Temporary Imprest and employee advances are lying with employees which should have been recovered from employees long back. In some units, Bank is having credit balances and Cash in hand balance are negative.
- d. System of reconciliation of GST return with figure appearing in books of accounts is not in practice so as to trace any error or omission on regular basis. We were informed that details of GST are submitted by units directly to GST consultant and reconciliation is done annually at the time of filling of annual return. Further, payment of GST on reverse charge mechanism on legal charges, payment of GST to unregistered firms, timely filling of statutory returns & payment of statutory dues requires regular monitoring to ensure compliance of various statutory provisions.
- e. In Devipatan Zone, auditor has reported that measurement of disconnection dues and Corrections in electricity bills have been done by Engineers in charge only without consent of Account department. Hence, system of execution of process by joint authority not followed.


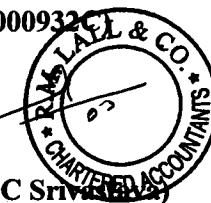


- f. Zonal auditor of Ayodhya Zone reported that in most of the cases, internal audit reports were not available with the units and not furnished for verification. In none of the cases, the replies / action taken on points raised in internal audit report was not on records. The system of review and action on points raised in internal audit reports is not in vogue at zone.
- g. The internal audit has been outsourced to chartered accountant firms but coverage/ scope needs to be enlarged particularly in area of reconciliation of revenue with the online billing system, collection efficiencies, status of work in progress under various schemes under implementation along with reasons for pendency, reconciliation of pending ATD/ ATC etc. for ensuring wider coverage. Further, system of timely receipt of internal audit report and compliance thereof at division/ zonal level and H.O. level needs to be streamlined and strengthened for ensuring remedial action on various observations contained in such report

A material weakness is a deficiency or a combination of deficiencies in internal financial control over financial reporting such that there is reasonable possibility that a material misstatement of the Companies' annual or interim financial statements will not be prevented or detected on timely basis.

In our opinion, except for the effects/probable effects of the material weaknesses described above and in 'Annexure I' on the achievement of the objectives of the control criteria, the Group has maintained in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Group considering the essential components of the internal control stated in the guidance note on audit of internal financial control over financial reporting issued by the Institute of Chartered Accountants of India except for the need to strengthen the existing internal audit mechanism considering the nature and scale of operations of the Group and the overarching legal and regulatory framework and the audit observations reported above and in 'Annexure I'.

For R.M. LALL & CO.,
Chartered Accountants
(FRN: 000932C)

(CA Vikas C Srivastava)

Partner

M.No.401216

UDIN: 21401216AAAABR1173

Place: Lucknow

Date: 4th October, 2021

1

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

CONSOLIDATED BALANCE SHEET AS AT 31.03.2020

(₹ in Lakhs)

Particulars	Note No.	As At 31.03.2020	As At 31.03.202019
(I) ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	5462874.78	3951780.38
(b) Capital work-in-progress	3	1100927.38	2077281.55
(c) Assets not in Possession	4	13363.77	12978.10
(d) Intangible assets	5	249.10	287.82
(e) Financial Assets			
(i) Investments	6	249321.03	230899.23
(ii) Loans	7	14.27	14.27
(iii) Others	8	743.97	744.20
(2) Current assets			
(a) Inventories	9	318486.81	349039.17
(b) Financial Assets			
(i) Trade receivables	10	7815246.96	6840135.96
(ii) Cash and cash equivalents	11-A	405641.93	599883.62
(iii) Bank balances other than (ii) above	11-B	184680.20	52956.90
(iv) Others	12	287067.74	263616.21
(c) Other Current Assets	13	348653.71	565864.54
Total Assets		16187271.65	14945481.95
(II) EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	9676228.64	9118636.32
(b) Other Equity	15	(6376000.36)	(6347974.35)
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	5245614.83	5610978.92
(b) Other financial liabilities	17	421083.80	353162.93
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	81875.44	143725.06
(ii) Trade payables	19	3771769.74	2961907.40
(iii) Other financial liabilities	20	3363698.64	3105044.94
(b) Provisions	21	0.92	0.73
Significant Accounting Policies of Consolidated Financial Statement	1		
Notes on Accounts of Consolidated Financial Statement	31		
Note 1 to 31 form integral part of Accounts.			
Total Equity and Liabilities		16187271.65	14945481.95

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

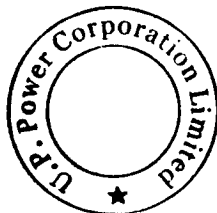

(Dr. Jyoti Arora)
Company Secretary


(A.K. Awasthi)
Chief General Manager & CFO

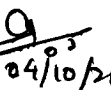

(A.K. Purwar)
Director
DIN - 08544396


(Pankaj Kumar)
Managing Director
DIN - 08095154

Place : Lucknow
Date : 31/08/2021



Subject to our report of even date
For R.M. Lall & Co.
Chartered Accountants
FRN No. 000932C


04/10/21
(Vikas C Srivastava)
Partner
M. No. 401216
UDIN : 21401216AAAABR1173

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31.03.2020

<i>(₹ in Lakhs)</i>			
Particulars	Note No.	For the Year ended 31.03.2020	For the Year ended 31.03.2019
I Revenue From Operations	22	5403799.50	5005868.92
II Other Income	23	1393961.46	1331648.29
III Total Income (I+II)		6797760.96	6337517.21
IV EXPENSES			
1 Cost of materials consumed			
2 Purchases of Stock-in-Trade (Power Purchased)	24	5738886.48	5602449.64
3 Changes in inventories of finished goods, Stock-in-Trade and work-in-progress			
4 Employee benefits expense	25	165591.12	141982.91
5 Finance costs	26	517986.41	471057.38
6 Depreciation and amortization expenses	27	126424.17	93753.20
7 Administration, General & Other Expense	28	236190.20	198088.71
8 Repair and Maintenance	29	249588.61	222991.45
9 Bad Debts & Provisions	30	370077.31	868290.72
10 Other expenses			
IV Total expenses (IV)		7404744.30	7598614.01
V Profit/(Loss) before exceptional items and tax (III-IV)		(606983.34)	(1261096.80)
VI Exceptional items			0.12
VII Profit/(Loss) before tax (V+/-VI)		(606983.34)	(1261096.92)
VIII Tax expense:			
(1) Current tax		0.32	0.13
(2) Deferred tax			
IX Profit (Loss) for the period from continuing operations (VII-VIII)		(606983.66)	(1261097.05)
X Profit/(Loss) from discontinued operations			
XI Tax expense of discontinued operations			
XII Profit/(Loss) from discontinued operations (after tax) (X-XI)			
XIII Profit/(Loss) for the period (IX+XII)		(606983.66)	(1261097.05)
XIV Other Comprehensive Income			
A (i) items that will not be reclassified to profit or loss- Remeasurement of Defined Benefit Plans (Actuarial Gain or Loss)		(2018.52)	(1062.72)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		(609002.18)	(1262159.77)
XVI Earnings per equity share (continuing operation) :			
(1) Basic		64.08	145.81
(2) Diluted		64.08	145.81
XVII Earnings per equity share (for discontinued operation) :			
(1) Basic			
(2) Diluted			
XVIII Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		64.08	145.81
(2) Diluted		64.08	145.81
Significant Accounting Policies of Consolidated Financial Statement	1		
Notes on Accounts of Consolidated Financial Statement	31		
Note 1 to 31 form integral part of Accounts.			

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


(Dr. Jyoti Arora)
Company Secretary



(A.K. Awasthi)
Chief General Manager & CFO


(A.K. Purwar)
Director
DIN - 08544396


(Pankaj Kumar)
Managing Director
DIN - 08095154

Place : Lucknow
Date : 31-08-2021

Subject to our report of even date
For R.M. Lall & Co.
Chartered Accountants
ARN No. 000932C


04/10/21
Vikas C Srivastava
Partner
M. No. 401216

UDIN : 21401216AAAABR1173

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(₹ in Lakhs)

A. EQUITY SHARE CAPITAL AS AT 31.03.2020

Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Balance at the end of the reporting period
9118636.32	557592.32	9676228.64

B. OTHER EQUITY AS AT 31.03.2020

Particulars	Share application money pending allotment	Capital / Other Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	214010.08	3427430.48	(16997893.35)	(13356452.79)
Changes in accounting policy or prior period errors	-	-	-	-
Adjustment as per Point no. 37 of Note 31	-	-	86131.18	86131.18
Restated balance at the beginning of the reporting period	214010.08	3427430.48	(16909762.17)	(13268321.61)
Total Comprehensive Income for the year (without Adj of Point no. 37 of Note 31)	-	-	(697133.36)	(697133.36)
Addition during the Year	-	498292.26	-	498292.26
Reduction during the Year	-	78315.94	-	78315.94
Share Application Money Received	383774.47	-	-	383774.47
Share Allotted against Application Money	557592.32	-	-	557592.32
Changes in accounting policy or Prior Period Items	-	-	-	-
Balance at the end of the reporting period	40192.23	3847406.80	(17806695.53)	(13719286.50)
Adjustment of Reversed Provision on Investments	-	-	-	7150371.49
Adjustment of Reversed Provision on UPPCL Debtors	-	-	-	186466.95
Adjustment of Reversed Provision on Financial Assets-Other Current- Subsidiaries (Unsecured)	-	-	-	6457.70
Net Balance at the end of the reporting period	-	-	-	(6376000.36)

(₹ in Lakhs)

A. EQUITY SHARE CAPITAL AS AT 31.03.2019

Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Balance at the end of the reporting period
8040093.81	1078542.51	9118636.32

B. OTHER EQUITY AS AT 31.03.2019

Particulars	Share application money pending allotment	Capital / Other Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	259075.02	2847734.16	(15775616.22)	(12668807.04)
Changes in accounting policy or prior period errors	-	(31328.30)	39882.64	8554.34
Adjustment as per Point no. 37 of Note 31	-	-	154059.60	154059.60
Restated balance at the beginning of the reporting period	259075.02	2816405.86	(15561673.98)	(12506193.10)
Total Comprehensive Income for the year (without Adj of Point no. 37 of Note 31)	-	-	(1416219.37)	(1416219.37)
Addition during the Year	-	677860.83	-	677860.83
Reduction during the Year	-	47385.98	-	47385.98
Share Application Money Received	1033477.57	-	-	1033477.57
Share Allotted against Application Money	1078542.51	-	-	1078542.51
Changes in accounting policy or Prior Period Items	-	(19250.24)	-	(19250.24)
Balance at the end of the reporting period	214010.08	3427430.47	(16997893.35)	(13356452.80)
Adjustment of Reversed Provision on Investments	-	-	-	6850102.43
Adjustment of Reversed Provision on UPPCL Debtors	-	-	-	154333.70
Adjustment of Reversed Provision on Financial Assets-Other Current- Subsidiaries (Unsecured)	-	-	-	4042.32
Net Balance at the end of the reporting period	-	-	-	(6347974.35)


 (Dr. Jyoti Arora)
 Company Secretary


 (A.K. Awasthi)
 Chief General Manager & CFO



 (A.K. Purwar)
 Director
 DIN - 08544396


 (Pankaj Kumar)
 Managing Director
 DIN - 08095154

Place : Lucknow

Date : 31.08.2021

subject to our report of even date
 For R.M. Lall & Co.
 Chartered Accountants
 FRN No. 000932C


 (Vikas C Srivastava)
 Partner
 M. No. 401216

24/10/21

UDIN: 21401216AAAABR1173

U.P. POWER CORPORATION LIMITED
CIN - U32201UP1999SGC024928

NOTE NO. 1

COMPANY INFORMATION & SIGNIFICANT ACCOUNTING POLICIES OF
CONSOLIDATED FINANCIAL STATEMENT

1. Reporting Entity

U.P Power Corporation Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U32201UP1999SGC024928). The shares of the Company are held by the GoUP and its Nominees. The address of the Company's registered office is Shakti Bhawan, Ashok Marg, Lucknow, Uttar Pradesh-226001. These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its Associates. The Group is primarily involved in the purchase and sale/supply of power.

2. GENERAL/BASIS OF PREPARATION

(a) The consolidated financial statements are prepared in accordance with the applicable provisions of the Companies Act, 2013. However where there is a deviation from the provisions of the Companies Act, 2013 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Annual Accounts Rules 1985 have been adopted.

(b) The accounts are prepared under historical cost convention, on accrual basis, unless stated otherwise, in pursuance of Ind AS, and on accounting assumption of going concern.

(c) Insurance and Other Claims, Refund of Custom Duty, Interest on Income Tax & Trade Tax and Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

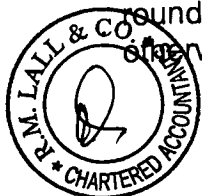
(d) Statement of compliance

These Consolidated financial statements are prepared on accrual basis of accounting, unless stated otherwise, and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were authorized for issue by Board of Directors on 31-08-2021

(e) Functional and presentation currency

The financial statements are prepared in Indian Rupee (₹), which is the Company's functional currency. All financial information presented in Indian rupees has been rounded to the nearest rupees in lakhs (upto two decimals), except as stated otherwise.



(f) Use of estimates and management judgments

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

Estimates and Underlying assumptions are reviewed as on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate are reviewed and if any future periods affected.

(g) Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES**I- BASIS OF CONSOLIDATION**

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

(a) Basis of Accounting:

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



(b) Principles of consolidation:

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

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

II- Property, Plant and Equipment

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

III- Capital Work-In-Progress

Property, Plant and Equipment those are not yet ready for their intended use are carried at cost under Capital Work-In-Progress, comprising direct costs, related incidental expenses and attributable interest.

The value of construction stores is charged to capital work-in-progress as and when the material is issued. The material at the year end lying at the work site is treated as part of capital work in progress.

IV- INTANGIBLE ASSETS

Intangible assets are measured on initial recognition at cost. Subsequently the intangible assets are carried at cost less accumulated amortization/accumulated



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7
impairment losses. The amortization has been charged over its useful life in accordance with Ind AS-38.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use.

V- DEPRECIATION

- (a) Depreciation is charged on Straight Line Method as per Schedule II of the Companies Act 2013.
- (b) Depreciation on additions to / deductions from Property, Plant and Equipment during the year is charged on Pro rata basis.
- (c) Property, Plant and Equipment are depreciated up to 95% of original cost except in case of temporary erections/constructions where 100% depreciation is charged.

VI- INVESTMENTS

Financial Assets- investments (Non Current) are carried at cost. Provision is made for diminution/impairment, wherever required, other than temporary, in the value of such investments to bring it on its fair value in accordance with Ind AS 109.

