



**D.PATHAK & CO.**  
CHARTERED ACCOUNTANTS

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## 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 (UPPCL) (hereinafter referred to as the "Holding Company"), and its five 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) and Kanpur Electricity Supply Company Limited, Kanpur (KESCO (the Holding Company and its Subsidiaries together referred to as "the Group")), which comprise the consolidated balance sheet as at 31st March, 2022, 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 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.

- In the case of consolidated balance sheet, of the state of affairs (Financial Position) of the Group as at March 31, 2022.
- 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;
- In the case of consolidated cash flows and changes in equity of the Group for the year ended on that date.



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### **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 and KESCO 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.

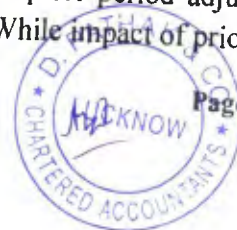
We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial 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.

### **Emphasis of Matter**

Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, we draw attention to the following matters in the notes to the Consolidated Financial Statements:

#### **U.P Power Corporation Ltd. Holding Company**

1. Tax deducted at source Rs.56.44 Crore (Note 12- Other current Assets) includes Rs. 7.09 Crore refunds pending with Income Tax Department relating to financial year 2007-08 to 2019-20 **which needs to be reconciled and adjusted at earliest.**
2. As per information provided to us Trade payable includes Rs.135.36 Crore debit balance pertaining to M/s Rosa Power Company Ltd towards debit notes raised by the Company against which, as explained to us, stay order have been issued by Appropriate Authorities, but **which have not been reversed like other cases** as mentioned in Para no. 29 of Notes to Accounts relating to M/s Lalitpur Power Generation Company.
3. As per Para No. 41 (xvi) (c) to the Notes to Accounts, the Trade Payable does not reflect any disputed amount while aging classification includes outstanding of Rs. 544.71 Crore **for more than three years which need review by the Management.**
4. As per Note no. 13 to the Notes to Accounts the average bulk sale tariff is computed on the basis of cost of energy purchased by the Company after prior period adjustments, divided by total quantum of energy supplied to Subsidiaries. While impact of prior period



adjustment are either restated in the purchase of power for previous year or debited to retained earnings. **Consequential impacts of aforesaid adjustments on purchase/sales of the Company are not disclosed in the Notes to Accounts.**

5. Accounting Policy No. VIII of the Company regarding power purchases was not incorporated, where final approval of the tariff by the Regulatory Commission has not been granted.
6. As per Note no. 11 (Financial Assets-Other (Current), Company has made provision for doubtful receivables @10% on Rs.2083.94 Crore which includes 1154.14 Crore relating to wholly owned subsidiaries. **Incremental provision for doubtful debts relating to wholly owned subsidiaries made during the year needs review by the Management.**
7. **The Annual Accounts of F.Y 2018-19, 2019-20 & 2020-21 are yet to be adopted in Annual General Meeting (Refer Para31 of Note - 29 "Notes on Accounts").**

Our opinion is not modified in respect of these matters

#### **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.

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

The Board of Directors of Holding Company along with its subsidiaries 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.

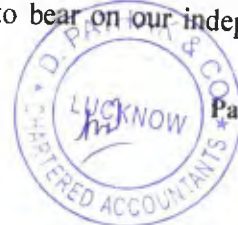


- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal 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 and KESCO, whose financial statements / financial information reflect the Group's share of total assets, as detailed below, and the net assets as at 31st March, 2022, 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, 2022, 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 reproduced 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.

Name of the Companies	Total Assets as at 31.03.2022	Net Assets i.e., Total Assets minus Total Liabilities as at 31.03.2022	(Rs. in Laacs)	
			Total Net Profit/ (Loss) as at 31.03.2022	Net Cash in Flows/ (outflows) as at 31.03.2022
<b>Subsidiaries:</b>				
Madhyanchal Vidyut Vitran Nigam Limited, Lucknow, (MVVNL)	4575699.82	602036.32	-204219.94	-10819.06
Purvanchal Vidyut Vitran Nigam Limited, Varanasi, (PuVVNL)	6117241.92	1241736.39	-57798.59	12885.46
Paschimanchal Vidyut Vitran Nigam Limited, Meerut, (PVVNL)	3921967.95	881437.68	-69928.52	-11492.25
Dakshinanchal Vidyut Vitran Nigam Limited, Agra, (DVVNL)	3885282.66	-15426.61	-295752.28	-5926.80
Kanpur Electricity Supply Company Limited, Kanpur, (KESCO)	550620.87	-193014.63	-21545.31	-18073.60
<b>Total</b>				
CFS Adjustment		0.00	106380.01	0.00

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 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.
  - d. 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.
  - e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5<sup>th</sup> 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.
  - f. 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.
  - g. 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 except for MVVNL and PVVNL (kindly refer



relevant Para mentioned under “*Report on other legal and regulatory Requirements*”) 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.

For D Pathak & Co.  
Chartered Accountants  
FRN: 001439C



(A K Dwivedi)

Partner

M No.: 071584

UDIN: 22071584ARUWGO7012

Place: Lucknow

Date: 12/09/2022





## 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 31<sup>st</sup> March, 2022)

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:

### A. Uttar Pradesh Power Corporation Limited (UPPCL)

1. There are certain very old debit balances in Trade Payable Account amounting to Rs.1029.12 Crore which remains unadjusted and unreconciled during the year by the company. We have also observed that these debit balances are deducted from Trade Payables Account instead of clubbing it with Advances to Suppliers/Sundry Receivables. This has resulted in to understatement of Trade Payables and Advance to Suppliers/Sundry Receivables. Further, based on the explanation and information furnished by Management, we are of the opinion that a provision for Rs. 889.70 crore should be made in accounts since these outstanding balances are more than 10 years old.
2. We have observed that Other Advances for Rs.173.06 Crore outstanding since many years, have not been reviewed and reconciled during the year. It includes Rs.126.97 Crore as a commitment advance for share in generation in Ultra Mega Power Project. As per information and explanation given to us, Company has decided to opt out of these projects due to closure of the projects and requested Nodal Agency (PFC) for status of return of money. Hence, pending such reconciliation and review by the Management, impact on the Accounts is not determinable at this stage.
3. (a) As per Para 16 of Note – 30 "Notes on Accounts" Contingent Liability includes power purchase of Rs.10083.93 Cr. against which sufficient and appropriate documentary audit evidence in respect of Contingent Liabilities and its current status was not provided to us. It has also been explained to us that Contingent Liability for power purchases also includes various disputed liabilities which have not been accurately quantified/disclosed in Notes on Accounts. In absence of systematic reporting, proper records/quantification of pending disputes, suits and claims against the Company, including its present status, we are not in a position to comment on accuracy of Contingent/Disputed Liabilities as reflected in the "Notes on Account".  
(b) On test check, it was observed that in petition no. 1565/2020, UPREC has vide its order dated 16.06.2021 approved an amount of Rs. 7244.65 Crore to be deposited in RPO Account/Fund against which Contingent Liability of Rs. 737.11 Crore have been disclosed only. As per information/explanation given to us, the issue has not yet been settled by the appropriate authorities. In view of above and in terms of directives issued by Uttar Pradesh Electricity Regulatory Commission corresponding liability has not been disclosed.



4. Company has made a provision for impairment of investment in Subsidiaries, associate and others [Note-5 except Para II (b) Bonds] on the basis of Net worth of Investee Subsidiaries as on 31<sup>st</sup> March, 2022 (Refer Para 28 of Note – 30 “Notes on Accounts”), **which is not in accordance with Ind AS 36 Impairment of Assets. Further Provision for impairment relating in Investment in Uttar Pradesh Power Transmission Corporation Ltd has been made based on Unaudited Financial Statements, which has not even been adopted by its Board of Directors.**

5. Loans and Other Financial Assets (Note-6), Trade Receivables-Others (Note-8), Financial Assets-Others - Employees, Others (Note-11), Other Current Assets - Suppliers & Contractors and UP Power Sector Employee Trust (Note-12), Financial Liability-Trade Payables (Note-18), Other Financial Liabilities (Current) –except Current maturities of long-term borrowings and Interest accrued but not due on borrowings (Note-19) includes certain old balances under various heads of assets and liabilities **which are carrying over since last so many years and have not been reviewed/reconciled during the financial year.**

As informed to us, above heads include balances transferred from transfer schemes, reconciliation and confirmation for the same has not been done by Company which needs to be reviewed/reconciled and suitably adjusted in the books of accounts. Major Balances includes Other Unclassified Revenue Rs. 330.25 Crore. (Current Liabilities, AG Code No. 46 9(Dr), Unit No 991), Securities from Suppliers, Rs. 5.19 Crore (Sundry Receivables-Other Current Assets, Unit No. 396), UI Charges Pool A/c, Rs. 305.74 Crore outstanding for more than 3 years (Financial Assets – Other (Current), Note No-11, Unit no. 330) and Reactive Energy Charges Rs. 92.18 Crore outstanding for more than 3 years (Financial Assets – Other (Current), Note No-11, Unit No. 330) respectively. In absence of details, we **are not in a position to comment on its impact on losses, if any of the Company.**

6. Purchases as per Note No-22 for Rs. 55152.12 Crore, includes Sales to Indian Energy Exchange for Rs. 2075.19 Cr, **which has resulted into reduction/understatement of Purchases and consequent understatement of Sales of Energy (Note No-20, Revenue for Operation).**

On test checks basis and as per information and explanation provided to us, it was observed that bills relating to procurement of Energy received from various generating companies amounting Rs 201.89 Crore which also includes bills pertaining to previous years have not been accounted for. **In absence of details and complete information given by management, we are not in a position to comment on its financial impact.**

7. (a) Note no. 12 (Other Current Assets) includes Rs. 25.04 Lacs receivable against Fringe Benefit Tax, **which is being carried over since last so many years for which necessary provision needs to be made in the accounts.**

(b) Para no. 41(xvi)(a) to ( Notes to Accounts) Capital work in progress includes Rs. 17.00 Lac **outstanding for more than 3 years for which no details are available needs to be provided for in the Accounts.**

(c) **Company has not filed form MSME-1 and CSR-2 with Registrar of Companies .**



(d) Disclosure of nature of charges created with ROC against working capital borrowings has not been disclosed in the Note No. 17 of the Financial Statements.

**8. Maintenance of Proper Books of Accounts:**

The company has system of maintaining various sectional journals wherein vouchers relating to day-to-day transactions are recorded in these Sectional Journals. The existing systems of balancing cash book on the monthly basis and posting in different sectional journals to summaries and from summaries to monthly trial balances. In our opinion, System is not adequate enough to give financial position of different account at any given time in an organized manner. It was observed that the maintenance of party-wise subsidiary ledgers and its reconciliation with primary books of accounts i.e., cash book and sectional journals are not proper and effective.

9. Employee benefit expenses (Note- 23), Administrative, General & Other Expenses (Note- 26), and Repair & Maintenance Expenses (Note- 27) have been allocated among Subsidiaries and other power sector companies owned by the Go UP (i.e., UPPTCL, UPRVUNL & UPJVNL) on the basis of data / information (i.e., units of power sold to Subsidiaries DISCOMs, no. of employees, area occupied) related to the financial year 2020-21, instead of financial year 2021-22. (Para 27 of Note- 30 "Notes on Accounts").
10. Audit observations in **Material Management Zone Audit report** excluding those which have been appropriately dealt with elsewhere in the report.

**a. Purchase of power**

- There is no effective system in place to verify power purchase for completeness, only those bills are accounted in the books of accounts which are received, no system in place for quantitative reconciliation of the power actually purchased vis-à-vis power purchase accounted in the books of accounts, reconciliation of power purchased with suppliers are not done neither provided to us. Balance confirmation and reconciliation with the suppliers was not carried out therefore impact on power purchase and power sales and eventually on position of sundry payables and receivable in not quantifiable, this may consequently impact the profitability of the DISCOMs.
- Generation based Incentives (GBI) receivable from IREDA amounting to Rs 977.33 lakhs (Previous Year Rs. 1230.00 lakhs) is subject to confirmation and reconciliation/Consequential adjustment if any. (Unit#330 EIE&PC)
- The zone has received interest amounting to Rs.76,68,44,549/-and TDS of Rs.76,68,452/- have been deducted there from. But the amount of interest has been netted off from the purchase cost in the books. Purchase cost and interest income has, therefore understated to the extent of Rs 76,68,44,549. (Unit#330 EIE&PC)

**b. Other Liabilities and Provisions**

The balance confirmation of the Security deposit in Lieu of BG (46 102A) was not provided to us and we were informed that the balance confirmation is under Process.  
#Units330 – EIE&PC.



**c. Provision for Late Payment Surcharge.**

As reported by Branch Auditor, there is no proper system to compute the late payment surcharge payable to various power suppliers. We are, therefore unable to comment on the amount of overstated profit/understated loss of the zone for the financial year 2021-22 on account of provision of late payment surcharge.

- d. The Electricity Import Export & Payment Circle Unit of the Zone has accrued interest to the tune of RS. 2246.45 lakhs during the Financial Year 2021-2022 (Previous Year- RS. 1954.55 lakhs) against advance provided to Noida Power Company Limited. However as explained to us the interest is being accrued for an amount of advance paid for supply of power, further no other details including the actual amount of advance paid and status of the transaction including its recoverability was provided to us. Recognizing it as an income when the recovery is uncertain is in contravention to Ind AS 115. In the absence of proper details and information, we are unable to quantify the amount of same and its consequential impact on financial statement. (Unit#330 EIE&PC)
- e. The company has entered in to arrangement with MPPMCL for 18.15 MW share in the project of Rajghat HPP at an equity contribution of Rs.66.74 Crore which works out to 40.32% share in the total cost of capital of Rs.165.50 crore, however the unit is unaware of the existence of the equity contribution paid Rs 10.00 crores in July 1997, Rs.26.50 crore in October 1998 and Rs 29.00 Crores in October 1999 and Rs. 1.24 crores adjusted against receivable from MPPMCL, therefore in absence of information and adequate explanation we cannot comment upon it.

**f. Late payment surcharge Receivables**

The Zone has unadjusted late payment surcharge / Penal Interest amounting to Rs 7045.94 lakhs (Previous Year Rs 7045.79 lakhs) till the 31st March, 2022, as explained the unit has not identified the late payment surcharge upon receipt of fund and the process is under reconciliation, hence we cannot comment upon it. (Unit#330 EIE&PC)

**B. Common observations in Audit Report of Subsidiaries**

**1. Trade Receivable on account of supply of Power:**

It has been reported by Statutory Auditors of Subsidiaries that there are substantial differences in the amount shown as recoverable in the books of concerned zones as well as data available on the online billing system and realisability of the Debtors are not satisfactory. It was suggested that the provisions of IND AS 109 requires the provision for doubtful debts to be made by measuring 'expected credit losses' which are to be ascertained based on expected recovery and probability of defaults. The resultant impact of the non-compliance of IND AS 109 on the total provision for doubtful debts is not ascertainable at this stage in absence of complete details. Brief observation on above issue Subsidiaries wise are reproduced below:



**(i) Dakshinanchal Vidyut Vitran Nigam Ltd.**

- a) Total debtors as at 31.03.2022 as per Financial Statements is substantially un-reconciled with the debts outstanding as per billing software by Rs. 4,36,9.05 Crore. As the matter is outstanding since long period of time, appropriate provisioning should be made.
- b) It has been suggested by Subsidiaries's Auditors that 100% provision should be made on permanent disconnected non-government consumer outstanding for more than 3 year old and Live Non-government consumer outstanding for more than 5 year old against present policy of making provision @25% on outstanding's for more than 3 years old. Even there is a difference of Rs.428.43 Crore between the sale figure reported during 2021-22 between books of Accounts as well as billing software in case of Dakshinanchal Vidyut Vitran Nigam Ltd. It is therefore suggested that Management should get the differences reconciled at earliest through an Integrated Software.

**(ii) Madhvanchal Vidyut Vitran Nigam Ltd.**

- a) Party Consumer wise (Debtor from sale of Power) details were not available at the zones in support of balances of 'Trade Receivable (Current)' as appearing in Note 5. Further, reconciliation of outstanding balances of consumers as per consumer ledgers maintained by the billing agencies and the balances appearing in the books of account of concerned zones has also not been done.
- b) There are differences in sundry debtors as per billing ledger and amount shown in trial balance as the sales is booked on assessment basis and amount credited to sundry debtors on the basis of actual receipts. Further, credit balances of Rs. 60,054 lakh were reflected in 22 units of Ayodhya zone due to wrong classification of accounting entries in MTB.
- c) The segregating and ageing of 'Trade Receivable (Current)' as per para 29(B) of note 1B have been made on the basis of online billing data provided in excel form. However, in many cases, the same did not match with the amounts shown as recoverable in the books of concerned zones and was subject to reconciliation.

Further in 'LESA Trans Gomti' zone, the differences between figures of books of account and 'online billing data' have been classified as 'more than 3 years'.

Thus making provisions on fixed percentages basis of total debtors as per ageing without taking into account their actual recoverability, is not in conformity with the applicable provisions of IND AS 109. The resultant impact of the non-compliances of IND AS 109 on the total provision for doubtful debts is not ascertainable at this stage in absence of complete details.

In addition, the provision on doubtful debts has been short provided to the extent of Rs. 272.55 Crore 'LESA CISS' zone resulting in overstatement of debtors and understatement of losses to that extent.



(iii) Purvanchal Vidvut Vitran Nigam Ltd.

a) Trade Receivables

- Customer-wise and age-wise break-up of trade receivables is not available. The age-wise breakup of trade receivables given in Notes to Accounts does not match with trade receivables outstanding in Balance Sheet.
- There is a staggering increase in the level of trade receivables from year to year. As per age-wise breakup of trade receivables provided by the Company, against total revenue from Sale of Power of Rs. 12424.70 Crore, total outstanding trade receivable for 1 year and less is Rs. 9242.59 crores, which shows that the realization of trade receivables is very poor. Further, total Trade Receivable outstanding at the year-end is Rs. 36205.01 Crore which is higher than cumulative figure of last 2 years revenue from sale of power. It is not feasible to identify and quantify the amount which is unrecoverable but it needs a serious perusal and provision.

It has also been observed that while going through the Consolidated Financial Statements, there is difference of Rs. 653.34 Crore approx between total Trade Receivables as mentioned in Note No. 10 of CFS and total amount reflected in age wise breakup of total Receivables as per para no 41(a) to Notes to Accounts. On perusal of the Age wise analysis of Trade Receivable, it was observed that a sum of Rs. 64256.49 Crore is outstanding for more than 3 years, which constitute 61% approx of Total Debtors of Group. Group has not analyzed the doubtful position of Debtors based on the ground realities of its recoverability including Permanent/Temporary disconnections, Disputed bills and outstanding for more than 5 years etc. Company has not disclosed any disputed outstanding in the Notes to Accounts which does not seem to be real position.

In view of above we are of the view that the Company should make appropriate provisions considering the requirement of expected losses as envisaged in IND AS 109 after reviewing the Policy. However Financial Impact of the short provision cannot be determined at this stage.

2. Non-Provision of Old Balances

As per report of Subsidiaries' Auditor's there are certain Old balances which have not been reviewed since long. Summarized position of major balances Subsidiary-wise is reproduced below:

(i) Dakshinanchal Vidvut Vitran Nigam Ltd.

AG code-28 (Transfer scheme balances)	Rs. 12.22 crore(Debit Balance)
AG code-28.809 Other Receivable (Consultancy Charges) under DDUGJY scheme	Rs. 9.69 crore(Debit Balance)
AG code-46.930, Labour Cess	Rs. 13.66 crore (Debit Balance)
UPRVUNL	Rs. 0.95 crore(Debit Balance)
UPPTCL	Rs. 7.35 crore(Debit Balance)



Old Balances transfer from Transfer Schemes:

Zone	AG code	Name	Amount (Dr. Balances)(Rs. In Crore)
Aligarh	28.744	Theft of Cash	0.16
Kanpur	23.IIOC	KESCO	603.93*
	23.114	Bulk Supply to KESCO	209.96*
	23.707K	Other Recovery From Consumer	122.06

\*Above balances are not reflected in the books of Subsidiaries (KESCO). Consequently, it is not reflected in the Related Party outstanding and inter-company transactions are not reconciled to that extent.

(ii) Madhvanchal Vidvut Vitran Nigam Ltd.

- a) In many cases at Ayodhya zone and head office, party wise breakup, ageing of outstanding amounts, actual nature of transactions and reconciliation/balance confirmation from the parties under following major heads were not available for verification:

Account Head	Amount (Rs. In Crore)
Liability for capital suppliers-works	550.52
Deposit & Retention from suppliers	119.36
Advance to Suppliers	105.53
Liability for O & M supplies/works	13.94
Deposit payable	79.22
Sundry Liabilities	74.81

- b) It was noted that the following balances pertaining to various zones are outstanding in the books of Head Quarter which have not been identified, reconciled and transferred to the respective zones.

Account Head	Amount (Rs. In Crore)
Other Liabilities and Provisions	107.59
Provision for depreciation	669.32
Stock Related Accounts (net)	11.28
Deposit for Electrification	35.04
Other Loans and Advances	26.72
Capital Work in Progress	(4.61)
Other Recoveries	(52.59)

In absence of proper explanation, complete details and reconciliation thereof, the resultant impact on the accounts of the company, if any, could not be ascertained.



(iii) Purvanchal Vidvut Vitran Nigam Ltd

There are huge debit balances in Liability side for Rs. 572.12 Crore which have not been reviewed and adjusted. Major Breakup of which is reproduced below:

AG Code	Account Head	Amount (Dr. Bal.) (Rs. in crore)
42.1	Liability for capital Suppliers	62.94
42.01		35.03
46.101	Other Liabilities	104.88
46.2		105.46
46.922		140.33(Advance Sale of Scrap)
46.94101		20.16
46.94102		19.88
54.8905	Loan form State Govt. for other projects	46.61

(iv) Pashchimanchal Vidvut Vitran Nigam Ltd.

AG Code	Account Head	Amount (in Crore)
28.240 & 28.250	Other Current Assets	7.23 Crores

In Moradabad Zone

AG Code	Account Head	Amount (in Crore)
25.5	Advance to Suppliers	19.79
28.401A	Misc. Advance	2.83
28.401B	(Cash) and (Stock)	1.76
28.899	Misc. & Other Receivable	3.01(Credit Balance)

In Bulandshahar Zone

AG Code	Account Head	Amount (in Crore)
28.411	Amount Recoverable from Non-Board Employee	1.73

**3. Cash & Bank Balances**

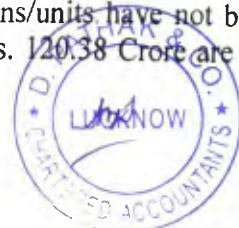
Subsidiaries's Auditors have reported various deficiencies in Internal Control System in preparation of bank reconciliation statement which are reproduced below:

(i) Dakshinanchal Vidvut Vitran Nigam Ltd.

