(A Government of UP undertaking) CIN:U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

No. 109 /UPPCL/CS/2024

Date: 28th March, 2024

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

Scrip Code: 955766

Sub: Outcome of the Board Meeting of U. P. Power Corporation Limited held on 28th
March, 2024

Dear Sir/Madam,

It is submitted that pursuant to Regulation 30, 52 and other applicable regulations (if any) read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this is to inform that the Board of Directors of the Company at its meeting held on Thursday, 28th March, 2024 at 04.15 P.M. at the registered office of the company have, inter alia, approved the following:

 Annual Report consisting of Notice, Directors Report, Management Replies on C&AG Comments on Audited Financial Statements for the Financial Year 2022-23 and requisite annexures thereof for conducting 24th Adjourned Annual General Meeting of the Company.

The Meeting of the Board of Directors commenced at 04:15 P.M. and concluded at 6:00 PM

The above information is being made available on the Company's website at www.upenergy.in.

Kindly take the same on record.

Thanking You,

For U. P. Power Corporation Limited

Nitin Nijhawan

CFO & Compliance Officer

Encl.: as above

Chart.

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### U. P. Power Corporation Ltd.

(A Government of UP undertaking) CIN:U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

No. 110/UPPCL/CS/2024

Date: 28th March, 2024

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

Scrip Code: 955766

Sub: Intimation of 24<sup>th</sup> Adjourned Annual General Meeting and Submission of Annual Report for the Financial Year ended March 31, 2023.

Dear Sir/Madam,

It is submitted that pursuant to 30 and 53 read with Schedule III of the SEBI (LODR) Regulation, 2015, as amended and any other applicable provision, we hereby enclose the Annual Report for the financial year 2022-23 and informed that the 24<sup>th</sup> Adjourned Annual General Meeting of U. P. Power Corporation Limited (the Company) is scheduled to be held on SATURDAY, MARCH 30, 2024 at 12:30 PM at its registered office of the Company for the subject matter as mentioned in the notice attached.

Kindly take the same on record.

Encl. As above

Thanking You,

For U. P. Power Corporation Limited

Nitin Nijhawan

(CFO & Compliance Officer)

(Byrer )

### उत्तर प्रदेश पावर कारपोरेशन लिमिटेड

(उत्तर प्रदेश सरकार का उपक्रम)



### **ANNUAL REPORT**

FY - 2022-23



(A Government of UP undertaking) CIN: U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

### NOTICE

In continuation of the 24th Annual General Meeting which was held on 30th September, 2023 and the same was Adjourned for non-presentation of the Annual Accounts of the Company for the Financial Year 2022-23, notice is hereby given that the Adjourned 24th Annual General Meeting of the Shareholders of U. P. Power Corporation Limited will be held at Shorter Notice on March 30, 2024, at 12:30 th at its registered office of the Company at Shakti Bhawan, 14-Ashok Marg, Lucknow, to transact the following left over business of that meeting:-

### ORDINARY BUSINESS

 ADOPTION OF ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2022-23 i.e. 31<sup>ST</sup> MARCH, 2023.

To consider and adopt :-

- a). The Standalone Financial Statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2023, the reports of the Board of Directors and Auditors thereon; and
- b). The Consolidated Financial Statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2023, and the report of the Auditors thereon.

By order of the Board, For U. P. Power Corporation Limited

Date: 28/02/2024 Place: Luckness Jitesh Grover Company Secretary (In-Additional Charge)

U. P. Power Corporation Limited Regd. Office: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001



(A Government of UP undertaking) CIN:U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

### Notes:

- 1- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. In order to be effective, the proxy form duly completed should be deposited at the registered office of the company not less than forty eight hours before the scheduled time of the Annual General Meeting. Blank Proxy Form is enclosed.
- 2- Members and Proxies should bring the attendance slip duly filled for attending the meeting. Corporate members are requested to send a duly certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting
- 3- Members are requested to notify change in address, if any, immediately to the Company.
- 4- All documents referred to in the Notice shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM.



(A Government of UP undertaking) CIN:U32201UP19995GC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

Copy to the following shareholders / directors with a request to please attend the above meeting:-

- Hon'ble Governor of U.P. through Principal Secretary (Energy), U.P. Govt., Lucknow - Shareholder.
- 2. Dr. Ashish Kumar Goel, Chairman, UPPCL, Lucknow Shareholder.
- Shri Pankaj Kumar, Managing Director, UPPCL, Lucknow Shareholder.
- Shri Neel Ratan Kumar, Special Secretary (Finance), U.P. Govt., Lucknow -Shareholder.
- Shri Nidhi Kumar Narang, Director (Finance), UPPCL, Lucknow -Shareholder.
- Shri Kamalesh Bahadur Singh, Director (PM & A) (In Additional Charge), UPPCL, Lucknow - Shareholder.
- 7. Shri Sourajit Ghosh, Director (I.T.), UPPCL, Lucknow Shareholder.
- Shri Amit Kumar Srivastava, Director (Commercial), UPPCL, Lucknow Shareholder.
- 9. Shri Nitin Nijhawan, Chief Financial Officer, UPPCL, Lucknow.
- M/s D. Pathak & Co., Chartered Accountant, UPPCL, Lucknow-Statutory Auditor.
- 11. M/s R.M. Bansal & Co., Cost Accountant, UPPCL, Lucknow- Cost Auditor.

By order of the Board, For U. P. Power Corporation Limited

Place: 28/03/2024 Date: Luckensons

Jitesh Grover Company Secretary (In-Additional Charge)

> U. P. Power Corporation Limited Regd. Office: Shakii Bhawan, 14 Ashok Marg, Lucknow-226001



(A Government of UP undertaking) CIN:U32201UP19995GC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

### Form No. MGT-11

### Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U32201UP1999SGC024928 U.P. Power Corporation Limited Shakti Bhawan Extn. 14-Ashok Marg, Lucknow.

Reg E-r Fol	me of the member (s): gistered address: mail Id: lio No/Client Id:
	We, being the member (s) of shares of the above named company, hereby point
ı	Name :
ij	Name :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Adjourned Annual General Meeting of the Company, to be held on March 30, 2024 at 12:30 m at Meeting Room, Shakti Bhawan, 14 Ashok Marg, Lucknow and at any adjournment thereof in respect of such resolution as are indicated below:



(A Government of UP undertaking) CIN:U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

Resolution No.

Affix Revenue Stamp

Signature of Proxy holder(s)

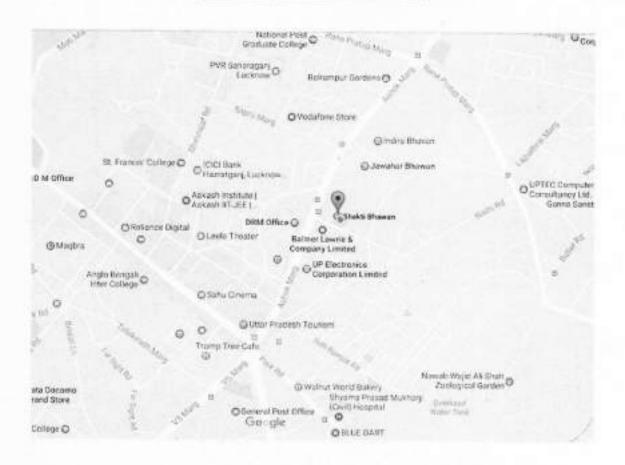
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the meeting.



(A Government of UP undertaking) CIN:U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

### Route Map to the AGM Venue





(A Government of UP undertaking) CIN:U32201UP19995GC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

### **DIRECTORS' REPORT**

To, The Members, Uttar Pradesh Power Corporation Limited

Your Directors are pleased to present herewith the 24th Annual Report on the business and operations of the company along with the audited standalone and consolidated financial statements of your Company for the financial year ended 31st March, 2023.

### COMPANY OVERVIEW

U. P. Power Corporation Ltd. ('Company') is primarily involved in bulk purchase of power from various generators and bulk sale of power to the subsidiary distribution companies. The company has five subsidiary distribution companies viz. Purvanchal Vidyut Vitran Nigam Ltd (PuVVNL), Madhyanchal Vidyut Vitran Nigam Ltd (MVVNL), Dakshinanchal Vidyut Vitran Nigam Ltd (DVVNL), Paschimanchal Vidyut Vitran Nigam Ltd (PVVNL) and Kanpur Electricity Supply Co. Ltd. (KESCO). These distribution companies (DISCOMs) are engaged in the distribution of electricity to consumers. DVVNL also supplies electricity to the Torrent Power Company Ltd. (franchisee) for distributing the electricity to the consumers of its specified area. The company has successfully met the peak power demand of the state during the F.Y. 2022-23. The company sold 130058.71 MU as compared to 116885.13 MU in the previous year to the DISCOMs.

The Government of U. P. has been making several efforts towards strengthening the power sector of the state whilst providing 24x7 affordable power supply. The company has emphasized on emerging technologies, new reforms and providing cost efficient good quality electricity to all categories of consumers for economic development/social upliftment of the state. The company is sensitive to its ultimate consumers interest and strives for uninterrupted supply of power.

### 1. Financial Results (Standalone and Consolidated) / Performance

The summarized financial results (Standalone and Consolidated) for year ended 31st March, 2023 are summarized below:

(₹ in Crore)

54494-97-5349-555-	Standalon	Standalone Results		Consolidation Results	
Particulars	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2021-22	
Revenue from sale of power	68653.93	54879.36	64461.32	56846.02	
Other Income	186.81	137.88	25810.31	23486.65	
Total (A)	68840.74	55017.24	90271,63	80332.67	
Expenditure					
Operational Expenditure :-					
Purchase of Power	68653.93	54879.36	71955.76	58048.72	



	the second secon			der har design der year
Employee Benefit Expenses	71.64	93.51	2410.00	2241.90
Repairs & Maintenance Expenses	5.07	8.95	2491.13	2457.49
Administrative, General & Other Expenses	27.80	47.08	2973.37	2552.11
Total (B)	68758.44	55028.90	79830.26	65300.22
Operational Profit/Loss A – B = C	82.3	(11.66)	10441.37	15032.45
Interest and Finance Charges	0.05	0.03	8062.29	8382.57
Depreciation	6.32	5.92	3577.75	2862.13
Bad Debts & Provisions	14639.28	6835.30	14561.18	7744.98
Total (D)	14645.65	6841.25	26201.22	18989.68
NET PORFIT/LOSS Before Exceptional Items/ Tax	(14563.35)	(6852.91)	(15759.85)	(3957.23)
Exceptional Items	8.89	143.70	(98.68)	(1620.04)
Net Profit/Loss After Exceptional Items & Before Tax	(14572.24)	(6996.61)	(15858.53)	(5577.27)
Provision for Tax		- 2	+	
Other Comprehensive Income	(1.27)	(5.23)	(11.20)	(39.84)
NET PORFIT/LOSS After Tax	(14,573.51)	(7,001.84)	(15,869.73)	(5,617.11)

- (i) The Company has incurred net loss of ₹14,573.51 Crore (Standalone) for the Financial Year 2022-23 as against net loss of ₹7,001.84 Crore (Standalone) in the previous financial year. The major reason for the increase in net loss in the current financial year is due to increase in the value of impairment of investments in subsidiary DISCOMs.
- (ii) The consolidated net loss in the F.Y. 2022-23 was ₹15869.73 Crore (Consolidated financial statements) as against net loss of ₹ 5617.11 Crore in the previous financial year. The loss for the year has increased by ₹ 10252.62 Crore as compared to the previous year mainly due to the following reasons:
  - (a) The subsidy receivable/received from Government of U.P. has increased by ₹ 2586.23 Crore as compared to the previous year. (Total subsidy for the Financial Year 2022-23 and 2021-22 is ₹ 24,595.12 Crore and ₹ 22,008.89 Crore (restated) respectively).
  - (b) Bad Debts and Provision amounting to ₹ 14561.18 Crore and ₹ 7744.98 Crore shown for the F.Y. 2022-23 and 2021-22 respectively includes the provision for Bad and Doubtful Receivables from Consumers against Sale of Power amounting to ₹ 14518.47 Crore and ₹ 7683.22 Crore respectively for the F.Y. 2022-23 and 2021-22. There is an increase of ₹ 6835.25 Crore during the year towards provision for doubtful receivables and sale of power as compared to previous year due to change in method of making provision for doubtful receivables. The changed method of provisions for bad and doubtful debts (in DISCOMs) has been disclosed in note no. 31(9) of the consolidated financial statements of the company.
- (iii) Exceptional items represent the amount of provision made against demand raised by the Contributory Provident Fund and General Provident Fund towards loss incurred by them due to investment of Funds in Diwan Housing Finance Corporation Ltd. which has been declared as insolvent. Necessary disclosure has been given on note no. 30 (37A&B) of Standalone Financial Statements and on note no. 31(36) of Consolidate Financial Statements of the Company.