VII- STORES & SPARES

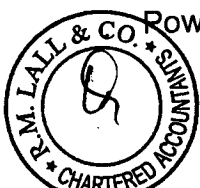
- (a) Stores and Spares are valued at cost.
- (b) As per practice consistently following by the Company, Scrap is accounted for as and when sold.
- (c) Any shortage /excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.

VIII- REVENUE/ EXPENDITURE RECOGNITION

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

IX- POWER PURCHASE

Power purchase is accounted for in the books of Corporation as below:



- (a) In respect of Central Sector Generating Units and unscheduled interchange/reactive energy, at the rates approved by Central Electricity Regulatory Commission (CERC).
- (b) In respect of State Sector Generating Units and unscheduled interchange/reactive energy, at the rates approved by U.P. Electricity Regulatory Commission (UPERC).
- (c) In respect of Power Trading Companies, at the mutually agreed rates.
- (d) Transmission charges are accounted for on accrual basis on bills raised by the U.P Power Transmission Corporation Limited at the rates approved by UPERC.

X- EMPLOYEE BENEFITS

- (a) Liability for Pension & Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.
- (c) Leave encashment has been accounted for on accrual basis.

XI- PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Accounting of the Provisions is made on the basis of estimated expenditures to the extent possible as required to settle the present obligations.
- (b) Contingent assets and liabilities, if any, are disclosed in the Notes on Accounts.
- (c) The Contingent assets of unrealisable income are not recognised.

XII- GOVERNMENT GRANT, SUBSIDIES AND CONSUMER CONTRIBUTIONS

Government Grants (Including Subsidies) are recognised when there is reasonable assurance that it will be received and the company will comply the conditions attached, if any, to the grant. The amount of Grant, Subsidies and Loans are received from the State Government by the UPPCL centrally, being the Holding Company and distributed by the Holding Company to the DISCOMS.

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

XIII- FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of transaction. Gains and Losses, if any, as at the year end in respect of monetary assets and liabilities are recognized in the Statement of Profit and Loss.

XIV- DEFERRED TAX LIABILITY

Deferred tax liability of Income Tax (reflecting the tax effects of timing difference between accounting income and taxable income for the period) is provided on the



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profitability of the Company and no provision is made in case of current loss and past accumulated losses as per Para 34 of Ind AS 12 "Income Taxes".

XV- STATEMENT OF CASH FLOW

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

XVI- FINANCIAL ASSETS

Initial recognition and measurement:

Financial assets of the Company comprises, Cash & Cash Equivalents, Bank Balances, Trade Receivable, Advance to Contractors, Advance to Employees, Security Deposits, Claim recoverables etc. The Financial assets are recognized when the company become a party to the contractual provisions of the instrument.

All the Financial Assets are recognized initially at fair value plus transaction cost that are attributable to the acquisition or issue of the financial assets as the company purchase/acquire the same on arm length price and the arm length price is the price on which the assets can be exchanged.

Subsequent Measurement:

A- Debt Instrument:- A debt instrument is measured at the amortized cost in accordance with Ind AS 109.

B- Equity Instrument:- All equity investments in entities are measured at fair value through P & L (FVTPL) as the same is not held for trading.

Impairment on Financial Assets- Expected credit loss or provisions are recognized for all financial assets subsequent to initial recognition. The impairment losses and reversals are recognised in Statement of Profit & Loss.

XVII- FINANCIAL LIABILITIES

Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All the financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade payables, borrowings and other payables.

Subsequent Measurement:

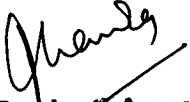
Borrowings have been measured at fair value using effective interest rate (EIR) method. Effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest and other expenses over the relevant period. Since each borrowings has its own separate rate of interest and risk, therefore the rate of interest at which they have been acquired is treated as EIR. Trade and other payables are shown at contractual value/amortized cost.


A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.



XVIII- MATERIAL PRIOR PERIOD ERRORS

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


(Dr. Jyoti Arora)
Company Secretary



(A. K. Awasthi)
Chief General Manager
& CFO


(A.K.Purwar)
Director
DIN - 08544396


(Pankaj kumar)
Managing Director
DIN - 08095154

Place :Lucknow
Date :

Subject to our report of even date

For R M Lall & Co.
Chartered Accountants
Firm No. 000932C

04/10/21
(Vikas C Srivastava)
Partner
M.No.401216
UDIN: 21401216AAAABR1173

NOTE-2

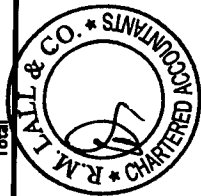
PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation			Net Block	
	As at 31.03.2019	Addition	Adjustment/Deletion	As at 31.03.2020	Addition	Adjustment/Deletion	As at 31.03.2020	As at 31.03.2019
	(₹ In Lakhs)							
Land & Land Rights	1072.76	-	-	1072.76	-	-	924.99	924.99
Buildings	98818.85	21276.69	0.60	120094.94	2,103.20	-	90258.65	71085.69
Plant & Pipe Lines	94.98	-	-	94.98	4.71	-	4.74	9.45
Other Civil Works	4075.47	-	-	4075.47	79.92	-	1326.42	1406.34
Plant & Machinery	1879701.71	774167.16	263575.52	2390293.35	76,115.55	52222.57	2210901.40	1724202.73
Lines, Cable Networks etc.	2951385.93	1133483.61	16576.50	4068293.04	1,21,677.92	5746.79	3145159.90	2144183.92
Vehicles	1729.28	-	2.52	1726.76	23.64	2.32	289.58	313.41
Furniture & Fixtures	4946.19	389.28	0.51	5334.96	301.50	0.47	3321.40	3233.64
Office Equipments	18031.02	7027.36	51.91	25006.47	2,722.27	14.31	10687.69	6420.21
Total	4959856.19	1936344.10	280207.56	6615992.73	203028.71	57986.52	5462874.78	3951780.38

NOTE-2

PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation			Net Block	
	As at 31.03.2018	Addition	Adjustment/Deletion	As at 31.03.2019	Addition	Adjustment/Deletion	As at 31.03.2019	As at 31.03.2018
	(₹ In Lakhs)							
Land & Land Rights	1072.76	-	-	1072.76	-	-	147.77	924.99
Buildings	91241.70	7577.32	0.17	98818.85	1,846.77	0.29	27793.16	71085.69
Plant & Pipe Lines	94.98	-	-	94.98	6.02	-	85.53	9.45
Other Civil Works	4075.47	-	-	4075.47	79.92	-	2669.13	1406.34
Plant & Machinery	1584053.15	552307.36	256658.80	1879701.71	60,995.12	47757.25	155498.98	1486.26
Lines, Cable Networks etc.	2376807.87	587978.10	13400.04	2951385.93	94,744.97	8478.46	1724202.73	1441792.20
Vehicles	1784.74	(41.04)	14.42	1729.28	74.37	11.45	807202.01	2144183.92
Furniture & Fixtures	3725.05	1223.12	1.98	4946.19	221.05	1.56	1415.87	431.77
Office Equipments	16312.42	1719.10	0.50	18031.02	1,839.64	4.08	1712.55	2231.99
Total	4079168.14	1150763.96	270075.91	4959856.19	159807.86	56207.50	1008075.81	3951780.38



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U.P. POWER CORPORATION LIMITED
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CONSOLIDATED FINANCIAL STATEMENT

Note-3

CAPITAL WORKS IN PROGRESS*(₹ in Lakhs)*

Particulars	As at 01.04.2019	Additions	Deductions/ Adjustments	Capitalised During the Year	As at 31.03.2020
Capital Work in Progress	915786.59	1594431.13	5096.98	(804816.22)	1710498.48
PPE Adjustment of C.W.P	(8085.61)	583.99	-	(1936344.08)	(1943845.70)
Advance to Supplier/Contractor	1169580.57	164694.03	-	-	1334274.60
	2077281.55	1759709.15	5096.98	(2741160.30)	1100927.38

Note-3

CAPITAL WORKS IN PROGRESS*(₹ in Lakhs)*

Particulars	As at 01.04.2018	Additions	Deductions/ Adjustments	Capitalised During the Year	As at 31.03.2019
Capital Work in Progress	645305.04	1432690.48	(11805.33)	(1150763.95)	915426.24
PPE Adjustment of C.W.P	(7585.31)	-	(139.94)	-	(7725.25)
Advance to Supplier/Contractor	828784.92	646311.21	(305515.57)	-	1169580.56
	1466504.65	2079001.69	(317460.84)	(1150763.95)	2077281.55



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Note-4

ASSETS NOT IN POSSESSION*(₹ In Lakhs)*

Particulars	As At 31.03.2020	As At 31.03.2019
Lines, Cable Networks etc.	13363.77	12978.10
Total	13363.77	12978.10

Note-5

INTANGIBLE ASSETS

Particulars	As At 31.03.2020	As At 31.03.2019
Intangible Assets	249.10	287.82
Total	249.10	287.82

Note-6

FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)*(₹ In Lakhs)*

Particulars	As At 31.03.2020	As At 31.03.2019
UPPTCL-Investment in Share Capital	221333.52	221333.52
Share Application Money	18072.31	18072.31
Provision for Impairment	(12384.80)	(30806.60)
	227021.03	208599.23
Sonebhadra PGCL	620.23	620.23
Impairment/Provision for Impairment	(620.23)	(620.23)
Yamuna PGCL	66.01	66.01
Impairment/Provision for Impairment	(66.01)	(66.01)
Other Investments:-		
(a) 7.75% PFC Bonds	17400.00	17400.00
(b) 7.59% HUDCO Bonds	4900.00	4900.00
	22300.00	22300.00
Total	249321.03	230899.23



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Note-7

FINANCIAL ASSETS - LOANS (NON-CURRENT)

(₹ In Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019
Capital Advances		
NPCL LOAN	568.43	568.43
Interest Accrued and Due	12519.41	10818.83
Provision for B/D Loan & Interest	<u>(13087.84)</u>	<u>(11387.26)</u>
Advance to Capital Suppliers/ Contractors		
Secured and Considered Goods	14.27	14.27
Condiored Dobtful	<u>1.59</u>	<u>1.59</u>
	15.86	15.86
Less Provision for Doubtful Advances	<u>(1.59)</u>	<u>(1.59)</u>
	14.27	14.27
Total	14.27	14.27



Note-8

FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019
Advance paid to State Govt. for freehold title of Land	743.87	743.87
TDS F.Y. 2013-14	0.10	0.10
TDS F.Y. 2016-17	-	0.06
TDS F.Y. 2018-19	-	0.17
Total	743.97	744.20

Note-9

INVENTORIES

(₹ in Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019
(a) Stores and Spares		
Stock of Materials - Capital Works	192658.55	213021.56
Stock of Materials - O&M	<u>112756.63</u>	<u>305415.18</u>
(b) Others	37220.05	128294.00
	342635.23	32424.10
Provision for Unserviceable Stores	(24148.42)	(24700.49)
Total	318486.81	349039.17



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Note-10

FINANCIAL ASSETS - TRADE RECEIVABLES (CURRENT)

(₹ In Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019	
Sundry Debtors	52297.94		52297.94
 <u>Trade Receivables outstanding from Customers on account of Sale of Power for a period exceeding six month from the date they are due for payment</u>			
Secured & Considered goods	299155.7	247288.88	
Unsecured & considered good	5862229.58	5602666.51	
Unsecured & Considered doubtful	688857.74	659860.16	6509815.55
 <u>Trade Receivables outstanding from Customers on account of Sale of Power for a period Less than six month from the date they are due for payment</u>			
Secured & considered good	22688.62	38022.85	
Unsecured & considered good	905943.8	347735.59	
Considered doubtful	58292.14	33458.48	419216.92
 <u>Trade Receivables outstanding from Customers on account of Electricity Duty for a period exceeding six month from the date they are due for payment</u>			
Secured & Considered goods	20742.48	19780.86	
Unsecured & considered good	494767.56	509302.85	
Unsecured & Considered doubtful	49944.11	57181.27	586264.98
 <u>Trade Receivables outstanding from Customers on account of Electricity Duty for a period Less than six month from the date they are due for payment</u>			
Secured & considered good	1336.93	6065.25	
Unsecured & considered good	188234.1	51127.32	
Considered doubtful	9903.05	5177.45	62370.02
 Dabtors-Sale of Power (subsidiary)			
Dabtors Unbilled revenue	-	88131.18	
Adjustment as per Point no. 37 of Note 31	75.33	(88131.18)	
Add/Less: PPE Adjustment		75.33	(3927.01)
Sub-Total	8652469.08		7626038.40
Allowance for Bad & Doubtful Debts	(837222.12)		(785902.44)
Total	7815246.96		6840135.96



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Note-11-A

FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS (CURRENT)

(₹ In Lakhs)

Particulars	As At 31.03.2020		As At 31.03.2019
(a) Balance with Banks			
In Current & Other Account	394920.41		549183.87
Dep. with original maturity upto 3 months	2959.01	397879.42	1179.93
(b) Cash In Hand			
Cash in Hand (Including Stamps in Hands)	6864.11		47892
Cheque/Drafts in Hand	221.52		613.66
Cash imprest with Staff	676.88	7762.51	1014.16
Total	405641.93		599883.62

Note-11-B

FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE (CURRENT)

(₹ In Lakhs)

Particulars	As At 31.03.2020		As At 31.03.2019
Deposit with original maturity of more than 3 months but less than 12 months		184680.2	52956.90
Total	184680.2		52956.90



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Note-12

FINANCIAL ASSETS - OTHERS (CURRENT)

(₹ in Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019
Receivables (unsecured)		
Uttar Pradesh Government	113502.99	115549.38
Receivable from IREDA	1147.68	-
Receivable from UPNEDA	(1655.78)	-
Uttaranchal PCL		
Receivable	(15.29)	1.41
Payable	-	(16.70)
UPRVUNL		
Receivable	688.50	423.92
Payable	(59.87)	(64.93)
UPPTCL		
Receivable	51030.37	49515.72
Payable	(268.62)	(268.62)
Employees (Receivables)		
Provision for Doubtful receivables from Employees	25307.20	24768.09
Others	(889.51)	(990.87)
Prov. For Doubtful Receivables	111791.83	88175.10
PPE Adjustment of Others	(13511.76)	(13476.29)
Theft of Fixed Assets Pending Investigation	15984.90	15,094.74
Prov. For estimated Losses	(15984.90)	(15094.74)
Total	287067.74	263616.21

Note-13

OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019
Advances (Unsecured/Considered Good)		
Suppliers/Contractors	22524.87	21657.78
Provision for Doubtful Advances	(2412.23)	(2379.56)
Tax Deducted at source	2881.20	3564.80
TDS- Other Receipts	1544.97	-
Advance Income Tax	-	13.28
Fringa Benefit Tax Advance Tax	52.78	52.78
Provision	(41.03)	(41.03)
Advances recoverable in Cash or in kind of value to be received		
Unsecured Considered Good	135.78	68.15
Unsecured Considered Doubtful	297.23	263.37
Provision for Doubtful Loans & Advances	(297.23)	(263.37)
Misc. Recovery		
Unsecured Considered Good	109.23	64.85
Unsecured Considered Doubtful	372.65	372.65
Provision for Doubtful Loans & Advances	-372.65	(372.65)
Income Accrued & Due	1332.92	1517.80
Income Accrued & but not Due	1705.37	2158.58
Prepaid Expenses	102.41	400.23
Inter Unit Transfers	320704.16	538786.88
Total	348653.71	565864.54

Note: PUVNL has shown Rs. 119904.82 Lacs (Prev Yr. Rs. 11674.71) as Receivable/Payable to UPPCL but that amount is related to IUT. Hence, the same has been incorporated in IUT after confirmation from PUVNL.