The Company internal control system over reconciliation of bank accounts was not operating effectively. These could result in misstatement in the Company's bank balances. We have observed substantial differences in balance as per bank vs. balance as per cash book.

(ii) Madhyanchal Vidvut Vitran Nigam Ltd.

(a) Bank reconciliation statements at some of the divisions/units have not been prepared and various old un-reconciled entries amounting to Rs. 120.38 Crore are appearing in





the bank reconciliation statements in various units since long periods which require adjustments and appropriate accounting in the books of account.

(b) In Ayodhya zone (EDD-1 Gauriganj), bank balance of Rs 631.93 Lacs is reflected in MTB but the concerning bank account had already been closed.

**(iii) Purvanchal Vidyut Vitran Nigam Ltd**

(a) As reported by the Zonal Auditors, though BRS has been prepared, a long list of outstanding entries are being carried forward from last many years and even the uncashed/ stale cheques and other entries pertaining to revenue accounts have been shown outstanding and not accounted for in the cash book. Also, the cumulative amount of such entries is in several crores. There are many entries which has been wrongly debited by the bank twice which has not been rectified by the bank.

(b) The Zonal Auditors have observed that in few Divisions the Bank has not been properly reconciled and revenue bank balance in the cash book is negative.

**(iv) Pashimanchal Vidyut Vitran Nigam Ltd.**

Bank Reconciliation Statement (BRS) in respect to bank accounts in some divisions contains outstanding of earlier years entries, which includes stale cheques, uncashed cheques, other debits and credit, which requires special attention of the management for necessary adjustments. In case of Ghaziabad Zone out of total uncashed cheques of Rs.120.36 Crores, most of the cheques have become stale. Further, out of total other credits of Rs.77.50 Crores, most of the entries are old entries, which also consist entries of more than 10 years old, in support of which, no record/details are provided for verification and further comments.

**Bulandshahar Zone**

EDD – III, Bulandshahr is having two bank accounts with State Bank of India. One Account having balance Rs. 630965.38 as per revenue cash book and other bank account having balance Rs. 304362.50 as per Expenditure Cash Book but no bank statement was obtained from the bank therefore these accounts were not reconciled. Opening balance and closing balance in these accounts are same. The proper reconciliation may significantly impact the trial balance.

**(v) Kanpur Electricity Supply Company Ltd.**

Incidental and other charges debited by various banks upto 31.03.2022 amounting to ₹ 31,89,978/- have neither been accounted for in books of accounts nor shown as a Contingent Liability.

**4. Capital Work in Progress**

Subsidiaries Auditors have reported absence of proper details of capital WIP including correct age wise classification. Subsidiary wise observations are reproduced below:



(i) **Madhvanchal Vidvut Vitran Nigam Ltd.**

- (a) Capital work in progress includes Advance to Supplier/Contractor (including material issued as advance) of Rs. 319.57 Crore (PY Rs.1559.81 Crore) instead of showing them separately under the head other current assets. This presentation of capital advances is not in accordance with the schedule III of the Companies Act and hence, Capital work in progress is overstated and Other Current Assets are understated to the said extent.
- (b) At Ayodhya Zone a sum Rs. 832.78 Crore has been capitalized during the year and revenue expenses of Rs. 88.55 Crore has been capitalized for which completion certificates of capital work completed were not available

(ii) **Dakshinanchal Vidvut Vitran Nigam Ltd.**

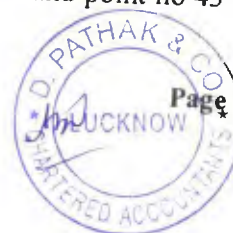
- (a) Capital work in progress not recognized of Rs. 3.27 Crore, under the head AG code 46.2 ADB project scheme, other deposit payable having debit balance.
- (b) The Company did not have an appropriate internal control system for making assessment of completion of Capital Work in Progress (CWIP), which could potentially result in material misstatement in Company's CWIP and Fixed assets balances due to capitalization of completed projects.
- (c) Opening debit balance of Rs. 265.05 Lakh in "capital expenditure (works) in progress" under EXECUTIVE ENGINEER (ADMN.) which is grossly unidentified/un-reconciled item of financial statement, capitalised in computer & printers during the current year, without recording nature, reasons of outstanding till now and capitalising in current year.

(iii) **Purvanchal Vidvut Vitran Nigam Ltd.**

- (a) Age-wise breakup of Capital work in progress and its status, situation and condition not available for verification.
- (b) Capital work in progress includes advance to Suppliers/ Contractors (Capital) amounting to Rs. 550.81 Crores. As reported by the zonal auditors, name and age-wise of the same is not available, hence we are not able to comment upon the same.

(iv) **Pashimanchal Vidvut Vitran Nigam Ltd.**

- (a) The company has disclosed age wise details of CWIP, which is incomplete in absence of details of Advance to Capital Supplier/ Contractors. Moreover, details of CWIP, whose completion is overdue or has exceeded its cost compared to its original plan is not disclosed as per the requirement of amended schedule iii of the Companies Act 2013. No documents / calculations and methodology opted for this purpose is provided to us for our audit. In the absence of its complete details and audit trail thereof with appropriate audit evidences with the company, we are not in a position to comment up on the correctness of the same and its consequential impact on the financial statements. (Refer to note 3 of financial statements and point no 43 of notes on accounts)



- (b) On our scrutiny of AG no. 11 of Trial Balance, in respect of "Other Capital Expenditure/Fixed Assets" of Rs. 9.26 crores, no detail/information/explanation is provided by divisions for our verification and further comments.

Group should devise proper monitoring system to have complete details including age-wise analysis and progress of Capital WIP. Capital work in progress include advances to suppliers/contractors for capital work Rs.1292.69 Crore which should be classified in Non-Current-Other assets as per guidelines contained in schedule-III to the companies Act, 2013, hence capital work in progress is overstated and Non-Current-Other assets is understated to that extent.

#### 5. Inventories

Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost. 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 Rs.1576.30 Crore 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. Further, the company has not formulated any accounting policy in respect of provision for unserviceable stores & spares and slow-moving stores.

Major comments observe by Subsidiaries Auditors are reproduced below:

(i) Dakshinanchal Vidvut Vitran Nigam Ltd.

The Company did not have an appropriate internal control system for valuation of inventories, which could potentially result in material misstatement in the Company's inventories balances.

(ii) Madhvanchal Vidvut Vitran Nigam Ltd.

- (a) Ageing of inventory was not done and obsolete items were not identified and adjusted in the books of account in some cases. Further, in respect of inventories of Rs. 398.87 Crore in Ayodhya zone, inventory records, item wise details of inventory and its valuation (except inventory worth Rs. 132.31 Crore valued by a professional firm) were not available.
- (b) We draw attention to note 3(V) (a) of the accounting policy stating that store and spare are valued at cost which is not in accordance with IND AS 2 which provides for valuation at lower of cost and net realizable value.
- (c) Provision for Unserviceable store of Rs. 41.22 Crore as appearing in Note 4- Inventories continues since 2012-13 despite substantial increase in level of inventory to Rs. 1027.08 Crore in 2021-22 as against Rs. 229.99 Crore in 2012-13. In absence of complete details, we are unable to comment on the adequacy of provision on this account and its impact on financial statements.



**(iii) Purvanchal Vidyut Vitran Nigam Ltd.**

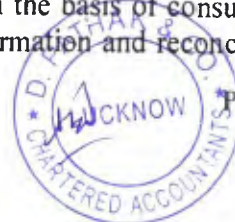
- (a) The Company has carried out valuation of stores lying at store divisions as on 31/03/2022 by an independent Firm. As per Zonal Auditors' Report, the physical verification of stock and its valuation has not been done in any other division of the zones other than store divisions. This practice is in deviation of Ind AS -2 "Inventories" issued by the Institute of Chartered Accountants of India (ICAI).
- (b) Stock shortage/ excess pending investigation amounting to 95.71 Lacs are outstanding as on 31/03/2022. In absence of proper information, we are unable to comment upon its nature and proper accountal.
- (c) No movement analysis is available to categorize fast moving, slow moving, non-moving and dead stock items.
- (d) No provision for obsolete, unserviceable stores and spares has been made. An old provision amounting Rs. 62.97 Crores is lying against obsolete stores since 2003 under Final Transfer Scheme.
- (e) There is no system for identification of scrap and its valuation at fair value.

**(iv) Pashimanchal Vidyut Vitran Nigam Ltd.**

- (a) Inventory includes scrap material valuing of Rs. 834.78 lacs, against which only 10 percent provision i.e. Rs.8.35 lacs for unserviceable store has been made in the accounts, while as per IND AS 2, it should be valued at its Net Realizable Value. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.
- (b) Liability for Material received on loan by the Company amounting to Rs. 72.73 lacs from Purvanchal Vidyut Vitran Nigam Limited (AG 22.730) is finally adjusted with Material Stock Account (AG 22.60), resulting no Liability and stock for Rs. 72.73 Lacs is shown in the Balance Sheet of the Company as on 31st March, 2020, as on 31st March, 2021 and as on 31st March, 2022' in respect of above transaction. This has resulted in understatement of both Other Current Liability and Inventory by Rs. 72.73 lacs. Also, no confirmation has been received from Purvanchal Vidyut Vitran Nigam Ltd. regarding the same. (Refer to in Note No. 4 of Financial Statements).

**(v) Kanpur Electricity Supply Company Ltd.**

- (a) The closing value of Inventory taken in Financial Statements is after adjusting the effect of price variation and others, the amount shown in the SAP (ERP) system is yet to be updated.
- (b) According to the information and explanations given to us, stores and spares (inventory) lying with the third parties i.e. 'Advance to Capital Contractors' of ₹ 6056.41 lacs grouped under the head 'Capital Work in Progress'(Refer Note No. 3 of "IND AS FS") and 'Advances Recoverable in Cash or in Kind for value to be received' of ₹50.80 lakhs grouped under the head 'Other Current Assets'(Refer Note No. 10 of "IND AS - FS") are accounted for on the basis of consumption statements received in this regard. However, no confirmation and reconciliation



of the said inventory lying with the said third parties has been done at the year end. Due to non-furnishing of complete information in this regard, the financial impact on the 'Inventories' under 'Current Assets' as well as on the 'Loss' of the Company is not ascertainable

#### **6. Property Plant & Equipment**

As mention in the Audit Report of Paschimanchal Vidyut Vitran Nigam Ltd., Company has not treated the cost of Transmission Bay as Intangible Assets, instead clubbed it with Property Plant & Equipment. Which has resulted into understatement of Intangible Assets and Overstatement of Property Plant & Equipment. Consequently depreciation has been charged and no amortization cost has been debited to Profit & Loss Account, Financial Impact of the same cannot be ascertained at this stage. Similar Accounting treatment has been done by following Subsidiaries as per details given below:

Name of Subsidiaries	Net Block as on 31.03.2022(Rs. In crore)
PVVNL	35.57
PUVVNL	40.46
MVVNL	MVVNL has not separately disclosed the cost of transmission bay nor reproduced the details where it is clubbed.
DVVNL	48.17
<b>TOTAL</b>	<b>124.20</b>

#### **7. Non Provision of Expenditure/Losses**

Group has not provided for Expenditure/Losses as reproduced below:

##### **(i) Madhvanchal Vidyut Vitran Nigam Ltd.**

- (a) The provision on doubtful debts has been short provided to the extent of Rs 272.55 Crore 'LESA CISS' zone resulting in overstatement of debtors and understatement of losses to that extent.
- (b) Advances to suppliers amounting to Rs 184.28 Crore at the HO level are outstanding since more than 7 years. It also included Rs 40.61 Crore for which even party wise/date wise details were not available with the concerned unit. No documentary evidence or explanations were made available to us regarding the recoverability of these amounts. Accordingly, in our opinion, these amounts are doubtful of recovery and provision should have been made against these advances.

Non provision of these amounts has resulted in overstatement of advances and understatement of losses for the year by Rs 184.28 Crore.

##### **(ii) Paschimanchal Vidyut Vitran Nigam Ltd.**

- (a) The Municipal Corporation has issued a demand notice of Rs.12.64 Crore towards house tax and annual tax of substation, no provision has been made pending determination & assessment/neither it has been disclosed in the Contingent Liability.

- (b) Revenue booked under theft cases under the head AG 61.601 Rs.9.75 crore (Previous year Rs. 15.14 crore) is based on the provisional assessment. No provision has been made against unsettled cases.
- (c) There is a very old case of cash theft in EDD Chandpur of Rs. 3.10 lacs for which the insurance company has denied to acknowledge any kind of claim, due to which Branch Auditor of Moradabad Zone has suggested to make a provision of the same in the financial statement of the company. But the company has not made any provision for the same amount. Therefore, the loss of the year is understated by Rs. 3.10 lacs.
- (d) 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 statement is not ascertained.

**(8) Subsidies Received under Atmnirbhar Bharat Scheme.**

Group has shown Rs. 16940.00 Crore Subsidy Recievable from U.P Government as Non Current Assests Note No.8 towards Atmnirbhar Bharat Scheme which is receivable in 10 years as per G.O. no 445-1-21-731 (Budget)/2020 dated 05.03.2021 of Govt. of U.P. The corresponding amount is credited in "Other Equity" (Retained Earnings). Considering the principle of Revenue Recognition and IND-AS-20, Subsidy should be accounted for on annual basis based on the Budget provision/release subsidy by the Govt. of Uttar Pradesh. In view of above, subsidy receivable as mentioned in Non-Current assets is overstated and Other Equity (negative) is understated to that extent.

**(9) Non Reconciliation of Inter Unit transactions.**

*Inter unit transactions amounting Rs.2113.26 crore (Note No. 13- Other Current Assets), are subject to reconciliation and consequential adjustments.*

**(10) Non-Compliances of Ind AS.**

- (a) Financial Assets- Financial Assets-Other (current) (Note-12), Other Current Assets (Note-13), Financial Liabilities-Trade payable (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, classifying them as 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 Income Tax, Interest on Income Tax & trade tax/GST, 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) 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 is 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.
- (d) Accounting for Employee Benefits: Actuarial Valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer Para 14 (a) Note – 31“Notes on Accounts”). This is inconsistent with Ind AS 19 Employee Benefits. Relevant disclosure regarding actuarial valuation of gratuity has not been made for any subsidiaries which are in contravention of Ind-AS-19.
- (e) The Financial Assets (Note No.6,7,8,,10, and 12) have not been measured at fair value as required by Ind AS 109 Financial Instruments and proper disclosures as required in Ind AS 107 Financial Instruments: have not been done for the same.
- (f) As per Note no.30 Bad Debts & Provisions, the reversal of provision for doubtful Advances (other current Assets –Receivable) amounting Rs 188.03 lac have been net-off which is not in accordance with provisions of Ind-AS-1 “Presentation of Financial Statements”.
- (g) Group being a regulated entity has not accounted for “Deferral Accounting Balances” as envisaged by Ind AS 114 and not made any disclosure for its non-compliance.
- (h) As per the opinion of the Company, there is no specific indication of impairment of any assets as on the balance sheet date. However, we have not been reproduced with the evidence of carrying out any exercise by the Company to determine the impairment, if any, of any asset.

**(11) Other Non-Compliances of Statue**

- (a) Subsidiaries have not identified the Accounts relating to Micro Small and Medium Scale Enterprises (MSME) and not disclosed the amount payable to them along with interest, if any and other requisite details in the Notes to Accounts as required by Schedule III to the Companies Act, 2013 as well as MSME Act, 2006.
- (b) Unbilled revenue Receivable has not been disclosed in the Notes to Accounts except DVVNL. Similarly unbilled Trade Payable has not been disclosed except UPPCL (Holding Company) as required by Schedule-III of Companies Act, 2013.



(c) Group has not made necessary disclosures as required by notification dated 23<sup>rd</sup> march 2022, issued by the Govt. of India, Ministry of Corporate affairs relating to Amendment in the companies (Indian Accounting Standards) Rules 2015.

(d) As per report of Subsidiaries Auditors, following non-compliances under Companies Act, 2013 have been reported by respective Auditors of Subsidiaries.

(i) Dakshinanchal Vidvut Vitran Nigam Ltd.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made private placement of 1,92,15,267 shares amounting to Rs. 1,92,152.67 Lakh during the year and the requirement of section 42 relating to filing of return of allotment of companies act 2013 have not been complied with and the fund raised have been used for the purposes for which the funds were raised.

(ii) Pashchimanchal Vidvut Vitran Nigam Ltd.

Shares application money pending allotment as at the opening of the year amounting to Rs. 34171.27 lacs and shares application money received during the year amounting to Rs. 1,64,937.69 lacs out of which Rs. 29,772.85 lacs and Rs. 11,321.41 lacs respectively were allotted after the expiry of 60 days from date of receipt of share application money. Besides, Rs. 1,46,217.17 lacs were appearing as share application money pending allotment as at the end of the year under audit. Out of the same, shares for Rs. 50,581.93 lacs were also allotted after the expiry of 60 days and balance amount Rs. 95,635.24 lacs are lying outstanding for allotment till date of our audit.

(iii) Kanpur Electricity Supply Company Ltd.

As per MCA data the Company is an active non-compliant company. Further, the master data of the company revealed following:

- (a) Charges column disclosed in the Company Master Data includes old satisfied charges.
- (b) There is no full-time company secretary and Chief Financial Officer in accordance with the requirements of Section 203 of the Companies Act, 2013.
- (c) The Company has not complied with the Order date 22.01.2019 issued under section 405 of the Act, in respect to filling of MSME Form I.

**C. Specific observations in Audit Report of Subsidiaries**

1) Pashchimanchal Vidvut Vitran Nigam Ltd.

Balance outstanding to/from outside parties

- (a) As referred in Note 8 to the financial statements, receivables from Uttar Pradesh Jal Vidyut Nigam amounting Rs. 83.20 and Rs. 3500.54 lacs from Uttar Pradesh Power Transmission Corporation Limited are shown under Current Assets, which are





outstanding for more than 12 months. As a result of this, other current assets are overstated and other Non-Current assets are understated by Rs. 3,583.74 lacs.

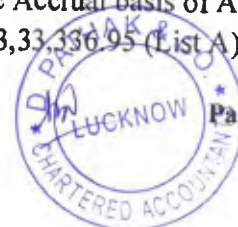
**(b) Fraud Cases**

Subsidiaries Auditors of Pashchimanchal Vidyut Vitran Ltd have reported various fraud cases outstanding as on 31.03.2022 for Rs. 15.50 Crore, as per para no 34 of Notes to Account for which matters are under investigation. But accounting treatment for the same including provision for losses is any not been disclosed by the management.

- (c) There is short security deposit amounting to Rs.1.59 Crore as on 31.03.2022 in 13 cases of large and heavy consumers.
- (d) Tax Collected at Source (Asset) amounting to Rs. 1201.49 lacs and Tax Deducted at Source (Asset) amounting to Rs. 800.39 lacs are not reconciled with amount Rs. 867.32 lacs as shown in 26AS of the company. Management has informed that the balances shown in the books of accounts reflect pending refund amount of TCS. We have relied upon the same. (Refer to Note No. 9 "Other Current Assets" of the financial statements).

**Conversion of Loan into grant of RAPDRP Part A and Part B**

- (a) GOI Loan of RAPDRP Part A of Rs 1,97,54,00,000.00 (along with accrued interest thereon of Rs.78,70,88,365.00) has been converted in to grant in the FY 2021-22. The management informs us that the conversion is done as per scheme guidelines and the approved procedures by the competent authority (MOP). But no calculations and methodology of conversion is provided to us in the absence of its complete details, calculations and methodology thereof with appropriate audit evidences by the company, we are not in a position to comment upon the correctness of the same. (Refer to note 12 of financial statements and point no18(b)(i) of Notes on Accounts)
- (b) GOI Loan of RAPDRP Part B of Rs 1,38,00,13,118 (along with accrued interest thereon of Rs 31,93,26,428) has been converted in to grant in the FY 2022-23 (As per letter no 77744 dated 08.07.2022 of PFC Ltd.).The company has made provision of the interest which is not converted in to grant of Rs 2,23,49,61,302.00 in the books of FY 2021-22. However, in the absence of its complete details, calculations and methodology thereof with appropriate audit evidences with the company, we are not in a position to comment upon the correctness of the same. (Refer to note 12 & 14 of financial statements and point no18(b)(ii) of Notes on Accounts)
- (c) Under the AG head (75A.860) Rs. 3475.46 lacs & (75B.860) Rs. 565.37 lacs CPF Employer Contribution and AG head (44.621) Rs. 17146.08 lacs CPF Employer (Including Liability on account of loss distributed by UPPCL) Share should be matched with each other but having difference of Rs.13,105.25 lacs, accordingly the impact on the financial statements is not ascertainable.
- (d) **Moradabad Zone**  
As per Accounting policy, the Company is following the Accrual basis of Accounting subject to expenses pertaining to earlier years of Rs. 1,33,33,336.95 (List A) debited



to current year expenses. In respect of work expenses, payments made during the year booked to current year books of account irrespective of the period when the said work was done.

2) **Dakshinanchal Vidvut Vitran Nigam Ltd.**

- (a) In the preceding financial year 2020-21, company has added Rs. 8083.37 Crore on account of UDAY Scheme directly to surplus in statement of profit and loss under the head 'Other Equity' instead of dealing as prior period item in Profit & Loss of Preceding financial year of FY 2020-21 making the comparative figures of preceding year non-comparable.
- (b) Fixed Asset should be recognised of Rs. 9.66 Crore under the head AG code 46.2M under SAUBHAGYA Scheme, other deposit payable having debit balance.

3) **Purvanchal Vidvut Vitran Nigam Ltd.**

- a) *Note No. 11 Other Equity include adjustment of Rs 775.12 crs in statements of profit & loss accounts for which no details have been provided to us, hence we are unable to comment on correctness of aforesaid adjustment.*
- b) *Note-26 Finance Cost includes Rs.67.86 crore towards capitalization of interest for which no accounting policy, details of source of funding and relevant disclosure as per Ind-AS 16 "Borrowing Cost" has been disclosed in the financial statements.*

c) **Mirzapur Zone**

Stock of Transformers sent to Repairers as appearing in MTB is in negative, (-) 1,20,75,831.16. However, it has been explained to us that suitable action is being taken to reconcile the difference of stock of Transformers sent to Repairers and it will be rectified by next year.