### 2. Transfer to Reserve and Dividend

No profit being available for appropriation after adjustment of accumulated losses, the board is neither able to recommend payment of dividend for the year nor is proposing to carry any amount to the reserves.

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### 3. Operations

The company is primarily involved in the business of bulk purchase and sale of power to its subsidiary distribution companies. The purchase volume of the company is as under:

S.No.	Name of the Company	Status	FY 2022-23 Units Purchased (MU)	FY 2021-22 Units Purchased (MU)
Α	U.P. Power Corporation Ltd.	Holding	137289.92	123406.88

The company sold 130058.71MU in the financial year 2022-23 as compared to 116885.13 MU in the previous year to its own distribution subsidiary companies viz PuVVNL, MVVNL, DVVNL, PVVNL and KESCO.

The Company has also arranged power through bilateral arrangements and by putting bids in power exchange on day to day basis for and on behalf of the above five DISCOMs.

The sale volume of the subsidiary DISCOMs are as under:

S.No.	Name of the DISCOMs	Status	FY 2022-23 Units Purchased (MU)	FY 2021-22 Units Purchased (MU)
A	Purvanchal Vidyut Vitran Nigam Ltd.	Subsidiary	31132.50	28621.34
В	Madhyanchal Vidyut Vitran Nigam Ltd.	Subsidiary	27347.21	24352.98
С	*Dakshinanchal Vidyut Vitran Nigam Ltd.	Subsidiary	28307.19	25725.44
D	Paschimanchal Vidyut Vitran Nigam Ltd.	Subsidiary	39043.24	34427.51
E	Kanpur Electricity Supply Company Ltd.	Subsidiary	4228.57	3757.86
	TOTAL		130058.71	116885.13

<sup>\*</sup>DVVNL has also supplied the power to franchise (Torrent Power Ltd. Agra) in accordance with the agreement made between them.

### 4. Share Capital

The Government of U.P. has continued with its equity support to the Company. The Authorized Share Capital of the Company is presently Rs.125000.00 crore. The paid-up share capital of the company has increased by allotment of 87883866 equity shares of Rs.1000 each aggregating to Rs.8788.39 crore to the Hon'ble Governor of U.P during the year 2022-23. The present paid up share capital of the company is Rs.118467.77 crore.

### 5. Loans and Bonds

The Funds for the subsidiary distribution companies are arranged by the company through loans and bonds. The total Long Terms Borrowings as at 31st March 2023 were Rs. 55430.47 crore and short terms Borrowings on that date were Rs. 14020.63 crore.

### 6. Key Management Personnel, Directors, Audit Committees and Meetings

6.1 Details of Key Management Personnel (KMP) and Directors are as under:



### Key Management Personnel

S. No.	Name	Designation	Period (For FY 2022-23)		
			From (Date of Appointment)	Date of Cessation	
1	Shri M. Devaraj	Chairman	02.02.2021		
2	Shri Pankaj Kumar	Managing Director	10.03.2021		
3	Shri P. Guruprasad	Nominee Director	23.07.2021	****	
4	Shri Anupam Shukla	Nominee Director	10.08.2022		
.5	Smt. Neha Sharma	Nominee Director	02.09.2022		
6	Shri Nidhi Kumar Narang	Director (Finance)	01.06.2022		
7	Shri Neel Ratan Kumar	Nominee Director	16.04.2013	57575	
8	Shri Jawed Aslam	Nominee Director	17.07.2020	06.06.2022	
9	Shri Amit Kumar Srivastava	Director (Commercial)	24.05.2022		
10	Shri Kamalesh Bahadur Singh	Director (Corporate Planning)	18.06.2022		
11	Shri Sourajit Ghosh	Director (I.T.)	18.06.2022	****	
12	Shri Kanhaiya Lal Verma	Nominee Director	06.06.2022	14.02.2023	
13	Shri Sanjai Kumar Singh	Nominee Director	14.02.2023		
14	Shri Mrugank Shekhar Dash Bhattamishra	Director (PM&A)	12.07.2022		
15	Shri Ranjan Kumar Srivastava	Director (Finance)	17.07.2021	01.06.2022	
16	Shri Anil Kumar	Non-Executive Director	13.01.2022	30.06.2022	
17	Shri Ajay Kumar Purwar	Director (PM&A)	10.07.2019	09.07.2022	
18	Shri Ashwani Kumar Srivastava	Director (Distribution)	19.01.2021	23.07.2022	
19	Shri Anil Kumar Awasthi	Chief Financial officer	05.03.2020	30.11.2022	
20	Shri Nitin Nijhawan	Chief Financial officer	01.12.2022		
21	Dr. Jyoti Arora	Company Secretary	30.07.2021	16.07.2022	

### 6.2 Policy on Directors' Appointment

The Company being a Government Company, the provisions of section 134 (3)(e) of the Companies Act 2013 are not applicable in view of the Notification No. GSR-163(E) dated 05-Jun-2015 issued by the Ministry of Corporate Affairs, Government of India.



### 6.3 Number of Meeting of the Board & Attendance Thereof

During the financial year 2022-23, thirteen meetings of the Board of Directors of the Company were held. The details of said meeting along with attendance thereof is annexed as **Annexure A**.

### 6.4 Details of Audit Committee

### **Audit Committee**

According to section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its power), the board of the company has constituted the audit committee consisting of the following Directors as on 31st March, 2023:

S. No.	Name of the Committee Members	Category
1.	Shri P. Guruprasad	Non-Executive Director
2.	Shri Pankaj kumar	Executive Director
3.	Shri Neel Ratan Kumar	Non-Executive Director
4.	Shri Nidhi Kumar Narang	Executive Director
5.	Shri Sanjay Kumar Singh	Non-Executive Director

### Number of Meeting of the Audit Committee

During the financial year 2022-23, there were total 11 Meetings of the Audit Committee on the following dates:

S. No.	Date of Meeting	S. No.	Date of Meeting
1.	26.05.2022	2.	08.07.2022
3.	10.08.2022	4	12.09.2022
5,	27.09.2022	6.	21.10.2022
7.	11.11.2022	8.	17.01.2023
9.	12.02.2023	10.	27.03.2023
11.	30.03.2023		

The recommendations made by the Audit Committee during the year were accepted by the Board.

### 7. Other Committees

### 7.1 Nomination and Remuneration Committee

Pursuant to the provisions of section 178 of the Companies Act, 2013 read with companies (Meetings of Board and its Power) Rules, 2014, the Board of Directors has constituted Nomination and Remuneration Committee of the Company. The Composition of the Committee as on 31.03.2023 was as under:

S. No.	Name of the Committee Members	Category
1	Shri P. Guruprasad	Non-Executive Director
2	Shri Neel Ratan Kumar	Non-Executive Director
3	Shri Sanjai Kumar Singh	Non-Executive Director

### 7.2 Corporate Social Responsibility Committee

Pursuant to the provisions section 135 of the Companies Act, 2013 read with companies (Meetings of Board and its Power) Rules, 2014, the Board of Directors has constituted

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Corporate Social Responsibility Committee of the Company. The Composition of the Committee as on 31.03.2023 was as under:

S. No.	Name of the Committee Members	Category
1	Shri Pankaj Kumar	Executive Director
2	Shri Kamalesh Bahadur Singh	Executive Director
3	Shri Sanjai Kumar Singh	Non-Executive Director

### 7.3 Stakeholders Relationship Committee

Pursuant to the provisions of section 178 of the Companies Act, 2013, the Board of Directors as constituted Stakeholders Relationship Committee of the Company. The Composition of the Committee as on 31.03.2023 was as under:

S. No.	Name of the Committee Members	Category
1	Shri Pankaj Kumar	Executive Director
2	Shri Neel Ratan Kumar	Non-Executive Director
3	Shri Nidhi Kumar Narang	Executive Director

### 7.4 Risk Management Committee

The Board of Directors of the Company has constituted Risk Management Committee of the Company. The Composition of the Committee as on 31.03.2023 was as under:

S. No.	Name of the Committee Members	Category
1	Shri Pankaj Kumar	Executive Director
2	Shri Kamalesh Bahadur Singh	Executive Director
3	Shri Nidhi Kumar Narang	Executive Director
4	Shri Sanjai Kumar Singh	Non-Executive Director

### 8. Declaration by Independent Director

Being a Government Company, the power to appoint Independent Director vests with the Government of U.P and the Company vide letter dated 23.03.2023 sends its requirement proposal to administrative department of Government of State of Uttar Pradesh, for appointment of requisite number of Independent Directors.

### 9. Performance Evaluation of Directors

The Ministry of Corporate Affairs (MCA) vide notification dated 5th June, 2015 has exempted the Government Companies from the provisions of section 178 (2) of the Companies Act, 2013 which provides the manner of evaluation of performance of Board, its committees and Directors by the Nomination And Remuneration Committee. The requirement of mentioning the statement on the manner of formal evaluation of performance of Directors in Boards' Report as per section 134 (3) of the Act has also been done away with the Government Companies where the Directors are evaluated by the Ministry and Department of the State Government which is administratively in charge of the company, as per its own evaluation methodology. Further, MCA vide its notification dated 5th July, 2017 has made an amendment in the Schedule-IV of the Act, whereby it has exempted Government Companies from compliance with the requirement of performance evaluation by the independent directors of non-independent directors and Chairman and performance evaluation of the independent director by the Board, if the concerned department or Ministry has specified these requirement.



### 10. Auditors And Their Report

### 10.1 Statutory Auditor

The Comptroller and Auditor General of India as appointed M/s D. Pathak and Co., Chartered Accountants, Lucknow as the Statutory Auditors of the company for the F.Y. 2022-23.

The replies of management to the observations of the Statutory Auditors on the annual financial statements (Standalone as well as Consolidated) for the financial year ended 31st March, 2023 are annexed herewith marked as **Annexure - I** of this Director Report.

### 10.2 Cost Auditor

In terms of the provisions of section 148 of the Companies Act, 2013 and the Companies (Cost record and Cost Audit) Rules, 2014, the Board of Directors appointed M/s. R.M. Bansal & Co., Cost Accountants, Lucknow as Cost Auditor for the financial year 2022-23. The cost audit for the F.Y. 2022-23 is completed.

### 10.3 Secretarial Auditor

In terms of provision of section 204 of the Companies Act, 2013 company has appointed M/s M/s Manish Mishra & Associates , Lucknow, Practicing Company Secretary for conducting Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report is placed at Annexure-II of this Director Report along with replies of management to the observation(s) therein.

### 10.4 Adoption of Annual Accounts

The Comptroller and Auditor General of India (CAG's) conducts supplementary audit u/s 143 of the Companies Act, 2013. Supplementary Audit by CAG'S for the financial year 2022-23 is completed and, therefore, the reply to the CAG'S Comments will be attached with the Director Report along with CAG'S comments as enclosed as **Annexure III**.

### 11 Reports on Subsidiaries and Associates Company

11.1 The company has following five subsidiaries as on 31st March, 2023:

F in Crore

				' III Olore
Name of the DISCOMs	Status	% of share held	Authorized Capital (Amount)	Paid-up Share Capital (Amount)
Purvanchal Vidyut Vitran Nigam Ltd. (PuVvNL) (CIN-U31200UP2003SGC027461)	Subsidiary	100%	30000.00	25193.58
Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL) (CIN-U31200UP2003SGC027459)	Subsidiary	100%	30000.00	22784.46
Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL) (CIN-U31200UP2003SGC027460)	Subsidiary	100%	30000.00	23461.74
Paschimanchal Vidyut Vitran Nigam Ltd. (PasVVNL) (CIN-U31200UP2003SGC027458)	Subsidiary	100%	25000.00	17127.92
Kanpur Electricity Supply Company Ltd. (KESCO) (CIN-U40105UP1999SGC024626)	Subsidiary	100%	3000.00	2249.31
	Purvanchal Vidyut Vitran Nigam Ltd. (PuVvNL) (CIN-U31200UP2003SGC027461) Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL) (CIN-U31200UP2003SGC027459) Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL) (CIN-U31200UP2003SGC027460) Paschimanchal Vidyut Vitran Nigam Ltd. (PasVVNL) (CIN-U31200UP2003SGC027458) Kanpur Electricity Supply Company Ltd. (KESCO)	Purvanchal Vidyut Vitran Nigam Ltd. Subsidiary (PuVvNL) (CIN-U31200UP2003SGC027461)  Madhyanchal Vidyut Vitran Nigam Ltd. Subsidiary (MVVNL) (CIN-U31200UP2003SGC027459)  Dakshinanchal Vidyut Vitran Nigam Ltd. Subsidiary (DVVNL) (CIN-U31200UP2003SGC027460)  Paschimanchal Vidyut Vitran Nigam Ltd. Subsidiary (PasVVNL) (CIN-U31200UP2003SGC027458)  Kanpur Electricity Supply Company Ltd. Subsidiary (KESCO)	Share held	Share held (Amount)



### Note: -

- The company has no associate companies or joint ventures as at 31.03.2023.
- (ii) The company has prepared consolidated financial statements of the company and its subsidiaries.
- (iii) A separate statements containing the salient features of the financial statements of subsidiary in form AOC-1 as Annexure – IV forms part of Annual Report.