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U.P. POWER CORPORATION LIMITED
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CONSOLIDATED FINANCIAL STATEMENT

EQUITY SHARE CAPITAL

NOTE-14

Particulars	(₹ in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
(A) AUTHORISED :		
125000000 (Previous Year 125000000 respectively) Equity shares of par value of Rs. 1000/- each	12500000.00	12500000.00
(B) ISSUED SUBSCRIBED AND FULLY PAID UP		
967622864 (Previous Year 911863632) Equity shares of par value Rs. 1000/- each	9676228.64	9118636.32
(of the above shares 36113400 were allotted as fully paid up pursuant to UP Power Sector Reform Scheme for consideration other than cash) (It includes 2000 shares of 1000/- each of Promoter's Share of Discom)		
Total	9676228.64	9118636.32

- a) During the year, The Company has issued 55759232 Equity Shares of Rs. 1000 each only and has not bought back any shares.
 b) The Company has only one class of equity shares having a par value Rs. 1000/- per share.
 c) During the year ended 31st March 2020, no dividend has been declared by board due to heavy accumulated losses.

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

Shareholder's Name	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
Government of UP	967622864	100	911863632	100

e) Reconciliation of No. of Shares

No. of Shares as on 01.04.2019	Issued During the Year	Buy Back during the Year	
911863632	55759232	0	967622864

NOTE-15

OTHER EQUITY

Particulars	(₹ in Lakhs)	
	As At 31.03.2020	As At 31.03.2019
A. Share Application Money (Pending For Allotment)	40192.23	214010.08
B. Capital Reserve		
(i) Consumers Contributions towards Service Line and other charges	849546.29	803715.98
(ii) Subsidies towards Cost of Capital Assets.	2769559.31	2420203.28
(iii) APDRP Grant/Other Grants	-	749.66
(iv) Restructuring Reserve	55476.24	56521.66
(v) Uday Grant	153229.84	126644.75
(vi) Others	19595.12	19595.12
C. Surplus in Statement of P&L	3847406.80	3427430.47
Opening Balance	(16997893.35)	(15775618.22)
PPE Adjustment for year 2017-18 of before		44846.71
Add: Impact of Ind AS adjustment to retained earnings		(4499.69)
Add: Profit/(Loss) for the year	(697133.36)	(1416219.37)
Adjustment as per Point no. 37 of Note 31	88131.18	1,54,059.60
Less: Prior Period Expenditure/(Income)	(17606895.53)	(464.36)
		(16997893.35)
Add: Provision for Impairment of Subsidiaries Reversed	7150371.49	6850102.43
Add: Provision on UPPCL Debtors Reversed	1,86,466.95	1,54,333.70
Add: Provision on Financial Assets-Other Current- Subsidiaries (Unsecured)	8457.70	4042.32
Total	(6376000.36)	(6347974.35)



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CIN: U32201UP1999SGC024928
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Note-16

FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT)*(₹ in Lakhs)*

Particulars	As At 31.03.2020	As At 31.03.2019	
(A) SECURED LOANS			
TERM LOANS			
Rural Electrification Corporation Ltd.	132786.61	109320.77	
R-APDRP(PFC)	167350.01	167740.03	
R-APDRP Part-B	35315.18	35315.18	
R-APDRP(REC)	153110.92	174269.50	
REC(Kesco)	1750	16250.00	
Sub Station Loan (REC)	2107.18	2458.38	
RAPDRP SCADA Part- B	31108.46	35552.46	
Subhagya (REC)	61129.28	46500.00	
DDUGGY	42700	38501.00	
IPDS (PFC)	11375.17	5600.00	
AB CABLE	60019.31	-	
WORKING CAPITAL LOANS			
Rural Electrification Corporation Ltd.(SAUBHAGYA)	66482.2	10633.52	
Rural Electrification Corporation Ltd.(Non-SAUBHAGYA)	4000	-	
Power Finance Corporation Ltd (DDUGJY)	33166	-	
Power Finance Corporation Ltd.(IPDS)	68048.47	28473.09	
REC(DDUGJY)	48360	918808.79	32240.00
			702853.93
(B) UNSECURED LOANS			
9.70 % UDAY Bond / Bonds	1035133.25	1037628.99	
REC	609196.43	588361.34	
PFC	862701.41	732230.39	
U.P. State Industrial Development Corporation Ltd.	0.54	0.54	
Housing Development Finance Corporation Ltd.	0.07	0.07	
UP GOVERNMENT LOAN (OTHERS)	34948.64	2541980.34	23293.55
			2381514.88
(C) BONDS/ LOANS RELATE TO DISCOMS(Secured)			
Non Convertible Bond	179238.61	207700.29	
9.68% Non Convertible Bonds	272417.14	317820.00	
8.97% Rated Listed Bond	301380.00	351810.00	
10.15% Rated Listed Bonds	429676.46	491058.83	
9.75% Rated Listed Bonds	309952.06	355870.88	
8.68% /8.48% Rated Listed Bonds	173845.71	1666509.98	202820.00
			1926880.00
(D) Interest free Loans (UDAY LOAN) (Unsecured)			
		-	489172.00
(E) Loan from State Government for payment of FRP Bonds			
		20441.86	38251.46
(E) Other than Bank			
PFC	97873.86	97873.86	72306.65
			72306.65
Total		5245614.83	5610978.92



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Note-17

FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(₹ In Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019
Security Deposits From Consumers	337969.48	305534.74
Liability/Provision for Leave Encashment	52291.27	27129.38
Liability for Gratuity on CPF Employees	25918.41	11644.77
Provision VII Pay Commission	-	6178.78
Staff related Liabilities	4904.64	2675.26
Total	421083.80	353162.93

Note-18

FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

(₹ In Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019
Secured Loan		
Overdraft from Banks		
(Paripassu charge on Resivables on Corporation)		
Central Bank of India	382.24	53.82
Punjab National Bank	2932.52	1106.89
Punjab National Bank (MID)	28568.33	27933.71
Allahabad Bank	10.88	28.22
ICICI Bank	225.5	20793.52
Bank of India	28297.64	49433.90
	<u>60417.11</u>	<u>49433.90</u>
Rural Electrification Corporation	6458.33	29375.00
NOIDA Loan	15000.00	15000.00
Total	81875.44	143725.06

Note-19

FINANCIAL LIABILITIES - TRADE PAYABLE (CURRENT)

(₹ In Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019
Liability for Purchase of Power	3214441.04	2543827.38
Liability for Power Purchase from Others	1276.21	418.78
Liability for Wheeling charges	556006.54	417628.83
UHBVN Ltd.	45.95	32.41
	<u>3771769.74</u>	<u>2961907.4</u>
Total	3771769.74	2961907.40



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Note-20

OTHER FINANCIAL LIABILITIES(CURRENT)

(₹ In Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019	As At 31.03.2019
Interest accrued & due (Loans through PCL)	16963.05	-	
Interest accrued & due on borrowings	11029.97	27993.02	20940.90
Current Maturity of Long Term Borrowings (Other)	41025.15	31216.21	
Current Maturity of Long Term Borrowings through UPPCL	513607.24	554632.39	224265.92
Liability for Capital Supplies/works	789385.88	929342.79	255482.13
Liability for O&M Supplies/works	99650.01	97989.82	
PPE Adjustment of Liability For O&M Supplies/works	-	889035.89	19.23
Deposits & Retentions from Suppliers & others	541074.82	505559.20	1027351.84
PPE Adjustment	-	541074.82	531.15
Electricity Duty & other levies payable to govt.	692600.19	704545.49	506090.35
PPE Adjustment	0	(4897.94)	699647.55
Deposit for Electrification works	129810.37	111290.60	
Deposit Works	4515.04	3803.01	115093.61
Liabilities towards UPPCL CPF Trust	5189.38	2882.77	
PPE Adjustment	-	5189.38	8.65
Liabilities for Gratuity on CPF Employees	207.17	227.22	
Liability for Leave Encashment	2385.19	2592.36	1999.48
Interest Accrued but not Due on Borrowings	96322.70	78472.48	2226.70
Staff related liabilities	145937.35	155560.82	
Add PPE Adjustment	-	242260.05	(11924.88)
Sundry Liabilities	99307.91	81891.49	222108.42
Less- PPE Adjustment	-	778.09	
Liabilities for GST	30.17	99338.08	46.93
<u>Payable to UPJVNL</u>			
Payable	8790.97	8839.95	
Receivable	(13.78)	(13.78)	
Liabilities for Expenses	21197.89	29975.08	17634.45
<u>Liabilities towards UP Power Sector Employees Trust</u>			
Provident Fund	70451.48	66119.89	
Provision for Interest on GPF Liability	7310.88	6590.92	
PPE Adjustment	-	7.06	
Pension & Gratuity Liability	32795.12	110557.48	40098.35
Provision VII Pay Commission	-	7501.08	112816.22
Interest on Security Deposit from Consumer	29623.41	26639.40	4456.21
Less- PPE Adjustment	-	29623.41	123.06
Total	3366698.64	3105044.94	

Note-21

PROVISIONS (CURRENT)

(₹ In Lakhs)

Particulars	As At 31.03.2020	As At 31.03.2019
Legal & Professional Charges	0.6	0.60
Provision for Income Tax	0.32	0.13
Total	0.92	0.73



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Note-22

REVENUE FROM OPERATIONS (GROSS)*(₹ in Lakhs)*

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Supply in Bulk			
Torrent Power Ltd.	102780.75	84590.13	
Unbilled amount of Sale of Power	-	81766.61	
Adjustment as per Point no. 37 of Note 31	75.33	(81766.61)	84590.13
Large Supply Consumer			
Industrial	1214999.34	1123384.97	
Traction	7125.36	39113.11	
PPE Adjustment	-	354.80	
Irrigation	58549.26	59337.17	
Public Water Works	126432.11	120420.35	1342610.40
Small & Other Consumers			
Domestic	2034301.62	1753923.45	
PPE Adjustment	-	899.51	
Commercial	623481.21	642824.28	
Industrial Low & Medium Voltage	244003.61	237107.24	
Public Lighting	66794.86	74149.12	
STW & Pump Canals	288831.2	214094.24	
PTW & Sewage Pumping	211719.75	181936.66	
Institution	7635.8	5857.27	
Small Power (LMV VI)	28415.03	27290.69	
Water Work (LMV VII)	12306.82	11206.86	
Temp Connection (LMV IX)	215.73	2350.59	
Prepaid	933.71	-	
Large & Heavy (HV I)	22338.65	21519.99	
Large & Heavy (HV II)	46387.51	43503.95	
Miscellaneous Charges form Consumers	187010.06	263074.75	
Energy Internally Consumed	118006.41	94586.77	
Electricity Duty	309891.05	305177.16	3879502.53
Other Operating Revenue			
Extra State Consumer	-	2270.45	
PPE Adjustment	1455.38	(22.80)	2247.65
		5713690.55	5308950.71
Less- Electricity Duty		(309891.05)	(303081.79)
Total	5403799.50	5005868.92	



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Note-23

OTHER INCOME*(₹ in Lakhs)*

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019	
From U.P. Govt.			
RE Subsidy from Govt. of U.P.	120000	170000.00	
Revenue Subsidy from Govt. of U.P.	892000	837021.00	
Subsidy for Operational Losses	110301.58	29621.54	
Subsidy Against Loan/Interest	3102.81	15200.16	
Subsidy for repayment of interest on loan	5646.59	3672.39	
Cross Subsidy	63.75	273.41	
Subsidy from Govt.	5541.98	2961.40	
Additional Subsidy as per UDAY Loss	129698.41	46487.46	
Subsidy against UDAY/Govt. Guarantee Loan	6167.77	14498.92	1119736.28
(a) Interest from :			
Loans to Staff	1.64	1.78	
Loans to NPCL (licencee)	1700.59	1479.62	
Fixed Deposits	16094.63	11306.16	
PPE Adjustment of Interest	-	26.38	
Banks (Other than on Fixed Deposits)	703.14	804.09	
Add: PPE Adjustment (Bank Other than on FD)	-	34.95	
Bonds	1712.25	1712.25	
Others	1293.02	21505.27	1297.45
(b) Other non operating income			
Delayed Payment Charges	89308.21	188374.30	
Income from Contractors/Suppliers	3297.84	3753.60	
PPE Adjustment	-	(699.05)	
Rental from Staff	115.11	102.74	
Miscellaneous Income/ Receipts	7183.96	3697.91	
PPE Adjustment exam fee	-	(1.30)	
PPE Adjustment Misc. Receipt	-	(0.76)	
Excess found on Verification of Stores	0.53	1.18	
Balance Write/off	9.72	0.00	
Sale of Tender Forms	17.93	99933.3	20.71
Total	1393961.46	1331648.29	








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Note-24

PURCHASE OF POWER*(₹ In Lakhs)*

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Transmission Charges	336461.14	223156.41
UHBVN Ltd.	36.67	30.21
PURCHASE FROM OTHERS	<u>857.44</u>	<u>618.78</u>
Generating Units	4802491.19	4884763.56
Surcharge	144588.52	115949.05
Unsheduled Interchange & Reactive Energy Charges	16407.6	12385.89
Inter-state Transmission & Related Charges	466322.88	408403.77
Sub Total	5767165.44	5645307.67
Rebate against Power Purchase	(28278.96)	(42858.03)
Total	5738886.48	5602449.64

Note: Rebate against Power Purchase includes the Subsidy of Rs. 19925.97 Lacs for 2019-20 and Rs. 27051.39 Lacs for 2018-19 received from Central Government for Solar Power.