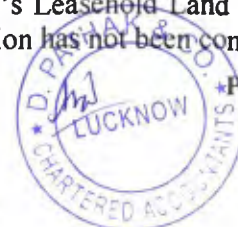
4) **Kanpur Electricity Supply Company Ltd.**

- (a) II 1. PROPERTY, PLANT AND EQUIPMENT Dr. ₹1,05,269.55 lacs

The land of the Company is on lease from UPPCL at ₹1.00 per month as per the transfer scheme (Refer point no. 10(c) of Notes no. 1-B to "IND AS-FS" Accounts). As informed the value of such land is yet to be ascertained by UPPCL. However, we have not been reproduced with the lease agreement and other related records pertaining to such land; As a result, we are unable to check whether the lease is of financial or operating nature; Hence, the financial impact on accounts and "Ind AS F.S." of the aforesaid is not ascertainable.

- (b) II 4. Sundry Receivable (Land) (AG CODE -28.809)-₹ 7,43,86,785/-

The company has deposited the above amount with Government of Uttar Pradesh ("GoUP") in earlier years for transfer of Company's Leasehold Land to Freehold Land but till date the procedure for the said conversion has not been completed.



Further, "GoUP" due to delayed payment of conversion charges for conversion of nazul land to freehold land demanded interest and penalty in December, 2009. Since then, no change in status is there upto 31.03.2022. The company is showing ₹ 89.29 crores in the accounts being interest and penalty on delayed payment as contingent liability.

Thereafter the waiver petition of interest & penalty was rejected finally by "GoUP".

In absence of any action by the management we are unable to form an opinion in this matter.

(c) (Para 20 (b) of Notes no. 1B of "IND AS-FS")

Uttar Pradesh Electricity Regulatory Commission (UPERC) in August 2013 demanded ₹ 36.52 lakh towards interest accrued on delayed payment of annual license fee for the period from 2007-08 to 2013-14 and directed to make payment amount immediately otherwise the interest for late payment would get revised upwardly.

A petition had been filed on 02 April 2019 by UPPCL (holding company) on behalf of the Company under Regulation 8 - Power to remove difficulties of UPERC (Fees and Fines Regulations), 2010 for waiver of interest accrued on license fees which is still pending. As the matter is pending for the decision, the Company should have added the interest amount for the period from September, 2013 to March, 2022 amounting to ₹ 36.52 lacs under Contingent Liabilities.

(d) V.5. (Refer Para No. 27 of Note No. 1B of "IND AS - FS")

The company had adopted "Cost" as basis of Valuation of Inventory using FIFO method up to "F.Y." 2020-21 but after implementation of ERP System for Inventory accounting the method has changed to Weighted Average Method. This change in policy needs disclosure in "IND AS FS" for the "F.Y." 2021-22 along with its impact on the Valuation of Inventory as on 31.03.2022 and the loss of the year.

(e) II 5. Deposit for Electrification (AG Code 47) Cr. ₹ 52,78,45,312/-

Party-wise break-up of the above sum on account of: - Amount lying on account of incomplete project & ii) Amount unspent which is refundable to parties against completed projects was not made available to us for our verification. Hence, we are unable to verify the above liability.

(f) Other Equity (Cr.) ₹ (-)350605.99 lakhs

The above sum includes 'Restructuring Reserve' (AG Code 56.680) of ₹1445.68 lakhs, in respect of which proper reconciliation and consequential adjustments are lying pending; hence the financial impact on accounts and "IND AS-FS" are not ascertainable.



**D. Adverse Remarks in CARO Report**

As required by para XXI of CARO (2020) Order under Companies Act, 2013, adverse remarks as reported by respective Auditors are furnished below:

**Holding Company -Uttar Pradesh Power Corporation Ltd.**

- a. Para No. 1 Relating to property, Plant & Equipment
- b. Para No. 2 a & b relating to physical verification of Inventory and submission of quarterly statements to Bank regarding working capital limits.
- c. Para No. 3c regarding terms & conditions for repayment of loans debited to subsidiaries.
- d. Para No. 4 Regarding Board approval for investment made / loan granted to subsidiaries.
- e. Para No. 6 Related to Cost Records.
- f. Para No. 7 Related to Non Payment of Statutory dues.
- g. Para No. 11c Relating to not establishing whistle blower mechanism.
- h. Para No. 13 Relating to approval of related parties' transaction.
- i. Para No. 14 Relating to internal audit system.

**Subsidiaries**

**(j) Dakshinanchal Vidyut Vitran Nigam Ltd.**

- a. Para No. (i) b Relating to property, Plant & Equipment.
- b. Para No. (ii) Relating to physical verification of Inventory .
- c. Para No. (vii) Regarding Statutory dues
- d. Para No. (xx) b) Regarding private placement of equity shares.
- e. Para No. (xiii) Related to Related parties transaction.

**(ii) Madhyanchal Vidyut Vitran Nigam Ltd.**

- a. Para No. (i) a & c Relating to property, Plant & Equipment.
- b. Para No. (ii) a Relating to physical verification of Inventory.
- c. Para No. (vii) a Regarding statutory dues.

**(iii) Purvanchal Vidyut Vitran Nigam Ltd.**

- a. Para No. (i) a b & c Relating to property, Plant & Equipment.
- b. Para No. (ii) a) Relating to physical verification of Inventory.
- c. Para No. (vii) a) Regarding Statutory Dues.
- d. Para No. (xiv) a) Regarding internal audit system.
- e. Para No. (xv) Regarding Cost Records.



(iv) Kanpur Electricity Supply Company Ltd.

- a. Para No. (i) a b & c Relating to property, Plant & Equipment.
- b. Para No. (ii) a) Relating to physical verification of Inventory.
- c. Para No. (vi) Regarding Cost Records.
- d. Para No. (vii) a) Regarding Statutory Dues.
- e. Para No. (x) b regarding preferential allotment of equity shares.
- f. Para No. (xix) Regarding Meeting the liabilities of one year.

(v) Pashchimanchal Vidyut Vitran Nigam Ltd.

- a. Para No. (i) a b & c Relating to property, Plant & Equipment.
- b. Para No. (vii) a) Regarding Statutory Dues.
- c. Para No. (x) a Relating to fraud.
- d. Para No. (x) c Regarding whistle blower complaints.

For D Pathak & Co  
Chartered Accountants  
FRN: 001439C



(A K Dwivedi)

Partner

M No.: 071584

UDIN: 22071584ARUWGO7012

Place: Lucknow

Date: 12/09/2022



## 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 31<sup>st</sup> March, 2022)

### 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 31<sup>st</sup> March, 2022, 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

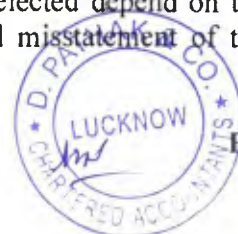
The respective Board of Directors of the of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company 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**

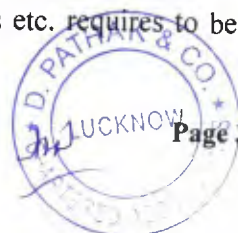
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 reproduced 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 2022 –

#### **A. Holding Company (UPPCL)**

- a) Internal control system with regard to Cash transactions, Procurement /Works transactions, maintenance of inventory, maintenance of Books of accounts, Fixed Assets register, delegation of powers to various employees etc. requires to be further strengthened.



- b) There is no effective system in place to verify power purchase for completeness, only those bills are accounted in the books of accounts which are received, no system is in place for quantitative reconciliation of the power actually purchased vis-à-vis power purchase accounted in the books of accounts, reconciliation of power purchased with suppliers are not done neither it was provided to us. Balance confirmation and reconciliation with the suppliers was not carried out therefore, the impact on power purchase, power sales and eventually on the position of sundry payables and receivable cannot be commented upon.
- c) There is no system for review of old balances relating to various assets and liabilities heads which needs to be reviewed, reconciled and require necessary adjustment in the books of account.
- d) Reconciliation of inter Unit section: the present system of identification and reconciliation of Inter Unit transaction between unit to unit, unit to head office is not adequate. The reconciliation need to be done on a regular basis with complete details of the nature and particulars of the unmatched items.
- e) There is no system of confirmation and reconciliation of balances in accounts of parties, contractors, Government Department etc. including those balances appearing under receivables, payables, loan and advances.
- f) During the course of our Audit, it was observed that payments are being released by Single signatory without fixing any threshold limit. It is suggested that all payments should be released after fixing threshold limit only by joint signatory.

## **B. Subsidiaries**

### **1. The Auditors of DVVNL have reported that -**

- a. 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.
- b. During the course of audit, we observed that the system of recording of entries is not proper. We observed several instances where the entries which should have been posted in another accounting head, for example, entries parked in AG Code -46 are pertaining to some other accounting heads.
- c. Cashbook is not updated on regular basis. Furthermore, as stated in audit report of Jhansi & Banda zone totalling of cashbook is done by pencil in various divisions.
- d. There are unreconciled entries under AG Code 22.780 (Transformers sent for repairs), AG Code 22.77(Scrap Materials), AG code 31 to 37(Inter Unit Transfer) and AG Code 46.94 (Goods and Service Tax) as on 31st March, 2022. The unreconciled entries should be reconciled.
- e. Under AG Code 46.910 (Stale Cheques) indicates cheques which have become time barred. Proper adjustments are recommended in this regard.





- 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 reviewing computation and booking of Capital Work in Progress (CWIP) in accounts. This could potentially result in inaccurate CWIP disclosed in the books of accounts, due to non-capitalization and/or delayed capitalization of Property, plant and Equipment.
- h. The company updates financials by belated entries in zonal trial balances audited by Zonal Auditors even after finalisation of Financial Statements which results in difference in opening balance in next year.
- i. On verification of vouchers of GM adjustment, we observed that all the vouchers were not signed by all the authorized signatories.
- j. As mentioned in audit report of Jhansi & Banda zone, log books were not provided in many divisions.
- k. As mentioned in audit report of Jhansi & Banda zone," Signature and Seal of executive engineer on Expenditure Cash Book not done on whole financial year" in EDD-MAHOBA.
- l. *It has been reported at various places in Audit report by the Auditors that there was material misstatement with regard to Revenue from operations, Trade Receivables, Inventory, Capital WIP, Cash and Bank balances etc. but it was not quantified except at few places like Trade Receivables etc which have been dealt properly in our report . However, on seeking further clarifications ,it was clarified that nothing more needs quantification except than mentioned in their Audit report.*

2 The Auditors of PVVNL have reported that :

- a. The Company did not have an appropriate internal control system for reviewing computation and booking of Capital Work in Progress (CWIP) in accounts. This could potentially result in inaccurate CWIP disclosed in the books of accounts, due to non-capitalization and/or delayed capitalization of Property, Plant and Equipment.
- b. 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. ERP is under implementation phase. The Branch Auditor of Bulandshahar Zone has also reported that the Biometric System should be installed for keeping the records of attendance of employees and CCTV camera should be placed to protect the assets and records.
- c. Company do not have an effective system for realizing revenue from customers as the amount of receivables as on 31<sup>st</sup> March, 2022 is Rs. 10,74,249.09 lacs, which is equivalent to around 227 days sale of power by company and reasons of pendency are not examined. It is noticed that the company is not effectively exercising its powers of TD/PD and filing court cases against defaulted customers.



- d. The Company did not have an appropriate internal control system to minimize electricity theft and line losses.
- e. Reconciliation of power received and power sold during year has not been done. Billing is not raised timely and correctly.
- f. The Company has shown Rs. 20,463.80 lacs as Inter Unit Transfer under the head of Other Current Assets and no further details or reconciliation of these amounts are provided to us. Special attention of the management is called for periodical reconciliation of this account and necessary adjustments thereto. Management has informed that the reconciliation of these entries is under process.

3. The auditors of MVVNL have reported that –

- a. Company has system of maintaining various Sectional Journals wherein vouchers relating to day to-day transactions are recorded in these Sectional Journals. The Existing system of balancing cash book on the monthly basis and posting transactions in different sectional journals, from journals to summaries and from summaries to monthly trial balance, in our opinion is not adequate to give the financial position of different account/s at any given time in an organized manner. The Zones/ units do not have an appropriate internal control system for maintenance of books of account and other subsidiary records to ascertain composition of financial transactions on time basis and party wise balances outstanding at any point of time. The monthly trial balances are compiled from vouchers through an outsourced software, which is not under control of the accounts department and only printouts of MTBs are available. Risk of security of data in accounting through this software has not been assessed. There is also no mechanism to check data entry in this software and to ensure correctness and completeness of the report (MTB) generated.
- b. The internal audit system was not found to be adequate and commensurate with the size and nature of organization and coverage/ scope needs to be enlarged particularly in area of reconciliation of revenue with the online billing system, status of work in progress under various schemes under implementation along with reasons for pendency, reconciliation of pending ATD/ ATC, Inventory records etc. System of timely receipts of internal Audit report and compliance thereof at zonal and HO Level also needs to be streamlined and strengthened.
- c. It was noted that billing of power is generated through IT system but the billing system is independent of account department and reports generated from billing system were not reconciled with the 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 with the data of commercial department. Further, quantitative reconciliation of power procured, billed and transmission loss is not prepared for reconciliation of actual sale of power with the books of account.

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 in the 'Qualified Opinion' paragraph of this report 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 31<sup>st</sup> March, 2022 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 and 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 D Pathak & Co**  
**Chartered Accountants**  
**FRN: 001439C**



**(A K Dwivedi)**  
**Partner**  
**M No.: 071584**  
**UDIN: 22071584ARUWGO7012**



**Place: Lucknow**  
**Date: 12/09/2022**

# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN:U32201UP1999SGC024928

## CONSOLIDATED FINANCIAL STATEMENT

### CONSOLIDATED BALANCE SHEET AS AT 31.03.2022

(₹ in Lakhs)

Particulars	Note No.	AS AT 31.03.2022	AS AT 31.03.2021
<b>(I) ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	6507405.90	5962774.88
(b) Capital work-in-progress	3	377656.64	812844.63
(c) Assets not in Possession	4	12421.09	13313.56
(d) Intangible assets	5	10492.39	3628.97
(e) Financial Assets			
(i) Investments	6	234041.02	239634.03
(ii) Loans	7	-	-
(iii) Others	8	1694768.87	1894743.87
<b>(2) Current assets</b>			
(a) Inventories	9	379457.68	328656.96
(b) Financial Assets			
(i) Trade receivables	10	8719519.12	8346170.74
(ii) Cash and cash equivalents	11-A	524028.21	623811.15
(iii) Bank balances other than (ii) above	11-B	254156.07	237801.14
(iv) Others	12	499506.44	507930.01
(c) Other Current Assets	13	250324.40	440757.79
<b>Total Assets</b>		<b>19463777.83</b>	<b>19412067.73</b>
<b>(II) EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	10967938.38	10412645.52
(b) Other Equity	15	(6369443.64)	(5891218.81)
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	7110277.31	7405697.43
(ii) Trade payables			
(b) Other financial liabilities	17	508333.45	475362.45
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	1233312.09	907211.88
(ii) Trade payables	19	3034501.62	3261621.41
(iii) Other financial liabilities	20	2978858.62	2840747.85
(b) Provisions	21	0.00	0.00
Company information & Significant Accounting Policies	1		
Notes on Accounts	31		
<b>Total Equity and Liabilities</b>		<b>19463777.83</b>	<b>19412067.73</b>


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

  
(Jitesh Grover)

Company Secretary  
Additional Charge

  
(A. K. Awasthi)

Chief Financial Officer

  
(Nidhi Kumar Narang)

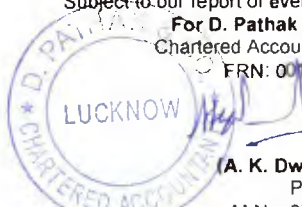
Director (Finance)  
DIN- 03473420

  
(Pankaj Kumar)

Managing Director  
DIN- 08095154

Place: Lucknow  
Date:

Subject to our report of even date  
For D. Pathak & Co.  
Chartered Accountants  
FRN: 001439C

  
(A. K. Dwivedi)  
Partner  
M No. 071584

UDIN: 22071584ARUWGO7012

# U.P. POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN:U32201UP1999SGC024928


## CONSOLIDATED FINANCIAL STATEMENT

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2022


(₹ in Lakhs)

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I Revenue From Operations	22	5683764.10	5501777.47
II Other Income	23	2348720.55	1259802.15
<b>III Total Income (I+II)</b>		<b>8032484.65</b>	<b>6761579.62</b>
<b>IV EXPENSES</b>			
1 Purchases of Stock-in-Trade (Power Purchased)	24	5832148.89	6397711.80
2 Employee benefits expense	25	227012.57	189992.58
3 Finance costs	26	838822.10	631442.96
4 Depreciation and amortization expenses	27	285345.61	242721.89
<b>5 Other Expenses</b>			
a Administration, General & Other Expense	28	249735.68	223252.74
b Repair and Maintenance	29	247301.76	231348.92
c Bad Debts & Provisions	30	778282.97	30386.15
<b>IV Total expenses (IV)</b>		<b>8458649.58</b>	<b>7946857.04</b>
V Profit/(Loss) before exceptional items and tax (III-IV)		(426164.93)	(1185277.42)
VI Exceptional Items		(162004.20)	0.00
<b>VII Profit/(Loss) before tax (V+/-VI)</b>		<b>(588169.13)</b>	<b>(1185277.42)</b>
VIII Tax expense:			
(1) Current tax		0.00	0.00
(2) Deferred tax			
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(588169.13)</b>	<b>(1185277.42)</b>
X Profit/(Loss) from discontinued operations			
XI Tax expense of discontinued operations			
<b>XII Profit/(Loss) from discontinued operations (after tax) (X-XI)</b>			
<b>XIII Profit/(Loss) for the period (IX+XII)</b>		<b>(588169.13)</b>	<b>(1185277.42)</b>
<b>XIV Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss- Remeasurement of Defined Benefit Plans (Actuarial Gain or Loss)		(847.05)	(8026.71)
(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			
<b>XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>(589016.18)</b>	<b>(1193304.13)</b>
<b>XVI Earnings per equity share (continuing operation)</b>			
(1) Basic		(55.54)	(121.06)
(2) Diluted		(55.54)	(121.06)
<b>XVII Earnings per equity share (for discontinued operation)</b>			
(1) Basic			
(2) Diluted			
<b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>			
(1) Basic		(55.54)	(121.06)
(2) Diluted		(55.54)	(121.06)
Company information & Significant Accounting Policies	1		
Notes on Accounts	31		

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

  
(Jitesh Grover)  
Company Secretary  
Additional Charge

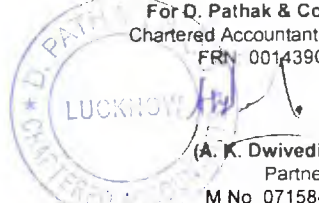
  
(A. K. Awasthi)  
Chief Financial Officer

  
(Nidhi Kumar Narang)  
Director (Finance)  
DIN-03473420

  
(Pankaj Kumar)  
Managing Director  
DIN- 08095154

Place: Lucknow  
Date:

Subject to our report of even date  
For D. Pathak & Co.  
Chartered Accountants  
FRN 001439C

  
(A. K. Dwivedi)  
Partner  
M No. 071584

UDIN: 22071584ARUWGO7012

# 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 31.03.2022

Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Balance at the end of the reporting period
10412645.52	555292.86	10967938.38

#### B. OTHER EQUITY AS AT 31.03.2022

Particulars	Share application money pending allotment	Capital / Other Reserve*	Retained Earnings	Total
Balance at the beginning of the reporting period	31379.93	2995366.96	(8917965.70)	(5891218.81)
Changes in accounting policy or prior period errors	0.00	0.00	(559.35)	(559.35)
Restated balance at the beginning of the reporting period	31379.93	2995366.96	(8918525.05)	(5891778.16)
Total Comprehensive Income for the year	0.00	0.00	(589016.18)	(589016.18)
Addition during the Year	0.00	138259.18	0.00	138259.18
Reduction during the Year	0.00	(171316.82)	(77512.32)	(248829.14)
Share Application Money Received	777213.52	0.00	0.00	777213.52
Share Allotted against Application Money	(555292.86)	0.00	0.00	(555292.86)
Balance at the end of the reporting period	253300.59	2962309.32	(9585053.55)	(6369443.64)
<b>Net Balance at the end of the reporting period</b>				<b>(6369443.64)</b>

\* It includes Capital Reserve of Rs. 1606290.52 Lakhs, Restructuring Reserve of Rs. 55476.24 Lakhs and General Reserve of Rs. 1300542.56 Lakhs.

(₹ in Lakhs)

#### A. EQUITY SHARE CAPITAL AS AT 31.03.2021

Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Balance at the end of the reporting period
9676208.64	736436.88	10412645.52

#### B. OTHER EQUITY AS AT 31.03.2021

Particulars	Share application money pending allotment	Capital / Other Reserve*	Retained Earnings**	Total
Balance at the beginning of the reporting period***	40192.23	3854741.27	(17581987.34)	(13687053.84)
Changes in accounting policy or prior period errors	0.00	0.00	7333756.37	7333756.37
Restated balance at the beginning of the reporting period	40192.23	3854741.27	(10248230.97)	(6353297.47)
Total Comprehensive Income for the year	0.00	0.00	(1193304.13)	(1193304.13)
Addition during the Year	0.00	809268.99	2523569.40	3332838.39
Reduction during the Year	0.00	(1668643.30)	0.00	(1668643.30)
Share Application Money Received	727624.58	0.00	0.00	727624.58
Share Allotted against Application Money	(736436.88)	0.00	0.00	(736436.88)
Balance at the end of the reporting period	31379.93	2995366.96	(8917965.70)	(5891218.81)
<b>Net Balance at the end of the reporting period</b>				<b>(5891218.81)</b>

\* It includes Capital Reserve of Rs. 1531362.11 Lakhs, Restructuring Reserve of Rs. 55476.24 Lakhs and General Reserve of Rs. 1408528.61 Lakhs.

\*\* Change in accounting policy or Prior Period errors of 2020-21 includes Rs. 7342360.91 Lakhs related to reversal of Provisions pertains to Discoms's balances under elimination and Rs. 11193.10 Lakhs captured as per Audited Account of FY 2020-21 of PVVNL.

\*\*\* It Includes Rs. 159.89 Lakhs related to Southern Power Transmission Corporation Ltd in FY 2020-21. But the same has not been considered while this year consolidation as the name of the company has been strike off from the register of Registrar of Company.