### 11.2 Financial Results of the Subsidiaries

a. Financial results for the period ended 31.03.2023 along with previous year figures are summarized below:

₹ in Crore

Particulars	PuV	VNL	MV	VNL	DV	VNL	Pas	VVNL	KE	SCO
73/29/01F	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022- 23	F.Y. 2021-22
Revenue from Sale of Power	13680.93	12424.70	13707.75	13069.87	12447.81	10405.93	21483.30	18201.00	3161.48	2744.50
Other Income	6835.39	7473.35	6532.97	5382.61	4948.80	4406.21	6866.15	5819.33	440.19	267.2
TOTAL (A)	20496.37	19898.05	20240.72	18452.48	17396.61	14812.14	28349.45	24020.33	3601.67	3011.79
Expenditure	100000000000000000000000000000000000000	STATE OF STREET	THE STATE OF THE	-	-0X000000				3500000	-
Operational Expenditure -										
Purchase of power	16030.96	12055 16	16370.06	13780.16	15210.53	10907.12	21514.20	20101.85	2465.67	2541.00
Employee Benefit Expenses	624.38	592.99	557.81	513.02	400.45	372.63	620.06	539.08	129.96	125.11
Repairs & Maintenance Expenses	715.67	816.59	476.78	374.71	541.96	585.14	707.06	629.20	44.60	42.89
Administrative, General & Other Expenses	705.93	572.15	813.04	603.64	723.77	665.44	477.73	451.04	225.10	212.76
TOTAL (B)	18076.94	14036.89	18217.69	15271.63	16876.71	12530.33	23319.05	21721.17	2865.33	2921.76
Operational Profit/Loss A- B=C	2419.43	5861.16	2023.03	3180.95	519.90	2281.81	5030.40	2299.16	736.34	90.03
riterest and Finance Charges	2744.58	2675.11	1808.45	1725.57	2075.94	2149.88	1154.06	1581.32	284.73	256.22
Depreciation	1158.16	847.75	839.51	674.07	817.43	636.82	699.81	643.23	56.52	54.34
lad Debts & Provisions	5106.15	2504.30	4174.86	2436.36	2673.20	2210.80	2166.72	439.79	390.79	(100.56)
TOTAL (D)	9008.87	6027.16	6822.82	4836.00	5566.57	4997.50	4020.69	2664.34	732.24	210.00
Net Profit/Loss Before Exceptional tems/Tax	(6589.44)	(165.00)	(4799,79)	(1665.05)	(5046.67)	(2715.69)	1009.81	(365.18)	4.10	(119.97)
Exceptional Items	(20.83)	(427.52)	(20.13)	(376.96)	(27.10)	(243.65)	(18.14)	(334.11)	(3.59)	(94.10)
Net Profit/Loss After Exceptional tems &	(6610.27)	(593.52)	(4819.92)	(2032.01)	(5073.77)	(2959.34)	991.67	(699.29)	0.51	(214.07)



Before Tax									1	
Provision for Tax	25	12.			1.5	+1	*	s		
Net Profit/Loss After Tax	7.78	(0.52)	(4.65)	(0.11)	5.01	(31.26)	(8.03)	38	(2.02)	(2.72)

### 11.3 Adoption of Annual Accounts

The Audited Accounts of the DISCOMs for the F.Y. 2022-23 along with CAG Comments have been approved by the Board of the Discoms and shall be placed before respective Annual General Meeting for adoption.

### 12 Compliances

### 12.1 Directors Responsibility Statements

Pursuant to section 134 (3) (c) of the Companies Act, 2013 the Directors to the best of their knowledge and belief state that:

- In the preparation of Annual Account, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- (ii) Such accounting policies have been selected and applied them consistently and made judgments and estimates are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit and loss of the company for that period;
- (iii) Proper and sufficient share has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the asset of the company and for preventing and directing fraud and other irregularity;
- (iv) The annual accounts have been prepared on a going concern basis; and
- (v) Proper system have been revised to ensure compliance with the provisions of all applicable laws and that such system works adequate and operating effectively.

### 12.2 Adequacy of Internal Control System

The company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use of disposition and to ensure that all transactions are authorized, recorded, and prepared correctly and adequately. All financial and audit control systems are also reviewed by the audit committee of the Board of the Directors of the Company.

### 12.3 Annual Return of the Company

Pursuant to the proviso inserted by the Ministry of Corporate Affairs vide the Companies (Management and Administration) Amendment Rules, 2020 dated August 28, 2020, the company shall not be required to attach the extract of the annual return with the Board's report in Form No. MGT 9, in case the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of Section 92 of the Companies Act, 2013. Therefore, the extract of the Annual Return is made available on the website of the company at <a href="https://www.upenergy.in">www.upenergy.in</a>

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### 12.4 Particulars of Loans, Guarantees, Investment and Securities u/s 186 of Companies Act, 2013

- There are no guarantees given and securities provided during the year to any other body corporate or person.
- (ii) The investment of the company in its subsidiaries DISCOMs during the year are given as under:

		₹ in Crore
S.No.	Name of the DISCOMs	Amount
A	Purvanchal Vidyut Vitran Nigam Ltd.	3958.79
В	Madhyanchal Vidyut Vitran Nigam Ltd.	2432.22
C	Dakshinanchal Vidyut Vitran Nigam Ltd.	2018.22
D	Paschimanchal Vidyut Vitran Nigam Ltd.	951.53
E	Kanpur Electricity Supply Company Ltd.	264.55
	TOTAL	9625.31

The Status of investment of funds in subsidiaries and other companies as at 31.03.2023 has been given in note no. 5 of the standalone financial statement of the company.

(iii) Financial arrangements through loans/bonds etc. are made on behalf of subsidiaries DISCOMs and subsequently are transferred/adjusted against respective DISCOMs.

### 12.5 Risk Management Policy

The Company is a public sector undertaking wholly owned by the Government of Uttar Pradesh. The policy on different matters are to be followed from the directives issued by the Government of U. P. from time to time. The company has an adequate system of risk assessment and management. However, the policies are reviewed from time to time, as and when required.

### 12.6 Corporate Social Responsibility

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

### 12.7 Particulars of Contract or Arrangement with Related Parties

The company's major related party transaction is generally with subsidiaries distribution companies. The details of transaction with related parties are annexed herewith marked as **Annexure V** of this audit report. Necessary disclosure of related party transactions has also been given on note no. 30(19) of the financial statements of the company.

### 12.8 Dividend Distribution Policy

The Directors do not recommend any dividend for the year, as the company has no profit to distribute.

### 12.9 Sexual Harassment of Women at Workplace

As per the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under, the Company has Internal Complaint

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Committee in place to redress complaints received regarding the sexual harassment. During the Financial Year 2022-23, Total Three complaints on sexual harassment was received.

### 12.10 Reporting of Fraud

During the year under review, the Statutory Auditors nor the Secretarial Auditors has reported any instances of fraud committed against the Company by its officers or employees.

### 12.11 Managerial Remuneration

Particulars of remuneration paid to executive key managerial personnel (as mentioned in above point no. 6.1) during the F.Y. 2022-23 are furnished hereunder:

₹ in Crore

S.No.	Name	Designation	Remunera	ation Paid
			2022-23	2021-22
1.	Shri M. Devaraj	Chairman	0.47	0.36
2.	Shri Pankaj Kumar	Managing Director	0.35	0.35
3.	Shri Nidhi Kumar Narang	Director (Finance)	0.33	
4.	Shri Amit Kumar Srivastava	Director (Commercial)	0.52	
5.	Shri Ashok Kumar Srivastava	Director (Commercial)		0.13
6	Shri Kamalesh Bahadur Singh	Director (Corporate Planning)	0.31	
7.	Shri Sourajit Ghosh	Director (IT)	0.30	
8.	Shri Ashwani Kumar Srivastava	Director (Distribution)	0.08	0.19
9.	Shri Ranjan Kumar Srivastava	Director (Finance)	-	
10.	Shri Ajay Kumar Purwar	Director (PM & A)	0.07	0.24
11.	Shri Sudhir Arya	Director (Finance)		0.15
12.	Shri Anil Kumar Awasthi	Chief Financial Officer	0.65	0.43
13.	Shri Nitin Nijhawan	Chief Financial Officer	0.07	0.70
14	Dr. Jyoti Arora	Company Secretary	0.09	0.14
	Total	to the transport of	3.48	1.99

### 12.12 Significant Material Order

No significant or material order work for by the Regulators or Courts or Tribunal which impact the going concern status and company's operation.

### 12.13 Deposits

The Company has not accepted nor renewed any amount falling within the purview of provisions of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules 2014 during the year under review. Hence, the details relating to deposits as also requirement for furnishing of details of deposits which are not in compliance which chapter-V of the Act may be treated as NIL.

### 12.14 Vigil Mechanism

The Company has a separate Vigilance Department to ensure transparency, objectivity and quality of decision making in various operations. There is also a common Vigilance Department of Government of U. P. for all Government Departments/Undertakings. Appropriate disciplinary action is initiated against the involved employees. Necessary actions are also taken for improvement of the system, wherever found necessary.



### 12.15 Conservation of Energy, Technology Absorption and Foreign Exchange Earnings

Since the company is involved in the business of bulk purchase and sale of power to its subsidiary distribution companies, the provisions relating to Conservation of Energy, Technology Absorption are not applicable to the company. However, brief details of energy conservations measures taken through distribution companies are given here under.

### Conservation of Energy

Uttar Pradesh is one of the largest states in the country. During the year 2022-23, the company was able to meet energy and demand throughout the state with minimum possible restrictions and control measures. Necessary steps are taken by the DISCOMs from time to time. The major steps that have been taken by the DISCOMs for conservation of energy are as follows:

- Distribution of LED Bulbs, Tube Lights and energy efficient fans under the UJALA Scheme.
- Installation of grid connected solar power plant at individual agriculture consumer/Private Tube well Consumer/ Krishi Upbhogta at 33KV/11KV Substations and feeder level solarization under the PM-KUSUM YOJANA.
- (iii) Installation of energy efficient equipment.
- (iv) In, house renewal and modernization.
- (v) Improving operation efficiency.
- Monitoring of supply of electricity process and analysis of regular data important for energy conservation.
- (vi) Under RSPV Regulation 2019 issued by the UPERC, Solar Power Consumers are allowed the facility of net meter and Under RSPV Regulation 2019 ( First Amendment) dated 01.06.2022 facilitates Net Billing.
- (vii) 1000 Numbers of Grid Connected & Individual PTW Consumer Pumps are Solarized.

### **Technology Absorption**

- (a) Efforts made towards technology absorption, adaptation and innovation are as under:
  - Installation of electronic meters/smart meters of updated technology as per the need of the system.
  - (ii) Installation of capacitor banks at 33 KV substations.
  - (iii) LT less distribution system in rural areas.
  - (iv) Feeder separation works.
  - (v) Technology up gradation in the areas of process improvement.
  - (vi) Effective energy management for technology absorption and energy conservations measures.
- (b) Benefits derived as a result of the above efforts:
  - (i) Accurate metering
  - (ii) Sustained Accuracy
  - (iii) Reduction in aggregate transmission and commercial losses.
  - (iv) Reduction in theft.
  - (v) Improved quality in supply of power.
- (c) Improvement and development activities in the electricity utility area are continued like energy efficiency of power network, power quality and power reliability, renewable energy for environmental benefits, improving customer services and safety. IT enabled applications etc.

### Foreign Exchange Earnings and Out Go

During the year under review there was no foreign exchange earnings and out go.

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### 13 Human Resources and Training

The Company has a separate Industrial Relations Department and Personnel and Administration Department. The Company takes pride in its well-trained, efficient, experienced and committed man power of Engineers, Officers, Staff and other workers. In the year 2022-23, exercise for promotions in all cadres was done. During the period under review, Our Personnel and Administration Department has been entrusted the recruitment work for the company and on behalf of the subsidiary distribution companies. The Company has also a separate Service Commission Wing for recruitment of the employees.