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Note-25

EMPLOYEE BENEFIT EXPENSES*(₹ in Lakhs)*

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Salaries & Allowances	196599.25	170487.31
PPE Adjustment	0.00	523.05
Dearness Allowance	25049.86	15885.82
Other Allowances	11722.69	8881.79
Bonus/Ex.Gratia	1067.25	1268.36
Medical Expenses (Reimbursement)	4112.99	4087.76
Leave Travel Assistance	0.30	6.08
Earned Leave Encashment	17227.24	26831.70
Compensation	82.90	172.73
Staff Welfare Expenses	497.13	306.87
Pension & Gratuity	28585.81	22169.59
Other Comprehensive income of Gratuity	-1868.87	(950.49)
Other Terminal Benefits	4112.54	5781.23
Interest on GPF	5846.30	5615.32
Gratuity (CPF)	3114.32	940.72
Other Terminal Benefit (CPF)	7701.12	1834.45
Expenditure on Trust	16.81	80.47
Contributions to provident and other funds	361.64	274.71
PPE Adjustment	-	41.02
Others	-	81.00
Others/ compensation	411.15	-
Expenses allocated by UPPCL	7447.77	-
Sub Total	312088.2	264319.49
Expense Capitalised	(128435.92)	(122336.58)
Expenses Allocated to Discoms & Others	(18061.16)	-
Total	165591.12	141982.91



FINANCE COST

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019	
(a) Interest on Loans			
Working Capital	4172.33	4919.75	
Interest expenses on Borrowings	15863.78	17031.73	
Less- Rebate of Timely Payment of Interest	(10.75)	-	21951.48
(b) other borrowing costs			
Finance Charges/Cost of Raising Fund	5324.63	5463.50	
Bank Charges	648.22	588.60	
Service fees	-	0.01	
Guarantee Charges	0.15	0.34	6052.45
(c) Interest on Loans			
Interest on Govt Loan	2774.00	1395.73	
Interest on Bonds	272936.38	279299.74	
PFC	109189.01	77353.49	
R-APDRP	11241.75	11579.85	
REC	114496.04	78312.19	
PPE Adjustment	-	9871.07	
Bank Loan	-	606.67	
Interest on CPF	5.37	4.05	
Interest to Consumers	19352.57	15498.42	
Provision of Int. on ED/Licence Fee/GPF	787.81	928.83	
Interest on Secured Loan	25198.07	18304.69	
PPE Adjustment of interest on Secured Loan	-	(442.40)	492712.33
Sub Total	581979.36	520716.26	
Interest Capitalised	(63992.95)	(49658.88)	
Total	517986.41	471057.38	



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Note-27

DEPRECIATION AND AMORTIZATION EXPENSE*(₹ In Lakhs)*

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Depreciation on -		
Buildings	2,072.31	1,830.44
Other Civil Works	115.52	102.07
Plant & Machinery	1,14,417.93	91,316.93
Lines Cables Networks etc.	83,375.54	64,416.81
Vehicles	23.64	74.37
Furnitures & Fixtures	301.50	221.05
Office Equipments	2,722.27	1,805.75
Intangible Assets	63.77	33.37
Prior Period Adjustment for Depreciation	-	6.55
Equivalent amount of dep. on assets aquired out of the consumer's contribution & GoUP subsidy	(77270.48)	(47385.98)
Add: PPE Adjustment of Amortization	125822.00	(19216.35)
Capital Expenditure Assets not pertains to Corporation/Nigam	602.17	548.19
Total	126424.17	93753.20



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Note-28

ADMINISTRATIVE, GENERAL & OTHER EXPENSES*(₹ In Lakhs)*

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Interest Expense on Electricity duty	7352.44	6438.20
Rent	318.53	399.70
Rates & Taxes	322.50	403.36
Insurance	369.38	435.30
Communication Charges	3930.86	2332.18
Prior Period Adjustment	-	(0.01)
Legal Charges	2788.31	2820.99
Auditors Remuneration & Expenses	213.46	280.68
Consultancy Charges	5370.68	31588.46
Licence Fees	1234.56	4020.10
Technical Fees & Professional Charges	1623.84	3497.59
Travelling & Conveyance	4128.63	3235.31
Printing & Stationary	2045.20	1834.86
Prior Period Adjustment	-	4.19
Advertisement Expenses	1717.53	1532.26
PPE Adjustment of Advertisement expenses	107.25	(108.51)
Electricity Charges	81012.95	71294.46
PPE Adjustment	-	899.51
Water Charges	71.14	12.29
Entertainment	12.00	12.91
Expenditure on Trust	78.11	128.35
Incentive Amount(Incentive Scheme to prevent the Theft of Electricity)	43.30	-
Miscellaneous Expenses	13585.83	12891.92
PPE Adjustment of Miscellaneous expenses	-	229.76
Expenses incurred for Revenue Realisation	17553.61	7561.34
Compensation	928.79	749.89
Compensation(Other than Staff)	3428.83	2673.47
Vehicle Expenses	1655.47	219.30
Fees & Subscription	357.76	1352.12
Online, Spot Billing & Camp Charges	22684.51	15590.48
Loss on sale of Assets Scraped	0.83	-
Security charges	1685.87	1495.67
Rebate to consumer	932.18	1619.01
Payment to Contractual Persons	19241.91	12108.40
Honrariams	27.66	84.37
Professional Charges	192.04	93.93
Revenue Expenses	41368.67	10356.87
Expenses allocated by UPPCL	2142.28	-
Sub Total	238526.91	198088.71
Expenses Allocated to Discoms & Others	(2336.71)	-
Total	236190.2	198088.71





Note-29

REPAIRS AND MAINTENANCE

(₹ In Lakhs)

Particulars	For the Year ended 31.03.2020		For the Year ended 31.03.2019	
Plant & Machinery	95161.19		88546.17	
PPE Adjustment	-		(1910.45)	
Buildings	4044.54		9158.10	
Other Civil Works	642.79		286.89	
Lines, Cables Networks etc.	128985.15		125363.96	
Prior Period Adjustment	-		(184.96)	
Energy Internally Consumed	20426.66		-	
Vehicles - Expenditure	27746.90		19599.79	
Less: Transferred to different Capital & O&M Works/ Administrative Exp.	(27746.90)	249260.33	(19599.79)	221259.71
Furnitures & Fixtures	25.44		20.84	
Office Equipments	627.48		1710.90	
Payment to Contractual Persons	13275.27		9574.65	
Transferred to different Capital & O&M Works/ Administrative Exp.	(13275.27)		(9574.65)	
Expenses allocated by UPPCL	251.62	904.54	-	1731.74
Sub Total		250164.87		222991.45
Expenses Allocated to Discoms & Others		(576.26)		-
Total		2,49,588.61		2,22,991.45

Note-30

BAD DEBTS & PROVISIONS

(₹ In Lakhs)

Particulars	For the Year ended 31.03.2020		For the Year ended 31.03.2019	
Bad Debts written off-Others	-		3203.67	
PROVISIONS				
Doubtful Debts (Sale of Power)	83452.93		106552.82	
Doubtful Loans and Advances				
Other Current Assets	1239.47		569.79	
Loans (Non Current)	1700.59		1479.62	
Short Term	(129.56)		38.47	
Long Term	-		-	
Doubtful Advances	-		536.04	
Bad and Doubtful Debts	63.48		-	
Provision (Other)/Loss in Land acquisition process	(552.07)		(396.42)	
Adjuntment of Provision as per Actuarial Valuation Report	(905.80)	84869.04	-	111983.99
Doubtful Advances(Suppliers/ Contractor)				
Doubtful Other Current Assets (Receivables)	338.89		301.12	
Doubtful Financial Assets (Others)	2108.35		(1860.41)	
Provision For Impairment of Assets	281847.27		756577.00	
Loss of Materials	-		(253.91)	
Advances to Supplier/Contrator	23.6		(1.95)	
Provision for Theft of Fixed Assets/Estimated Losses(Fixed Assets)	890.16	285208.27	1544.88	756306.73
Total		370077.31		868290.72



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U.P. Power Corporation Limited

CIN:U32201UP1999SGC024923

Note No.31

Notes to Accounts forming part of Consolidated Financial Statements for the F.Y 2019-20

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

S No.	Name of Company	Status	Proportion (in %) of Shareholding as on*	
			31-03-2020	31-03-2019
1	U.P Power Corporation Limited	Holding	NA	NA
2	PurvanchalVidyutVitrان Nigam Limited**	Subsidiary	100	100
3	PashchimanchalVidyutVitrان Nigam Limited**	Subsidiary	100	100
4	MadhyanchalVidyutVitrان Nigam Limited**	Subsidiary	100	100
5	DakshinanchalVidyutVitrان Nigam Limited**	Subsidiary	100	100
6	Kanpur Electricity Supply Company Limited**	Subsidiary	100	100
7	Sonebhadra Power Generation Company Limited*** (inoperative service dated 27.03.2019)	Subsidiary	0	0
8	Southern-UP Power Transmission Company Limited	Subsidiary	100	100
9	Yamuna Power Generation Company Limited*** (inoperative service dated 25.03.2019)	Associate	0	0

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

** It represents the Distribution Companies (DISCOMs).

*** Sonebhadra Power Generation Company Limited and Yamuna Power Generation Company Limited are inoperative w.e.f. the date as cited above. As per order of the Registrar of Companies (MCA), Kanpur, U.P. dated 18.08.2020 and 28.08.2020 Sonebhadra Power Generation Company Ltd. and Yamuna Power Generation Company Ltd. respectively have been struck off from the Register of Companies and the same have been dissolved. (Refer Point no. 29 & 30)

2. The amount of Loans, Subsidies and Grants were received from the State Government by the Uttar Pradesh Power Corporation Limited centrally, being the Holding Company and distributed by the Holding Company to the DISCOMs, which have been accounted for accordingly.

3. The loan taken by the Subsidiary Companies during the financial year 2019-20 amounting to ₹ 686967.86Lacs. ₹380000.00Lacs received from the Holding Company



i.e. UPPCL (The UPPCL takes loan from financial institution for and on behalf of Discoms) as per details given below:-

(₹ InLacs)

Sl. No	Particulars	DVVNL	PuVVNL	PVVNL	MVNNL	Kesco	UPPCL	Total
1	REC	18526.00	37036.00	44109.07	56147.20		137500.00	293318.36
2	PFC	74300.00	29653.60	13559.60	25814.30		242500.00	385827.50
3	PFC Loan (IPDS)					7822.00		7822.00
Total		92826.00	66689.69	57668.67	81961.50	7822.00	380000.00	686967.86

4. The Board of Directors of Discoms have escrowed all the Revenue receipt accounts in favour of U.P. Power Corporation Limited, Lucknow. The Holding Company has been further authorized to these escrow revenue accounts for raising or borrowing the funds for & on behalf of distribution companies for all necessary present and future financial needs including Power Purchase obligation.
5. Accounting entries after reconciliation (IUT) have been incorporated in the current year. Reconciliation of outstanding balances of IUT is under progress and will be accounted for in coming years.
6. (a) The Property, Plant & Equipment including Land remained with the company after notification of final transfer scheme are inherited from erstwhile UPSEB which had been the title holder of such Non-Current Assets. The title deeds of new Property, Plant & Equipment created/purchased after incorporation of the company, are held in the respective units where such assets were created/purchased.

(b) Where historical cost of a discarded/ retired/ obsolete Property, Plant & Equipment is not available, the estimated value of such asset and depreciation thereon has been adjusted and accounted for.

(c) In terms of powers conferred by the Notification no. GSR 627(E) dated 29 August 2014 of Ministry of Corporate Affairs, Govt. of India. the depreciation/amortization on Property, Plant & Equipment/Intangible Assets have been calculated taking into consideration the useful life of assets as approved in the orders of UPERC (Multi Year Distribution tariff) Regulations, 2014.

(d) Depreciation on Computers and peripherals and Software has been provided on the basis of the useful life notified in the UPERC (Multi Year Distribution tariff) Regulations, 2014.
7. (a) Capitalisation of Interest on borrowed fund utilized during construction stage of Property, Plant & Equipment (i.e. Capital Assets) has been done by identifying the Schemes/Assets and the funds used for the purpose to the extent established.



(b) Borrowing cost capitalized during the year is 63992.95Lacs(31stMarch 2019 ₹ 49658.88Lacs).

8. (a) The Provision for Bad & Doubtful Debts against revenue from sale of power has been made @5% on the incremental debtors during the year.

(b) The details of provision for doubtful loans & advances are as under:-

(i) Provision to the extent of 10% on the balances of suppliers/ contractors has been made by UP Power Corporation Limited, Purvanchal Vidyut Vitran Nigam Limited, Pashchimanchal Vidyut Vitran Nigam Limited as shown and clubbed in the Note no. 13 (in Rs. 2412.23 Lacs) and an amount of ₹1198.09 Lacs by Kanpur Electricity Supply Company Limited against the unadjusted advances for more than two year (Net off shown in Note no. 3).

(ii) Provision @ 100% on interest accrued and due during the year on loan of NPCL has been made by UP Power Corporation Limited under the Note No. 07 (Financial Assets-Loans-Non Current).

(c) A provision for doubtful receivables to the extent of 10% on the balances appearing under the different heads of "Financial Assets-Other- Current" Note no. 12 by UP Power Corporation Limited and Pashchimanchal Vidyut Vitran Nigam Limited. 10% Provision on Receivable from Employees by Purvanchal Vidyut Vitran Nigam Limited and an amount of ₹ 97.25 Lacs reduced by Kanpur Electricity Supply Company Limited against the doubtful receivables from Employees shown in "Financial Assets-Other- Current" Note no. 12 .

(d) The provision for unserviceable store (Note no. 09) has been made @10% of closing balance by Pashchimanchal Vidyut Vitran Nigam Limited and the 100% Provision for loss on account of theft of fixed assets pending investigation (Note no. 12 have been made for balance at the close of financial year by Discoms.

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

10. Government dues in respect of Electricity Duty and other Levies amounting to Rs. 692600.19Lacs shown in Note-20 include Rs. 107349.97Lacs on account of Other Levies realized from consumers.

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

12. (a) Some balances appearing under the heads 'Financial Assets-Other (Current)', 'Financial Assets- Loans (Non-Current)', 'Other Current Assets', 'Other Financial Liabilities (Current)' and 'Financial Liabilities- Trade Payables (Current)' Material in transit/ under inspection/lying with contractors are subject to confirmation/ reconciliation and subsequent adjustments, as may be required.

(b) On an overall basis the assets other than Property, Plant & Equipment and Financial Assets-investments (Non-current) have a value on realisation in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.



13. Basic and diluted earnings per share has been shown in the Statement of Profit & Loss in accordance with Ind-AS33 "Earnings Per Share". Basic earnings per share have been computed by dividing net loss after tax by the weighted average number of equity shares outstanding during the year. Number used for calculating diluted earnings per equity share includes the amount of share application money (pending for allotment).