  
(Jitesh Grover)

Company Secretary  
Additional Charge

  
(A. K. Awasthi)

Chief Financial Officer

  
(Nidhi Kumar Narang)

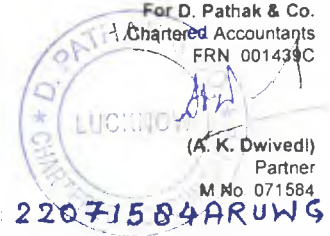
Director (Finance)  
DIN-03473420

  
(Pankaj Kumar)

Managing Director  
DIN- 08095154

Place: Lucknow  
Date:

Subject to our report of even date  
For D. Pathak & Co.

Chartered Accountants  
FRN 001439C  
  
(A. K. Dwivedi)  
Partner  
M No 071584

UDIN: 22071584ARUWG07012

**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 12.09.2022

**(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 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) In terms of Part-B of Schedule-II of the Companies Act, 2013 the company has followed depreciation rate/useful life using the straight line method and residual value of Property, Plant and Equipment as notified by the UPERC Tariff Regulations.

In case of change in rates/useful life and residual value, the effect of change is recognized prospectively.

(b) Depreciation on additions to/deduction from Property, Plant and Equipment during the year is charged on pro-rata basis.

#### **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) The sale of Electricity does not include Electricity Duty payable to the State Government.

(d) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission.

(e) In case of detection of theft of energy, the consumer is billed on laid down norms as specified in Electricity Supply Code.



- (f) 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 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.



**(Jitesh Grover)**  
**Company Secretary**  
**(Additional Charge)**



**(A. K. Awasthi)**  
**Chief Financial**  
**Officer**



**(Nidhi Kumar Narang)**  
**Director (Finance)**  
**DIN - 03473420**



**(Pankaj Kumar)**  
**Managing Director**  
**DIN - 08095154**

Place : Lucknow  
Date :

Subject to our report of even date

**For D. Pathak & Co.**  
**Chartered Accountants**  
**FRN: 001439C**



**(A. K. Dwivedi)**  
**Partner**

**M No. 0715840**

**UDIN: 22 0715 84 ARUN 6 07012**

NOTE-2

PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block		Adjustment/ Deletion	AS AT 31.03.2022	AS AT 01.04.2021	Depreciation		Adjustment/ Deletion	Net Block	
	Addition	Deletion				Addition	Deletion		AS AT 31.03.2022	AS AT 31.03.2021
Land & Land Rights	1,072.76	-	-	1,072.76	147.77	-	-	-	147.77	924.99
Buildings	1,28,730.43	12,932.34	0.35	1,41,662.42	33,556.98	2,359.25	4.02	35,912.21	1,05,750.21	95,173.45
Pant & Pipe Lines	94.98	-	-	94.98	85.49	-	-	85.49	9.49	9.49
Other Civil Works	4,075.47	-	-	4,075.47	2,870.37	96.24	-	2,966.61	1,108.86	1,205.10
Plant & Machinery	26,32,867.34	4,64,506.42	2,91,399.81	28,05,973.55	2,54,333.20	1,70,945.66	26,352.54	3,98,936.32	24,07,047.63	23,78,534.15
Lines, Cable Networks etc	45,75,439.88	7,05,082.74	27,573.19	52,52,949.43	11,04,085.84	1,72,994.01	1,047.71	12,76,032.14	39,76,917.29	34,71,354.04
Vehicles	1,723.80	27.94	11.39	1,740.35	1,463.32	6.00	7.33	1,461.99	278.36	260.49
Furniture & Fixtures	5,604.90	379.94	0.24	5,984.60	2,308.44	309.22	0.96	2,616.70	3,367.90	3,296.47
Office Equipments	28,281.64	1,930.28	1.66	30,210.26	16,764.93	1,948.58	4.42	18,209.09	12,001.17	12,016.70
<b>Total</b>	<b>73,77,891.20</b>	<b>11,84,859.66</b>	<b>3,18,985.64</b>	<b>82,43,764.22</b>	<b>14,15,116.34</b>	<b>3,48,658.96</b>	<b>27,416.98</b>	<b>17,36,358.32</b>	<b>65,07,405.90</b>	<b>59,62,774.88</b>

NOTE-2

PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block		Adjustment/ Deletion	AS AT 31.03.2021	AS AT 01.04.2020	Depreciation		Adjustment/ Deletion	Net Block	
	Addition	Deletion				Addition	Deletion		AS AT 31.03.2021	AS AT 31.03.2020
Land & Land Rights	1,072.76	-	-	1,072.76	147.77	-	-	-	147.77	924.99
Buildings	1,20,094.94	8,636.37	0.88	1,28,730.43	29,836.46	3,730.45	9.93	33,556.98	95,173.45	90,258.48
Pant & Pipe Lines	94.98	-	-	94.98	90.24	-	4.75	85.49	9.49	4.74
Other Civil Works	4,075.47	-	-	4,075.47	2,749.05	121.46	0.14	2,870.37	1,205.10	1,326.42
Plant & Machinery	24,07,437.25	4,82,247.75	2,56,817.65	26,32,867.35	1,84,279.84	1,17,827.29	47,773.93	2,54,333.20	23,78,534.15	22,23,157.41
Lines, Cable Networks etc	40,68,293.02	5,16,912.03	9,765.17	45,75,439.88	9,23,138.14	1,85,672.29	4,724.59	11,04,085.84	34,71,354.04	31,45,154.88
Vehicles	1,726.76	-	2.96	1,723.80	1,436.28	29.47	2.44	1,463.31	260.49	290.48
Furniture & Fixtures	5,334.97	270.55	0.61	5,604.91	2,014.50	294.50	0.56	2,308.44	3,296.47	3,320.47
Office Equipments	25,006.47	3,272.89	-2.27	28,281.63	14,319.27	2,042.47	96.81	16,264.93	12,016.70	10,687.20
<b>Total</b>	<b>66,33,136.62</b>	<b>10,11,339.59</b>	<b>2,66,585.00</b>	<b>73,77,891.21</b>	<b>11,58,011.55</b>	<b>3,09,717.93</b>	<b>52,613.15</b>	<b>14,15,116.33</b>	<b>59,62,774.88</b>	<b>54,75,125.07</b>



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

Note-3

**CAPITAL WORKS IN PROGRESS**

*(₹ in Lakhs)*

Particulars	AS AT 01.04.2021	Additions	Deductions/ Adjustments	Capitalised During the Year	AS AT 31.03.2022
Capital Work in Progress*	4,40,167.20	9,70,488.90	-	-11,62,268.25	2,48,387.85
Advance to Supplier/Contractor	3,72,677.43	1,15,236.18	-3,58,644.82	-	1,29,268.79
	<b>8,12,844.63</b>	<b>10,85,725.08</b>	<b>-3,58,644.82</b>	<b>-11,62,268.25</b>	<b>3,77,656.64</b>

\*It includes Employee cost related to works.

Particulars	AS AT 01.04.2020	Additions	Deductions/ Adjustments	Capitalised During the Year	AS AT 31.03.2021
Capital Work in Progress*	5,68,847.24	9,24,351.03	-27,542.58	-10,25,488.49	4,40,167.20
Advance to Supplier/Contractor	5,29,105.48	88,690.76	-2,45,118.81	-	3,72,677.43
	<b>10,97,952.72</b>	<b>10,13,041.79</b>	<b>-2,72,661.39</b>	<b>-10,25,488.49</b>	<b>8,12,844.63</b>

\*It includes Employee cost related to works.











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

**Note-4**

**ASSETS NOT IN POSSESSION**

*(₹ in Lakhs)*

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Lines, Cable Networks etc.	12,421.09	13,313.56
<b>Total</b>	<b>12,421.09</b>	<b>13,313.56</b>

**Note-5**

**INTANGIBLE ASSETS**

*(₹ in Lakhs)*

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Intangible Assets	10,492.39	3,628.97
<b>Total</b>	<b>10,492.39</b>	<b>3,628.97</b>

**Note-6**

**FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)**

*(₹ in Lakhs)*

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>UPPTCL-Investment in Share Capital</b>	<b>2,21,333.52</b>	<b>2,21,333.52</b>
Share Application Money	18,072.31	18,072.31
Provision for Impairment on UPPTCL	-17,664.81	-12,133.60
	<b>2,21,741.02</b>	<b>2,27,272.23</b>
<b>Southern U.P. Power Transmission Co. Ltd.</b>		
Equity Share Capital (Southern)	221.63	221.63
Provision for Impairment-Southern UPPTCL	-221.63	-159.83
		<b>61.80</b>
<b>Other Investments-</b>		
7.75% PFC Bonds (Quoted)	12,300.00	12,300.00
<b>Total</b>	<b>2,34,041.02</b>	<b>2,39,634.03</b>

1) Aggregate amount of unquoted investment in equity shares & Share Application Money in UPPTCL & Southern U.P. Power as on 31.03.2022 is ₹ 239627.46 Lakhs (Previous Year ₹ 239627.46 Lakhs)

2) Aggregate amount of provision for impairment of investment made upto 31.03.2022 is ₹ 17886.44 Lakhs (Previous Year ₹ 12293.43 Lakhs)

3) Considering the net worth of UPPTCL Provision for impairment has been made during the year are ₹ 5531.21 Lakhs.



4) Provision for impairment of investment for the F.Y. 2021-22 is based on net worth calculated on the basis of Unaudited Financial Statement of UPPTCL for the period F.Y.2021-22.

**Note-7**

**FINANCIAL ASSETS - LOANS (NON-CURRENT)**

*(₹ in Lakhs)*

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>Capital Advances</b>		
NPCL LOAN	568.43	568.43
Interest Accrued and Due	16,720.42	14,473.97
Provision for Bad & Doubtful Debts Loan & Interest	-17,288.85	-15,042.40
<b>Total</b>	<b>-</b>	<b>-</b>







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Note-8

**FINANCIAL ASSETS - OTHERS (NON-CURRENT)**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Advance paid to State Govt. for freehold title of Land	743.87	743.87
<b>Deposits</b>		
Deposit with BSE for REF	25.00	-
Receivable from Govt. of U.P (Aatmnirbhar Scheme) Non Current	16,94,000.00	18,94,000.00
<b>Total</b>	<b>16,94,768.87</b>	<b>18,94,743.87</b>

\* In compliance to SEBI Circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22.10.2021, the Company has deposited the funds with Bombay Stock Exchange towards contribution to Recovery Expenses Fund.

Note-9

**INVENTORIES**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>(a) Stores and Spares</b>		
Stock of Materials - Capital Works	1,57,630.81	1,63,002.93
Stock of Materials - O&M	1,93,677.84	3,13,138.44
<b>(b) Others</b>	51,375.53	38,732.77
<b>B</b>	<b>4,02,684.18</b>	<b>3,51,871.21</b>
Provision for Unserviceable Stores	-23,226.50	-23,214.25
<b>Total</b>	<b>3,79,457.68</b>	<b>3,28,656.96</b>











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**Note-10**

**FINANCIAL ASSETS - TRADE RECEIVABLES (CURRENT)**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>A-Trade Debtors</b>		
<b>Trade Receivables outstanding from Customers</b>		
<b>on account of Sale of Power</b>		
Secured & Considered goods	3,52,238.35	3,30,012.99
Unsecured & considered good	75,68,234.40	72,36,183.54
Unsecured & Considered doubtful	14,42,392.61	93,62,865.36
<b>A</b>	<b>93,62,865.36</b>	<b>83,49,646.77</b>
<b>Trade Receivables outstanding from Customers</b>		
<b>on account of Electricity Duty</b>		
Secured & Considered goods	31,612.37	33,584.15
Unsecured & considered good	7,67,434.01	7,24,270.99
Unsecured & Considered doubtful	1,40,755.20	9,39,801.58
<b>B</b>	<b>9,39,801.58</b>	<b>8,09,698.93</b>
<b>Total (A+B)</b>	<b>1,03,02,666.94</b>	<b>91,59,345.70</b>
<b>Debtors-Sale of Power (subsidiary)</b>		
Debtors Unbilled revenue	-	66,326.99
Reversal of Purchased Cost	-2,147.98	-
Adjustment as per Point no. 37 of Note 31	2,147.98	-66,326.99
<b>C</b>	<b>-</b>	<b>-</b>
<b>Total Debtors (A+B+C)</b>	<b>1,03,02,666.94</b>	<b>91,59,345.70</b>
Allowance for Bad & Doubtful Debts-1	-15,83,147.82	-8,35,247.84
Allowance for Bad & Doubtful Debts-2	-	-
Allowance for Bad & Doubtful Debts-3	-	-8,35,247.84
<b>D</b>	<b>-15,83,147.82</b>	<b>-8,35,247.84</b>
<b>Net Trade Receivable (A+B+C+D)</b>	<b>87,19,519.12</b>	<b>83,24,097.86</b>
<b>B-Sundry Debtors</b>		
Less: Provision on Sundry Debtors	-52,297.94	-30,225.06
<b>Total (Total Debtors-E)</b>	<b>87,19,519.12</b>	<b>83,46,170.74</b>

B

B

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Note-11-A

**FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS (CURRENT)**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021	
<b>(a) Balance with Banks</b>			
In Current & Other Account	4,79,171.12	4,87,257.26	
In Earmarked Bank A/c (IPDS)	1.51	22.69	
RPO Fund A/c*	622.57	7,657.07	
Dep. with original maturity upto 3 months	38,531.10	88,694.46	5,83,631.48
<b>(b) Cash in Hand</b>			
Cash in Hand (Including Stamps in Hands)	4,947.73	39,500.73	
Cheque/Drafts in Hand	628.44	375.11	
Cash imprest with Staff	125.74	303.83	40,179.67
<b>Total</b>	<b>5,24,028.21</b>	<b>6,23,811.15</b>	

\* In compliance to UPERC'S order, separate bank account has been created for renewable purchase obligation.

Note-11-B

**FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE (CURRENT)**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021	
Deposit with original maturity of more than 3 months but less than 12 months (including RPO fund amounting Rs. 54.78 Lakh)	2,54,156.07	2,37,801.14	
<b>Total</b>	<b>2,54,156.07</b>	<b>2,37,801.14</b>	











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**FINANCIAL ASSETS - OTHERS (CURRENT)**

Note-12

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>Receivables (unsecured)</b>		
Uttar Pradesh Government	1,40,749.00	1,41,604.11
Receivable from Govt. of U.P. (Aatmnirbhar Scheme) Current	2,00,000.00	2,00,000.00
Receivable from IREDA*	977.33	1,230.00
Uttar Pradesh jal Vidyut Nigam Ltd.	462.21	419.87
<b>UPRVUNL</b>		
Receivable -UPRVUNL	1,034.67	922.96
Payable -UPRVUNL	-64.93	-64.93
<b>UPPTCL</b>		
Receivable -UPPTCL	61,832.00	58,873.95
Payable -UPPTCL	-6,671.12	-6,833.45
Receivable from GoUP		
<b>Employees (Receivables)</b>	14,502.41	22,592.70
Provision for Doubtful receivables from Employees	-358.41	-651.86
	14,144.00	21,940.84
<b>Others</b>		
Prov. For Doubtful Receivables	1,02,871.64	1,05,931.04
Balance Under reconciliation of Kesco	-15,828.36	-16,113.38
		89,817.66
		19.00
<b>Theft of Fixed Assets Pending Investigation</b>	17,762.35	16,694.14
Prov. For estimated Losses	-17,762.35	-16,694.14
<b>Total</b>	<b>4,99,506.44</b>	<b>5,07,930.01</b>

\* Receivable from Indian Renewable Energy Development Agency Ltd. (IREDA) (Govt. of India Enterprise) related to subsidy against power purchase from renewable energy developers.

**OTHER CURRENT ASSETS**

Note-13

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>Advances (Unsecured/Considered Good)</b>		
Suppliers/Contractors	828.90	4,481.21
Less: Provision for Doubtful Advances	-598.43	-701.70
	230.47	3,779.51
Tax Deducted at source	10,128.02	4,175.01
Tax Collected at Source	8,512.78	2,108.38
Advance Income Tax		
Fringe Benefit Tax Advance Tax	66.07	66.07
Provision	-41.03	-41.03
	25.04	25.04
Advance to UMPP/ Energy Exchange**	17,306.12	17,306.12
<b>Advances recoverable in Cash or in kind of value to be received</b>		
Unsecured Considered Good	50.80	45.44
Unsecured Considered Doubtful	221.08	315.84
Provision for Doubtful Loans & Advances	-221.08	-315.84
	50.80	45.44
<b>Misc. Recovery</b>		
Unsecured Considered Good	74.86	493.53
Unsecured Considered Doubtful	399.32	389.30
Provision for Doubtful Loans & Advances	-399.32	-389.30
	74.86	493.53
Income Accrued & Due	1,121.57	1,155.45
Income Accrued & but not Due	1,422.41	1,465.86
Prepaid Expenses	125.79	99.96
Inter Unit Transfers	2,11,326.54	4,10,103.49
<b>Total</b>	<b>2,50,324.40</b>	<b>4,40,757.79</b>

\*\* 1. Commitment advance of Rs. 12697.91 lakh was given to Ultra Mega Power Projects for the development of power projects

2. Advances to Energy Exchange for bidding process. is Rs.4608.21 Lakh



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Note-14

**EQUITY SHARE CAPITAL**

(` in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>(A) AUTHORISED</b> 1250000000 (Previous Year 1250000000 respectively) Equity shares of par value of Rs. 1000/- each	12500000.00	12500000.00
<b>(B) ISSUED SUBSCRIBED AND FULLY PAID UP</b> 1096795838 (Previous Year 1041266552) Equity shares of par value Rs. 1000/- each	10967938.38	10412645.52
(of the above shares 36113400 were allotted as fully paid up pursuant to UP Power Sector Reform Scheme for consideration other than cash)		
<b>Total</b>	<b>10967938.38</b>	<b>10412645.52</b>

- a) During the year, The Company has issued 55529286 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 2022, 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 31.03.2022		AS AT 31.03.2021	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
Government of UP	1096793838	100	1041264552	100

**e) Reconciliation of No. of Shares**

No. of Shares as on 01.04.2021	Issued During the Year	Buy Back during the Year	No. of Shares as on 31.03.2022
1041264552	55529286	0	1096793838

Note-15

**OTHER EQUITY**

(` in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>A. Share Application Money (Pending For Allotment)</b>	2,53,300.59	31,379.93
<b>B. Capital Reserve</b>		
(i) Consumers Contributions towards Service Line and other charges	9,31,703.57	8,82,468.60
(ii) Subsidies towards Cost of Capital Assets	6,54,199.49	6,28,469.58
(iv) APDRP Grant/Other Grants	654.34	690.81
(v) Amount Received Under IPDS	138.00	138.00
(vi) Others	19,595.12	19,595.12
<b>C. Restructuring Reserve</b>	16,06,290.52	15,31,362.11
<b>D. Surplus in Statement of P&amp;L</b>	55,476.24	55,476.24
Opening Balance	-89,17,965.70	-1,75,81,987.34
PPE Adjustment for the year	-559.35	73,33,756.37
Restated Opening Balance	-89,18,525.05	-1,02,48,230.97
Add: Subsidy under Atmanirbhar Scheme		3,10,770.06
Add: Adjustment against Reserves & Surplus	-77,512.32	14,04,461.58
Net Total Comprehensive Income/(Loss) for the Year	-5,89,016.18	-11,93,304.13
Transferred from Capital Reserve		8,08,337.76
<b>Closing Balance</b>	-95,85,053.55	-89,17,965.70
<b>E. General Reserve</b>		
Opening Balance of General Reserve	14,08,528.61	-
Add: Received during the year		14,08,528.61
Less: Transfer to statement of P&L	-1,07,986.05	-
<b>Total</b>	<b>-63,69,443.64</b>	<b>-58,91,218.81</b>

Capital Reserve and Restructuring Reserve relate to the balances transferred under Final Transfer Scheme issued by the Goup vide notification no. 1529/24-P-2-2015 SA(218)- 2014 dated November 3,2015

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Note-16

**FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT)**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021	
<b>(A) SECURED LOANS</b>			
<b>TERM LOANS</b>			
Rural Electrification Corporation Ltd.	1,30,246.95	1,45,926.86	
R-APDRP(PFC)	1,30,980.64	1,68,099.77	
R-APDRP Part-B (PFC)	35,315.18	35,315.18	
R-APDRP(REC)	1,26,131.97	1,49,220.29	
Sub Station Loan (REC)	1,471.31	1,824.01	
RAPDRP SCADA Part B	23,021.50	27,483.12	
Saubhagya (REC)	1,29,410.99	1,31,190.92	
DDUGGY (PFC)	52,219.10	49,771.54	
DDUGGY (REC)	86,019.18	89,157.81	
IPDS (PFC)	77,557.61	70,455.72	
IPDS(ERP)	542.95	214.49	
AB CABLE	1,05,136.79	92,683.85	
Rural Electrification Corporation Ltd.(SAUBHAGYA)	-	-	
Rural Electrification Corporation Ltd.(NON-SAUBHAGYA)	11,804.35	7,008.87	
Power Finance Corporation Ltd. (IPDS)	9,375.30	10,190.55	9,78,542.98
<b>(B) UNSECURED LOANS</b>			
9.70% Uday Bcnds/Bonds	8,78,989.15	9,82,253.10	
REC	17,12,127.66	18,64,602.21	
PFC	19,26,299.57	20,30,976.86	
U.P. State Industrial Development Corporation Ltd.	0.54	0.54	
Housing Development Finance Corporation Ltd.	0.07	0.07	
UP Government Loan (Others)	36,927.00	43,081.49	49,20,914.27
<b>(C) BONDS/ LOANS RELATE TO DISCOMS(Secured)</b>			
9.70% Non Convertible Bonds	3,95,120.00	-	
8.97% Rated Listed Bond	3,72,000.00	4,65,000.01	
10.15% Rated Listed Bonds	3,23,000.00	3,87,600.01	
9.75% Rated Listed Bonds	2,51,370.00	3,04,290.00	
8.48% Rated Listed Bonds	1,99,399.99	2,49,249.98	14,06,140.00
<b>(D) Other than Bank</b>			
PFC	95,809.51	1,00,100.18	1,00,100.18
<b>Total</b>	<b>71,10,277.31</b>	<b>74,05,697.43</b>	








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**Note-17**

**FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)**

*(₹ in Lakhs)*

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Security Deposits From Consumers	3,84,046.22	3,63,792.46
Liability/Provision for Leave Encashment	77,449.84	68,930.16
Liability for Gratuity on CPF Employee:	42,432.71	38,397.85
Corpus Fund from UPEDA*	4,404.68	4,241.98
<b>Total</b>	<b>5,08,333.45</b>	<b>4,75,362.45</b>

\* It relates to the Corpus Fund received from U.P. New & Renewable Energy Development Agency for providing the facility of letter of credit to solar energy developers.