Communication meetings with unions and associations, workshop on transmission and distribution system, state load dispatch system etc. were conducted during the year. Both the employees and management complemented each others' efforts in furthering the interest of the company as well as stakeholders, signifying and highlighting overall harmony and cordial employ relations prevalent in the company.

The Company has a separate Training Institute at Lucknow. Newly recruited officers and employees under go company's training program. The knowledge of the engineers, officers and other employees is being updated on continuous basis both within the organizations and from outside training/refresher courses.

### 14. Particulars of Employees

As per provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included and do not form part of this Directors' Report.

### 15. Achievement in various fields by the Company.

As a Corporation, Entity have to fulfill various responsibilities towards its stakeholders, and for that kind purpose have to achieve various norms for its stakeholders, A list of various achievements made by Company during the period under review is annexed as **Annexure** IX.

### 16. Acknowledgement

The Directors of your company wish to place on record their deep appreciation for the continued support received from the Government of Uttar Pradesh, especially the Departments of Energy, Finance, Planning, Law and other Departments of Government of U.P. and support received from the Government of India particularly Ministry of Power, Ministry of New and Renewable Energy, Ministry of Environment, Forests and Climate Change, Ministry of Corporate Affairs, The Central Board of Direct Taxes and The Central Board of Indirect Taxes, GST Authorities and UP Electricity Regulatory Commission, Rural Electricity Authority, Central Finance Corporation and other Financial Institutions, Central Electricity Authority, Central



Electricity Regulatory Commission, Appellate Tribunal Electricity, Regional Power Committees, State Utilities and Stock Exchanges. Banks and Financial Institutions.

The Directors of your company also convey their gratitude to the electricity consumers of the state for their co-operation and confidence reposed by them in our subsidiary distribution companies.

The Directors of your company also thank Office of the Comptroller and Auditor General of India, Central Statutory Auditors, Branch Statutory Auditors, Internal Auditors, Cost Auditors and Secretarial Auditors for their constructive suggestion, guidance and co-operation.

The Directors also appreciate and value the contributions made by every member of UPPCL and its subsidiaries across the State.

For and on behalf of the Board of Directors

Date:

Place: Lucknow

(Nidhi Kumar Narang) Director Finance DIN-03473420

(Pankaj Kumar) Managing Director DIN-08095154

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### Details of Number of Meeting of Board of Directors for F.Y. 2022-23

S. No.	Date of Meeting	S. No.	Date of Meeting
1.	179th Board Meeting - 26.05.2022	2.	180th Board Meeting - 24.06.2022
3.	181st Board Meeting - 08.07.2022	4.	182th Board Meeting - 16.07.2022
5.	183rd Board Meeting - 10.08.2022	6.	184th Board Meeting - 12.09.2022
7.	185th Board Meeting - 27.09.2022	8.	186th Board Meeting - 21 10 2022
9.	187th Board Meeting - 11.11.2022	10.	188th Board Meeting - 17.01.2023
11.	189th Board Meeting - 14.02.2023	12.	190th Board Meeting - 27.03.2023
13.	191st Board Meeting - 30.03.2023		27.00.2020

### Details of attendance of Board Members in the Meeting of the Board of Directors.

During the financial year 2022-23, there were thirteen meetings of the Board of Directors of the Company. The number of meetings attended by each director during the financial year is as following:-

S. No.	Name of the Director	No. of Meetings which were entitled to attend	No. of Meetings attended	% of Attendance
1.	Shri M. Devaraj	13	13	100
2	Shri Pankaj Kumar	13	13	100
3.	Shri P. Guruprasad	13	13	100
4.	Shri Anupam Shukla	9	1	11
5.	Smt. Neha Sharma	8	0	0
6.	Shri Nidhi Kumar Narang	12	12	100
7.	Shri Neel Ratan Kumar	13	2	15
8.	Shri Jawed Aslam	2	0	0
9.	Shri Amit Kumar Srivastava	13	13	100
10.	Shri Kamalesh Bahadur Singh	12	12	100
11.	Shri Sourajit Ghosh	3	1	33
12.	Shri Kanhaiya Lal Verma	9	0	0
13.	Shri Sanjai Kumar Singh	3	1	33
14.	Shri Mrugank Shekhar Dash Bhattamishra	10	8	80
15.	Shri Ranjan Kumar Srivastava	1	0	0
16.	Shri Anil Kumar	2	2	100
17.	Shri Ajay Kumar Purwar	3	2	66.66
18.	Shri Ashwani Kumar Srivastava	4	3	75
9.	Dr. Jyoti Arora	3	2	66.66



AUDITOR'S REPORT	(A) Qualified Opinion:  We have audited the accompanying Standalone Financial Statements of Uttar Pradesh Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31stMarch, 2023, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements") in which are incorporated accounts of Material Management Zone (Location code – 300, 330, 640 and 970 and its units) ("Zone") thereof which have been audited by other auditor.	In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Standalone 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, of the state of affairs of the Company as at March 31, 2023, and the Net Loss, including other comprehensive income, its cash flows and statement of change in Equity changes in equity for the year ended on that date.	(B) Basis for Qualified Opinion:	We draw attention to the matters described in 'Annexure I', the effect of which, individually or in agoregate, are material but not pervasive to the financial
MANAGEMENT REPLY	prise the including stement of atements, planatory or porated 0 and 970 r.	ng to the tandalone Act, 2013 onformity of the Act amended of the state ding other y changes		of which, No comments

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(D) Emphasis of Matter Paragraph: <ol> <li>Tax deducted at source 92.64 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 have not been adjusted till the             close of the financial year.     </li> </ol>	(C) Key Audit Matters: Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole. Except for the matters described in the basis of qualified opinion including Annexure 1 to the audit report, we have determined that there are no other Key Audit Matters to communicate in our report.	statement and matters where we are unable to obtain sufficient and appropriate audit evidence. Our opinion is qualified in respect of these matters.  We conducted our audit of the Standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.
With reference to the said refund of Rs 7.09 crore, it is to be informed that regarding the refund relating to the assessment year 2011-12, 2015-16 and 2016-17, the Income Tax Department has issued letter no. ITBA/COM/F/17/2023-24/1052528983 (1) dated 02.05.2023, orders were issued under Section 154/254 of the Income Tax Act 1961, according to which a refund of Rs 5,48,67,481,00 was issued to the Corporation for the above three years and refund	No comments	

instructions have been issued, which till date has not been received in the bank account of n this context, the Income Tax Department is being continuously contacted to get the above are also requesting to personally appear before to get the above refund on 16.10.2023. But the available in the bank account of the mentioned refund in the bank account of the Corporation. The officers of the corporation the concerned Income Tax Officer to get the said refund. Every time the Income Tax Department informs that the said refund is In this sequence, grievances were also submitted on the Income Tax Department's portal through the Income Tax Portal on 6.10.2023 and 01.11.2023. Email was sent to Deputy Income Tax Commissioner Range-III updated date 30.11.2023. On 12.12.2023, the Income Tax Consultant of the Corporation had a conversation with the Centralized Processing them, and the said refund will be made Corporation soon. As soon as refund of Rs 5,48,67,481.00 is received in the bank account pending at the level of Centralized Processing Further, Grievance has been submitted on Center (CPC), in which the CPC informed that the request for the said refund has received by Public Grievance portal CPGRAMS said refund update has not been received. the Corporation. Center (CPC).

Debit balance Rosa Power is to Rs. 707 ero 2018 recovery the APTEL ti	Rs.707.68 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. 30 of Notes to Accounts relating to M/s Lalitpur Power Generation Company.	
of the Corpor the remaining		

b. Note 6- Loans & Others Financial Assets (Non-Current) includes Rs.118.21 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. Being old advances, Management should take necessary action for recovery/adjustments of this Advance.

the Corporation, action will be taken to get e remaining refund of TDS of Rs. 7.09 crore. bit balance of Rs 135.36 crores against sa Power is due to debit notes amounting Rs. 707 crores issued in the month of April, 18 recovery of which had been stayed by e APTEL till further order.

advances as per the books of UPPCL and the advances shown by the PFC as is clear from the table below: -

There are no differences in the amount of the

THE PROPERTY OF THE PARTY.	AAN	ORISSA
TAK ANTONIA	(Re.)	69.69
	Advance Received from UPPCL as per PFCCL (Nodal Agency)	69.68 + 3.32 (interest)
	Exce ss Un- reco neile d Adv Adv anece Paid (Rs.)	-0.01
	Remarks	The amount paid to Orissa is Rs. 69.69 Crores including Rs. 3.00 Crores which were wrougly shown as paid to Sasan UMPP. Further, it has been confirmed by M/s PFC that the amount of Rs.73.00 Crores earlier mentioned by them is including interest accrued and the amount paid by UPPCI, is Rs. 69.68 Crores Only (Rs. 100)

Commitment and advance and Rs 66.68 Crores Others)	No difference	A board note has been put up for the provision to be made in the accounts in respect of Cheyyur UMPP and provision. For the same will be created in books after due approval.	No difference	No difference	Difference due to rounding off.	Sasan UMPP was Rs. 5 Crore which has been returned back to UPPCL after successful completion of the project. No amount is due from Sasan UMPP against Commitment	As per information provided by SPAT unit, new developer is being selected for the project and once the new developer is selected. The entire amount will be collected from the new developer.  Confirmation of the province and developer.
		8 2 2 2 2 2 2 3	O 00 0	000 N	-0.01 D	- OCE 3 8 5 5 5 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6	00 00 00 00 00 00 00 00 00 00 00 00 00
	6,00	927	4.80	5.95	1.54		65.59
	6.00	927	4.80	595	11.55		18.59
				TATIYA	TILAIY	SASAN	JHARK HAND

The fact related to making provisions has already been disclosed in the Notes to Accounts at point no.07. As far as review of the same is concerned, it is submitted that we are in the process of reviewing & revising the accounting policy and necessary action shall be taken accordingly.	5. As per Note no. 11 (Financial Assets-Other (Current), Company has made provision for doubtful receivables @10% on Rs.2159.00 Crore which includes 1239.21 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.
It is already mentioned in the accounting policy of the company that power purchase from Central Generating Units and State Generating Unit is accounted for at the rate approved by Central Electricity Regulatory Commission (CERC) and UP Electricity Regulatory Commission (UPERC) respectively. Hence, it is implied that the power purchase is accounted for at the rates approved by the regulatory commission whether provisional or final.	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.
has changed the ration of power purstion of power purstion of ABR (Averagory disclosure in the point no.14 in the point no.14 in the point no.15 i	3. As per Note no14 to the Notes to Accounts, average billing rate methodology has been used as per decision of higher management of UPPCL instead of Differential Bulk Supply Tariff (DBST) adopted in the previous years. Reasons of such change have not been disclosed in the Notes to Accounts although it has impact on cost allocation to individual DISCOMS.
PURA 1.12 1.12 0.00 ksarapura UNIPP PURA the amount received the amount received the amount received them UPPCL of Rs. L12 Cores. Copy of statement provided by Karaspura is attached berewith.	