	(₹ in Lacs)	
	<u>31.03.2020</u>	<u>31.03.2019</u>
<u>Earning per share:</u>		
(a) Net loss after tax (numerator used for calculation)	(609002.18)	(1262159.77)
(b) Weighted average number of Equity Shares* (denominator for calculating Basic EPS)	950370812	865587585
(c) Weighted average number of Equity Shares* (denominator for calculating Diluted EPS)	954085912	876062221
(d) Basic earnings per share of Rs. 1000/- each (EPS Amount in Rupees)	(64.08)	(145.81)
(e) Diluted earnings per share of Rs. 1000/- each (EPS Amount in Rupees)	(64.08)	(145.81)

(As per para 43 of IndAS-33 issued by Institute of Chartered Accountants of India, Potential Equity Shares are treated as Anti-Dilutive as their conversion to Equity Share would decrease loss per share, therefore, effect of Anti-Dilutive Potential Equity Shares are ignored in calculating Diluted Earnings Per Share)*Calculated on monthly basis.

14. (a) Based on actuarial valuation report dt. 9.11.2000 submitted by M/s Price Waterhouse Coopers to UPPCL (the Holding Company) provision for accrued liability on account of Pension and Gratuity for the employees recruited prior to creation of the UPPCL i.e. for GPF employees has been made @16.70% and 2.38% respectively on the amount of Basic pay and DA paid to employees.

(b) As required by IND AS 19 (Employee Benefits), the company has measured its liabilities arising from Gratuity for the employees covered under CPF Scheme & Leave encashment of all employees and stated the same in Balance Sheet and Statement of P&L in the financial year 2019-20.

15. Amount due to Micro, Small and medium enterprises (under the MSMED Act 2006) could not be ascertained and therefore, interest thereon, has not been provided for want of sufficient related information. However, the company is in the process to obtain the complete information in this regard.

16. Debts due from Directors were Rs. NIL (previous year Nil).

17. Payment to Directors and Officers in foreign currency towards foreign tour was NIL (Previous year NIL).



Handwritten signatures and initials of the accountants.

18. Additional Information required under the Schedule-III of the Companies Act, 2013 areas under:-

(a) Quantitative Details of Energy Purchased and Sold:-

Sl. No.	Details	F.Y 2019-20	F.Y 2018-19
		(Units in MU)	(Units in MU)
(i)	Total number of units purchased	118140.93	115435.51
(ii)	Total number of units sold	91486.05	88095.25
(iii)	Distribution Losses	26654.88	27340.26

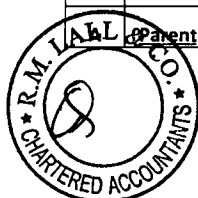
(b) Contingent Liabilities and Commitments:-

Sl. No.	Details	Amount (₹ In Lacs)	
		F.Y 2019-20	F.Y 2018-19
1	Estimated amount of contracts remaining to be executed on capital	13893.06	9002.44
2	Power Purchase	1317934.36	1010143.82
3	Interest on RAPDRP Loan	40985.58	31368.62
4	Amount involved in court cases	10827.57	9138.19
5	Statutory Dues	594.40	503.57
6	Others Contingencies	21228.45	20362.74
	Total	1405463.42	1080519.38

Contingent Assets:-Rs. 481.55 Lacs

(c) Disclosure as per Schedule III to the Companies Act, 2013

Sl. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities as at 31.03.2020		Share in Profit or Loss for the Year 2019-20		Share in other comprehensive income for the Year 2019-20		Share in Total Comprehensive income for the Year 2019-20	
		As % of Consolidated Net Assets	Amount (₹ in Lakhs)	As % of Consolidated Profit or Loss	Amount (₹ in Lakhs)	As % of Consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakhs)



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	UPPCL	(110.31)	570258.11	52.04	(315892.17)	8.52	(171.93)	51.90	(316064.10)
B	Subsidiaries								
	MVVNL	(53.74)	277791.47	10.87	(65999.32)	0.00	0.00	10.84	(65999.32)
	PuVVNL	20.21	(104485.65)	19.84	(120430.19)	92.59	(1868.87)	20.08	(122299.06)
	PVVNL	39.99	(206730.42)	17.59	(106786.32)	0.00	0.00	17.53	(106786.32)
	DVVNL	168.55	(871303.66)	10.36	(62902.58)	0.00	0.00	10.33	(62902.58)
	Kesco	35.31	(182545.13)	3.81	(23105.17)	(1.10)	22.28	3.79	(23082.89)
	Southern Power Transmission Corporation Ltd., Lucknow	(0.01)	61.83	(0.00)	0.92	0.00	0.00	(0.00)	0.92
C	CFS Adj								
	Adjustment as per Point no. 37 of Note 31			(14.52)	88131.18	0.00	0.00	-14.47	88131.18
	Total	100.00	(516953.45)	100.00	(606983.65)	100.00	(2018.52)	100.00	(609002.17)

19. Since the Company is principally engaged in the business of Electricity and there is no other reportable segment as per IndAS-108 'Operating Segments', hence the disclosure as per IndAS-108 on segment reporting is not required.

20. Disclosure as per IndAS-24 (Related Party): -

A- List of Related Parties

(a) List of Subsidiary & Associates:-

Subsidiary
MadhyanchalVidyutVitrان Nigam Limited
PashchimanchalVidyutVitrان Nigam Limited
PurvanchalVidyutVitrان Nigam Limited
DakshinanchalVidyutVitrان Nigam Limited
Kanpur Electricity Supply Company Limited
Sonebhadra Power Generation Company Limited(inoperative service dated 27.03.2019, Refer Note No. 29)
Southern-UP Power Transmission Company Limited (Refer Note No. 31)
Associates
Yamuna Power Generation Company Limited(inoperative service dated 25.03.2019, Refer Note No. 30)



(b) Key management personnel:-

S. No.	Name	Designation	Working Period (For FY 2019-20)	
			Appointm	Retirement/ Cessation
A- UPPCL (Holding Company)				
1	Shri.Alok Kumar	Chairman	20.05.2017	09.11.2019
2	Shri.Arvind Kumar	Chairman	10.11.2019	Working
3	Smt. Aparna U.	Managing Director	26.10.2017	04.11.2019
4	Shri.M.Devraj	Managing Director	05.11.2019	Working
5	Shri.SudhanshuDwivedi	Director (Finance)	30.06.2016	30.06.2019
6	Shri.SudhirArya	Director (Finance)	30.07.2019	Working
7	Shri.SatyaPrakashPandey	Director (P.M. & Admin.)	01.07.2016	02.06.2019
8	Shri. A.K Purwar	Director (P.M. & Admin.)	10.07.2019	Working
9	Shri. Vijay Kumar	Director (Distribution)	06.01.2018	Working
10	Shri. V. P. Srivastava	Director (Corporate planning)	04.01.2018	Working
11	Shri. A.K. Srivastava	Director (Commercial)	27.06.2018	Working
12	Dr.SenthilPandiyan C.	Nominee Director	10.09.2018	Working
13	Shri. Neel Ratan Kumar	Nominee Director	16.04.2013	Working
14	SmtManju Shankar	Nominee Director	10.12.2015	31.12.2019
15	Shri.PramendraNathSahay	Chief Financial Officer	14.11.2018	04.03.2020
16	Shri. Anil Kumar Awasthi	Chief Financial Officer	05.03.2020	Working
17	Shri.Pradeep Soni	Company Secretary (Additional Charge)	01.08.2017	17.03.2020
18	Ms.Niharika Gupta	Company Secretary	18.03.2020	Working
B- Subsidiary & Associates (Having Related Party Transactions)				
I- MadhyanchalVidyutVitrان Nigam Limited				
1	Shri. Alok Kumar	Chairman	20.05.2017	09.11.2019



2	Shri.Arvind Kumar	Chairman	09.11.2019	Working
3	Shri. Sanjay Goyal	Managing Director	05.04.2018	03.01.2020
4	Shri. Surya Pal Gangwar	Managing Director	03.01.2020	Working
5	Shri. Rakesh Kumar	Director (Finance)	31.12.2016	31.12.2019
6	Shri. Vibhu Prasad Mahapatra	Director (Finance)	01.01.2020	29.02.2020
7	Shri. Mahesh Chandra Pal	Director (Finance)	29.02.2020	Working
8	Shri. Subh Chand Jha	Director (PM & A)	21.06.2017	31.03.2020
9	Shri. Sudhir Kumar Singh	Director (Tech.)	03-09-2018	Working
10	Shri. Brahm Pal	Director (Comm)	29-06-2018	Working
11	Dr.Senthil Pandian C.	Nominee Director	10-09-2018	Working
12	Smt. Aparna U.	Nominee Director	26.10.2017	05.11.2019
13	Shri. M. Devraj	Nominee Director	05.11.2019	Working
14	Shri. Sudhanshu Dwivedi	Nominee Director	30.06.2016	30-06-2019
15	Shri. Sudhir Arya	Nominee Director	06.08.2019	Working
16	Dr.Umakant Yadav	CFO	05.09.2017	Working
17	Smt Neetu Arora Tandon	Company Secretary	10.09.2015	Working
II- PashchimanchalVidyutVitrان Nigam Limited				
1	Shri. Ashutosh Nirranjan	Managing Director	21.12.2017	12.10.2019
2	Shri. Aravind MallappaBangari	Managing Director	14.10.2019	Working
3	Shri. YatishVatsa	Director(P&A)	24.06.2017	03.08.2019
4	Shri. Naresh Kumar Arora	Director(P&A)	06.08.2019	Working
5	Shri. Pawan Kumar Agarwal	Director(Finance)	29.12.2016	28.12.2019
6	Shri. SudhirArya	Director(Finance)	01.01.2020	29.02.2020
7	Shri. Lalit Kumar Gupta	Director(Finance)	29.02.2020	Working
8	Shri. ArvindRajvedi	Director(Commercial)	22.09.2017	29.06.2019
9	Shri. Ishwar pal Singh	Director(Comm.)	10.08.2019	Working
10	Shri. Raj Kumar Agarwal	Director(Technical)	11.10.2017	Working
11	Shri. H.K. Agarwal	CFO	16.02.2018	Working
12	Shri. S.C. Tiwari	Company Secretary (Additional Charge)	01.04.2019	Working
III- PurvanchalVidyutVitrان Nigam Limited				
1	ShriAjok Kumar, (IAS)	Chairman	20.05.2017	09.11.2019
2	ShriArvind Kumar	Chairman	09.11.2019	Working



3	Smt. Aparna Upadhyayula	Managing Director	26.10.2017	05.11.2019
4	Shri M. Devraj	Managing Director	05.11.2019	Working
5	Shri Govind Raju N.S.	Managing Director	28.08.2018	12.10.2019
6	Shri K. Balaji	Managing Director	12.10.2019	Working
7	Shri Anil Kumar Awasthi	Director (Finance)	29.12.2016	28.12.2019
8	ShriSudhirArya	Director (Finance) (Additional Charge)	03.01.2020	Working
9	Shri Anil Kumar Kohli	Director (P. & A.)	21.06.2017	Working
10	Shri Anshul Agarwal	Director (Technical)	28.06.2018	04.11.2019
11	Shri Anil Kumar Kohli	Director (Technical)	21.11.2019	01.03.2020
12	Shri Prithvi Pal Singh	Director (Technical)	01.03.2020	Working
13	Shri Om Prakash Dixit	Director (Commercial)	07.08.2018	Working
14	Shri Anil Kumar Awasthi	Chief Finance Officer	18.11.2015	28.12.2019
15	Shri Pramendra Nath Sahay	Chief Finance Officer	04.02.2020	Working
16	Shri S. C. Tiwari	Company Secretary	01.09.2015	Working
IV-Dakshinanchal Vidyut Vitran Nigam Limited				
1	Shri.Alok Kumar	Chairman	20.05.201	09.11.2019
2	Shri.Arvind Kumar	Chairman	10.11.201	Working
3	SmtAparna Upadhyayula	Director	26.10.201	04.11.2019
4	Shri. M. Devraj	Director	05.11.201	Working
5	Shri.Sudhanshu Dwivedi	Director	30.06.201	30.06.2019
6	Shri.SudhirAarya	Director	30.07.201	Working
7	Dr.Chelliah Pandian Senthil C	Director (UPPTCL)	10.09.201	Working
8	Shri. S.K Verma	Managing Director	10.04.201	16.09.2019
9	Smt. SaumyaAgarwal	Managing Director	17.09.201	Working
10	Shri. K.C Pandey	Director (Finance)	21.06.201	30.11.2019
11	Shri.Vibhu Prasad Mahapatra	Director (Finance)	01.12.201	Working
12	Shri.Rakesh Kumar	Director (Technical)	04.01.201	Working
13	Shri. D.K Singh	Director (Commercial)	22.06.201	20.07.2019
14	Shri. S.K Gupta	Director (Commercial)	09.08.201	Working
15	Shri. Rakesh Kumar	Director (P&A)	27.06.201	Working
16	Shri. D.K Agarwal	Chief Financial Officer	06.06.201	31.05.2019
V- Kanpur Electricity Supply Company Limited				



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1	Shri. Arvind Kumar	Chairman	10.11.2019	Working
2	Shri. Alok Kumar	Chairman	20.05.2017	09.11.2019
3	Shri. M Devraj	Managing Director, UPPCL, (Nominee Director)	05.11.2019	Working
4	Smt. Aparna U	Managing Director, UPPCL, (Nominee Director)	31.08.2018	04.11.2019
5	Shri. Ajay Kumar Mathur	Managing Director	24.09.2017	Working
6	Smt. Saumya Agarwal	Managing Director	22.12.2017	16.09.2019
7	Shri. Ajay Kumar Mathur	Director (Commercial)	28.06.2018	Working
8	Shri. SudhirArya	Director (Finance), UPPCL, (Nominee Director)	25.09.2019	Working
9	Shri. Sudhanshu Dwivedi	Director (Finance), UPPCL, (Nominee Director)	31.08.2018	30.06.2019
10	Shri. Brahmdev Ram Tiwari	DM Kanpur (Nominee Director)	13.01.2020	Working as on 31.03.2020
11	Shri. Vijay Vishwas Pant	DM Kanpur (Nominee Director)	25.06.2018	13.01.2020
12	Smt. Abha SethiTandon	Company Secretary(Additional Charge)	14.03.2013	Working
VI- Southern UP Power Transmission Company Limited				
1	Shri.Sudhanshu Dwivedi	Nominee Director of UPPCL (Nominated as MD on 16.03.2018)	23.03.2017	13.08.2019
2	Shri. Vijay Kumar	Nominee Director of UPPCL	16.03.2018	Working
3	Shri. Vinay Prakash Srivastava	Nominee Director of UPPCL	16.03.2018	Working
4	Shri. A. K. Srivastava	Nominee Director of UPPCL	14.08.2019	Working
5	Shri. S. K. Awasthi	D.G.M. (Fin & Acc.) UPPTCL/SUPPTCL	01.06.2019	Working
6	Shri. P.K. Srivastava	D.G.M. (Trans. HQ), UPPTCL/SUPPTCL	06.08.2018	31.05.2019
7	Shri. Pradeep Soni	Company Secretary(Additional Charge)	01.08.2017	Working



- (c) The Company is a State Public Sector Undertaking (SPSU) controlled by State Government (Uttar Pradesh) by holding majority of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control, or significant influence, then the reporting entity and other entities shall be regarded as related parties. However, in view of the exemption available for Government related entities the Company has made limited disclosures in the financial statements. Such entities which company has significant transactions includes, but not limited to, are as follows:
- (i) UP Power Transmission Corporation Limited
 - (ii) Uttar Pradesh Rajya Utpadan Nigam Limited
 - (iii) Uttar Pradesh Jal Vidyut Nigam Limited.