**Note-18**

**FINANCIAL LIABILITIES - BORROWINGS (CURRENT)**

*(₹ in Lakhs)*

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>Overdraft from Banks</b>		
Punjab National Bank	2.79	
Current Maturity of Long Term Borrowings (Other)	73,097.47	47,603.93
Current Maturity of Long Term Borrowings through UPPCL	10,09,358.50	7,27,959.91
Interest accrued & due on borrowings*	19,156.35	
Interest Accrued but not Due on Borrowings	1,31,696.98	1,31,648.04
<b>Total</b>	<b>12,33,312.09</b>	<b>9,07,211.88</b>

\* It relates to Interest on RAPDRP Loan which was showing earlier as Contingent Liability by PVVNL upto FY 2020-21 but after clarification from PFC in FY 2021-22 the interest has to be paid. Accordingly the interest is being paid from FY 2022-23.

**Note-19**

**FINANCIAL LIABILITIES - TRADE PAYABLE (CURRENT)**

*(₹ in Lakhs)*

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Liability for Purchase of Power	23,71,785.81	26,38,240.60
Liability for Power purchase from Others	2,800.37	1,930.06
Liability for Wheeling charges	6,59,915.44	6,21,400.75
UHBVN Ltd.	30,34,501.62	32,61,621.41
<b>Total</b>	<b>30,34,501.62</b>	<b>32,61,621.41</b>

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# U.P. POWER CORPORATION LIMITED

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## CONSOLIDATED FINANCIAL STATEMENT

Note-20

### OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021	
Liability for Capital Supplies/works	5,69,536.34		6,92,197.10
Liability for O&M Supplies/works	57,717.66	95,466.37	
PPE Adjustment of Liability for O&M Supplies/works	-	49.22	95,515.59
Deposits & Retentions from Suppliers & others	4,05,611.05		5,19,950.29
Electricity Duty & other levies payable to govt.	11,23,234.39		8,96,616.39
Deposit for Electrification works	1,47,193.02	1,31,453.28	
Deposit Works	5,254.09	5,112.37	1,36,565.65
Liabilities towards UPPCL CPF Trust		6,210.89	6,468.65
Liabilities for Gratuity on CPF Employees	369.86	342.38	
Liability for Leave Encashment	3,272.47	2,988.83	3,331.21
Staff related Liabilities	1,38,169.95	1,36,128.30	
PPE Adjustment	-	37.42	1,36,165.72
Sundry Liabilities	1,39,254.44	1,57,645.20	
Liabilities for GST	151.05	41.74	1,57,686.94
Payable to UPNEDA**		8,562.66	4,997.55
<b>Payable to UPJVNL</b>			
Payable	9,081.66	9,081.66	
Receivable	-1.53	9,080.13	9,080.13
<b>Uttaranchal PCL</b>			
Receivable - Uttrakhand PCL	15.29	15.29	
Payable - Uttrakhand PCL	-	15.29	15.29
Liabilities for Expenses		29,744.21	17,882.26
<b>Liabilities towards UP Power Sector Employees Trust*</b>			
Provident Fund	81,499.37	75,489.62	
Provision for Interest on GPF Liability	8,331.28	7,821.69	
Pension & Gratuity Liability	47,041.58	41,237.66	1,24,548.97
Provision for Loss incurred by GPF Trust	96,322.10	-	
Provision for Loss incurred by CPF Trust	65,682.10	1,62,004.20	-
Provision for Interest on CPF Liability		230.34	184.78
Interest on Security Deposits from Consumer		36,354.33	37,844.22
Inter Company Balances under Reconciliation*		20.02	1,697.11
<b>Total</b>	<b>29,78,858.62</b>	<b>28,40,747.85</b>	

\* It includes Rs. 160.58 crore receivable from U.P. Power Sector employee Trust on account of settlement of amount payable by UPPSET to Uttrakhand Power Corporation Ltd. (Refer Clause (X) of Point No. 44 of Notes to Accounts Accounts.)

\*\* Amount received in advance from U.P. New & Renewable Energy Development Agency towards subsidy against purchase of power from new & renewable energy generators.

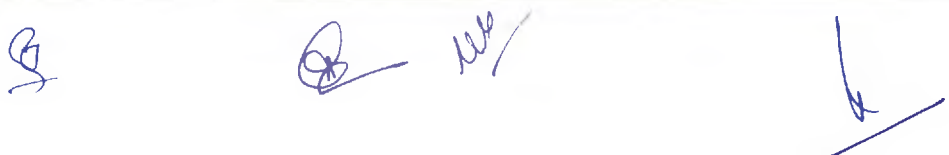
\* It Includes adjustment of Nominees shares of UPPCL in Subsidiary Distribution Companies for Rs. 20.00 Lakhs in compilation of CFS.

Note-21

### PROVISIONS (CURRENT)

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021	
	NIL	NIL	
<b>Total</b>	<b>-</b>	<b>-</b>	







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**CONSOLIDATED FINANCIAL STATEMENT****Note-22****REVENUE FROM OPERATIONS (GROSS)***(₹ in Lakhs)*

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>Supply in Bulk</b>		
Torrent Power Ltd.	93,536.07	91,054.74
Reversal of purchased cost	-2,147.98	-
Adjustment as per Point no. 37 of Note 31	2,147.98	-75.33
	93,536.07	90,979.41
<b>Large Supply Consumer</b>		
Industrial	12,63,752.32	11,12,035.08
Traction	7,482.04	12,592.07
Irrigation	60,487.50	62,241.36
Public Water Works	1,45,335.93	1,42,228.01
	14,77,057.79	13,29,096.52
<b>Small &amp; Other Consumers</b>		
Domestic	22,21,652.93	22,43,913.55
Commercial	7,51,741.75	6,51,906.07
Industrial Low & Medium Voltage	2,37,888.47	2,25,445.94
Public Lighting	71,347.89	69,215.31
STW & Pump Canals	2,07,550.85	3,12,300.71
PTW & Sewage Pumping	2,30,048.75	2,15,695.94
Institution	49,427.89	45,357.08
Small Power (LMV VI)	32,737.18	27,765.58
Water Work (LMV VII)	11,336.96	12,909.69
Temp Connection (LMV IX)	837.24	1,865.74
LMV-XI	85.29	-
Prepaid	3,671.52	269.23
Large & Heavy (HV I)	19,799.05	17,293.09
Large & Heavy (HV II)	60,538.30	42,177.21
Railways	4,839.07	6,815.91
Miscellaneous Charges form Consumers	1,05,666.35	97,930.86
Energy Internally Consumed	1,03,627.92	1,10,078.09
Electricity Duty	3,27,106.91	3,45,622.18
	44,39,904.33	44,26,562.18
<b>Other Operating Revenue</b>		
Extra State Consumer	372.82	761.54
	60,10,871.01	58,47,399.65
Less: Electricity Duty	-3,27,106.91	-3,45,622.18
<b>Total</b>	<b>56,83,764.10</b>	<b>55,01,777.47</b>



**U.P. POWER CORPORATION LIMITED**

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928

**CONSOLIDATED FINANCIAL STATEMENT**

Note-23

**OTHER INCOME**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>From U.P. Govt.</b>		
RE Subsidy from Govt. of U.P.	1,50,000.00	1,19,999.99
Revenue Subsidy from Govt. of U.P.	12,79,129.87	5,83,832.52
Subsidy for Operational Losses	5,37,250.01	2,04,550.04
Subsidies for Government Guarantee Loan	1,390.66	3,123.52
Subsidy for repayment of interest on loan	2,338.52	5,717.24
Cross Subsidy	3,818.86	2,315.16
Subsidy from Govt.	12,245.14	2,221.23
Subsidy against Electricity Duty	22,436.47	21,902.62
Subsidy against UDAY	-	1,13,257.96
Subsidy Under Atmnirbhar Bharat Scheme	1,85,498.37	21,94,107.90
		40,388.44
		10,97,308.72
<b>(a) Interest from :</b>		
Loans to Staff	0.21	0.57
Loans to NPCL (licencee)	2,246.45	1,954.56
Fixed Deposits	11,625.00	14,070.23
Banks (Other than on Fixed Deposits)	746.78	935.56
Bonds	953.25	1,123.10
Others	1,678.49	1,637.19
	17,250.18	19,721.21
<b>(b) Other non operating income</b>		
Delayed Payment Charges	1,01,477.46	77,343.74
Income from Contractors/Suppliers	5,628.87	4,269.75
Rental from Staff	397.37	497.81
Miscellaneous Income/ Receipts	29,099.22	8,685.34
Excess found on Verification of Stores	4.85	0.39
Other Recoveries from Consumers	280.88	304.19
Sale of Scrap	44.65	65.79
Penalty from Contractors	414.43	182.76
Sale of Tender Forms	14.74	12.14
Interest on Income Tax Refund	-	20.44
UDAY Loss subsidy receivable from GoUP	-	54,024.00
Reversal of UDAY subsidy for repayment of int on loan	-	1,37,362.47
		-2,634.13
		1,42,772.22
<b>Total</b>	<b>23,48,720.55</b>	<b>12,59,802.15</b>



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

Note-24

**PURCHASE OF POWER**

*(₹ in Lakhs)*

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Transmission Charges	3,16,096.75	3,13,150.77
<b>PURCHASE FROM OTHERS</b>	<u>839.31</u>	<u>686.72</u>
<b>Power Purchase from:</b>		
Generating Units	51,48,792.99	52,54,853.17
Surcharge	-6,007.98	3,77,398.46
Unsheduled Interchange & Reactive Energy Charges	-51,394.09	-4,466.12
PPE adjustment of Purchase of Power		
Inter-state Transmission & Related Charges to	4,55,901.06	4,83,204.54
<b>Sub Total</b>	<b>58,64,228.04</b>	<b>64,24,827.54</b>
<b>Rebate/Subsidy against Power Pu.chase</b>	<b>-32,079.15</b>	<b>-27,115.74</b>
<b>Total</b>	<b>58,32,148.89</b>	<b>63,97,711.80</b>

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

Note-25

**EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Salaries & Allowances	2,02,420.60	2,03,029.35
Dearness Allowance	42,249.52	26,581.58
Other Allowances	10,263.01	10,739.62
Bonus/Ex.Gratia	289.99	298.08
Medical Expenses (Reimbursement)	3,702.48	3,820.83
Leave Travel Assistance	0.17	0.22
Earned Leave Encashment	22,296.88	15,445.22
Compensation	61.15	145.48
Staff Welfare Expenses	116.35	336.81
Pension & Gratuity	29,298.27	30,373.15
Other Comprehensive income of Gratuity	-51.51	-8,192.35
Other Terminal Benefits	11,157.90	9,366.36
Interest on GPF (General Provident Fund)	6,311.85	5,899.17
Gratuity (CPF)	1,670.28	2,648.87
Other Terminal Benefit (CPF)	4,184.11	3,118.66
Contributions to provident and other funds	385.42	369.46
Others/Compensation	26.83	22.09
<b>Sub Total</b>	<b>3,34,383.30</b>	<b>3,04,002.60</b>
Expense Capitalised	-94,805.81	-97,893.21
Employee Cost Allocated to DISCOMs and Others	-12,564.92	-16,116.81
<b>Total</b>	<b>2,27,012.57</b>	<b>1,89,992.58</b>

Note-26

**FINANCE COST**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>(a) Interest on Loans</b>		
Working Capital	24.44	611.79
<b>(b) other borrowing costs</b>		
Finance Charges/Cost of Raising Fund	10,264.61	11,240.76
Bank Charges	4,251.26	10,581.65
Service fees	29.02	521.31
Guarantee Charges	0.08	2.24
	14,544.97	22,345.96
<b>(c) Interest on Loans</b>		
Interest on Govt Loan	32,301.84	35,879.84
Interest on Bonds	2,04,234.17	2,26,164.39
NOIDA	-	9,663.53
PFC	2,36,106.63	1,52,371.72
R-APDRP	40,684.61	11,432.82
REC	2,45,594.95	1,56,612.51
Interest on CPF	3.74	4.59
Interest to Consumers	14,973.13	16,196.99
Provision of Int. on ED/Licence Fee/GPF	591.38	567.26
Interest on Secured Loan	53,231.52	49,870.45
Interest/Stamp Duty on Bill Discounted for PP	3,317.13	4,868.14
	8,31,039.10	6,63,632.24
<b>Sub Total</b>	<b>8,45,608.51</b>	<b>6,86,589.99</b>
Interest Capitalised	-6,786.41	-55,147.03
<b>Total</b>	<b>8,38,822.10</b>	<b>6,31,442.96</b>



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

Note-27

**DEPRECIATION AND AMORTIZATION EXPENSES**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>Deoreciation on -</b>		
Buildings	4,233.00	3,676.60
Other Civil Works	160.82	175.30
Plant & Machinery	1,84,766.10	1,70,953.42
Lines Cables Networks etc.	1,57,171.03	1,32,383.93
Vehicles	39.80	43.60
Furnitures & Fixtures	316.76	297.20
Office Equipments	2,251.77	1,433.32
Intangible Assets	339.56	69.17
PPE Adjustment for Depreciation	-	11.34
Equivalent amount of dep. on assets aquired out of the consumer's contribution & GoUP subsidy	-64,751.29	2,84,527.55
Capital Expenditure on Assets not in Possession		818.06
		-67,078.96
		2,41,964.92
		756.97
<b>Total</b>	<b>2,85,345.61</b>	<b>2,42,721.89</b>

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

Note-28

**ADMINISTRATIVE, GENERAL & OTHER EXPENSES**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Interest Expense on Electricity duty	9,408.31	8,335.92
Rent	388.70	299.13
Rates & Taxes	291.16	147.13
Insurance	463.97	480.73
Communication Charges	2,439.43	2,357.44
Legal Charges	2,068.89	2,992.84
Auditors Remuneration & Expenses	172.81	185.05
Consultancy Charges	4,497.09	5,624.97
Licence Fees	1,271.05	1,650.04
Technical Fees & Professional Charges	2,633.14	2,360.34
Travelling & Conveyance	4,943.26	4,365.77
Printing & Stationary	1,669.25	2,111.15
Advertisement Expenses	1,373.45	1,427.16
Electricity Charges	78,257.68	81,646.27
Water Charges	7.60	73.15
Entertainment	3.80	7.89
Expenditure on Trust	26.63	20.92
Incentive Amount (Incentive Scheme to prevent the theft of Electricity)	0.08	-
Miscellaneous Expenses	29,478.71	18,388.60
Expenses incurred for Revenue Realisation	12,497.77	13,062.40
Compensation	515.95	903.07
Compensation (Other than Staff)	4,051.44	4,018.26
Vehicle Expenses	5,941.50	4,375.04
Fees & Subscription	1,062.92	936.91
Online, Spot Billing & Camp Charges	26,288.59	23,324.33
Loss on sale of Assets Scrapped	176.34	-
Security charges	1,787.85	1,719.89
Rebate to consumer	1,544.92	172.57
Payment to Contractual Persons	22,461.00	16,739.44
Honorariums	0.76	7.34
Professional Charges	425.47	346.52
Revenue Expenses	36,317.75	28,184.36
<b>Sub Total</b>	<b>2,52,467.27</b>	<b>2,26,284.63</b>
<b>Expenses Allocated to DISCOMs and Others</b>	<b>-2,731.59</b>	<b>-3,031.89</b>
<b>Total</b>	<b>2,49,735.68</b>	<b>2,23,252.74</b>









**U.P. POWER CORPORATION LIMITED**

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

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**CONSOLIDATED FINANCIAL STATEMENT**

Note-29

**REPAIRS AND MAINTENANCE**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021	
Plant & Machinery	68,087.76	72,178.39	
Buildings	3,285.06	3,448.24	
Other Civil Works	1,083.25	860.83	
Lines, Cables Networks etc.	1,54,939.56	1,27,884.65	
PPE Adjustment		0.60	
Energy Internally Consumed	18,937.73	25,490.92	
Vehicles - Expenditure	3,288.31	28,188.07	
Less: Transferred to different Capital & O&M Works/ Administrative Exp.	-3,288.31	-28,188.07	2,30,863.63
Furnitures & Fixtures	20.23	17.42	
Office Equipments	1,165.34	951.33	968.75
<b>Sub Total</b>	<b>2,47,498.93</b>	<b>2,31,832.38</b>	
Expenses Allocated to DISCOMS and Others	-197.17	-483.46	
<b>Total</b>	<b>2,47,301.76</b>	<b>2,31,348.92</b>	

Note-30

**BAD DEBTS & PROVISIONS**

(₹ in Lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021	
<b>PROVISIONS</b>			
Doubtful Debts (Sale of Power)	7,69,972.88	28,250.78	
<b>Doubtful Loans and Advances</b>			
Financial Assets Others (Current)	489.75	2,542.46	
Loans (Non Current)	2,246.45	1,954.56	
Bad and Doubtful Debts	126.36		32,847.60
Provision for Inventory		12.25	934.16
<b>Doubtful Advances (Suppliers/ Contractor)</b>			
Doubtful Other Current Assets (Receivables)	-188.03	-1,275.32	
Provision For Impairment of Assets	5,593.01	-251.17	
Loss of Materials	30.30		-1,527.49
	<b>7,73,292.97</b>	<b>30,386.15</b>	

Negative figures indicate the reversal of provisions which were made in earlier years





**U.P. POWER CORPORATION LIMITED 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.CIN:  
U32201UP1999SGC024928CONSOLIDATED FINANCIAL STATEMENT**

**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 2022**

**Part A:- Subsidiaries**

Sl. No.	Particulars	1	2	3	4	5
1	Name of the subsidiary	MVVNL, Lucknow	PurVVNL, Varanasi	PVVNL, Meerut	DVVNL, Agra	KESCo, Kanpur
2	The date since when subsidiary was acquired	12.08.2003	12.08.2003	12.08.2003	12.08.2003	15.01.2000
3	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
4	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
5	Share capital (including Share Application Money pending Allotment)	2150972.23	2410514.76	1763860.84	2243661.03	224931.02
6	Reserves and surplus	(1246159.59)	(923605.41)	(438611.08)	(1919565.18)	(378506.17)
7	Total assets	<b>4575699.82</b>	<b>6117241.92</b>	<b>3921967.95</b>	<b>3885282.66</b>	<b>552406.83</b>
8	Total Liabilities	3670887.18	4630332.57	2596718.19	3561186.81	705981.98
9	Investments	-	-	-	-	-
10	Turnover	1305020.27	1242469.87	1820100.17	1041722.19	274451.60
11	Profit/(Loss) before taxation	(204219.94)	(57850.10)	(69928.82)	(295752.28)	(21817.57)
12	Provision for taxation	-	-	-	-	-
13	Profit/(Loss) after taxation	(204219.94)	(57850.10)	(69928.82)	(295752.28)	(21817.57)
14	Proposed Dividend	-	-	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%

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**U.P. POWER CORPORATION LIMITED** 14-ASHOK MARG, SHAKTI BHAWAN,  
LUCKNOW.CIN: U32201UP1999SGC024928CONSOLIDATED FINANCIAL STATEMENT

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 2022

**Part B:- Associates and Joint Ventures**

(₹ in Lakhs)

Name of Associates or Joint Ventures	
1. Latest audited Balance Sheet Date	N.A
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	











# U.P. Power Corporation Limited

CIN:U32201UP1999SGC024928

## Note No.31

### Notes to Accounts forming part of Consolidated Financial Statements for the F.Y 2021-22

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*	
			31-03-2022	31-03-2021
1	U.P Power Corporation Limited	Holding	NA	NA
2	Purvanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
3	Pashchimanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
4	Madhyanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
5	Dakshinanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
6	Kanpur Electricity Supply Company Limited**	Subsidiary	100	100

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

\*\* It represents the Distribution Companies (DISCOMs).

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 the same by the Holding Company to the DISCOMs, which have been accounted for accordingly.
3. The loan taken by the Subsidiary Companies through REC & PFC during the financial year 2021-22 amounting to ₹ 550653.36 Lacs, out of which ₹ 490000.00 Lacs received through the Holding Company i.e. UPPCL (The UPPCL takes loan from financial institution for and on behalf of Discoms) as per details given below:-

(₹ In Lacs)

Sl. No	Particulars	DVVNL	PuVVNL	PVVNL	MVNNL	Kesco	Loan through UPPCL	Total
		Loan directly taken by the Discoms						
1	REC		8418.00	12546.07			245000.00	265964.07
2	PFC	13284.00	7056.18	10785.66	8563.45		245000.00	284689.29
	<b>Total</b>	<b>13284.00</b>	<b>15474.18</b>	<b>23331.73</b>	<b>8563.45</b>		<b>490000.00</b>	<b>550653.36</b>

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 escrowed 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, 2019.

(d) Depreciation on Computers and peripherals and Software has been provided on the basis of the useful life/Rate as notified in the UPERC (Multi Year Distribution tariff) Regulations, 2019.

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 6786.41 Lacs (31<sup>st</sup>March 2021 ₹ 55147.03 Lacs).

8. (a) The Provision for Bad & Doubtful Debts has been made during the year based on revised accounting estimates. Dues receivables from government consumers have not been considered for provisioning on receivables outstanding. The Provisioning percentage for non-government consumers are as follows:

Particulars	Provisioning percentage for (% of outstanding balance)
Up to 6 months	0%
Greater than 6 months and up to 1 year	0%
Greater than 1 year and up to 2 years	7.5%
Greater than 2 years and up to 3 years	15%
Greater than 3 years	25%

- The effect of change in above accounting estimate in current reporting period is shown as under:-

Particulars	Amount as per New	Amount as per Previous
-------------	-------------------	------------------------






	Estimate (Rs. In Lakh)	Estimate (Rs. In Lakh)
Provision for Bad & Doubtful Debts against revenue from sale of power	906185.95	224482.25

The impact of change in estimate is Rs. 681703.70 Lakhs (906185.95-224482.25).

- The effect of change in above accounting estimate in future reporting periods could not be ascertained as it is impracticable to the company to determine the future outstanding balances of trade receivables.

(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. 598.43 Lacs) and an amount of ₹ 94.76 Lacs reduced 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 ₹ 33.87 Lacs 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 by the Discoms as per the bills raised by the Uttar Pradesh Power Transmission Corporation Limited.