Total fixed deposit of Rs 2869.84 ICICI bank only. Company has c 33(V) in the Notes to Accounts. I by the management.	7. The Annual Accounts General Meeting (Refer	Report thereon:  Report thereon:  The Company's Board of Directors is responsible for the pinformation. The other information comprises the information. The other information comprises the information's report but does not include the Standalone Financia auditor's report thereon. The above report is expected to be after the date of this Auditor's Report.  Our opinion on the Standalone Financial Statements doe information and we do not express any form of assurance of In connection with our audit of the Standalone Financials available and, in doing so, consider whether the other information in the audit or otherwise appears to be materially misstated. When we read the above-identified reports, if we conclude misstatement therein, we are required to communicate the n with governance and take appropriate actions necessitated and the applicable laws and regulations.	Responsibilities of Management a Standalone Financial Statements:
Tracement of Fixed Deposits:  Total fixed deposit of Rs 2869.84 crore include Rs 2185.96 crore placed with ICICI bank only. Company has disclosed the same as a risk factor Para No. 33(V) in the Notes to Accounts. Proper monitoring of same needs to be done by the management.	The Annual Accounts of F.Y 2021-22 are yet to be adopted in Annual General Meeting (Refer Para 31 of Note - 29 "Notes on Accounts").	Report thereon:  Report thereon:  The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standalone 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 Standalone 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 Standalone 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 Standalone 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.	Responsibilities of Management and those charged with governance for the Standalone Financial Statements:
ror appropriate monitoring and control mechanism, a committee has now been formed.	The Annual accounts for the F.Y. 2021-22 has been adopted in Annual General Meeting on 16.02.2024.	No comments	

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Our objectives are to obtain reasonable assurance about whether the 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.		g the Standalone Financial Statements, management is respo he Company's ability to continue as a going concern, disci matters related to going concern and using the going concern unless management either intends to liquidate the Company of or has no realistic alternative but to do so. urged with Governance are also responsible for overse s financial reporting process.	134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and effectively for ensuring the 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.
No comments			No comments

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 Standalone 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 Standalone
  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 Company's ability to continue as a going concern. If
    we conclude that a material uncertainty exists, we are required to draw attention
    in our auditor's report to the related disclosures in the financial statements or,
    if such disclosures are inadequate, to modify our opinion. Our conclusions are
    based on the audit evidence obtained up to the date of our auditor's report.
    However, future events or conditions may cause the Company to cease to
    continue as a going concern.

nancial her that her that nancial nancial onomic may be s in (i) r work; nancial g other ndings, during during we have and to sonably guards, ce, we of the the key law or ely rare in our bly be	Other Matters:  We did not audit the books of accounts / information of Zone included in the Standalone Financial Statements of the Company which include assets of Rs	Materiality is the magnitude of misstatements in the Standalone 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 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 Standalone 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.	<ul> <li>Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.</li> </ul>
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27468.49 crore and Revenue form operation of Rs 68653.93 crore. The books of accounts / information of the Zone (except disclosure in notes to accounts) has been audited by the Zone auditor who had audited only Trial balances of the zone only and whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of Zone, is based solely on the report of such auditor.	Report on Other Legal and Regulatory Requirements:  1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure-II", a statement on the matters specified in	the paragraphs 3 and 4 of the said Order, to the extent applicable As required by directions issued by the Comptroller & Auditor General of India under section 143(5) of the Act, we give in "Annexure - III (a) and III (b)", a statement on the matters specified in the directions and sub-directions. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not	applicable on the Company.  As required by section 143(3) of the Act, based on our audit, we report that:  Except for the matters described in the "Basis for Qualified Opinion" section, 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.	In our opinion and except for the matters described in "Basis for Qualified Opinion" section, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Zone of the Company not visited and not audited by us.  The reports on the accounts of the Zone of the Company, audited under Section 143(8) of the Act by Zone auditor have been sent to us and have been properly dealt with by us in preparing this report.
No comments	No comments		No comments	No comments

- The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash agreement with the books of account and with the returns received from the Zone not visited and not audited by us Flow and the Statement of Changes in Equity dealt with by this Report are in
- (e) Except for the matters described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.
- (f) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 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
- (g) With respect to the adequacy of the internal financial controls system in place with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our report in "Annexurery"
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- Except for the effects of the matters described in the "Basis for Qualified Opinion" section, the Company has disclosed the impact of pending litigations on its financial position in its financial statement. Refer Note 30 to the Financial Statements.
- ii. As per information and explanation furnished to us, Company has not envisaged any foreseeable losses on any long term contracts except mentioned by us in the 'Basis of qualified opinion'
- There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share

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No comments

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any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.	(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether	recorded in withing or otherwise, that company shall, whether, directly, lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the Funding Part("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Reneficiaries	(c) Based on audit procedures performed that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that caused us to believe that the representation referred under clause iii (a) and (b)	contain any material mis- statement. (d) The Company has not declared or paid any dividend during the year, therefore compliance with section 123 of the Companies Act, 2013 was not applicable.	(e) Proviso to Rule 3(1) of the companies (Accounts) Rules 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the	company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.	As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 118 March 2021

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nation and explanations given to us during the course of or	Note- 12 Other (Current Assets) Rs.1567.90 Crore include Rs 431.68 crore Receivable from Generators as mentioned in Para 24 of Notes to Accounts-30 for which no confirmation and reconciliations are available. Same has been reported in last year Audit for making suitable Provision.  We are of the opinion that Provision for Rs 431.68 crore "Receivable from Generators" should be made in accounts.	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 31st March, 2023 (Refer Para 29 of Note – 30 "Notes on Accounts"), which is not in accordance with Ind AS 36 Impairment of Assets.	Loans and Other Financial Assets (Note-6), Trade Receivables-Others (Note-8), Financial Assets-Others (Note-11), Other Current Assets - (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. Similar issues also were brought to the notice of management in previous audit report but no corrective actions seem to have been taken in the financial year 2022-23. Major Balances include a) Rs 15.55 Crore (Note No. 6)-Loans & other financial Assets (Non-Current) including Rs, 5.19 Crore (Security
No comments	Reconciliation of these balances are still under process by dedicated outside agency. The necessary accounting/ adjustment shall be made after completion of said reconciliation.	As per para 9 of Ind AS 36, which states that "An entity shall assess at the end of each reporting period, whether there is any indication that an asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount. Hence, the company has estimated the recoverable amount on the basis of net worth of the subsidiaries.	The old balances which are carrying over since last so many years, are mostly related to Transfer scheme. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same.

	(Rs.685.13 Crore)-Financial Assets — Other (Current), Note No-11 including Rs. 408.24 Crore relating to Unscheduled Interchanges Charges Pool a/c, Reactive Energy Charges Rs. 123.79 Crore, and Misc. deposits/balances Rs. 29.26 Crore respectively. In absence of complete details and balance confirmation, we are of the view that provision should be made in the accounts to the extent of Rs.576.84cr. for old balances as reflected in Note-11 financial Assets-Other (Current Assets) and Note No. 6, Loans & other financial Assets (Non-Current). Loss of the company is understated and other receivable is overstated to that extent.	
4	Purchases as per Note No-22 for Rs.68653.93 Crore, includes Sales to Indian Energy Exchange for Rs 2581.77 Cr, which has resulted into reduction/understatement of Purchases and consequent understatement of Sales of Energy (Note No-20, Revenue for Operation).	Separate accounting for sale to Indian energy exchange has been started from December 2023 financial statement.
v,	<ul> <li>a.) Restructuring Reserve: A Credit balance of Rs. 540.31 Crore is included in "Other Equity Note-14 as restructuring reserve. As confirmed to us, the balances are old and has been transferred through transfer scheme. No detail was available for aforesaid Reserves. b.) Capital Reserve: No details have been provided to us regarding capital reserve Rs 195.95 Crore. </li> </ul>	The unadjusted transfer scheme balances after due scrutiny will get transferred to separate AG code and will be adjusted in future as and when it get reconciled as per decision of Higher management.
9	Note-19 Other Financial Liabilities- Current includes Deposits and Retentions from Suppliers & Others Rs 264.65 crore for which no detail is available.	Except balances received through transfer scheme details of balances are available with the unit concerned
7.	Details of charges filed with ROC against borrowing from bank and few generators have not been disclosed in the respective Notes to Accounts.  On examination of search report furnished to us, it was known that pari-passu charges has been registered on receivables /Current assets of the company against borrowings sanctioned by the bankers, while Debenture Trust deed executed with the trustees of the bonds shows that there is an exclusive charge on Current assets/receivables of the company including book-debts which is in contravention of the	Action for harmonization of security in the issue of conflict/disconnect in security provided to different lenders etc. is under process.

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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 C (I) (d). Such employee cost to the extent not directly attributable to the acquisition and/or installation of Property, Plant and Equipment is inconsistent with Ind	<ul> <li>b. Recognition of Insurance and other claims, refunds of Income Tax, Interest on Income Tax &amp; Trade Tax/GST, interest on loans to staff and other items of income covered by Significant Accounting Policy No. B (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.</li> </ul>	Non-Compliances of Ind-AS  The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended):  a. Financial Assets- Financial Liabilities-Trade payable (Note-11), Other Current Assets (Note-12), Financial Liabilities-Trade payable (Note-18) and Other Financial Liabilities (Note-19) 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 realis ability/settlement/confirmation of balances for such amounts within twelve months after the year end, classification of same 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. Few specific instances include Unscheduled Interchanges Charges Pool a/c is Rs 514.86 Cr and Reactive Energy Charges Rs 123.79 Cr as on 31st march 2023 included in "Current Assets-Other" Note-11.	up the matter suitably with the Lenders. Appropriate disclosure for the same has not been given in the Notes to accounts.
Due to multiplicity of functional units as well as multiplicity of functions at particular unit, the company has formulated a policy of accounting and capitalizing the employee	Considering the uncertainty of realisation, these incomes are accounted for on receipt basis.	As per Ind AS-1 Presentation of Financial Statements, 'an entity shall classify an asset/ liability as current when inter alia, it expects to realise/ settle the asset/ liability (respectively) within twelve months after the reporting period.'  The Company expects the Financial Assets-Trade Receivables (Note-8), Financial Assets-Other (Note-11), Other Current Assets (Note-12); and Financial Liabilities-Trade Payable (Note-18) and Other Financial Liabilities (Note-19) to be realized and settled (respectively) within twelve months after the reporting period. Hence, the aforementioned items are being classified current and not as non-current.	

tement of related costs at fixed percentages (15% on dowever, deposit works and 9.5% on other works).	o.(VI) of stores and spares are being valued at cost.  onsistent salizable sified as disclosed Further, provision	ability of Actuarial valuation of gratuity liability in respect of CPF employees and leave encashment liability in respect of both GPF and CPF employees has been done in accordance with the provision of IND AS-19. As regard actuarial valuation of pension and gratuity for GPF employees, it is stated that the provision has been made on the basis of actuarial valuation report dated 09.11.2000 and the same facts has also been disclosed in Notes to Account.	air value As per Ind AS- 113 Fair Value osures as Measurement, fair value means 'the price that not been would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.  And the Company expects to realise the only recognitive amounts which are being accounted.
AS 16 Property, Plant and Equipment. This has resulted in overstatement of fixed assets and depreciation and understatement of employee cost. However, impact is not quantifiable at this stage.	d. Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost (Refer accounting policy no.(VI) of (Note-1). Valuation of stores and spares for O & M and others is not consistent with Ind AS 2 Inventories i.e., valuation at lower of cost and net realizable value. Further, the stores and spares for capital work should be classified as part of Property, Plant and Equipment and recognised, measured and disclosed in accordance with Ind AS 16 Property, Plant and Equipment. Further, the company has not formulated any accounting policy in respect of provision for unserviceable stores & spares and slow-moving stores.	e. Accounting for Employee Benefits: Actuarial Valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer Para 5 (a) Note — 30 "Notes on Accounts"). This is inconsistent with Ind AS 19 Employee Benefits.	f. The Financial Assets (Note-6, 8 and 11) 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: Disclosures, have not been done for the same.

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C&AG auditors during audit of financial year 2020-21 have commented up on understatement of provision of impairment on investment in DISCOMS since company had credited recoverable amount from Govt. of U.P under Atmar Nirbhar Bharat Subsidy Scheme to "other equity" instead of "Deferred Income" which was consequently included in the Net worth of the DISCOMs and considered for making provision towards investment in DISCOMs. Company has neither made any adjustment in the books of account nor disclosed properly the reasons for non-rectification of such material error in the notes to Accounts. This is having impact on the provision for impairment/consequential losses and state of affairs of the	Note-16 "FINANCIAL LIABILITIES OTHERS (NON-CURRENT)" includes Rs 804.87 Crore Liabilities against Loan, the nature of loan and its terms and conditions are not disclosed.	Inter unit transactions amounting Rs.148.17 Cr, are subject to reconciliation and consequential adjustments. (Refer Para 8 Note – 30"Notes on Accounts").	g. Further Company has not disclosed the reasons for non- compliance of various Ind AS as required by IND AS-1 Presentation of Financial Statements.
We have referred this matter to Expert Advisory Committee of Institute of Chartered Accountants of India. Since opinion of EAC on this matter is yet to be received, hence required accountal / correction entry/ disclosures will be done accordingly after the receipt of opinion.	In the present case, out of Rs. 804.87, Rs. 147.05 crores is related to Transfer Scheme and balance amount of Rs.657.82 is old balances which are carrying over since long. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same. The unadjusted transfer scheme balances after due scrutiny will get transferred to separate AG code and will be adjusted in future as and when it get reconciled as per decision of Higher management.		considered the same as its Fair Value.  The necessary Accounting and disclosures has been made as per Ind AS and accounting policy adopted by the company.