- (d) Post-Employment Benefit Plan:-
- 1- Uttar Pradesh Power Sector Employees Trust.
 - 2- U.P Power Corporation Limited Contributory Provident Fund.

B- Transactions with Related Parties are as follows:

- (a) Transactions with related parties- Remuneration and Benefits paid to key management personnel (Chairman, Managing Director and Directors) are as follows: -

	(₹ InLacs)	
	2019-20	2018-19
Salary & Allowances	741.69	671.15
Leave Encashment	26.60	120.46
Contribution to Gratuity/ Pension/ PF	71.06	126.66

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

				(₹ InLacs)	
S No.	Name of The Company	Nature of Transaction	2019-20	2018-19	
1	UP Power Transmission Corporation Limited	Power Transmission & Misc. Transaction	337830.38	225768.91	
2	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Power Purchase	858055.73	979893.69	
3	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Receivable (Unsecured)	269.64	48.36	
4	Uttar Pradesh Jal Vidyut Nigam Limited	Power Purchase	8791.11	8458.81	
5	UP Power Transmission Corporation Limited	Employee, Administration and Repair & Maintenance Cost	2076.72	-	



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		Allocation		
6	Uttar Pradesh RajyaVidyutUtpadan Nigam Limited	Employee, Administration and Repair & Maintenance Cost Allocation	231.57	-
7	Uttar Pradesh JalVidyut Nigam Limited	Employee, Administration and Repair & Maintenance Cost Allocation	44.53	-

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

Particulars	(₹ InLacs)	
	31 st March 2020	31 st March 2019
Amount Recoverable		
From Others		
➤ UPRVUNL	628.63	358.99
➤ UPPTCL	35463.73	49247.10
Amount Payable		
To Others		
➤ UPJVNL	8777.19	8826.17
➤ UPPSET	110557.35	112816.22
➤ UPPCL CPF	5189.38	2891.42

21. Due to heavy unused carried forward losses / depreciation and uncertainties to recover such losses/depreciation in near future, the deferred tax assets have not been recognized in accordance with Para 34 of Ind AS-12 issued by ICAI.

22. Financial Risk Management

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

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

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

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



compliance but also has implications for operational performance of utilities, return of Equity, Revenue, competitiveness, and scope of supply.

To protect the interest of utilities, State Utilities are actively participating while framing of Regulations. ARR is regularly filed to UPERC considering the effect of change, increase/decrease, of power purchase cost and other expenses in deciding the Tariff of Sales of Power to ultimate consumers.

- (b) Credit Risk:** Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation resulting in a financial loss to the Group. Credit risk arises principally from cash & cash equivalents and deposits with banks and financial institutions. In order to manage the risk, group accepts only high rated bank/FIs.
- (c) Market Risk- Foreign Currency Risk:** Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income/loss. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Group has no material foreign currency transaction hence there is no Market Risk w.r.t foreign currency translation.
- (d) Market Risk- Interest Rate Risk:** The Group is exposed to interest rate risk arising from borrowing with floating rates because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by entering into different kind of loan arrangements with varied terms (eg. Rate of interest, tenure etc.).

Fair value sensitivity analysis for fixed-rate instruments

The group's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

- (e) Liquidity Risk:** Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the company's reputation.

The Group manage liquidity risk by maintaining adequate FI/Bank facilities and reserve borrowing facilities by continuously monitoring, forecast the actual cash flows and matching the maturity profile of financial assets and liabilities.

23. Capital Management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an appropriate capital structure of debt and equity.

The Group is wholly owned by the GoUP and the decision to transferring the share application money for issuing the shares is lay solely with GoUP. The Group acts on the instruction and orders of the GoUP to comply with the statutory requirements.



The debt portion of capital structure is funded by the various banks, FIs and other institutions as per the requirement of the company.

24. In the opinion of management, there is no specific indication of impairment of assets except Investment in UPPTCL, Sonebhadra PGCL & Yamuna PGCL as on balance sheet date as envisaged by Ind AS-36 (Impairment of Assets). Further, the assets of the corporation have been accounted for at their historical cost and most of the assets are very old where the impairment of assets is very unlikely. The Impairment on UPPTCL, Sonebhadra PGCL & Yamuna PGCL has been calculated on the basis of Net Worth of the Company as on 31-03-2020.
25. Statement containing salient features of the financial statements of Subsidiaries and Associates of UP Power Corporation Limited pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, in form AOC-I is attached.
26. Jawaharpur Vidyut Utpadan Nigam Limited (a Subsidiary of UPPCL) was transferred to Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited on 16.06.2015 (Refer GoUP letter No. 836 dated 24.09.2014 read with letter No. 1029 dated 27.11.2014 and the decision of 116th BoD of UPPCL dated 03.06.2015). Thus, Jawaharpur Vidyut Utpadan Nigam Limited (JVUNL) was no more a subsidiary of UPPCL AS ON 31.03.2016. Hence, the balances of JVUNL have not been considered in Consolidated Financial Statements for the F.Y 2015-16 onwards with a corresponding effect in Previous Year.
27. Uttar Pradesh Power Transmission Corporation Limited was Associate of Uttar Pradesh Power Corporation Limited up to Financial Year 2015-16. During the Financial Year 2016-17 the percentage of Shareholding of Uttar Pradesh Power Corporation Limited in Uttar Pradesh Power Transmission Corporation Limited has been reduced below the required limit of Associates disclosure, hence, the Company Uttar Pradesh Power Transmission Corporation Limited is no more Associates of Uttar Pradesh Power Corporation Limited from Financial Year 2016-17 and treated in financial statement accordingly.
28. Disclosure as per Ind AS 112 "Disclosure of Interest in Other Entities"

Subsidiaries

The Group's subsidiaries at 31st March 2020 are set out below. They have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group.

Name of Entity	Place of Business/ Country of Origin	Ownership interest held by the Group (%)		Ownership interest held by Non-controlling interest (%)		Principal activities
		31-03-20	31-03-19	31-03-20	31-03-19	
MVVNL	India	100	100	-	-	Distribution of energy
	India	100	100	-	-	Distribution of



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						energy
PVVNL	India	100	100	-	-	Distribution of energy
PUVNNL	India	100	100	-	-	Distribution of energy
Kesco	India	100	100	-	-	Distribution of energy
Southern UP Power Transmission Company Limited	India	100	100	-	-	Transmission of energy

29. Sonbhadra Power Generation Company Limited was incorporated as per directives of GoUP No. 609/ऊ०(नि०नि०)प्र०/24-60 dated 13.11.2006. As per guidelines issued by Ministry of Power, Government of India for the implementation/development of project, the Company initiated the preparatory activities such as process of land acquisition, arrangement for coal linkage, arrangement of water resources and environmental clearance etc. but Ministry of Coal, GOI did not communicate about allotment of coal to the project, due to resistance from land owners land acquisition process has abandoned, Ministry of Environment & Forest, GOI, finding Singrauli region as critically polluted declared Moratorium on establishing new projects in this area, the concerned department did not communicate regarding allocation of water to the project.

Board of Director took cognizance of the above facts and decided to abandon/close the project with this solution of the Company and directed to present the case before Energy Task Force, Government of UP.

Energy Task Force, Government of UP also recommended to abandon the project with dissolution of this Company and further directed to get the approval by Hon'ble Cabinet, Govt. of UP. The Govt of UP vide its letter no 432/24.ऊ०नि०नि०प्र०/18-20(प्रकोष्ठ) 14 dated 02.07.2018 conveyed its decision to dissolve Sonbhadra Power Generation Company Limited. The Company has been closed with effect from 27.03.2019 in accordance with the provision of section 248(2) of the Companies Act 2013. Resulting to this the treatment of balances of Sonbhadra Power Generation Company Limited has been done as below:

- A. Sonbhadra Power Generation Company Limited has issued its equity share in the name of UP Power Corporation Limited for the amount of Rs. 613.58 Lacs in consideration of converting Sundry Payables to UPPCL during FY 2018-19. Correspondingly UP Power Corporation Limited has shown this equity shares under the head of Investments and the impairment of the same has been made since the subsidiary company is no more in existence.
- B. An amount of Rupees one lakh under the head of Sundry Receivables, arisen after the issuance of Equity Shares mentioned in point No.1 above, from Sonbhadra Power Generation Company Limited has been written off during FY 2018-19 in accordance with approval of Board of Directors dated 22nd March, 2019.
- C. Sonbhadra Power Generation Company Limited has transferred the closing balance of Bank Account Rs. 0.42 Lacs, as on the date of closure, to UP Power Corporation Limited and UP Power Corporation Limited has taken over the Statutory or Other Expenses/Dues to that extent of this Company in compliance of the decision of Board of Directors taken in the 146th meeting dated 22nd March, 2019.



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- D. The Board has also decided in its 146th meeting dated 22nd March, 2019 to bear Statutory or Other Expenses/Dues by UP Power Corporation Limited arisen over and above transferred from Sonbhadra Power Generation Company Limited as mentioned in Point No. C above.

Since the name of the Company has been strike off by the ROC-Kanpur through order dated 18-08-2020, the financial statement of the company has not been incorporated in this Consolidated Financial Statements.

30. Yamuna Power Generation Company Limited was incorporated on 20-04-2010 as a Government Company by UP Power Corporation Limited, Greater NOIDA Industrial Development Authority, New Okhla Industrial Development Authority and Yamuna Expressway Industrial Development Authority as per directives of Government of U.P. vide G.O. no. 2133/24-1-09-1794/09 dated 2nd July, 2009. The Company was formed with the objective to meet out growing demand of electricity during 12th five year plan and was given to perform initial project preparation activities such as acquisition of land, arrangement for fuel linkage, water resources and environmental clearance etc.

Due to non-availability of required land and uncertainty of allocation of fuel (coal/gas) for the project, ultimately lead Energy Task Force (ETF) Govt. of U.P, come to conclusion to abandon the project in its meeting dated 07-05-2012. Subsequently on the recommendation of the said Task Force, Govt. of UP took the decision to abandon the project and wind up the company and conveyed its decision on 05.05.2015. Company has been closed with effect from 25.03.2019 in accordance to the provisions of sec. 248(2) of The Companies Act 2013. Resulting to this the treatment of balances of Yamuna Power Generation Company Limited has been done as below:

- A. Yamuna Power Generation Company Limited has issued its equity share in the name of UP Power Corporation Limited for the amount of Rs. 64.76 Lacs in consideration of converting Sundry Payables to UPPCL during FY 2018-19. Correspondingly UP Power Corporation Limited has shown this equity shares under the head of Investments and the impairment of the same has been made since the subsidiary company is no more in existence.
- B. Yamuna Power Generation Company Limited has transferred the closing balance of Bank Account Rs. 1.39 Lacs, as on the date of closure, to UP Power Corporation Limited and UP Power Corporation Limited has taken over the Statutory or Other Expenses/Dues to that extent of this Company in compliance of the decision of Board of Directors taken in the 146th meeting dated 22nd March, 2019.
- C. The Board has also decided in its 146th meeting dated 22nd March, 2019 to bear Statutory or Other Expenses/Dues by UP Power Corporation Limited arisen over and above transferred from Yamuna Power Generation Company Limited as mentioned in Point No. B above.

Since the name of the Company has been strike off by the ROC-Kanpur through order dated 28-08-2020, the financial statement of the company has not been incorporated in this Consolidated Financial Statements.

31. Southern U.P. Power Transmission Company Limited was incorporated on 08-08-2013 as a Government Company of Uttar Pradesh. The main Objectives of the Company consists transmission of Power generated from Lalitpur TPS to Agra and adjoining districts through 765/400 KV AIS/GIS substation and 765 & 400 KV transmission lines.

The Board of Directors of Southern U.P. Power Transmission Company Limited in its 6th meeting held on 20th September, 2016 has decided that necessary action for the closure of the



Company/striking off of the name of the Company as per the provisions of the Companies Act, 2013 may be taken up. Since Southern U.P. Power Transmission Company Limited is a wholly owned subsidiary company of U.P Power Corporation Limited the Board of Directors of U.P Power Corporation Limited in its 139th meeting held on 21st May, 2018 has approved/ratify the above mentioned decision of the Board of Directors of Southern U.P. Power Transmission Company Limited.

The decision Board of Directors of U.P Power Corporation Limited regarding closure of the Company/striking off of the name of the Company as per the provisions of Companies Act, 2013 has been approved by the Share Holders of U.P Power Corporation Limited in its Extra Ordinary General Meeting held on 14th June, 2018.

Subsequently, this matter has been sent to the Energy Task Force (ETF) on 26th June, 2019 for its acceptance/approval. Resulting to this Southern U.P. Power Transmission Company Limited has issued its Equity Shares in the name of U.P Power Corporation Limited for the amount of Rs. 216.63 Lacs in consideration of converting borrowings from UPPCL during FY 2018-19. Correspondingly UP Power Corporation Limited has shown this equity shares under the head of Investments and the impairment of the same has been made since the subsidiary company is in the process of closure/ striking off of the name from the register of the Company.

32. The sale of Electricity does not include Electricity Duty payable to the State Government.

33. The figures as shown in the Balance Sheet, Statement of Profit & Loss, and Notes shown in (.....) denote negative figures.

34. The Annual Accounts of F.Y 2017-18 and 2018-19 are yet to be adopted in Annual General meeting.

35. Consequent to the applicability of Ind-AS the financial statements for the year ended 2019-20 has been prepared as per Ind-AS. Accordingly previous year's figures have been regrouped/ rearranged wherever necessary to confirm to this year classification.