10. Government dues payable in respect of Electricity Duty and other Levies amounting to Rs. 1123234.39 Lacs shown in Note-20 include Rs.9871.09 Lacs 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)' 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-AS 33 "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>31.03.2022</u>	<u>31.03.2021*</u>
<b>Earning per share:</b>		
(a) Net Profit/(Loss) after tax (numerator used for calculation)	(589016.18)	(1193304.13)
(b) Weighted average number of Equity Shares* (denominator for calculating Basic EPS)	1060503625	985682252
(c) Weighted average number of Equity Shares* (denominator for calculating Diluted EPS)	1066980407	991745794
(d) Basic earnings per share of Rs. 1000/- each (EPS Amount in Rupees)	(55.54)	(121.06)
(e) Diluted earnings per share of Rs. 1000/- each (EPS Amount in Rupees)	(55.54)	(121.06)

\*Figure of loss has been restated due to reversal of current year provision on Impairment & Others through P & L. (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 Companies covered under this Consolidated Financial Statements (UPPCL and Discoms) have 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 2021-22 on the basis of Actuarial Reports.

15. Amount due to Micro, Small and medium enterprises related to Subsidiaries (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).

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 2021-22	F.Y 2020-21
		(Units in MU)	(Units in MU)
(i)	Total number of units purchased	123406.88	120589.94
(ii)	Total number of units sold	93744.87	90371.75
(iii)	Distribution Losses	29662.01	30218.19

(b) Contingent Liabilities and Commitments:-

Sl. No.	Details	Amount (₹ In Lacs)	
		F.Y 2021-22	F.Y 2020-21
1	Estimated amount of contracts remaining to be executed on capital	538.72	8122.60
2	Power Purchase	1008393.2	1400278.56
3	Interest on RAPDRP Loan	0.00	47461.37
4	Statutory Dues	363.33	1867.69
5	Others Contingencies	232090.11	196785.79
	<b>Total</b>	<b>1241385.34</b>	<b>1654516.01</b>
	Contingent Assets	481.55	481.55

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

## 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 31.03.2022 (Excluding Capital Reserve & Restructuring Reserve)		Share in Profit or Loss for the Year 2021-22		Share in other comprehensive income for the Year 2021-22		Share in Total Comprehensive income for the Year 2021-22	
		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)
<b>A</b>	<b>Parent</b>								
	U.P. Power Corporation Ltd., Lucknow	14.30	419958.83	7.70	(45304.50)	61.78	(523.28)	7.78	(45827.78)
<b>B</b>	<b>Subsidiaries</b>								
	Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow	20.50	602036.32	34.72	(204219.94)	0.00	-	34.67	(204219.94)
	Purvanchal Vidyut Vitran Nigam Ltd., Varanasi	42.28	1241736.39	9.83	(57798.59)	6.08	(51.51)	9.82	(57850.10)
	Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut	30.01	881437.68	11.89	(69928.52)	0.00	-	11.87	(69928.52)
	Dakshinanchal Vidyut Vitran Nigam Ltd., Agra	(0.53)	(15426.61)	50.28	(295752.28)	0.00	-	50.21	(295752.28)
	Kanpur Electricity Supply Company Ltd., Kanpur	(6.57)	(193014.63)	3.66	(21545.31)	32.14	(272.26)	3.70	(21817.57)
<b>C</b>	<b>CFS Adj</b>								
	Adjustment as per Point no. 37 of Note 31			(18.09)	106380.01	-	-	(18.06)	106380.01
	<b>Total</b>	<b>100.00</b>	<b>2936727.98</b>	<b>100.00</b>	<b>(588169.13)</b>	<b>100.00</b>	<b>(847.05)</b>	<b>100.00</b>	<b>(589016.18)</b>

19. Since the Company is principally engaged in the business of Electricity and there is no other reportable segment in the Company as per Ind AS-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 &amp; Associates:-

Subsidiary
Madhyanchal Vidyut Vitran Nigam Limited
Pashchimanchal Vidyut Vitran Nigam Limited
Purvanchal Vidyut Vitran Nigam Limited
Dakshinanchal Vidyut Vitran Nigam Limited
Kanpur Electricity Supply Company Limited



## (b) Key management personnel:-

S. No.	Name	Designation	Period (For FY 2021-22)	
			From (Date of Appointment)	To
<b>A- UPPCL (Holding Company)</b>				
1	Shri M. Devaraj, IAS (DIN-08677754)	Chairman & Managing Director	02.02.2021	09.03.2021
		Chairman	10.03.2021	31.03.2022
2	Shri Pankaj Kumar (DIN-08095154)	Managing Director	10.03.2021	31.03.2022
3	Shri Ajay Kumar Purwar (DIN-08544396)	Director (PM&A)	10.07.2019	31.03.2022
4	Shri Ashok Kumar Srivastava (DIN-08189765)	Director (Commercial)	27.06.2018	26.06.2021
5	Shri Sudhir Arya (DIN-05135780)	Director (Finance)	30.07.2019	15.07.2021
6	Shri Ashwani Kumar Srivastava (DIN-07677222)	Director (Distribution)	19.01.2021	31.03.2022
7	Shri Anil Kumar Awasthi	Chief Financial officer	05.03.2020	31.03.2022
8	Dr. Jyoti Arora	Company Secretary	30.07.2021	31.03.2022
<b>B- Subsidiaries (Having Related Party Transactions)</b>				
<b>I- Madhyanchal Vidyut Vitran Nigam Limited</b>				
1	Shri M. Devaraj, IAS (DIN-08677754)	Chairman	02.02.2021	31.03.2022
2	Shri. Surya Pal Gangwar (DIN- 07082538)	Managing Director	03.01.2020	27.01.2022
	Sri Chandra Vijay Singh		27-01-2022	31.03.2022
3	Sri Pradeep Kakkar (09096257)	Director (PM & A)	19.01.2021	31.03.2022
4	Sri Pradeep Kakkar (09096257)	Director (Comm)	05.02.2021	31.03.2022
5	Shri. Sudhir Kumar Singh (DIN- 08387334)	Director (Tech.)	03.09.2018	02.09.2021
	Shri Pradeep Kakkar (09096257)		21.09.2021	31.03.2022





6	Sri. Mahesh Chandra Pal (08766010)	Director (Finance)	29.02.2020	31.03.2022
7	Smt. Saumya Agarwal (08049292)	Women Director	28.07.2020	31.03.2022
8	Sri Pankaj Kumar (08095154)	Nominee Director	10.03.2021	31.03.2022
9	Dr. Senthil Pandian C. (08235586)	Nominee Director	10.09.2018	23.07.2021
10	Sri P.Guruprasad (07979258)	Nominee Director	23.07.2021	31.03.2022
11	Sri. Sudhir Arya (05135780)	Nominee Director	30.07.2019	14.07.2021
12	Sri. Ranjan Kumar Shrivastava (07338796)	Nominee Director	17.07.2021	31.03.2022
<b>II- Pashchimanchal Vidyut Vitran Nigam Limited</b>				
1	Shri. M. Devaraj	Chairman	02.02.2021	31.03.2022
2	Shri. M. Devaraj	Nominee Director	05.11.2019	02.02.2021
3	Shri. Chelliah Senthil Pandian	Nominee Director	22.09.2018	23.07.2021
4	Shri. P. Guruprashad	Nominee Director	23.07.2021	31.03.2022
5	Shri. Pankaj Kumar	Nominee Director	10.03.2021	31.03.2022
6	Shri. Arvind Mallappa Bangari	Managing Director	14.10.2019	31.03.2022
7	Smt. Saumya Agarwal	Nominee Director	28.07.2020	31.03.2022
8	Shri. Sudhir Arya	Nominee Director	10.07.2019	14.07.2021
9	Shri. Ranjan Kumar Srivastava	Nominee Director	16.07.2021	31.03.2022
10	Shri. Lalit Kumar Gupta	Director	29.02.2020	31.03.2022
11	Shri. Rakesh Kumar	Director	19.01.2021	31.03.2022
12	Shri. Ishwar Pal Singh	Director	10.08.2019	31.03.2022
13	Shri. H.K. Agarwal	Chief Financial Officer	16.02.2018	31.03.2022
14	Shri. S.C. Tiwari	Company Secretary (Additional Charge)	01.04.2019	18.05.2021
15	Shri.j Jitesh Grover	Company Secretary	19.05.2021	31.03.2022
<b>III- Purvanchal Vidyut Vitran Nigam Limited</b>				
1	Shri M Devaraj	Chairman	02.02.2021	31.03.2022
2	Shri Pankaj Kumar	Managing Director	10.03.2021	31.03.2022
2	Dr. Saroj Kumar	Managing Director	01.10.2020	19.06.2021



3	Shri Vidya Bhushan	Managing Director	28.06.2021	31.03.2022
4	Shri Prithvi Pal Singh	Director (Technical)	01.03.2020	31.03.2022
5	Shri Sudhir Arya	Director (Finance) (Additional Charge)	03.01.2020	14.07.2021
6	Shri Mahesh Chandra Pal	Director (Finance) (Additional Charge)	20.07.2021	31.03.2022
7	Shri Shesh Kumar Baghel	Director ( P. & A.)	20.01.2021	31.03.2022
8	Shri Om Prakash Dixit	Director (Commercial)	07.08.2018	01.07.2021
9	Shri Surendra Kumar	Chief Finance Officer	01.10.2020	30.06.2021
10	Shri Mahesh Chandra Pal	Chief Finance Officer	13.10.2021	31.03.2022
11	Shri S.C. Tiwari	Company Secretary	01.09.2015	31.03.2022
<b>IV- Dakshinanchal Vidyut Vitran Nigam Limited</b>				
1	Shri M. Devaraj	Chairman	02.02.2021	31.03.2022
2	Shri Amit Kishore	Managing Director	05.03.2021	31.03.2022
3	Shri Rakesh Kumar	Director (P & A)	27.06.2018	26.06.2021
4	Shri Ashok Kumar Gupta	Director (Finance)	30.05.2020	14.06.2021
5	Shri S.K. Gupta	Director (Commercial)	09.08.2019	31.03.2022
6	Shri Brij Mohan Sharma	Director (Technical)	20.01.2021	31.03.2022
<b>V- Kanpur Electricity Supply Company Limited</b>				
1	Shri. M Devaraj ,IAS)	Chairman	02.02.2021	31.03.2022
2	Shri. Pankaj Kumar, IAS	Managing Director, UPPCL (Nominee Director)	10.03.2021	31.03.2022
3	Shri. Anil Dhingra, IAS	Managing Director, KESCO	12.02.2021	31.03.2022
4	Shri. Sanjay Srivastava	Director (Technical)	20.01.2021	31.03.2022
5	Shri. Sudhir Arya	Director (Finance), UPPCL (Nominee Director)	25.09.2019	14.07.2021
6	Shri. Ranjan Kumar Srivastav	Director (Finance), UPPCL (Nominee Director)	17.07.2021	31.03.2022
7	Shri. Alok Tiwari, IAS	DM Kanpur,(Nominee Director)	25.08.2020	22.09.2021
8	Shri. Vishakh G, IAS	DM Kanpur,(Nominee	23.09.2021	22.01.2022

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9	Smt Neha Sharma, IAS	DM Kanpur, (Nominee Director)	23.01.2022	31.03.2022
10	Smt Saumya Agarwal, IAS	Women Director	28.07.2020	31.03.2022
11	Shri. Pankaj Saxena	Chief Finance Officer	03.03.2020	31.12.2021
12	Smt Abha Sethi Tandon	Company Secretary	14.03.2013	31.12.2022

(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: -

	(₹ In Lacs)	
	2021-22	2020-21
Salary & Allowances	681.12	692.75
Leave Encashment	57.76	77.91
Contribution to Gratuity/ Pension/ PF	61.28	60.70

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

					(₹ In Lacs)	
S No.	Name of The Company	Nature of Transaction	2021-22	2020-21		
1	UP Power Transmission Corporation Limited	Power Transmission & Misc. Transaction	319196.36	314624.42		
2	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Power Purchase	888098.23	865105.42		
3	Uttar Pradesh Rajya Vidyut	Receivable	111.71	229.40		

§

Q N/A

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	Utpadan Nigam Limited	(Unsecured)		
4	Uttar Pradesh Jal Vidyut Nigam Limited	Power Purchase	12219.59	17160.90
5	UP Power Transmission Corporation Limited	Employee, Administration and Repair & Maintenance Cost Allocation	1884.30	1913.23
6	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Employee, Administration and Repair & Maintenance Cost Allocation	190.17	244.61
7	Uttar Pradesh Jal Vidyut Nigam Limited	Employee, Administration and Repair & Maintenance Cost Allocation	42.34	45.85

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

(₹ In Lacs)		
Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Amount Recoverable</b>		
<b>From Others</b>		
➤ UPPTCL	55160.88	52040.49
<b>Amount Payable</b>		
<b>To Others</b>		
➤ UPJVNL	78474.80	29397.01
➤ UPPSET	177806.47	124548.97
➤ UPRVUNL	691434.73	833813.55
➤ UPPCL CPF	6210.89	6468.65

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.

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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.

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### 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 and Southern U.P Power Transmission Company Limited 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 has been calculated on the basis of Net Worth of the Company as on 31-03-2022.

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. Disclosure as per Ind AS 112 "Disclosure of Interest in Other Entities"

#### Subsidiaries

The Group's subsidiaries at 31<sup>st</sup> March 2022 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
		31-03-22	31-03-21	31-03-22	31-03-21	
MVVNL	India	100	100	-	-	Distribution of energy
DVVNL	India	100	100	-	-	Distribution of energy
PVVNL	India	100	100	-	-	Distribution of energy
PUVNNL	India	100	100	-	-	Distribution of energy
Kesco	India	100	100	-	-	Distribution of energy



27. The sale of Electricity does not include Electricity Duty payable to the State Government.
28. The figures as shown in the Balance Sheet, Statement of Profit & Loss, and Notes shown in (.....) denote negative figures.
29. The Consolidated Annual Accounts of 2018-19, 2019-20 and 2020-21 are yet to be adopted in Annual General meeting.
30. Consequent to the applicability of Ind-AS the financial statements for the year ended 2021-22 has been prepared as per Ind-AS. Accordingly previous year's figures have been regrouped/ rearranged wherever necessary to confirm to this year classification.
31. 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.
32. The Company (UPPCL) has decided, vide Board's Meeting dated 14-08-2020, to allocate common expenditure to subsidiaries & others and facility costs to power sector companies owned by GoUP with effect from the year 2019-20. The Company has done the allocation in the following heads Employee Cost, Administrative, General & Other Expense & Repair & Maintenance as at 31.03.2022 and accordingly the same has been taken by the Subsidiaries and other power sector companies owned by GoUP.
33. The Expenses allocated by the U.P Power Corporation Limited for the year 2021-22 has been accounted for by all the Discoms in its Financial Statements. All the Discoms have incorporated the same in the respective heads of expenses.
34. Previous year's figures have been regrouped/ rearranged wherever necessary to confirm to this year classification.
35. The subsidiary companies (DISCOMs) have accounted for subsidies in the financial year 2020-21 (which are receivable in the next 10 years from GoUP by Discoms ) and for this reason the provision for impairment of investment in DISCOMs has been reversed by ₹1711854.24 Lakhs in the audited accounts of the UPPCL for the F.Y. 2020-21 against the accumulated provision on this account. Hence, there is the substantial impact on the profit/loss as per standalone statement of profit and loss of UPPCL for the F.Y. 2020-21.
36. 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 evacuation/ transmission of Power 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 the Company, the Board of Directors of the Company in its 139th Meeting held on 21st May, 2018 has approved/ratify the above mentioned decision of the Directors of Southern U.P. Power Transmission Company Limited.

The decision Board of Directors of the Company 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 the Company 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 the Company for the amount of Rs. 221.63 Lacs in consideration of converting borrowings. The Board of the company, in its meeting dated 13.09.2018, has accorded to apply under section 248 of the Companies Act 2013, read with rule 4(1) of the companies (Removal of Name of Companies from Register of Companies) Rule, 2016 to strike off its name from Register maintained by the Registrar of Companies, Uttar Pradesh. Correspondingly the Company has shown this equity shares under the head of Investments and full impairment has been provided. Further, the Southern U.P. Power Transmission Company Limited has been struck off in the records of the register of the companies in the month of May 2022.

37. Reconciliation of Inter Company Transactions is as under:

- a. The amount of Rs. 15547.05 Lacs related to sale of Power to Discoms was earlier shown by the UPPCL in year 2019-20 as Unbilled Revenue. The billing has been done by the UPPCL in the year 2020-21 and, accordingly, the Discoms have also accounted for the same in the year 2020-21 in its books of accounts. Hence, the above amount has now been shown as removed item in the note no. 15 (Other Equity) of Consolidated Financial Statements for the FY 2020-21.
- b. The amount of Rs. 66326.99 Lacs related to sale of Power to Discoms was earlier shown by the UPPCL in year 2020-21 as Unbilled Revenue. The billing has been done by the UPPCL in the year 2021-22 and, accordingly, the Discoms have also accounted for the same in the year 2021-22 in its books of accounts. Hence, the above amount has now been shown as removed item in the note no. 15 (Other Equity) of Consolidated Financial Statements for the FY 2021-22.
- c. The Sale of power to Subsidiary Companies (Discoms) amounting to Rs. 37905.04 (38957.99-1052.95) Lacs could not be billed by UPPCL against power purchased by the company in the F.Y 2021-22, 2020-21 & before respectively and an amount of Rs. (2147.98) shown as reversal in Sale by UPPCL as the Purchase against the same was also reversed in 2021-22 but Bills of the same has been issued and accounted for by the Discoms in Purchase. Hence, the provision for purchase cost against the aforesaid





unbilled amount by the company has been adjusted in power purchase cost as well as power purchase liability of the Subsidiary companies (Discoms) and Reversal of Sale and Trade Receivables in UPPCL in the compilation of the Consolidated Financial Statements of the Company as at the end of F.Y 2021-22.

- d. The amount of ₹ 75.33 Lacs related to sale of power by the UPPCL to the subsidiary companies (DISCOMS) was shown as an un-removed item of intercompany transactions in the note no. 10 (Trade Receivables) and note no. 22 (Revenue from operation) of the Financial Statements for the F.Y 2019-20. The above amount has been reconciled and necessary accounting has also been done by the respective Discoms in its books of accounts for the F.Y 2020-21.
- e. The amount of Rs. 19/- Lacs was under reconciliation with Kesco during FY 2020-21. Hence, it has been shown separately in Note no. 12 (Financial Assets- Others (Current)).

38. 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:-

**RECONCILIATION OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2021**

*(Rs. in Lakhs)*

Particulars	Note No.	Audited 2020-21	Corresponding of 2020-21 given in Audited 2021-22	Adjustments	Reasons
<b>(I) ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Property, Plant and Equipment	2	5962575.54	5962774.88	199.34	PPE
(b) Capital work-in-progress	3	815819.28	812844.63	(2974.65)	PPE & Regrouping
(c) Assets not in Possession	4	13313.55	13313.56	0.01	Round off
(d) Intangible assets	5	1623.50	3628.97	2,005.47	Regrouping
<b>(e) Financial Assets</b>					
(i) Investments	6	239572.23	239634.03	61.80	Southern Closure
(ii) Loans	7	14.27	-	-14.27	Regrouping
(iii) Others	8	49365.47	1894743.87	1845378.40	Regrouping
<b>(2) Current assets</b>					
(a) Inventories	9	333641.12	328656.96	(4984.16)	PPE
<b>(b) Financial Assets</b>					
(i) Trade receivables	10	8351936.39	8346170.74	(5765.65)	PPE
(ii) Cash and cash equivalents	11-A	623781.26	623811.15	29.89	PPE
(iii) Bank balances other than (ii) above	11-B	237801.14	237801.14	-	
(iv) Others	12	2335141.40	507930.01	(1827211.39)	PPE & Regrouping











(c) Other Current Assets	13	446686.55	440757.79	(5928.76)	PPE, Regrouping & Southern Closure
<b>Total Assets</b>		<b>19411271.70</b>	<b>19412067.73</b>	<b>796.03</b>	
<b>(II) EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	14	10412665.52	10412645.52	-20.00	
(b) Other Equity	15	(5829877.51)	(5891218.81)	(61341.30)	PPE & Southern Closure
<b>LIABILITIES</b>					
<b>(1) Non-current liabilities</b>					
<b>(a) Financial liabilities</b>					
(i) Borrowings	16	7411946.08	7405697.43	(6248.65)	PPE & Regrouping
(ii) Trade payables					
(b) Other financial liabilities	17	476025.11	475362.45	-662.66	PPE & Regrouping
<b>(2) Current liabilities</b>					
<b>(a) Financial liabilities</b>					
(i) Borrowings	18	0.00	907211.88	9,07,211.88	Regrouping
(ii) Trade payables	19	3223716.40	3261621.41	37905.01	PPE
(iii) Other financial liabilities	20	3716796.10	2840747.85	(876048.25)	PPE & Regrouping
(b) Provisions	21	0.00	0.00	-	
<b>Total Equity and Liabilities</b>		<b>19411271.70</b>	<b>19412067.73</b>	<b>796.03</b>	

**Reconciliation of Statement of Profit & Loss for the Year ended 2020-21**

<i>(Rs. in Lakhs)</i>					
Particulars	Note No.	Audited 2020-21	Corresponding of 2020-21 given in Audited 2021-22	Adjustments	Reasons
I Revenue From Operations	22	5502802.66	5501777.47	(1025.19)	PPE
II Other Income		1260588.13	1259802.15	(785.98)	PPE & Southern Closure
	23				
<b>III Total Income (I+II)</b>		<b>6763390.79</b>	<b>6761579.62</b>	<b>(1811.17)</b>	
<b>IV EXPENSES</b>					
1 Cost of materials consumed					
2 Purchases of Stock-in-Trade (Power Purchased)	24	6358753.81	6397711.80	38957.99	PPE
3 Changes in inventories of finished goods, Stock-in-Trade and work-in-progress					
4 Employee benefits expense	25	182110.44	189992.58	7882.14	PPE
5 Finance costs	26	632552.72	631442.96	(1109.76)	PPE
6 Depreciation and amortization expenses	27	242671.93	242721.89	49.96	PPE
7 Administration, General & Other Expense	28	221548.56	223252.74	1704.18	PPE & Southern Closure

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8	Repair and Maintenance	29	231824.45	231348.92	(475.53)	PPE
9	Bad Debts & Provisions					
			(1697942.60)	30386.15		
10	Other expenses	30			1728328.75	PPE & Regrouping
<b>IV</b>	<b>Total expenses (IV)</b>		<b>6171519.31</b>	<b>7946857.04</b>	<b>1775337.73</b>	
<b>V</b>	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>591871.48</b>	<b>(1185277.42)</b>	<b>(1777148.90)</b>	
<b>VI</b>	<b>Exceptional Items</b>					
<b>VII</b>	<b>Profit/(Loss) before tax (V(+/-)VI)</b>		<b>591871.48</b>	<b>(1185277.42)</b>	<b>(1777148.90)</b>	
<b>VIII</b>	<b>Tax expense:</b>					
	(1) Current tax					
	(2) Deferred tax					
<b>IX</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>591871.48</b>	<b>(1185277.42)</b>	<b>(1777148.90)</b>	
<b>X</b>	<b>Profit/(Loss) from discontinued operations</b>					
<b>XI</b>	<b>Tax expense of discontinued operations</b>					
<b>XII</b>	<b>Profit/(Loss) from discontinued operations (after tax) (X-XI)</b>					
<b>XIII</b>	<b>Profit/(Loss) for the period (IX+XII)</b>		<b>591871.48</b>	<b>(1185277.42)</b>	<b>(1777148.90)</b>	
<b>XIV</b>	<b>Other Comprehensive Income</b>					
	A (i) Items that will not be reclassified to profit or loss- Remeasurement of Defined Benefit Plans (Actuarial Gain or Loss)		(8026.71)	(8026.71)		
	(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					
<b>XV</b>	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>583844.77</b>	<b>(1193304.13)</b>	<b>(1777148.90)</b>	

39. Government Department/ State PSUs/ Subordinate offices and Local Bodies have not made 100% payment against electricity dues. The age wise analysis of electricity dues recoverable from Government Department/ State PSUs/ Subordinate offices and Local Bodies by the Discoms as under:

#### Government Dues Aging

Particulars	MVNNL	PuVVNL	PVVNL	DVVNL	Kesco
upto 6 months	91016.39	96051.00	48783.28	175874.59	47331.12
Greater than 6 months and upto 1 year	10857.79	68337.00	2603.69	103968.16	98.26
Greater than 1 year and upto 2 years	55810.25	193322.00	11022.15	12038.72	
Greater than 2 year and upto 3 years	10029.04	185842.00	5517.96	12340.14	124800.62
Greater than 3 years	150169.68	141012.00	33102.43	98527.13	
<b>Total</b>	<b>317883.15</b>	<b>684564.00</b>	<b>101029.51</b>	<b>402748.74</b>	<b>172230.00</b>

Source: Data as disclosed by the Discoms in its Notes of Accounts for FY 2021-22.