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<ul> <li>ii) As per section 177 of the companies acts 2013, following major compliances/ issues were not placed before Audit committee as also delegated by the Board of Directors:</li> <li>a. Approval or any subsequent modification of transactions of the company with related parties.</li> <li>b. Scrutiny of inter-corporate loans and investments.</li> <li>c. Evaluation of internal financial controls and risk management systems.</li> <li>d. Monitoring the end use raised through public offers and related matters.</li> </ul>	Major Non-Compliances of Law  i) Company has not appointed any Company Secretary as required u/s 203 of Company Act 2013.	Non-Disclosures in Notes to Accounts: - Following disclosures have not been made in accounts: - a. Disclosure regarding amount of subsidy not accounted for in case of disputed solar power cases. b. Allotment date for Share application money placed with DISCOMS. c. Risk Management factor do not include Matrix of Age Wise Borrowings and Liabilities due.	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 2021-22, instead of financial year 2022-23. (Para 28 of Note- 30 "Notes on Accounts").	monthly trial balances 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.
All related party transactions are considered and approved by the Audit Committee and placed before the Board on half yearly basis and all other stipulated matters are placed before the Audit Committee and Board as and when arise.	Company has made recruitment of Company secretary and the same is under process.	Management has made disclosures which is necessary and related to accounts for the FY 2022-23.	In view of many difficulties in obtaining/collecting all the base information for allocation of expenditure at the end of the year, the basis of information for allocation has been taken for the previous year.	implementation of ERP system.

	iii) Co	<ol> <li>Company has not held meeting of Risk Management committee, Stakeholder committee etc. during the year under review.</li> </ol>	The Company shall adhere to the requisite compliances.
17.	Major.	Major Audit observations in Material Management Zone Audit Report:- A. Property Plant and Equipment: - a) Branch Auditors trial balance is showing Buildings under the head AG Code 10.208 "Building CONTA DIST INST" amounting to Rs. 48,34,196.68 and under AG Code 10.211 Office building amounting to Rs. 11,65,227.05, but information regarding the Land of corresponding assets not provided to us. #Units645 - Elec Civil Const Div - 1	<ul> <li>a) The Balances for these assets i.e. Building are transferred under transfer scheme without Land Balances and most of the Land are pertains to UPSEB era. Further Unit is working to identify the accounting of mentioned Land.</li> </ul>
	<u>(a</u>	<ul> <li>b) Branch Auditors trial balance is showing Buildings under the head AG Code 10.211 "Office Building" amounting to Rs. 42,08,722.10 but information regarding the Land of corresponding assets not provided to us. #Units641 – Civil</li> </ul>	<li>b) The mentioned Building is pertains to construction of Shakti Bhawan premises and Land acquired for the same at the time of UPSEB era.</li>
	©	c) An amount of Rs 36506.76 is shown under the head Scrap Materials A/c (A/c Code 22 770), on review of the said account we were explained that these are group of assets which has been fully depreciated and are being carried at its residual value. Further, since fixed assets register is not being maintained these assets cannot be identified. Furthermore, no report of any committee who identified the above assets as scrap was provided to us. Further, as per Ind AS 16 (Property, Plant and Equipment) which requires measurement of such kind of assets at its net realizable value which has not been worked out. Therefore, we cannot comment upon the value at which these assets are carried. #Units330 – EIE&PC	c) The said amount of Rs 36506.76 under scrap material has been written off with the approval of Management. The necessary accounting adjustment have been done in the March 2023 accounts.
	<del>Q</del>	d) The zone is not evaluating the Property Plants and Equipment (PPE) for impairment as required under INDAS 36, as explained to us revaluation of PPE is not permitted by the Electricity (Supply) (Annual Accounts) Rules, 1985, the exception may be because the PPE cost is built in the Fixed Cost of the tariff but as explained to us the cost of PPE of the	<ul> <li>d) The accounting related to Property Plants and Equipment is done as per the accounting policy of the corporation.</li> </ul>

C. Investments  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 to MPPMCL as explained to us the amount of Equity contribution is not identified in books of accounts further necessary detail on the same is required from Fund section of the company by the EIE&PC which remained unclarified till date, therefore in absence of information and adequate explanation we cannot comment upon it.	B. Payment of Lease Unit #972 (UP Vigilance Cell) and #unit 327 (Electricity Store Procurement Circle) are being maintained at rental premises. As explained to us the rent of Unit 972 is being deposited to Court as the ownership of the premises is subjudice. Further latest lease agreement and the rent receipt were not being provided to us for premises with Unit 327, further Compliances of Ind AS 116 is not done at zone level.	Company is not approved under the tariff approved by the regulator neither Depreciation is allocated to the Distribution companies. The company has not sought any clarification from relevant regulatory authorities regarding the same.
MCL for 18.15 MW tion of Rs 66.74 crore capital of Rs 165.50 is equity contribution is not ity contribution is required in the same is required PC which remained nation and adequate	ty Store Procurement ained to us the rent of f the premises is sub- ceipt were not being liances of Ind AS 116	ved by the regulator companies, n relevant regulatory
The payment of Rs. 65.50 Crores considered as equity contribution against share of UP in Rajghat HEP was done at the time of erstwhile UPSEB (during 1997-1998). The matter is under scrutiny/reconciliation and accordingly appropriate action will be taken. As regard, the additional amount of 1.24 Crores as UP's share towards Difference in actual capital cost of the Rajghat HEP spread over the years FY 2002-03, 2003-04 and FY 2004-05 has been set off against the interest payable to UPPCL by MPPCL in compliance of MoM dated 25.07.2018. No separate	In this reference, it is submitted that the present case is not a lease agreement, it's just a normal rent agreement which has been done to use the premises. Hence, IND AS 116 will not be applicable in the instant case and accordingly no compliance of the same is required. Presently, due to ownership dispute the matter is subjuidice in court, hence the renewal rent agreement is pending. However, liability for payment of rent is being created on monthly basis in case of Unit #327. Further, amount of monthly rent is being deposited in court in case of Unit #972.	

accounting has been identified a contribution in the books of accounts	The balances in account of party, contractors, Governments Departments, The company has a system of confirmation and advances & other reconciliation of balances. However, units receivables are subject to confirmation and reconciliation. The impact of have been instructed to take effective action in adjustment if any, which may arise out of the confirmation and reconciliation from third party.	Branch Auditors observed lack of proper system of review for identifying doubtful dues, especially those arising out of disputes pending before been made as per management estimate and the respective judicial forums and absence of regular follow ups with the same has been disclosed at point no. 07 in the which we are unable to quantify the amount of provision which is required for irrecoverable or doubtful dues and its consequential impact on the financial statements. #Units330 – EIE&PC	F. TDS Receivables-	The unit has accounting TDS receivable of Rs 749029895.47 pertaining to Power sale to Distributing companies (DISCOMS)however as per 26 AS Rs.818491478.47 in F.Y 2022-23 and TDS as power to the DISCOM as explained the necessary adjustment will be done at HQ Level. (UNIT CODE 330)	As observed the zone has following balances as TDS receivable appearing in the books of the zone, in the absence of year wise breakup and status of refund, as soon as the refund is received and completion of the assessment, we cannot comment upon the genuineness details are provided from cornorate tax unit
	ď	R	F. 7	-4	:=

		LAK		any is not provided to us neither was available with the unit, neither current status	with the	s neither was availabl	t provided to u	any is no	
		PALIAK		and other includes old balances which are under reconciliation, year of advance if	ter recond	salances which are uno	includes old I	and other	
Since- 2009-10.		HIND,L,	756	)11714482.31, & BAJAJ HIND.L., PALIAKALAN, LAK Rs. (-)147117485.74	ALAN	U HINDL., PALIAK	231. & BAJ	)1171448	
Debit Balances	-147117485 74	ININB	#	BARKHERA, Rs. (-)36495325.42, BAJAJ HIND.L., KUNDARKHI Rs.(-	J HIND	36495325.42, BAJA	ERA, Rs. (-)	BARKH	
onciliation				LIMITED, BARKH Rs. (-)1662752.45, BAJAJ SUGAR LIMITED,	, BAJ/	Rs. (-)1662752.45	), BARKH	LIMITE	
e-mails has been send				HINDUSTAN LTD. (GANGAULI) Rs. (-)34873409.42, BAJAJ HINDUSTAN	4873409	JANGAULI) Rs. (-)3	TAN LTD, (	HINDUS	
and various letter and				BAJAJ HINDUSTAN LTD. UTRAULA Rs. (-)10440643.57, BAJAJ	A Rs.	LTD. UTRAUL	HINDUSTA	BAJAJ	
prior to 01.04.2007			113	TRIVENI ENGINEERING LTD., MILAK NARAIYAN Rs.(-)69228689.50,	NARAI	ING LTD, MILAK	I ENGINEER	TRIVEN	
Debit b	3432723674.00	NHP.C	±	)2216562.75, TRIVENI ENG.& IND.LTD DEOBAND Rs.(-)74915812.07,	DEOB	I ENG.& IND.LTI	2.75, TRIVE	)2216562	
3 5 3 5 7	ratio	Generatur	Code	MILLS LTD. Rs. (-	SUGAR	Rs. (-)76155192.24, M/S DWARIKESH SUGAR MILLS	6155192.24,	Rs. (-)7	
# Remark	Name of Debit Balance as the per Audit	Name of	ÅG	TRANSMISSION LTD. Rs. (-)16432986.00, M/S SIMBHAULI SUGAR MILLS	MIS SIM	), Rs. (-)16432986.00,	AISSION LTI	TRANSA	
				RAMPUR SAMBHAL		710.00, POWERGRID	s. (-)3633710.00,	NOAR-Rs.	
resolve these debit balances as soon as possible.	bit balances a	e these de	resolv	namely NHPC- Rs. (-)3432723674.00, TEESTA URJA LTD. Rs. (-)3722.00,	STA UI	)3432723674.00, TE	VHPC- Rs. (	namely 1	
9-10 years old and are subject to reconciliation. We	nd are subject	cars old a	9-10	several cases excess payment of Rs.3917614447.47 has been made to the parties	147,47 hz	yment of Rs.3917614	ases excess pa	several c	
We have worked out that in following cases, the debit balances as mentioned by audit are more than	s mentioned b	ave worke balances a	We h	Trade payables  Trade payable having debit balances for power purchase of following parties, in	er purch	lebit balances for pow	ayables yable having	G. Trade payables Trade payable have	
				86,79,16,094.84	1000000	V-000 CC	Total TDS Receivables	Total TI	
				13,848.00	27,425	ESPC	327	9	
					27.425	Import and Export	330	00	
					27 422	Import and Export	130	-3	
					27,425	Civil	641	6	
					27.421	Civil	641	*	
					27,425	Civil Const. Aliganj	645	4	
				5,730.00	27.425	Maintenance	646	4	
				-12,04,953,00	27.425	Service Commission	973	2	
				19,47,440.00	27,425	1113	982	-	
	Sura Sura	ints.	accounts.	Outstanding (Rs.)	Cod		120000000000000000000000000000000000000	2000	
correction are being made in current FV	being ma	rtion are	corre	Amount	AG	Unit Name	Unit Code	S. no	

TOTAL | -3579841160

was explained to us further it should be emphasized that the advances and excess payments are not interest bearing therefore loss to the corporation if any cannot be determined in the absence of clarification and adequate details. Bearing lack of documentation and adequate information, the recoverability or provision for doubtful amount cannot be commented upon at this stage (Unit#330 EIE&PC).

OLD BALANCES	Name of The Generator Total Balance	18:10942652-	AGEMENT BOARD -16575376.60	-2088110.00	-15502004.00	-9705040.12	D - 00719.00	-1534738.00	-775440.00	GHAZIABAD -46511195.00	-6931463.93	LTD (ERS -1660526.78	-1688774.00	-359007989.24
	Name of	MADHYA PRADESH	BHAKRA PROJECT MANAGEMENT BOARD	KARNATAKA P.C.L.	MSEDCL	LANKO EU LIMITED	G.M.R. ENERGY PVT. LTD	MANIKARAN	MS ACC LTD	MITTAL PROC.PVT.LTD.GHAZIABAD	TECH, ASSOCIATES	WAVE INDUSTRIES PVT. LTD. (ERS	HIMACHAL PRADESH	Total
	AG Code	41.106	41,110	41.128	41.134	41.405	41.411	41,420	41,422	41.427	41.432	41,743	41.205	

Hence, out total amount of Rs 391.76 Crores of debit balance as mentioned in the first table of the para, an amount of Rs. 357.98 crores are very old for which reconciliation with concerned GenCo as well as internally with Fund unit is under progress. Out of the remaining Debit balances, Rs. 1.64 Crores which is related to Powergrid Rampur Sambhal Transmisson Ltd. (PRSTL) is on account of Negative Bills verified in Feb,23 and the same has been adjusted from further payments to PRSTL, now the balance is credit (Rs. 931905) as per books of May 2023.