36. Effective 01st April, 2018, the Company has applied Ind AS 115, Revenue from Contracts with Customers, using the cumulative catch up transition method, applied to contracts with customers that were not completed as at 01st April, 2018. Accordingly, the comparative amounts of revenue have not been retrospectively adjusted and continue to be reported as per Ind AS 18 "Revenues" and Ind AS 11 "Construction Contracts" (to the extent applicable). The effect on the adoption of Ind AS 115 was insignificant as we supply the power to our ultimate consumers and generate the bills on monthly consumption basis.

Revenue from sale of power is recognized on satisfaction of performance obligation upon supply of power to the consumers at an amount that reflects the consideration (As per UPERC Tariff), adjusted with rebate on timely payment, the Company expects to receive in exchange for those supplied power.

Consumers Contribution received under Deposit Work has been amortized in the proportion in which depreciation on related asset is charged to allocate the transaction price over a period of life of assets.

37. Reconciliation of Inter Company Transactions related to sale of power by the UPPCL to the DISCOMs and purchase of Power by the DISCOMs from the UPPCL for the year ended

31.03.2020.



- a. The sale of power to the subsidiaries companies (DISCOMS) amounting to ₹ 88131.18Lacs could not be billed by the UPPCL in the year 2018-19 and, therefore, the same was shown by the UPPCL as unbilled revenue in their accounts for the F.Y. 2018-19. Hence, the same was shown as un-removed amount in the note no. 15 (Other Equity) of the Consolidated Financial Statements for the F.Y. 2018-19. The aforesaid amount has now been adjusted in the current year's bills of sale of power raised by the UPPCL to the subsidiary companies (DISCOMS) and, therefore the same has been shown as removed item in the note no. 15 (Other Equity) of Consolidated Financial Statements for the Current Financial Year.
- b. The amount of ₹75.33 Lacs related to sale of power by the UPPCL to the subsidiary companies (DISCOMS) is lying under reconciliation with the DISCOMS, hence the same has been shown as un-removed item in the note no. 10 (Trade Receivables) and note no. 22 (Revenue from Operations) of the Consolidated Financial Statements for the Current Year.

38. The Company (UPPCL) has decided, vide Board's Meeting dated 14-08-2020, to allocate common expenditure to subsidiaries and facility costs to power sector companies owned by GoUP with effect from the year 2019-20. The Company has done the allocation first time in the following heads Employee Cost, Administrative, General & Other Expense & Repair & Maintenance as at 31.03.2020 and accordingly the same has been taken by the Subsidiary and power sector companies owned by GoUP.

39. In accordance with the provisions of Ind AS 08 (Accounting Policies, Changes in Accounting Estimates and Errors), prior period errors/omissions have been corrected retrospectively by restating the comparative amounts for the prior periods to the extent practicable along with changes in basic and diluted Earnings per Shares. If the error/omission relates to a period prior to the comparative figures, opening balance of the Assets, Liabilities and Equity of the comparative period presented have been restated. Statement showing the details of correction and restatement are given below:-

A- RECONCILIATION OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2019

RECONCILIATION OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2019

(Rs. in Lakhs)

Particulars	Note No.	Audited 2018-19	Corresponding of 2018-19 given in Audited 2019-20	Difference	Reasons
-------------	----------	-----------------	---	------------	---------

(I) ASSETS

(1) Non-current assets

(a) Property, Plant and Equipment	2	3951886.68	3951780.38	(106.30)	PPE Adjustment
(b) Capital work-in-progress	3	2085777.98	2077281.55	(8496.43)	PPE Adjustment
(c) Assets not in Possession	4	12978.10	12978.10	-	
(d) Intangible assets	5	287.82	287.82	-	
(e) Financial Assets					
(i) Investments	6	230899.23	230899.23	-	
(ii) Loans	7	14.27	14.27	-	
(iii) Others	8	744.03	744.20	0.17	Regrouping

(2) Current assets

(a) Inventories	9	349039.17	349039.17	0.00	
(b) Financial Assets					
(i) Trade receivables	10	6844062.99	6840135.96	(3927.03)	PPE Adjustment



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8	Repair and Maintenance	29	225086.86	222991.45	(2095.41)	PPE Adjustment
9	Bad Debts & Provisions	30	868290.72	868290.72	0.00	
10	Other expenses					
IV	Total expenses (IV)		7608848.82	7598614.01	(10234.81)	PPE Adjustment
V	Profit/(Loss) before exceptional items and tax (III-IV)		(1274032.44)	(1261096.80)	12935.64	PPE Adjustment
VI	Exceptional Items		0.12	0.12		
VII	Profit/(Loss) before tax (V(+/-)VI)		(1274032.56)	(1261096.92)	12935.64	PPE Adjustment
VIII	Tax expense:					
	(1) Current tax		0.13	0.13	-	
	(2) Deferred tax		-	-	-	
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(1274032.69)	(1261097.05)	12935.64	PPE Adjustment
X	Profit/(Loss) from discontinued operations		-	-	-	
XI	Tax expense of discontinued operations		-	-	-	
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-	-	
XIII	Profit/(Loss) for the period (IX+XII)		(1274032.69)	(1261097.05)	12935.64	PPE Adjustment
XIV	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss- Remeasurement of Defined Benefit Plans (Actuarial Gain or Loss)		(1062.72)	(1062.72)	-	
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	
	B (i) Items that will be reclassified to profit or loss		-	-	-	
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		(1275095.41)	(1262159.77)	12935.64	PPE Adjustment

40. Previous year's figures have been regrouped/ rearranged wherever necessary to confirm to this year classification.

41. The Expenses allocated by the U.P Power Corporation Limited for the year 2019-20 has been accounted for by all the Discoms in its Financial Statements. MadhyanchalVidyutVitrان Nigam Limited & PashchimanchalVidyutVitrان Nigam Limited have presented the expenses as a separate line item and PurvanchalVidyutVitrان Nigam Limited, DakshinanchalVidyutVitrان Nigam Limited and Kanpur Electricity Supply Company Limited have incorporated the same in the respective heads of expenses.

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

U.P Power Corporation Limited (Holding Company)

(i) The Disclosure of Employee Benefits is as below:

S.N o	Defined benefit plans:- (Amount ₹ in Lacs)	Gratuity		Leave Encashment	
		As on 31/03/2020	As on 31/03/2019	As on 31/03/2020	As on 31/03/2019
1	Assumptions				



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(ii) Cash and cash equivalents	11-A	599864.38	599883.62	19.24	PPE Adjustment
(iii) Bank balances other than (ii) above	11-B	52956.90	52956.90	-	
(iv) Others	12	263912.47	263616.21	(296.26)	PPE Adjustment
(c) Other Current Assets	13	565858.70	565864.54	5.84	Regrouping & PPE Adjustment

Total Assets		14958282.72	14945481.95	(12800.77)	
(III) EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	14	9118636.32	9118636.32	-	
(b) Other Equity	15	(6350224.41)	(6347974.35)	2250.06	Regrouping & PPE Adjustment
LIABILITIES					
(1) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	16	5610978.92	5610978.92	-	
(b) Other financial liabilities	17	353162.93	353162.93	-	
(2) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	18	143725.06	143725.06	-	
(ii) Trade payables	19	2961907.40	2961907.40	-	
(iii) Other financial liabilities	20	3120095.77	3105044.94	(15050.83)	PPE Adjustment
(b) Provisions	21	0.73	0.73	-	
Total Equity and Liabilities		14958282.72	14945481.95	(12800.77)	

B- Reconciliation of Statement of Profit & Loss for the Year ended 2018-19

Reconciliation of Statement of Profit & Loss for the Year ended 2018-19

(Rs. in Lakhs)

Particulars	Note No.	Audited 2018-19	Corresponding of 2018-19 given in Audited 2019-20	Difference	Reasons
I Revenue From Operations	22	5002542.04	5005868.92	3,326.88	PPE Adjustment
II Other Income	23	1332274.34	1331648.29	626.05	PPE Adjustment
III Total Income (I+II)		6334816.38	6337517.21	2700.83	
IV EXPENSES					
1 Cost of materials consumed					
2 Purchases of Stock-in-Trade (Power Purchased)	24	5602449.64	5602449.64	0.00	
3 Changes in inventories of finished goods. Stock-in-Trade and work-in-progress					
4 Employee benefits expense	25	141389.33	141982.91	593.58	PPE Adjustment
5 Finance costs	26	461628.71	471057.38	9428.67	PPE Adjustment
6 Depreciation and amortization expenses	27	112963.00	93753.20	(19209.80)	PPE Adjustment
7 Administration, General & Other Expense	28	197040.56	198088.71	1048.15	PPE Adjustment



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	Discount Rate	6.88%	7.77%	6.60%	7.43%
	Rate of increase in Compensation levels	4.00%	4.00%	4.00%	4.00%
	Rate of return on Plan assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Average future service (in Years)	25.56 Years	25.76 Years	15.61 Years	14.88 Years
2	Service Cost				
	Current Service Cost	96.92	64.55	98.90	72.08
	Past Service Cost (including curtailment Gains/ Losses)	0	0	0	0
	Gains or losses on Non Routine settlements	0	0	0	0
3	Net Interest Cost				
	Interest Cost on Defined Benefit Obligation	44.10	29.02	522.89	492.97
	Interest Income on Plan Assets	0	0	0	0
	Net Interest Cost (Income)	44.10	29.02	522.89	492.97
4	Change in present value of obligations				
	Opening of defined benefit obligations	567.61	367.82	7037.51	6410.48
	Interest cost	44.10	29.02	522.89	492.97
	Service Cost	96.92	64.55	98.90	72.08
	Benefits Paid	(12.04)	(6.01)	(723.57)	(1052.74)
	Actuarial (gain)/Loss on total liabilities	171.93	112.23	592.15	1114.72
	<i>due to change in financial assumptions</i>	111.69	80.30	359.09	459.86
	<i>due to change in demographic assumptions</i>	0	0	0	0
	<i>due to experience Changes</i>	60.24	31.93	233.05	654.86
	Closing of defined benefit obligation	868.53	567.61	7527.88	7037.51
5	Change in the fair value of plan assets				
	Opening Fair value of plan assets	0	0	0	0
	Actual return on plan assets	0	0	0	0



	Employer Contribution	12.04	6.01	723.57	1052.74
	Benefits paid	(12.04)	(6.01)	(723.57)	(1052.74)
	Closing Fair value of plan assets	0	0	0	0
6	Actuarial (Gain)/Loss on Plan Asset				
	Expected Interest Income	0	0	0	0
	Actual Income on Plan Assets	0	0	0	0
	Actuarial gain/(loss) on Assets	0	0	0	0
7	Other Comprehensive Income				
	Opening amount recognized in OCI outside P&L account	0	0	N/A	N/A
	Actuarial gain/(loss) on liabilities	(171.93)	(112.23)	N/A	N/A
	Actuarial gain/(loss) on assets	0	0	N/A	N/A
	Closing amount recognized in OCI outside P&L account	(171.93)	(112.23)	N/A	N/A
8	The amounts to be recognized in the Balance Sheet Statement				
	Present value of obligations	868.53	567.61	7527.88	7037.51
	Fair value of plan assets	0	0	0	0
	Net Obligations	868.53	567.61	7527.88	7037.51
	Amount not recognized due to assets limit	0	0	0	0
	Net defined benefit liability/(assets) recognized in balance sheet	868.53	567.61	7527.88	7037.51
9	Expenses recognized in Statement of Profit & loss				
	Service cost	96.92	64.55	98.90	72.08
	Net Interest cost	44.10	29.02	522.89	492.97
	Net actuarial (gain)/loss			592.15	1114.72
	Expenses recognized in statement of Profit & Loss	141.03	93.57	1213.93	1679.77
	Change in Net Defined				



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Obligations					
	Opening of Net defined benefit liability	567.61	367.82	7037.51	6410.48
	Service Cost	96.92	64.55	98.90	72.08
	Net Interest Cost	44.10	29.02	522.89	492.97
	Re-measurements	171.93	112.23	592.15	1114.72
	Contributions paid to fund	(12.04)	(6.01)	(723.57)	(1052.74)
	Closing of Net defined benefit liability	868.53	567.61	7527.88	7037.51
11	Sensitivity analysis				
	Item	As on 31/03/2020	Impact	As on 31/03/2020	Impact
	Base liability	868.53		7527.88	
	Increase in Discount rate by 0.50%	803.22	(65.30)	7306.91	(220.97)
	Decrease in Discount rate by 0.50%	941.12	72.65	7764.23	236.36
	Increase in salary inflation by 1%	1017.67	(149.15)	7993.85	465.97
	Decrease in salary inflation by 1%	745.24	(123.29)	7113.00	(413.88)
	Increase withdrawal rate by 0.5%	895.99	27.46	7579.28	51.41
	Decrease withdrawal rate by 0.5%	838.86	(29.66)	7473.23	(54.65)

(II) The Company is making efforts to recognize and identify the location of land along with its title deed as well as of other Property, Plant & Equipment, transferred under various Transfer Schemes for the purpose of maintaining fixed assets registers.

(III) As per Ministry of Power, Govt of India, order no.11/16/2020-Th-II dated 15.05.2020 and order no 11/16/2020-Th-II(C.No. 252648)dated 16.05.2020 a sum of Rs 3432643984 (Rupees Three Hundred Forty Three Crores Twenty Six Lakhs Forty Three Thousand Nine Hundred Eighty Four Only) has been received as one time rebate on account of lockdown due to covid-19 pandemic from various central sector generators. The aforementioned amount has been accounted for in the financial Year 2020-21 as it is a non –adjusting event arising in financial year 2020-21 in accordance with the provisions given in Ind AS - 10(Events after the reporting period).The part period of the above pertains to financial year 2019-20.(i.e. 25.03.2020 to 31.03.2020).

(IV) The amount appropriated for repayment/liquidation of Rated, Listed and Secured Bonds liabilities is parked in Debt Service Reserve Fund Account / Bond Service Accounts earmarked for bond servicing. The balance in these accounts as on 31.03.2020 is ₹1369.69



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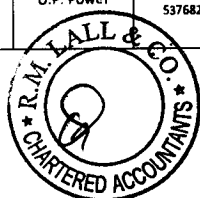
(V) As per requirement of section 135 and schedule VII of the Companies Act, 2013 read with companies (Corporate Social Responsibility Policy) Rules 2014 the company has incurred losses during the three immediately preceding financial years, no amount has been spent on CSR, also no provision has been made by the company in this regard.