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(Rs in Lac)				
DISCOMS	Opening Balance as at 01.04.2021	Addition during the year	Payment during the year	Closing Balance as at 31.03.2022
<b>PUVVNL</b>	5,23,274.00	2,53,825.00	92,535.00	6,84,564.00
<b>MVVNL</b>	2,64,014.39	1,69,892.67	1,16,023.91	3,17,883.15
<b>DVVNL</b>	4,25,683.00	1,29,995.00	1,52,929.00	4,02,749.00
<b>PVVNL</b>	49,642.53	1,81,941.27	1,30,554.30	1,01,029.50
<b>KESCO</b>	1,45,828.00	27,471.00	1,069.00	1,72,230.00
<b>Total</b>	<b>14,08,441.92</b>	<b>7,63,124.94</b>	<b>4,93,111.21</b>	<b>16,78,455.65</b>

40. Disclosure as per Ind AS-37 is as under:-

Particulars	Opening balance as on 01.04.2021	Provision made during the year	Withdrawal/ adjustment of provision during the year at UPPCL & Discoms	Closing Balance at UPPCL & Discoms as on 31.03.2022
Provision for Trade Receivable Note- 10	865472.9	779899.48	9926.6	1635445.78
Provision of Obsolete stores Note-9	23214.25	12.25	0	23226.5
Provision for impairment in investments (Note-6)	12293.43	5593.01		17886.44
Provision for bad & doubtful debts- Financial Assets-Loans (non Current) Note-7	15042.41	2246.45		17288.86
Provision for bad & doubtful debts- Financial Assets-others (current) Note- 12	33459.38	1436.28	946.55	33949.11
Provision for Other Current Assets Note-13	1447.87	10.02	198.03	1259.86
<b>Total</b>	<b>950930.24</b>	<b>789197.49</b>	<b>11071.18</b>	<b>1729056.55</b>

41. Disclosures required under Schedule III of the Companies Act, 2013 are given below:

(a) The ageing schedule of trade receivables of the company is under:

(Rs. In Crore)

Particulars	UPPCL	MVNNL	PuVVNL	PVVNL	DVVNL	Kesco	Total
Less than 6 months		5807.51	7683.99	3326.72	2281.62	707.62	19807.4653
6 months and 1 year		799.92	1558.60	760.65	1368.47	18.86	4506.50
1 to 2 years		1640.70	4176.72	1007.94	917.38	172.10	7914.84
2 to 3 years		1629.24	3650.01	931.04	939.30	29.25	7178.84
more than 3 years	522.98	16724.71	19789.01	7569.47	16652.39	2997.93	64256.49
Unbilled Dues					538.83		538.83
<b>Total</b>	<b>522.98</b>	<b>26,602.09</b>	<b>36,858.33</b>	<b>13,595.81</b>	<b>22,697.99</b>	<b>3,925.76</b>	<b>1,04,202.97</b>

\*Trade Receivable ageing of PuVVNL is under reconciliation with Balance shown in Accounts.



(b) The ageing schedule of trade payable of the company is under:

Particulars	UPPCL	MVNNL	PuVVNL	PVVNL	DVVNL	Kesco	Total
	Less than 1 year	2307710.54	132005.35	78143.84	93069.26	69877.88	
1 to 2 years	-2268.36		77119.51	92917.26	70902.32		238670.73
2 to 3 years	25493.31		13198.86	14724.05	11483.01		64899.23
more than 3 years	40850.32						40850.32
<b>Total</b>	<b>2371785.81</b>	<b>132005.35</b>	<b>168462.21</b>	<b>200710.57</b>	<b>152263.21</b>	<b>9274.47</b>	<b>3034501.62</b>

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	739.61	0	0	0	739.61
(ii) Others	2726679.83	287855.9	67667.92	54471.01	3136674.66
(iii) Disputed dues-MSME					0
(iv) Disputed dues- Others					0
(v) Outstanding with Debit Balance	-37338.1	-49185.17	-2768.69	13620.69	-102912.65
<b>Total</b>	<b>2690081.34</b>	<b>238670.73</b>	<b>64899.23</b>	<b>40850.32</b>	<b>3034501.62</b>

Unbilled Trade Payable amounting to Rs 863791.66 Lakhs in UPPCL.

(c) Age-wise break-up of capital work in progress could not be ascertained due to unavailability of age wise detail of on-going capital works of Discoms.

42. Exceptional Items of ₹ 162004.20 Lakhs

#### A. CONTRIBUTORY PROVIDENT FUND

The Company makes provident fund contributions to defined benefit plan for eligible CPF employees. Under the CPF scheme, the company is required to contribute a specified percentage of the pay to the fund. The Employer (i.e. Company) and Employee's contributions are paid to the Trust (U.P Power Corporation Anshdayi Bhavishya Nidhi Trust, Lucknow) set up by the Company. The company is generally liable for depositing contributions to the Trust. The Trust has informed vide its letter no. 1021/102/CPF Trust/DHFL/FDR/Notional loss/2022 dated 11.07.2022, that the trust had incurred a loss of ₹ 81582.70 Lakhs (i.e. principal and interest) up to 31.03.2022 on investment of funds in Diwan Housing Finance Corporation Ltd., which has been declared as insolvent. Hence, the Trust has apportioned the above loss to the Companies, which are members of the Trust. Accordingly, the demand of ₹ 81582.70 Lakhs has been raised by the Trust to compensate the loss subject to legal opinion. Out of ₹ 81582.70 Lakhs, the Trust has apportioned ₹ 65682.10 Lakhs on the company (UPPCL & Discoms). The financial statements of the Trust upto the F.Y. 2021-22 are yet to be finalized. In view of pending finalization of the accounts of Trusts up to 31.03.2022, the company has made the provision against the aforesaid demand and has recognized an expense and disclosed as an Exceptional Item in the Statement of Profit & Loss for the current year ended subject to determination of actual position as per financial statements of the Trust.

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## B. GENERAL PROVIDENT FUND

This scheme under the GPF scheme (applicable only for GPF employee's), the company is required to pay Employee's contributions to the Trust (U.P Power Sector Employee's Trust, Lucknow) set up the Company. The company is generally liable for depositing only employee's contributions to the Trust. The Trust has informed vide its letter no. 787/12/UPSPSET/DHFL/2019 dated 11.07.2022, that the trust had incurred a loss of ₹ 143253.11 Lakhs (i.e. principal and interest) up to 31.03.2022 on investment of fund in Diwan Housing Finance Corporation Ltd., which has been declared as insolvent. Hence, the Trust has apportioned the above loss to the Companies, which are members of the Trust. Accordingly, the demand of ₹ 143253.11 Lakhs has been raised by the Trust to compensate the loss subject to legal opinion. Out of ₹ 143253.11 Lakhs, the Trust has apportioned ₹ 96322.10 Lakhs on the company (UPPCL & Discoms). The financial statements of the Trust upto the F.Y. 2021-22 are yet to be finalized. In view of pending finalization of the accounts of Trusts up to 31.03.2022, the company has made the provision against the aforesaid demand and has recognized an expense and disclosed as an Exceptional Item in the Statement of Profit & Loss for the current year ended subject to determination of actual position as per financial statements of the Trust.

43. Disclosure of AT & C Losses is given below:

S.No.	Particulars	MVNNL	PuVVNL	PVVNL	DVVNL	Kesco
A	Input Energy (MkWh)	24352.98	28621.34	34427.51	25725.44	3757.86
B	Transmission Losses (MkWh)	0	-	129.19	-	-
C	Net Input Energy (MkWh)	24352.98	28621.34	34298.32	25725.44	3757.86
D	Energy Sold (MkWh)	20125.98	22854.31	28238.70	19129.25	3396.64
E	Revenue from sale of Power(Including subsidy booked)(₹ Cr.)	13050.20	16202.41	21505.15	14187.49	2744.52
F	Adjusted revenue from sale of energy on subsidy received basis (₹ Cr.)	16332.03	16202.41	21505.15	14187.49	2744.52
G	Opening debtors for sale of energy (₹ Cr.)	22579.63	28425.69	9631.56	19314.76	3564.40
H	Closing debtors for sale of energy (₹ Cr.)	26602.09	32578.62	10414.44	20342.94	3744.43
I	Adjusted Closing debtors for sale of energy (₹ Cr.)	26602.09	32578.62	10414.44	20342.94	3744.43
J	Collection Efficiency (%) {J=(F+G-I)/E}	75.37%	74.37%	96.36%	92.75%	93.44%
K	Units Realised (MkWh)=[ Energy sold*Collection efficiency]	15169.09	16996.39	27210.69	17742.93	3173.82
L	Units Unrealised (MkWh)=[Net Input Energy - Units realised]	9183.72	11624.95	7087.63	7982.51	584.04
M	AT & C Losses (%)=[(Units Unrealised/Net Input Energy)*100]	37.71%	40.62%	20.66%	31.03%	15.54%

44. OTHER STATUTORY INFORMATION IN TERMS OF NOTIFICATION DATED 24.03.2021 ISSUED BY MCA IN TERMS OF SECTION 467 OF THE COMPANIES ACT 2013

(i) The company does not have any Benami property.



- (ii) The company has not traded or invested in crypto currency or virtual currency during the financial year.
- (iii) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (iv) The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding parties) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (v) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income Tax Act, 1961).
- (vi) The company has invested in equity of its wholly owned subsidiaries and other companies.
- (vii) The company is not being declared wilful defaulter by the bank or financial institution or lender during the year.
- (viii) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (ix) The company has obtained fund/based/non-fund based credit limits from multiple banks aggregating to Rs 1930 Crores against security of receivables. Accordingly, as per the terms of sanction, Quarterly /Half Yearly statements in respect of gross receivables (including both current and non-current receivables) have been submitted to respective banks which stood at ₹87,263.73 crores, ₹94,381.14 crores, ₹94,794.96 crores and ₹81,657.46 crores respectively for Q1, Q2, Q3 and Q4 respectively. The Limited Review Financial results /balance sheet for Quarter-1 was not available, hence, the value of receivables for Quarter-1 was prepared on the basis of available information, for Quarter 2 & 3 gross receivable figures were reported on the basis of Limited Review Financial results and for Quarter 4 gross receivables figures from Un-Audited Balance sheet.

Value of current receivables and non-current receivables for the following Quarters  
(Rs in crores) as per Balance Sheet:-

1. Q2- Total receivables Rs. 94853.69 (Current receivables Rs. 33076.68 and Non-Current receivables Rs. 61777.01)



2. Q3- Total receivables Rs. 94794.96 (Current receivables Rs. 35329.44 and Non-Current receivables Rs. 59465.52)
3. Q4- Total receivables Rs. 81657.46 (Current receivables Rs. 27901.86 and Non-Current receivables Rs. 53755.60)

The status of limits utilized as on last day of each quarter is as below:-

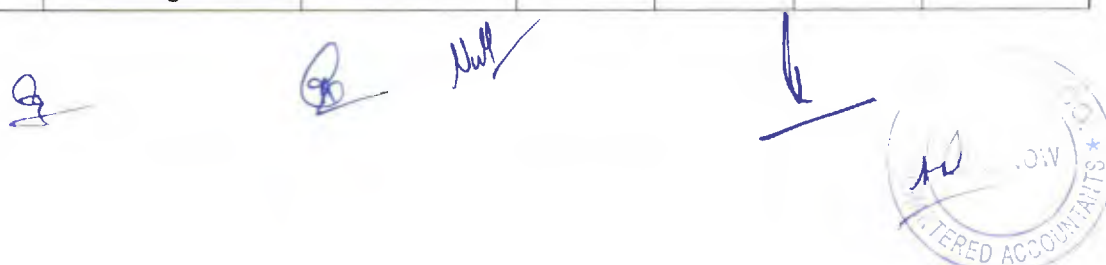
SI No	Name of Lender	Total Limit Sanction	O/s as on 30.06.2021	O/s as on 30.09.2021	O/s as on 31.12.2021	O/s as on 31-03-2022
1	Central Bank of India	105.00	95.38	91.54	92.41	86.17
2	Punjab National Bank	465.00	128.40	324.86	374.93	152.49
3	Indian Bank	430.00	150.00	325.04	359.95	150.00
4	ICICI Bank	400.00	84.92	176.99	237.51	141.93
5	Bank of India	500.00	40.76	76.14	140.36	76.14
6	HDFC Bank	30.00	25.00	25.00	25.00	25.00
	<b>Total</b>	<b>1930.00</b>	<b>524.46</b>	<b>1019.57</b>	<b>1230.16</b>	<b>631.73</b>

The above includes both Fund based and Non-Fund based utilization of working capital limits.

- (x) The company has used the borrowings from bank and financial institution for the specific purpose for which it was obtained.
- (xi) The company has been sanctioned credit facility from banks and financial institutions on the basis of security of current assets. Quarterly statements as required have been provided to banks and financial institutions.
- (xii) The company does not have any investment property.
- (xiii) The company has not revalued any Property, Plant and Equipment (including Right-of-Use Assets)
- (xiv) The company has not revalued its Intangible Assets.
- (xv) The company has not been entered into any Scheme of Arrangements (sections 230 to 237 of the Companies Act, 2013) during the financial year.

(xvi) Financial Ratios

S.N O	Particulars of Disclosures	Numerator	Denominator	March' 22	March' 21	Variation in Ratio (%)	Reason of variation for more than 25%
1	Current ratio	Current Assets	Current Liability	1.47	1.50	-1.96	
2	Debt-Equity Ratio	Total Debt (Non current borrowings+Current)	Shareholder's equity (Equity Share)	2.79	2.79	0.07	





		t Borrowings)	Capital+Other Equity)				
3	Debt Service Coverage Ratio	Net Profit/(Loss) for the year+Finance Cost+Depreciation & amortization+Provision for bad debts+Exceptional Items)	Scheduled principal repayment of non current borrowings	0.934	-0.241	-487.89	The Company has incurred net loss of Rs. 588169.13 Lakhs for the F.Y. 2021-22 as against net loss of Rs. 1185277.42 Lakhs in the previous financial year. The major reasons for net profit in previous financial year was due to Subsidy of Subsidiary Company (Current Year Rs. 2194107.90 against Previous Year Rs. 1097308.72). Hence, there was a substantial impact on the profit/loss as per consolidated statement of P&L of the company for the FY-2020-21

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4	Return on Equity	Net Profit/(Loss) for the year	Average Shareholder's equity (Equity Share Capital+Other Equity)	-0.20	-0.98	-79.62	<p>The subsidiary companies (DISCOMs ) have accounted for subsidies in the FY-2020-21 (which are receivable in the next 10 years from the GoUP by DISCOMs) and for this reason the average net worth has been increased in the current financial year. Hence, there is the substantial impact in the given ratios.</p>
5	Inventory Turnover Ratio (Revenue from Operation / Average Inventory)	N/A	N/A	N/A	N/A	-	<p>The business of the Corporation is to purchase electricity from generation source and sell the same to the Public. Hence, the company does not have any trade inventory. The company maintains inventory only for</p>

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							internal use i.e. for construction and maintenance of fixed assets. Hence, disclosure in respect of inventory turnover ratio is not required.
6	Trade Receivable Turnover ratio	Revenue from operations	Average Trade Receivables	0.67	0.68	-2.17	
7	Trade Payables turnover Ratio	Total Purchase	Average Trade Payables	1.85	1.82	1.61	
8	Net Capital Turnover Ratio	Revenue from operations	Working Capital	1.68	1.58	6.21	
9	Net Profit Margin(%)	Net Profit(Loss) for the year	Revenue from Operations	-10.35%	-21.54%	-51.97	The Company has incurred net loss of Rs. 588169.13 Lakhs for the F.Y. 2021-22 as against net loss of Rs. 1185277.42 Lakhs in the previous financial year. The major reasons for net profit in previous financial year was due to Subsidy of Subsidiary Company (Current



							Year Rs. 2194107.90 against Previous Year Rs. 1097308.72). Hence, there was a substantial impact on the profit/loss as per consolidated statement of P&L of the company for the FY-2020-21
10	Return on Capital Employed(%)	Net Profit(Loss) for the year	Capital Employed=Net worth (excluding Capital Reserve)+Long term Borrowing+Current Borrowings	-5.21%	-10.54%	-50.52	The Company has incurred net loss of Rs. 588169.13 Lakhs for the F.Y. 2021-22 as against net loss of Rs. 1185277.42 Lakhs in the previous financial year. The major reasons for net profit in previous financial year was due to Subsidy of Subsidiary Company (Current Year Rs. 2194107.90 against Previous Year Rs.

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							1097308.7 2). Hence, there was a substantial impact on the profit/loss as per consolidated statement of P&L of the company for the FY-2020-21
11 (a)	Return on Investment (on Bond Interest) (%)	Interest on Bonds	Average Bond Value	7.75%	6.49%	19.38	
11 (b)	Return on Investment (for investment with Subsidiaries & Joint Ventures) (%)	Return/Impairment on Investments	Average Investment value excluding bond value	2.49%	-0.11%	-2352.96	The Company has created Provision on the Investment in Equity Share Capital of UPPTCL based on the Net Worth. The Provision of that Company has been increased by Rs. 5531.21 Lakhs during the current Financial Year. There is only one substantial investment in UPPTCL in Consolidated

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							Financial Statements
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S.NO	Particulars of Disclosures	Numerator	Denominator	March'22	March'21	Variation in Ratio (%)	Reason of variation for more than 25%
12	Long term debt to working capital ratio	Long term borrowing including current maturity of long term borrowing	Working Capital	2.42	2.35	2.95	
13	Bad Debts to Accounts Receivables Ratio	Bad debts	Gross Average Trade Receivables	0.19	0.11	78.94	The policy of provision on Trade Receivable at Discoms has been changed (Provision of Current Year Rs. 1635445.75 against the Previous Year Rs. 865519.09). Hence, there is substantial difference in ratios.
14	Current Liability ratio	Current Liabilities	Total Liability excluding Equity	0.49	0.47	3.56	
15	Total Debts to Total Asset	Long term borrowing & current maturity of long term borrowing	Total Assets	0.43	0.43	0.10	



16	Operating Margin(%)	Operating Profit/(Loss)	Revenue from Operations	-35.13%	-43.89%	-19.96
17	Net Worth (Share Capital + Other Equity excluding Capital Reserve)			2936727.98	2934588.36	0.07

45. The Company has not created Regulatory Assets as Ind AS 114 Regulatory Deferral Accounts has not been applied by the Company by availing the exemption given and availed during the year in which Ind AS first adopted by the Group.