Remaining accounts with debit balance as mentioned by audit, amounting approximately Rs. 32.14 Crore (391.76-357.98-1.64=32.14 Crore), are being examined and under reconciliation through third party consultant. These balances were inadvertently replied as excess Payment, however the same cannot be considered as excess payment until the reconciliation is complete with concerned parties.

Further, as mentioned by audit in the second table of the para, there are old debit balances for which the unit has sent letters to concerned GenCos and trying to reconcile these balances.

H. Staff and Other Liabilities

same could not furnished to Branch Auditors: -	balances, (above more than Rs 1.00 Crore) which are quit old and details of	The Zone has not provided relevant details of the following
	ld and details of	ing outstanding

(ceronologian)	(61 809 95 00 56)	(48,15,483.00)	(90,81,65,774.00)	(6,01,50,278.05)	(11031894.00)	(16982312.00)	(208115768.53)	(8227668.67)	(15618278.00)	Amount (INR)
	Cr	Cr.	Cr.	Cr.	Cr.	Cr.	Cr.	Cr.	Cr.	Dr.
The second second	IIPPTC!	ACCOUNT	GL PAYABLE UPJVNL	AMT PAYBL- OTHER EB/ST GOVT./LB	CPF Employer Share Contribution	CPF Employee Share	Liability to Trust For EMP - GPF	Liability to Madhyanchal – EC/ED	CPF EMP Recovery	HEAD OF ACCOUNT
10,000	46 989	46 98	46 936E	46 936	44.621	44.620	44.610	44.412	44.620	AG CODE
				330				971	983	CODE

#### . Power Purchase

There is no effective system in place to verify power purchase for completeness, 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

The Balances shown in unit code 983 and 971 for AG Code: 44.610, 44.620 and 44.621 are related to liability towards GPF and CPF which are already paid from Zone Level. And Balance appearing in AG head 44.412 is related to Electricity charges deduction from Employee's salary.

The unit has effective internal controls to verify total energy purchased during the year and have a mechanism to verify each and every bill on the basis of related energy account of concerned generator. For this purpose, all the energy bills related to FY 2022-23 not received at the unit till the preparation of Trial Balance have been identified and provisioning for the same has been done on estimated basis. Similarly, bills that have been received but not verified till the finalization of

Hence Power Purchase Cost and Energy both have been accounted for whole year. Details of Statutory charges/Income tax and invoices as per UPERC/CERC true-up/tariff revision orders are being accounted for as per the event. We strive to ensure booking of all power purchase cost during the total power purchase cost to DISCOMs reimbursement bills and other bills of nature that internal control measure in practice to ensure all such costs such as reimbursement bills, bills raised after financial year end and received up-to Regarding quantitative reconciliation of power, Central/State Load Dispatch Centres (NRLDC, quantity booked in accounts with energy shown as This is worth considering that an independent third party firm has been appointed for reconciliation of accounts with all suppliers and reconciliation work received for FY 2018-19, 2019-20, 2020-21 and account have also been provided for appropriately. the related financial year itself. In order to transfer till the date of preparation of trial balance as an pertaining to any latest UPERC/CERC order etc. date get recorded in books and total cost gets this is to submit that the energy booked in accounts is already verified from energy billed by generator SLDC etc.) Further, a reconciliation of energy is being carried out on top priority. Account statements of almost all suppliers have been cannot be known to us in advance are considered accurately allocated to DISCOMs for consideration per Energy Schedule is being carried out regularly. Supplementary bills for reimbursement provisioning have been also provided to audit. generated vis-à-vis energy account in their books. in not quantifiable, this may consequently impact the profitability of the DISCOMS.

2023-24 which have been reconciled/ under

reconciliation for differences identified. Account

statements for FY 2022-23

		=
us, which created a gap in understanding the efficiency and effectiveness of each approach between the contractor-led reconciliation and the additional staff-led reconciliation.		
	has	The

iii) Generation based Incentives (GBI) receivable from IREDA amounting to adjustment. (Unit#330 EIE&PC) INR9,66,31,925.88 (Previous Year - INR 9,77,33,211.20) and a sum of INR (265,13,53,853.51) (Previous Year - INR (85,62,65,550.77) from UPNEDA are subject to confirmation and reconciliation and Consequential

> direction. a continuous process and we are working in that confirmation and reconciliation. Reconciliation is with suppliers/creditors for the purpose of balance reconciliation. We are continuously following up requested form suppliers and are under process of ne proposal of employing additional resources is have been already

s not yet been finalized. der consideration of management and the cost

rate' is accounted as receivable from UPNEDA and 'Average Tariff' of solar power projects and 'PPA Generation Based incentive for difference in IREDA and received on regular basis

21/10/2023) sent to UPNEDA & IREDA for the Confirmation and Reconciliation is under process. Letter (1350 dated 21/10/2023, 1351 dated

Interest cost or interest receivable included in the account of adjustment/revision in compliance of Power Purchase Bills presented by Generators on UPERC/CERC regulations or order etc. have been Since, the total power purchase cost is to be transferred to DISCOMs as Power sale price, hence, there is no understatement/overstatement of The unit has verified Late Payment Surcharge bills checking and computation is carried out before verification all LPS bills. In cases where LPS bills were pending for verification, appropriate and rebate and EIE & PC for bills, so there is a proper system for the verification of the Late Hence, there is no understatement/overstatement of Further, ERP system of Bill verification would of generators as per the provision of PPA. Proper provisions have been made in the books. Further, the calculation sheet on the basis of which Late signed by the generator, fund section for payment Payment Surcharge is being calculated jointly loss on account of Late Payment Surcharge at the help to strengthen internal control for computation profit or loss and no impact on profitability. accounted under power purchase cost. Payment Surcharge Bills. and accounting of LPS. unit level. receivable of Rs. 38177789,20 thereon, the amount of interest has been netted off from the purchase cost in the books. Purchase cost and interest income, therefore are understated to the extent of INR 38,17,77,874 Unit has accounted total late payment surcharge Rs.5695614955.00 out of iv) The zone has received interest amounting to Rs. 38,17,77,874 and TDS which could provide information regarding outstanding and overdue bills accounting policy on accounting on accrual basis where the LPS should be accrued after the specified time period of unpaid bills as specified in their is accrued and accounted. It is further observed there is no system in place accounted or not. Therefore, we cannot comment upon on the amount of which an amount of Rs1123754841.00 is for bills remained unverified. Accounting system adopted by the unit is in diversion of accepted details over which LPS need to be accrued and whether the accrual has been PPA, whereas only bills are accounted which is received by El&PC unit. No system was observed where bill wise LPS pending overdue for payment overstated profit/understated loss of the zone for the financial year 2022-2023 on account of provision of late payment surcharge. Provision for Late Payment Surcharge (Unit#330 EIE&PC) -

N. Rental from Contractor  The unit has accounted Rental Income from Contractor M/S Prayagraj Power Generation Corporation Limited of Rs 2,29,927.00 further as explained to us the said amount is on account of Lease of Land to the contractor, however unit did not have any information of Land is being recorded in the books of which unit.	M. Provision for Power Purchase and Unverified LPS and Power Purchase cost:  The Zone has booked an amount of Rs. 807.32 crore, as unbilled and unverified power purchase cost and Rs. 112.37 crore, as LPS Charges (unverified), on our examination and explanation provide to us, we observed that these charges are unverified and booked under expenditure on reasonable estimate, further as explained necessary deviation on their verification will be accounted at the time of verification. Therefore, impact if any on account of verification cannot be commented upon at this stage. However, Management has confirmed total amount of unbilled and unverified Power Purchase cost for Rs 9437 crore as on 31st March 2023.	L. Pending legal cases at different forums On our query during test check audit of liabilities on pending legal cases at different forums, we were explained that the status of court cases received from PPA unit, Planning unit Power Management Cell and SPAT unit has been considered by the Zone and the same has been disclosed as contingent liability. However, no details were provided to us during our audit and as explained to us the zone has no information relating to the cases and the same is dealt at HQ level. Therefore, we cannot comment upon the status of the cases and its financial implication on the books of accounts.	K. Bank Reconciliation Statement: - On review of the bank reconciliation statements we observed that old Un- reconciled balance of INR Rs. 138164.34 for which no adjustment /reversal has been made in the books of accounts. # Unit983 – DG Vigilance
The referred Land is transferred from UPPTCL Civil Unit Allahabad through OM No. 5107 dated 25.06.2015 to Unit #645 and informed by the transmission unit that it does not have any land balances in their books regarding to mentioned land.	As per the prudent accounting practice Provision for Late Payment Surcharges has been provided for on available reasonable estimates i.e. on the basis of bills submitted by the generator.	The detail of Contingent Liability has been provided.	The referred difference is now reconciled.

	O. Sale of Scrap  The Zone has sold old/unserviceable asset for Rs. 1734359.00 during the Financial Year, however as explained the assets sold were very old and gross value was ascertained on the basis of committee report, therefore the correctness of the Profit on sale of Asset of Rs. 927298.00 cannot be commented unon due to lock of details.	Since the assets balances are transferred under transfer scheme and the assets are very old, therefore the accounting is done as per the best available records.
Annexure-II	As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2023.	
1,	a. (i) The company has not maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.	The Property, Plant and Equipment register are maintained in Excel format. Units are instructed to maintain the mentioned details.
	(ii) The company has not maintained proper records of Intangible Assets (Software) for Rs.2.44 crore (gross).	Units are instructed to maintain the mentioned details.
	<ul> <li>b. The company has not carried out physical verification of the Fixed Assets hence we are unable to Comment whether any material discrepancy was noticed as such or not.</li> </ul>	Physical verification of the assets is being carried out by the respective units head.
	c. As reported by branch Auditors, title deed of Immovable Property (land) for Rs.47.24 lakhs was not available on record. Further as reported by branch Auditors, no details were provided to them with regard to the title deed of the immoveable property leased to KESCO nor were it explained in which unit the said asset is capitalized.	The Unit Code 646 holding Land of Rs. 4.65 crores in its books has the title deed for the same. detail for the same are as follows:  Cost of Land 1,13,52,800.00 Development Charges 3,09,67,162.00 Total 4,23,19,962.00

As per terms of sanction of credit limits for working capital sanctioned by various banks, company has to submit age-wise and party-wise Receivable statements on quarterly basis to the bankers. On perusal of the letters	No physical verification report of Stores and Spares for Rs.0.01 Crore as on 31.03.2023 has been provided to us. Hence, we are unable to comment about the coverage, procedure and its discrepancies.	As per the information provided, no proceeding has been initiated or are pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.	<ul> <li>d. As per information provided to us, company has not revalued its Property, Plant and equipment during the year.</li> </ul>	**including property held in the name of erstwhile UPSEB. Segregated amount was not provided to us.	Total hand 4.79 4.23 0.47	640 4.65 4.23 0.42	970 0.05 0 0.05	Cost of Land as per Trial as per Trial Available (RS. Available (RS. in Crore) Available (RS. in Crore) Available (RS. in Crore)	ZONE WISE LAND DETAILS	considered for reporting
by The company has obtained fund based / non- ible fund based credit limits from multiple banks ters aggregating to Rs. 1930.00 crores against	on Units are instructed to get the physical out verification done of Stores and Spares.	are ami er.	lant No Comments	No Comments				Further, the Unit Code 982 holding Land of Rs. 4,96,250/-, has been instructed to provide the title deed for above mentioned Land.	4,65,48,401.00	42,28,439,00 Total Value of Land held by unit