(VI) The receivable from Uttarakhand Power Corporation Ltd. amounting to Rs. 192.61 Crore as on 31.03.2019 has now been mutually settled and the same has been approved by the Board of Directors of the company in their meeting held on 18th December, 2019. Accordingly, the amount of Rs. 160.58 Crore payable to Uttarakhand Power Corporation Ltd. by U.P. Power Sector Employees Trust on account of GPF contribution has been adjusted against the above receivable amounting to Rs. 192.61 Crore and the same has been accounted for by the company in the ensuing account in hand i.e. 2018-19 as receivable from U.P. Power Sector Employees Trust (Ref Note-20) and the balance amount of Rs. 32.03 Crore (Rs. 192.61 Crore - Rs.160.58 Crore) has finally been written off and accounted for as Bad Debts.

(VII) A-The status of Bonds issued by the Company for the subsidiaries is as under:-

(Amount ₹ in Lacs)

S. No	Details of Bonds	Amount of Bonds	No. of Bonds	Date of issue	Face Value	Maturity date	Rate of Interest	Previous due date of interest payment	Paid / or not	Next date of interest payment	Amount of interest payable on next date	Next due date of Principal payment	Principal Amount payable on next due date	Security	Outstanding as at 31.03.2020	Outstanding as at 31.03.2019
Listed																
1	UPPCL Bond series II/2017-18	549100.00	54910	27-Mar-2018	10	Jan-2028	10.15%	20-Jan-2020	Paid	20-Apr-20	13042.14	20-Apr-2020	16150.00	Govt. Guaranteed and Hypothecated for receivables	516800.00	549100.00
2	UPPCL Bond series I/2017-18	449820.00	44982	05-Dec-2017	10	Oct-2027	9.75%	20-Jan-2020	Paid	20-Apr-2020	9942.29	20-Apr-2020	13230.00		410130.00	449820.00
3	UPPCL Bond series IV/2016-17	348950.00	34895	27-Mar-2017	10	Mar-2027	8.48%	16-Mar-2020	Paid	15-Jun-2020	7438.16	15-Jun-2020	12462.50		348950.00	348950.00
4	UPPCL Bond series III/2016-17	651000.00	65100	17-Feb-2017	10	Feb-2027	8.97%	15-Feb-2020	Paid	15-May-2020	14359.35	15-May-2020	23250.00		651000.00	651000.00
Unlisted																
1	U.P. Power Corporation Ltd.- 2032	29949	29949	30-Mar-2017	1	Mar-2032	9.70%	30-Mar-2020	Paid	30-Sep-2020	1460.46	30-Sep-2020	1247.97	Govt. Guaranteed	29949.00	29949.00
2	U.P. Power Corporation Ltd.- 2031	469998	469998	28-Sep-2016	1	Sep-2031	9.70%	28-Mar-2020	Paid	28-Sep-2020	22919.47	28-Mar-2022	23499.90		469998.00	469998.00
3	U.P. Power	537682	537682	04-Jul-	1		9.70%	06-Jan-	Paid	06-Jul-2020	25935.08	04-Jan-	26884.10		537682.00	537682.00



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Corporation			2016		July-2031		2020				2022				
Ltd.- 2031															
	3036499.00	1237516							95096.96		116724.47		2964509.00	3036499.00	

Payment of Principal amount is started from 19.07.2019.

B-Disclosure pursuant to Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

The following debentures issued by the Company as on February 17, 2017, March 27, 2017, December 05, 2017 & March 27, 2018 are secured as per the details:-

ISIN	Scrip Code	Maturity	Secured by way of	Amount (₹ In Lacs.)	Date of Creation of Security
INE540P07046, INE540P07053, INE540P07061, INE540P07079, INE540P07087, INE540P07095, INE540P07103	955766, 955767, 955768, 955769, 955770, 955771, 955772	15-02-2027	Hypothecation on Receivable	651000.00	16-02-2017
INE540P07111, INE540P07129, INE540P07137, INE540P07145, INE540P07152, INE540P07160, INE540P07178	956144, 956145, 956146, 956147, 956148, 956149, 956150	13-03-2027	Hypothecation on Receivable	348950.00	30-03-2017
INE540P07186, INE540P07194, INE540P07202, INE540P07210, INE540P07228, INE540P07236, INE540P07244, INE540P07251, INE540P07269	957201, 957202, 957203, 957204, 957205, 957206, 957207, 957208, 957209	20-10-2027	Hypothecation on Receivable	449820.00	06-12-2017
INE540P07277, INE540P07285, INE540P07293, INE540P07301, INE540P07319, INE540P07327, INE540P07335, INE540P07343, INE540P07350	957800, 957802, 957803, 957804, 957806, 957807, 957808, 957809, 957810	20-01-2028	Hypothecation on Receivable	549100.00	24-03-2018

C- The extent and nature of security created and maintained w.r.t Secured, Listed Non-convertible bonds:

All the above rated listed bonds are fully secured upto 1.1 times of the outstanding balance of bonds upon receivables of UPPCL and the bonds are also guaranteed by Government of Uttar Pradesh.

(VIII) The market value of Bonds shown under the head FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT) at note no.06 is as under:



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Settlement Date	Security	Valuation date	Original Maturity date	Residual maturity year	FIMMDA Yield as on 31.03.2020	Price	No. of bonds	Total amount/clean price
27.03.2017	7.59% Hudco bonds series G(21.06.2020)	31.03.2020	21.06.2020	0.22	Month FIMMDA valuation	100.37	240	240876006
27.03.2017	7.59% Hudco bonds series G(21.06.2020)	31.03.2020	21.06.2020	0.22	Month FIMMDA valuation	100.37	250	250912506
13.04.2017	7.59% Hudco bonds series G(21.06.2020)	31.03.2020	21.06.2020	0.22	Month FIMMDA valuation	100.37	510	511861512
27.03.2017	7.75% PFC Bonds Series-164(22.03.2027)	31.03.2020	22.03.2027	7	6.92	105.17	250	262933971
27.03.2017	7.75% PFC Bonds Series-164(22.03.2027)	31.03.2020	22.03.2027	7	6.92	105.17	250	262933971
27.03.2017	7.75% PFC Bonds Series-164(22.03.2027)	31.03.2020	22.03.2027	7	6.92	105.17	250	262933971
27.03.2017	7.75% PFC Bonds Series-164(22.03.2027)	31.03.2020	22.03.2027	7	6.92	105.17	250	262933971
11.05.2017	7.75% PFC Bonds Series-164(22.03.2027)	31.03.2020	22.03.2027	7	6.92	105.17	230	241899254
Total							2230	2297285162

(IX) As on beginning and end of FY 2019-20 the government guarantee issued by GoUP in favour of various Banks, FI's and bond security stood at ₹ 53,728.65 crore and ₹ 56,453.65 crore respectively. During the FY 2019-20 Govt. guarantee of ₹3,975.00 crore were issued and ₹1,250.00 crore were discharged.

(X) Due to the outbreak of the Covid19 globally and in India the company management has made an initial assessment of likely adverse impact on business and financial risk and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as a going concern and meet its liabilities as and when they fall due.

(XI) As per requirement of section 135 and schedule VII of the Companies Act, 2013 read with companies (Corporate Social Responsibility Policy) Rules 2014, the company has incurred losses during the three immediately preceding financial years, no amount has been spent on CSR.

Pashchimanchal Vidyut Vitran Nigam Limited (Subsidiary Company)

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

(II) The Security deposit collected from the consumers on the basis of 2 month average billing. On overdue of the payment of bills raised, a notice is to be served to the consumers. The Company has most of the consumers with capacity to meet their obligations and therefore the



risk of default is negligible. Further, management believes that the unimpaired amounts that are passed due are still collectable. Hence, no impairment loss has been recognised during the reporting period in respect of Trade Receivables.

(III) The following fraud/embezzlements were noticed/detected during the year as disclosed by Branch Auditor of Meerut Zone in its Audit Report are as follows:

S.NO.	Particulars	Amount (Rs. In lacs)
1	Fraud made by Mr.Sanjay Kumar, Cashier EDD-II Baghpat	31.30
2	Fraud made in EUDD-II, EUDD-V and EUDD-VII Noida division by few bank officials of ICICI Bank	172.37
3	Fraud made by employees of EUDD-II, Amroha	4.32
4	Fraud made by employees of EUDD-I, Gajraula	36.67
	Total	244.66

DakshinanchaVidyutVitrana Nigam Limited (Subsidiary Company)

(I) As per the Provisions of DF Agreement with Torrent Power Limited, the Company has raised Bills for non-achievement of AT&C Target and AT&C Loss Incentive for the F.Y 2019-20 on 8th September, 2020, which has been accounted for as income in the year of bill raised. As per IND AS-10 the required disclosure of the same are as follows:

Nature of the event	Financial Impact
Non-Achievement of AT&C Loss Target	Rs. 528.19 Lacs
AT&C Loss Incentive	Rs. 5022.33 Lacs



(Dr. Jyoti Arora)
Company Secretary



(A. K. Awasthi)
Chief General Manager
& CFO



(A.K. Purwar)
Director
DIN - 08544396




(Pankaj Kumar)
Managing Director
DIN - 08095154

Place :Lucknow
Date : 31-08-2021

Subject to our report of even date

For R M Lall & Co.
Chartered Accountants
FRN No. 000932C



04/10/21

(Vikas C Srivastava)
Partner
M.No.401216

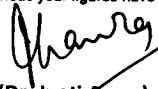
UDIN : 2140 1216 AAAA BR 1173

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31st MARCH 2020


PARTICULARS	2019-20	2018-19
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss Before Taxation & Extraordinary items	-609002.18	-1262159.73
Adjustment For:		
a Depreciation and Amortization Expenses	138582.23	104817.36
b Finance Cost	537257.47	485078.27
c Bad Debts & Provision	354991.10	849315.43
d Interest Income (Other Income)	-20018.13	-16334.67
e Other Comprehensive Income	-	-4499.69
f PPE Adjustments	-	-464.38
Sub Total	1010814.67	1417912.32
Operating Profit Before Working Capital Change	401812.49	155752.59
Adjustment for:		
a Inventories	30552.36	-30931.87
b Financial Assets - Trade Receivable (Current)	-1653660.83	-2107587.30
c Other Current Assets	77764.98	-42583.31
d Financial Assets - Others (Current)	-946627.94	-857937.89
e Financial Assets - Bank Balance other than Financial Assets - Cash and Cash Equivalent (Current)	-131723.30	26637.69
f Other Financial Liabilities (Current)	871164.44	388602.04
g Financial Liabilities - Borrowings (Current)	-61849.62	-66677.12
h Financial Liabilities - Trade Payable (Current)	1540583.45	1927436.27
i Provisions (Current)	-	-
j CFS Adjustment	-88131.18	-154059.60
Sub Total	-561927.64	-917081.09
NET CASH FROM OPERATING ACTIVITIES (A)	-160115.15	-761328.50
B CASH FLOW FROM INVESTING ACTIVITIES		
a Decrease (Increase) in Property, Plant And Equipment	-1668056.49	-908268.33
b Decrease (Increase) in Work in Progress/Capital Advance	859017.36	-588550.33
c (Increase)/Decrease in Financial Assets - Investments (Non-Current)	-309336.21	-919023.11
d Decrease/(Increase) in Financial Assets - Others (Non-Current)	-	-
e Decrease/(Increase) in Other Non-Current Assets - Assets Not in Possession	-	-
f Decrease/(Increase) in Intangible assets	-25.05	-224.20
g Decrease/(Increase) in Financial Assets - Loans (Non-Current)	1250696.39	1024940.38
h Interest Incomes (Other Income)	20016.13	16334.67
NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	152312.13	-1374790.92
C CASH FLOW FROM FINANCING ACTIVITIES		
a Proceeds from Financial Liabilities - Borrowings (Non - Current)	-939676.82	5623.49
b Proceeds from Share Capital	1230979.82	3229105.24
c Proceed from Other Equity	-124479.17	-707770.97
d Financial liabilities - Others (Non-Current)	183994.97	5760.89
e Finance Cost	-537257.47	-485078.29
g PPE Adjustments	-	63948.04
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	-186436.67	211586.40
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	-194241.69	-24533.02
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	59883.62	624416.64
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note No. 11-A)	405641.93	59883.62

Notes to the Consolidated Statement of Cash Flow.

- (i) This Statement has been prepared under indirect method as prescribed by Ind AS-07
(ii) Cash and cash equivalent consists of cash in hand, bank balances with scheduled banks and fixed deposits having maturity less than three months with banks.
(iii) Previous year figures have been regrouped and reclassified wherever considered necessary.


(Dr. Jyoti Arora)
Company Secretary


(A.K. Awasthi)
Chief General Manager & CFO


(A.K. Purwar)
Director
DIN - 08544396


(Pankaj Kumar)
Managing Director
DIN - 08095154

Place : Lucknow
Date : 31-08-2021

Subject to our report of even date
For R.M. Lall & Co.
Chartered Accountants
FRN No. 000932C



04/10/21
(Vikas C Srivastava)
Partner

M. No. 401216

UDIN : 2140216AAAABR1173

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures as at 31st March 2020

Part B:- Associates and Joint Ventures

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

NA



[Handwritten signature]

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures as at 31st March 2020

Part A:- Subsidiaries

1. Sl. No.	2	3	4	5	6	
2. Name of the subsidiary	MVVNL, Lucknow	PurVVNL, Varanasi	PVVNL, Meerut	DVVNL, Agra	KESCO, Kanpur	Southern UPPTCL
3. The date since when subsidiary was acquired	12.08.2003	12.08.2003	12.08.2003	12.08.2003	15.01.2000	08.08.2013
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N/A	N/A	N/A	N/A	N/A	N/A
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N/A	N/A	N/A	N/A	N/A	N/A
6. Share capital	1744046.21	1921278.97	1504896.90	1895569.31	195584.42	221.63
7. Reserves and surplus	(769174.89)	(1193469.42)	(1042605.00)	(1545644.20)	(190624.49)	(159.80)
8. Total assets	4110464.66	4980075.35	2894843.29	3634345.98	461478.60	62.75
9. Total Liabilities	3135593.34	425265.80	243251.39	3284420.87	456518.67	0.92
10. Investments	-	-	-	-	-	-
11. Turnover	1190554.18	1164141.00	1703924.73	1083165.04	261939.22	-
12. Profit/(Loss) before taxation	(65999.32)	(122299.06)	(106786.32)	(62902.58)	(23082.86)	0.92
13. Provision for taxation	-	-	-	-	-	0.32
14. Profit/(Loss) after taxation	(65999.32)	(122299.06)	(106786.32)	(62902.58)	(23082.86)	0.60
15. Proposed Dividend	-	-	-	-	-	-
16. % of shareholding (in percentage)	100%	100%	100%	100%	100%	100%