46. The Subsidiary Discoms have not created Regulatory Assets in the latest Tariff determination cycle.

47. Other separate relevant notes given by the Holding and Subsidiary are given below:

**U.P Power Corporation Limited (Holding Company)**

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

S.No	Defined benefit plans:- (Amount ₹ in Lacs)	Gratuity		Leave Encashment	
		As on 31/03/2022	As on 31/03/2021	As on 31/03/2022	As on 31/03/2021
1	<b>Assumptions</b>				
	Discount Rate	7.36%	6.81%	6.96%	6.41%
	Rate of increase in Compensation levels	7.00%	4.00%	7.00%	4.00%
	Rate of return on Plan assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable









	Average future service (in Years)	24.70 Years	25.67 Years	16.22 Years	16.40 Years
<b>2</b>	<b>Service Cost</b>				
	Current Service Cost	148.44	114.17	172.75	128.87
	Past Service Cost (including curtailment Gains/ Losses)	0.00	0.00	0.00	0.00
	Gains or losses on Non Routine settlements	0.00	0.00	0.00	0.00
<b>3</b>	<b>Net Interest Cost</b>				
	Interest Cost on Defined Benefit Obligation	69.65	59.75	442.17	496.84
	Interest Income on Plan Assets	0.00	0.00	0.00	0.00
	<b>Net Interest Cost (Income)</b>	<b>69.65</b>	<b>59.75</b>	<b>442.17</b>	<b>496.84</b>
<b>4</b>	<b>Change in present value of obligations</b>				
	Opening of defined benefit obligations	1022.70	868.53	6898.09	7527.88
	Interest cost	148.44	114.17	442.17	496.84
	Service Cost	69.65	59.75	172.75	128.87
	Benefits Paid	(22.41)	(23.74)	(1285.66)	(969.91)
	Actuarial (gain)/Loss on total liabilities	<b>523.28</b>	<b>3.98</b>	<b>2752.58</b>	<b>(285.58)</b>
	<i>due to change in financial assumptions</i>	480.10	11.70	1368.22	80.82
	<i>due to change in demographic assumptions</i>	0.00	0.00	0.00	0.00
	<i>due to experience Changes</i>	43.18	(7.72)	1384.36	(366.40)
	<b>Closing of defined benefit obligation</b>	<b>1741.65</b>	<b>1022.70</b>	<b>8979.93</b>	<b>6898.09</b>
<b>5</b>	<b>Change in the fair value of plan assets</b>				
	Opening Fair value of plan assets	0.00	0.00	0.00	0.00
	Actual return on plan assets	0.00	0.00	0.00	0.00
	Employer Contribution	22.41	23.74	1285.66	969.91
	Benefits paid	(22.41)	(23.74)	(1285.66)	(969.91)
	<b>Closing Fair value of plan assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>6</b>	<b>Actuarial (Gain)/Loss on Plan Asset</b>				
	Expected Interest Income	0.00	0.00	0.00	0.00
	Actual Income on Plan Assets	0.00	0.00	0.00	0.00





	<b>Actuarial gain/(loss) on Assets</b>	0.00	0.00	0.00	0.00
<b>7</b>	<b>Other Comprehensive Income</b>				
	Opening amount recognized in OCI outside P&L account	0.00	0.00	N/A	N/A
	Actuarial gain/(loss) on liabilities	(523.28)	(3.98)	N/A	N/A
	Actuarial gain/(loss) on assets	0.00	0.00	N/A	N/A
	<b>Closing amount recognized in OCI outside P&amp;L account</b>	<b>(523.28)</b>	<b>(3.98)</b>	<b>N/A</b>	<b>N/A</b>
<b>8</b>	<b>The amounts to be recognized in the Balance Sheet Statement</b>				
	Present value of obligations	1741.65	1022.70	8979.93	6898.09
	Fair value of plan assets	0.00	0.00	0.00	0.00
	Net Obligations	1741.65	1022.70	8979.93	6898.09
	Amount not recognized due to assets limit	0.00	0.00	0.00	0.00
	<b>Net defined benefit liability/(assets) recognized in balance sheet</b>	<b>1741.65</b>	<b>1022.70</b>	<b>8979.93</b>	<b>6898.09</b>
<b>9</b>	<b>Expenses recognized in Statement of Profit &amp; loss</b>				
	Service cost	148.44	114.17	172.75	128.87
	Net Interest cost	69.65	59.75	442.17	496.84
	Net actuarial (gain)/loss	0.00	0.00	2752.58	(285.58)
	<b>Expenses recognized in statement of Profit &amp; Loss</b>	<b>218.08</b>	<b>173.93</b>	<b>3367.49</b>	<b>340.13</b>
<b>10</b>	<b>Change in Net Defined Obligations</b>				
	Opening of Net defined benefit liability	1022.70	868.53	6898.09	7527.88
	Service Cost	148.44	114.17	172.75	128.87
	Net Interest Cost	69.65	59.75	442.17	496.84
	Re-measurements	523.28	3.98	2752.58	(285.58)
	Contributions paid to fund	(22.41)	(23.73)	(1285.66)	(969.91)
	<b>Closing of Net defined benefit liability</b>	<b>1741.65</b>	<b>1022.70</b>	<b>8979.93</b>	<b>6898.09</b>
<b>11</b>	<b>Sensitivity analysis</b>				
	<b>Item</b>	<b>As on 31/03/2022</b>	<b>Impact</b>	<b>As on 31/03/2022</b>	<b>Impact</b>



Base liability	174164921		897992885	
Increase in Discount rate by 0.50%	159981299	(14183622)	864165183	(33827702)
Decrease in Discount rate by 0.50%	189995272	15830351	934891278	36898393
Increase in salary inflation by 1%	192127160	17962239	970706460	72713575
Decrease in salary inflation by 1%	154656955	(19507966)	835706523	(62286362)
Increase withdrawal rate by 0.5%	176467723	2302802	898940349	947464
Decrease withdrawal rate by 0.5%	171623720	(2541201)	896960190	(1032695)

No Discoms have given this table in its Notes.

(II) Corporate Social Responsibility (CSR) Expenditure:

The Company has incurred average losses during the three immediately preceding financial years as per calculation in accordance with the provisions of Section 198 of the Companies Act 2013, hence no expenditure has been incurred by the company.

(III) Grants/Subsidies and Others:

(i) Grants / Subsidies received under different schemes for DISCOMs are treated initially as payable to DISCOMs and subsequently are transferred / adjusted against DISCOMs concerned.

(ii) During the year 2021-22, the Capital Grant of Rs.600.00 Lacs, Revenue Grant of Rs. 25129.00 Lakhs and Revenue Subsidy of Rs. 2213816.34 Lakhs have been received from Govt. of U.P. on behalf of the DISCOMs and have also been distributed to the DISCOMs. The DISCOMS wise details are furnished below:

Sr. No.	Name of DISCO M	Amount (₹ in Lakhs)		
		Capital Grant	Revenue Grant	Total Subsidy (Tariff+Loss funding+ Atmnirbhar+Bunkar)
1	MVVNL	-	8526.83	522818.81
2	PuVVNL	-	7919.07	700001.23
3	PVVNL	-	3386.48	544532.46
4	DVVNL	600	5296.62	419184.75
5	KESCO	-	-	27279.08
<b>Total</b>		<b>600</b>	<b>25129.00</b>	<b>2213816.33</b>

(iii) As per GO No. 445-1-21-731 (Budget)/ 2020 dated 05.03.2021 of Govt. of U.P. the subsidies of Rs. 2094000.00 Lacs is receivable from the Govt. of U.P. in favour of DISCOMS through the company (UPPCL) and the same are to be paid by the Govt. of U.P. in the forthcoming 10 years. DISCOM wise details are as under:











(Amount ₹ in Lakhs)

Sr. No.	Name of DISCOM	Balance as on 31.03.2021	Received during 2021-22	Balance as on 31.03.2022
1	MVVNL	97808.00	9341.74	88466.26
2	PuVVNL	811554.26	77512.32	734041.94
3	PVVNL	914644.74	87358.64	827286.10
4	DVVNL	215969.00	20627.41	195341.59
5	KESCO	54024.00	5159.89	48864.11
<b>Total</b>		<b>2094000.00</b>	<b>200000.00</b>	<b>1894000.00</b>

(iv) Financial arrangement through Loans/Bonds etc are made on behalf subsidiary companies and subsequently are transferred/adjusted against respective Discoms.

(IV) Equity share capital includes Rs 37348.67 Lakhs received from GoUP under the Uttar Pradesh power Distribution Network Project against which company has already invested Rs 45576.35 Lakhs with Discoms and submitted a claim of Rs 8227.70 Lakhs for reimbursement. Discom wise break up of investment is given below:

(Amount ₹ in Lakhs)

Sr. No.	Name of DISCOM	Fund released as investment in equity of Discoms (F.Y. 2021-22)	Fund released as investment in equity of Discoms(F.Y. 2020-21)	Total
1	MVVNL	7929.08	4964.62	12893.70
2	PUVVNL	11456.75	4867.68	16324.43
3	PVVNL	2245.18	3766.31	6011.49
4	DVVNL	6883.03	3441.52	10324.55
5	Unallocated Amount	22.18	0.00	22.18
<b>Total</b>		<b>28536.22</b>	<b>17040.13</b>	<b>45576.35</b>

(V) The details of Earmarked Balances with banks are as under:

(Amount ₹ in Lakhs)

Name of Bank	A/C Title	Bank Balance	FDR Balance
HDFC	DSRA SERIES 1 A/C	0.00	23476.99
	BOND SER ESCROW A/S	0.00	20887.45
	BOND SER ESCROW A/S 2	0.00	3788.28
	DSRA SERIES 2 A/C	0.00	15373.23

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	TOTAL	0.00	63525.95
ICICI	UPPCL RPO REGULATORY FUND	622.57	54.78
	DISTRIBUTION NETWORK REHABILITATION A/C	14839.44	0.00
	UPPCL BOND SERVICING SERIES- I A/C	0.00	19818.35
	UPPCL DEBT SERVICE RESERVE- I A/C	0.00	42410.33
	UPPCL BOND SERVICING SERIES- II A/C	0.00	24977.69
	UPPCL DEBT SERVICE RESERVE- II A/C	0.00	51416.98
	UPPCL BOND SERVICE A/C (SERIES- I)2022	0.00	194.00
	UPPCL DEBT SERVICE RESERVE A/C Bond (SERIES - I) 2022	0.00	19327.28
	ICICI (NEDA SOLAR) (Against corpus fund)		4404.68
SBI	ADB Fund	22.18	0.00
	TOTAL	15484.19	162597.45
	GRAND TOTAL	15484.19	226123.40

(VI) The guarantee issued by GoUP in favor of various Banks, FI's and trustees of bonds issued by company as a security stood at ₹93036.65 Crore as on 31.03.2022 against ₹ 79053.65 Crore as on 31.03.2021. The details are given below for FY 2021-22:

**Guarantee taken by UPPCL on behalf of Discoms & UPPTCL**

Particulars	Amount (₹) Crore
UPPCL (For UPPTCL)	2223.66
PuVVNL	32558.78
MVNNL	20454.20
DVVNL	23694.75
PVVNL	10644.91
Kesco	3460.35
Total	93036.65

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

The status of Bonds issued by the Company for the Discoms as on 31.03.2022 is as under:-







(Amount ₹ in Lakhs)

S.No.	Details of Bonds	Amount of Bonds	No. of Bonds	Maturity date	Date of Issue	Face Value	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 31.03.2022	Outstanding as at 31.03.2021
Listed																
1	UPPCL Bond series III/2016-17	651000.00	65100	15-Feb-2027	17-Feb-2017	10	8.97%	15-Feb-2022	Paid	15-May-2022	9941.95	15-May-2022	21290.00	Govt. Guaranteed and Hypothecated for Current Assets including receivables	465000	538000
2	UPPCL Bond series IV/2016-17	348950.00	34895	15-Mar-2027	27-Mar-2017	10	8.88%	15-Mar-2022	Paid	15-Jun-2022	5327.53	15-Jun-2022	12462.50		249250	299100
3	UPPCL Bond series I/2017-18	449820.00	44982	20-Oct-2027	05-Dec-2017	10	9.75%	20-Jan-2022	Paid	20-Apr-2022	2315.47	20-Apr-2022	13250.00		504290	572310
4	UPPCL Bond series II/2017-18	549100.00	54910	20-Jan-2028	27-Mar-2018	10	10.15%	20-Jan-2022	Paid	20-Apr-2022	9700.62	20-Apr-2022	16150.00		367600.00	452000.00
5	UPPCL State Government Serviced Bond Series I/2022	393120.00	39312	22-Mar-2032	30-Mar-2022	10	9.70%	NA		30-June-2022	9660.41	01-July-2024	12347.50		393120.00	NA
Unlisted																
1	U.P. Power Corporation Ltd.-2031	517682.00	51768	04-Jul-2031	04-Jul-2016	1	9.70%	04-Jan-2022	Paid	04-Jul-2022	24570.08	04-Jul-2022	26884.10	Govt. Guaranteed	510797.98	517682.00
2	U.P. Power Corporation Ltd.-2031	469948.00	46994	28-Sep-2031	28-Sep-2016	1	9.70%	28-Mar-2022	Paid	28-Sep-2022	21833.15	28-Sep-2022	25499.90		446198.10	469948.00
3	U.P. Power	29449.00	2944	30-Mar	30-Mar	1	9.70%	30-Mar-2022	Paid	28-Sep-2022	1220.37	28-Sep-2022	1247.90		24957.10	27833.00

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Corporati on Ltd.- 2032			2012	2017															
	3431619.00	1277 028							89549.58	129071.97			2783513.10	2701643.05					

Payment of Principal amount is started from 19.07.2019.

Credit Rating:

• Current Rating (As on 31.03.2022)-

Bond Amount	4498.20 Cr. & 5491.00 Cr	6510.00 Cr & 3489.50 Cr
Crisil Ratings	A+(CE)/Stable	-
India Ratings	A+(CE)/Stable	AA(CE)/Stable
Brickwork Rating	AA-(CE)Stable	AA(CE)/Stable

• Previous Rating (As on 31.12.2021)-

Bond Amount	4498.20 Cr. & 5491.00 Cr	6510.00 Cr & 3489.50 Cr
Crisil Ratings	A+(CE)/Stable	-
India Ratings	A+(CE)/Stable	AA(CE)/Stable
Brickwork Rating	AA-(CE)/Stable	AA(CE)/Stable

In view of the above there is no change in the Credit Rating.

(VIII) (a) Disclosure pursuant to Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The following bonds 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.)	Present Outstanding (₹ In Lakhs.)	Date of Creation of Security
INE540P07061, INE540P07079, INE540P07087, INE540P07095, , INE540P07103	955768, 955769, 955770, 955771, 955772	15-02-2027	Hypothecation on Receivable and Current Assets of UPPCL and Govt guarantee	651000.00	465000.00	16-02-2017
INE540P07137, INE540P07145, INE540P07152, INE540P07160, INE540P07178	956146, 956147, 956148, 956149, 956150	13-03-2027	Hypothecation on Receivable and Current Assets of UPPCL and Govt guarantee	348950.00	249250.00	30-03-2017











INE540P07210, INE540P07228, INE540P07236, INE540P07244, INE540P07251, INE540P07269	957204, 957205, 957206, 957207, 957208, 957209	20-10-2027	Hypothecation on Receivable and Current Assets of UPPCL and Govt guarantee	449820.00	304290.00	06-12-2017
INE540P07301, INE540P07319, INE540P07327, INE540P07335, INE540P07343, INE540P07350	957804, 957806, 957807, 957808, 957809, 957810	20-01-2028	Hypothecation on Receivable and Current Assets of UPPCL and Govt guarantee	549100.00	387600.00	24-03-2018
INE540P07368, INE540P07376, INE540P07384, INE540P07392, INE540P07400, INE540P07418, INE540P07426, INE540P07434	973877, 973879, 973880, 973882, 973876, 973878, 973881, 973883	22-03-2032	Hypothecation on Receivable and Current Assets of UPPCL and Govt guarantee	395120.00	395120.00	29-03-2022

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

The assets of the company provide coverage of 1.45 times of the interest and principal amount, which is in accordance with the terms of issue/ debenture trust deed (calculation as per statement of asset cover ratio for the Secured debt securities.

The total assets of the company provide coverage of 1.43 times of the principal, which is in accordance with the terms of issue (calculation as per statement of asset coverage ratio available for the unsecured debt securities

(b) The market value of Bonds shown under the head FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT) at note no.05 is as under:

(Amount ₹ in Lakhs)

Settlement Date	Security	Valuation date	Original Maturity date	Residual maturity year	FIMMDA Yield as on 31.03.2022	Price	No. of bonds	Total amount/clean price
27.03.2017	7.75% PFC Bonds Series-164(22.03.2027)	31.03.2022	22.03.2027	5	6.31	106.47	250	2661.67
27.03.2017	7.75% PFC Bonds Series-164(22.03.2027)	31.03.2022	22.03.2027	5	6.31	106.47	250	2661.67
27.03.2017	7.75% PFC Bonds Series-164(22.03.2027)	31.03.2022	22.03.2027	5	6.31	106.47	250	2661.67
27.03.2017	7.75% PFC Bonds Series-164(22.03.2027)	31.03.2022	22.03.2027	5	6.31	106.47	250	2661.67
11.05.2017	7.75% PFC Bonds	31.03.2022	22.03.2027	5	6.31	106.47	230	2448.73

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	Series- 164(22.03.2027)							
Total							1230	13095.41

(c) In compliance of SEBI Circular number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 Dated 22.10.2020 UPPCL has created "Recovery Expense Fund" by depositing the amount of Rs. 25.00 Lacs to the designated bank account of BSE.

(IX) 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.

(X) The receivable from Utrakhand Power Corporation Ltd. amounting to Rs. 192.61 Crore as on 31.03.2019 has 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 Utrakhand 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 accounts in hand i.e. F.Y. 2018-19 as receivable from U.P. Power Sector Employees Trust (Ref Note-12) and the balance amount of Rs. 32.03 Crore i.e (Rs. 192.61 Crore - Rs.160.58 Crore) has finally been written off and accounted for as Bad Debts in the F.Y.2018-19.

(XI) UP Power Corporation Limited has opted for the option of lower rate of corporate income tax referred to in sub-section (5) of section 115BAA of the Income Tax-Act, 1961 for the Previous Year 2019-20 and subsequent years. It is also mentioned that there was no carried forward MAT credit in the books of the corporation; hence exercise of the option has resulted into zero loss of MAT credit for the Company.

#### **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.

(II) The Security deposit collected from the consumers on the basis of 45 days 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 frauds/embezzlement as reported by concerned Branch Auditors in their Audit Report are as follows:

S. No.	Name of Zone	Particulars	₹ in lacs
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1	Meerut Zone	Mr. Suresh Babu TG 2 for not depositing cash collected through system generated receipts during December 2013 to March 2019 and 36 manual receipt books not returned in divisions is under enquiry & disciplinary action is initiated in EDD I Baghat.	368.00
		In EDD I Meerut, out of pending 9 receipt books issued for collection of amounts on behalf of PVVNL on 23.02.2012 to Postmaster Meerut Cantt, 3 have been returned on 30 <sup>th</sup> May, 2022. No information is available about the remaining receipt books where these receipt books are at present, how much receipt books were used, how much amount collected etc.	
		In EDD II Baghat, a fraud case of collecting cash from customers and not depositing the amount in division is under enquiry against Mr. Sanjay Kumar, cashier	31.30
2	Ghaziabad Zone	During the year cash embezzlement under the division EUDD-7, Ghaziabad by the accused Mr. Sumit Gupta, Head Cash Revenue in the period of July 2020 to November 2020.	564.17
		A fraud reported as per Branch statutory audit report for the year ended 31.03.2020 conducted by VSD & Associates, Chartered Accountants, zone has noticed a case of fraud in its EUDD-II, EUDD-V, EUDD-VII Noida division by few bank officials. Some of ICICI bank officials wrongly credited the cheques amounting ₹1,72,36,919/- related to these division in some other account.	172.37
		Cashier of EDD, Greater Noida Satender Pratap Singh TGII S/o Shri Ramesh Singh, R/o Mohalla Lodhan 2, Jahangirabad Rural, Bulandshahar, Uttar Pradesh posted at 33/11 KV Sub Division Rabupura embezzled cash of ₹82,21,974/- during the month of March, 2021, April 2021 and June 2021.	82.22
		Observed that an amount of ₹20,09,095/- embezzled by cashier of EUDD-IV, Ghaziabad Harinath TG-II during the year 2018-19 (since then, the amount have been kept as Sundry Advance against the accused Harinath TG-II)	20.09
3	Bulandshahar Zone	As informed no fraud was detected during FY 2021-22. But the frauds of embezzlement detected up to FY 2020-21 has involved total amount of ₹312.60 lacs out of which ₹0.24 lacs has been recovered. And balance sum of ₹312.36 lacs are still to be recovered.	312.36

  
(Jitesh Grover)  
Company Secretary  
Additional Charge

  
(A. K. Awasthi)  
Chief Financial Officer

  
(Nidhi Kumar Narang)  
Director (Finance)  
DIN - 03473420

  
(Pankaj Kumar)  
Managing Director  
DIN - 08095154

Place : Lucknow  
Date :

Subject to our report of even date



For D. Pathak & Co.  
Chartered Accountants  
FRN No. 001439C

  
(A. K. Dwivedi)  
Partner  
M No. 071584

UDIN:

**U.P. POWER CORPORATION LIMITED**  
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31st MARCH 2022**

(₹ in Lakhs)

	2021-22	2020-21
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) Before Taxation & Exceptional items	(4,26,164.93)	(11,85,277.42)
Adjustment For:		
a Depreciation	2,85,345.61	2,42,721.89
b Interest & Financial Charges	8,38,822.10	6,31,442.96
c Bad Debts & Provision	7,78,282.97	30,386.15
d Interest Income	(17,250.18)	(19,721.21)
Sub Total	<b>18,85,200.50</b>	<b>8,84,829.79</b>
Operating Profit Before Working Capital Change	<b>14,59,035.57</b>	<b>(3,00,447.63)</b>
Adjustment for:		
a Inventories	(50,843.27)	1,491.34
b Trade Receivable	(11,43,447.62)	(5,59,873.48)
c Other Current Assets	1,90,254.25	(82,342.28)
d Financial assets-others	7,933.82	(2,23,885.16)
e Other financial Liab.	(24,740.48)	(5,49,181.07)
f Financial Liabilities-Borrowings	3,26,100.21	8,25,336.44
g Trade Payable	(2,27,119.79)	(4,94,600.44)
h Bank balance other than cash	(16,354.93)	(53,120.94)
i Provisions		(0.92)
Sub Total	<b>(9,38,217.81)</b>	<b>(11,36,176.51)</b>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>5,20,817.76</b>	<b>(14,36,624.14)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
a Decrease (Increase) in Property, Plant & Equipment	(3,93,263.85)	(4,41,822.02)
b (Increase)/Decrease in Investments	-	9,938.17
c Decrease/(Increase) in Loans & Other financial assets Non-current Assets	1,97,728.55	(18,95,940.29)
d Interest Incomes	17,250.18	19,721.21
e Decrease (Increase) in Intangible assets	(7,202.98)	(3,449.04)
f Decrease (Increase) in Asset not in possession	74.41	(706.75)
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>(1,85,413.69)</b>	<b>(23,12,258.72)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
a Proceeds from Borrowing	(2,95,420.12)	21,61,019.35
b Proceeds from Share Capital	5,55,292.86	7,36,416.88
c Proceed from other equity	1,10,791.35	16,46,780.17
d Other long term liabilities	32,971.00	54,278.65
e Interest & Financial Charges	(8,38,822.10)	(6,31,442.96)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>(4,35,187.01)</b>	<b>39,67,052.09</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(99,782.94)</b>	<b>2,18,169.23</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>6,23,811.15</b>	<b>4,05,641.92</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note no.09)</b>	<b>5,24,028.21</b>	<b>6,23,811.15</b>

**Notes to the Cash-Flow Statement**

- This Statement has been prepared under indirect method as prescribed by Ind AS-07
- Cash and cash equivalent consists of cash in hand, bank balances with scheduled banks and fixed deposits with banks.
- Previous year figures have been regrouped and reclassified wherever considered necessary

(Jitesh Grover)  
Company Secretary

(Additional Charge)

(A.K.Awasthi)  
Chief Financial Officer

(Nidhi Kumar Narang)  
Director(Finance)  
DIN - 03473420

(Pankaj Kumar)  
Managing Director  
DIN - 08095154

Place : Lucknow

Date :

Subject to our report of even date  
For D Pathak & Co.  
Chartered Accountants  
FRN No. 001439C

(A. K Dwivedi)  
Partner  
M.No. 071584

UDIN:

22071584ARUVG07012