Pr Su 28 Pr Su Cr	3. Compar well as								
submitted to Bank, company ha properly in desired format, only sufficient time have been submit manner cannot be treated as subbankers. As mentioned in the Notes to 28572.46 crore (From October 20 submitted to Bank, it is Rs.30599 crore (doubtful debts). Similarly, while amount submitted to Bank is	Company has made investment during well as outstanding as on 31.03.2023 at i. Subsidiaries	Name of Subsidiaries	KESCO	Dakshinanchal VVNL	Madhyanchal VVNL	Paschimanchal VVNL	Purvanchal VVNI.	Southern U.P. Power Transmission Co. Ltd.	Total
submitted to Bank, company has not submitted the properly in desired format, only Trade Receivable as sufficient time have been submitted. Submission of manner cannot be treated as submission of Return a bankers. As mentioned in the Notes to Accounts Trade Rec 28572.46 crore (From October 2022 to December 22) submitted to Bank, it is Rs.30599.26 crore which is crore (doubtful debts). Similarly, for March 23 Quar while amount submitted to Bank is Rs.25073.14 crore.	Company has made investment during the year 2022-23 awell as outstanding as on 31.03.2023 are furnished below:  i. Subsidiaries	Investment during the year(including Share application money pending allotment)-(in crore)	264.55	2018.22	2432.22	951.53	3958.79		9625.31
submitted to Bank, company has not submitted the necessary Returns properly in desired format, only Trade Receivable amount after elapse of sufficient time have been submitted. Submission of information in this manner cannot be treated as submission of Return as per requirement of bankers. As mentioned in the Notes to Accounts Trade Receivable amount is Rs. 28572.46 crore (From October 2022 to December 22) while as per amount submitted to Bank, it is Rs.30599.26 crore which is excess by Rs.2026.80 crore (doubtful debts). Similarly, for March 23 Quarter, it is Rs.27055.19 while amount submitted to Bank is Rs.25073.14 crore.	the year 2022-23 and the amount given as re furnished below:	Amount outstanding as on date(before provision for impairment)-(in crore)	2249.31	23461.74	22784.46	17127.92	25193.58	2.22	90819.23
security of Receivables. Accordingly, as per the terms of sanction, Quarterly/Half yearly statements in respect of receivables including both current and non-current receivables have been submitted to respective banks.  In this regard adequate disclosure including total limits utilized (Fund based and non-fund based) at quarter end has been made in the financial statement of F. Y. 2022-23.		No comments							

Power Nil Bonds Nil Bond Loan to its	KESCO	Purvanchal VVNL	Dakshinan	Paschimar	Madhyano		Nameo	b) During its bond		7.	Tra	2
Investment during the Amount outstanding as year(including Share application money pending for impairment) (in allotment) (in erore)  Per Nil 2213.34  Nil 123.00  No com Sched as under:  Amount transferred to John account during the year (in crore)  year (in crore)  Balance outstanding as on 31.03.2023(in crore)  year (in crore)  Balance outstanding as on 31.03.2023(in crore)  year (in crore)  1012.20  1468.72  12,505.34  1012.20  117.00  120.70  120.629.44		TAANT	chal VVNL	chal VVNL	hal VVNL		fSubsidiaries	the year compa /Loan liabilitie	otal	75% PEC Bonds	nsmission Co	ame of Company
during the Amount outstanding as grant Share on date(before provision noney pending for impairment) (in 2213.34  2213.34  123.00  123.00  123.00  123.00  2336.34  2336.34  do loan to its subsidiaries against transfer of No comhich are furnished as under:  asferred to Balance outstanding as during the crore)  Loan  1468.72  12,305.34  14,242.02  1507.09  20,629.44  20,629.44	216.10	1117.00	633.90	508.80	1012.20	Bond	Amount trai loan account year (in	ny has debite s details of w	Z.	N		Investment year(includin application i allotment) (in
Amount outstanding as on date(before provision for impairment) (in crore)  123.00  123.00  2336.34  123.00  Subsidiaries against transfer of No comished as under: ished as under: as on 31.03.2023 (in crore)  Balance outstanding as on 31.03.2023 (in crore)  12,505.34  12,505.34  12,505.34	313.10		932.24	699.46	1468.72	Loan	nsferred to during the erore)	d loan to its hich are furn				during the g Share noney pending cerore)
ng as vision (in (in No com	2,230.33	20,629.44	14,242.02	5,823.35	12,505.34		Balance outstandi on31.03.2023(in ci	subsidiaries agair ished as under:	2336,34	123.00	2213.34	200
							ding as crore)	ainst transfer of No com				nding as provision t) (in

	No Comments	No Comments	The company is duly complying the requirement given in section 148 of companies act 2013 regarding cost audit which is being done by cost auditors on the basis of cost records maintained.	Zone is generally regular in depositing undisputed statutory dues with the appropriate authorities including provident fund. Employees State Insurance Fund, Income Tax, Sales Tax, Service
been specified nor have any agreements for above loans been executed between UP Power Corporation and respective subsidiaries. It is learnt that interest on Bonds Issued /Loan raised from UP Govt. has been accounted for in the books of subsidiaries. In view of above, Para no.3 (b), (c), (d), (e) and (f) are not applicable.	As per Section 186 of the Companies Act 2013, threshold limit for grant of Loan is not applicable in respect of Loan transferred to Subsidiaries as mentioned in previous para 3 (b). However, company has not obtained Board approval for Investment made/Loan transferred to its Subsidiaries during the year as envisaged under Section 186 of Companies Act 2013 nor Register for Investment/Loan granted as per requirement of Companies Act have been produced before us. But company has not granted any Loan, security and guarantee in favour of any Director or any other person in whom Directors are interested; hence compliance of Section 185 of Companies Act, 2013 is not applicable	Company has not accepted any deposit/deemed deposit during the year, hence compliance of section 73 and 76 of Companies Act, 2013 and relevant rules made there under are not applicable.	As per information and explanation given to us Company is covered under the provisions of Rule 3 of the Companies (Cost Records & Audit) Rules, 2014, but Company has not maintained proper Cost Accounting Records as envisaged in Companies (Cost Records & Audit) Rules, 2014.	(a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident
	4	15	6	7.

Anditage
on when they become payable except for the following as reported by branci
arrears as at March 31, 2023 for a period of more than six months from the date
given to us, no undisputed amounts payable in respect of the above were in
with the appropriate authorities. According to the information and explanation
of Customs, Duty of Excise, and, Cess and any other material statutory dues
Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty   Tax,

(20,79,58,760.66	GPF	9
(32,84,366.90)	CPF Trust (EMPLOYEE + EMPLOYER)	00
(2,92,24,337.02)	Gratuity	7
(36,612.00	SERVICE TAX	6
(581.31	PAYMENT OF SALES TAX	G.
(6,06,776.00	CONSCIE	4
(27,64,115.23	PROVISION FOR FRING BENEFIT TAX	3
(3,37,378.31)	1.T./ DEDUCT AT SOURCE	1.3
(12,878.00	Liability Towards Employer REC EPF	-
Amount (in Rs)	Head Of Account	SNo

Tax, goods & services tax and other statutory lues. Detail of the balances shown are as under-

Ē	1.0	24		*		-	. 4	-	-
ŧ	4121	107.11	45.51	46.534	41.527	46.529	44,110	129.19 + 41.000	dT975
Account of	Uasility Tawards Englishes BET BIS	AT SOURCE	PROMERCIA SCHENT SCHENT TAX	CURCL	DAY SALES	ENAMES .	ALLIPLYNES	Disab Darestand Darestand Col	OPF
Arment	108/87	15.372725-	EC STEPACE-	-000,776,00	201.33	-961200	20224337.0	ON THE PASSE.	207958760
March 28 Ludsity Faid is April 29	000	30.5538.00	000	274189.00	0.00	000	1500.00	000	0.00
Outstanding Balances	DE18077	16.991106-	-2784115-23	-32587,00	16.185	2677.00	-28211287.42	26 SHEHELE.	207958760.66

The above old outstanding balances are under reconciliation.

(b) As per information and explanation given to us, there is no amount disputed as on 31.03.2023 against the statutory liabilities mentioned in Para no.7a above.

No comments

		.00
assessment under Income Tax Act, 1961.	surrendered or disclosed any transaction as income during the year in the tax	According to exp
Income Ta	sclosed an	planation
x Act, 19	y transac	and info
61.	tion as ir	rmation
	scome du	given to
	uring th	us, C
	ne year in	ompany
	the	has
	tax	not
		No comments

No comments						No comments	No comments	No comments
<ul> <li>(a) Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.</li> </ul>	(b) As per information and explanation given to us, Company is not declared as wilful defaulter by any bank or financial institution or other lender.	(c) As per information and explanation given to us, bond and unsecured loans have been utilized for the purpose for which it is granted.	(d) As per information and explanation given to us and on application of appropriate test checks, we observed that funds raised on short term basis have not been utilised for long term purposes.	(e) Company has raised funds in form of bonds for Rs.8408.61 Crore during the year on behalf of its subsidiaries (DISCOMS) and debited the same to various DISCOMS as mentioned in our para no. 3b above.	(f) As per information and explanation given to us, Company has not raised loans during the year on the pledge of securities held in its subsidiaries.	As per information and explanation given to us, Company has not raised any fund through initial public offer or further public offer (including debt instruments) during the year.	(b) As per information and explanation given to us, Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.	(a) To the best of our knowledge and according to the information and explanations given to us by the Management, no fraud by the company or no material fraud on the company by its officers or employees have been noticed or renorted for the year ended 31st March. 2023.
æ)	(e)	<u></u>	(P)	(e)	9	(a)	<b>9</b>	(a)
·						10.		

14.	13.	12.		
<ul> <li>(a) In our opinion company has an internal audit system, which needs more strengthening considering its coverage particularly in the area of internal control system on payment to Generators as well as review of old balances as mentioned in our Annexure-land Annexure-4 to our audit report and compliance of observations of Audit report, so that it may be commensurate in size and nature of business of the Company</li> <li>(b) Yes, we have considered reports of the Internal Auditors for the period under audit.</li> </ul>	In our opinion and according to information and explanation given to us, Company has not placed related party transactions entered into during the year for determination of its Arm's length status by Audit Committee as required under Section 177 of Companies Act, 2013.	<ul><li>(a) The Company is not a Nidhi Company hence clause 3 (xii) (a) of the order is not applicable.</li><li>(b) The Company is not a Nidhi Company hence clause 3 (xii) (b) of the order is not applicable.</li><li>(c) The Company is not a Nidhi Company hence clause 3 (xii) (c) of the order is not applicable.</li></ul>	(c) The company has not established whistle blower mechanism which is mandatory in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR regulation) in this regard as well as under section 177(9) of the Companies Act require the listed company to establish a vigil mechanism for their directors and employees to report their genuine concern or grievances.	(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
No comments	No comments	No comments		

15.	16.				17.	18.	19.
According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to under section 192 of the Companies Act, 2013.	<ul> <li>(a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) (a) of the Order is not applicable to the Company.</li> </ul>	(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore no Certificate of Registration (COR) from Reserve Bank of India as per Reserve bank of India Act, 1934 is required. Accordingly, provision of clause 3(xvi) (b) of the Order is not applicable to the Company.	(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in regulation made by the Reserve Bank of India. Accordingly, provision of clause 3(xvi) (c) of the Order is not applicable to the Company.	(d) There is no CIC as part of Group. Accordingly, provision of clause 3(xvi) (d) of the Order is not applicable to the Company.	There is no cash loss during the year under review. (Previous year Cash Loss Rs 39.39 crore).	During the year, there is no resignation by Statutory Auditors.	According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial
No comments	No comments				No comments	No comments	No comments

			Annexure III(a)	21.	20.	
-	S. No.	Direction of the C	As refe membe Statem	Para 3 () standalor	No CSR incurred in Para-1	stateme based o come to exists a liabilitio period o an assu stateme state the we neit within a
Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the	Directions	Directions of Comptroller and Auditor Ge of the Companies Act, 2013.	As referred to in, and forming part of, our audit report of even d members of U.P. Power Corporation Limited on the Standalone Statements of the Company for the year ended 31stMarch, 2023.	Para 3 (xxi) of Companies (Auditor's Repor standalone financial statements.	No CSR activity has been undertaken by the c incurred on same during the year 2022-23. M in Para-17 of Notes to Accounts.	statements, our knowledge of the Board of Directors and management based on our examination of the evidence supporting the assumptions, neome to our attention, which causes us to believe that any material undersity as on the date of the audit report that Company is not capable of reliabilities existing at the date of balance sheet as and when they fall dust period of one year from the balance sheet date. We, however, state that an assurance as to the future viability of the Company. No projected statement for ensuing financial year 2023-24 has been provided to us. It state that our reporting is based on the facts up to the date of the audit we neither give any guarantee nor any assurance that all liabilities few within a period of one year from the balance sheet date, will get dischar Company as and when they fall due.
The Company has no system in place to process the accounting transactions through IT system except payment transactions are recorded through ERP system. The accounting is done manually and Cash book and	Reply	Directions of Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013.	As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31stMarch, 2023.	Para 3 (xxi) of Companies (Auditor's Report) Order (CARO) is not applicable to standalone financial statements.	No CSR activity has been undertaken by the company; and no expenditure has been incurred on same during the year 2022-23. Management has explained the reasons in Para-17 of Notes to Accounts.	statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. No projected cash flow statement for ensuing financial year 2023-24 has been provided to us. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
		No comments		No comments	No comments	

		Annexure III(b)
-i	ř.	As refer member Stateme
and	grection is also applicable for statutory auditor of lender company).  Whether fund (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As referred to in, and forming part of, our audit report of eve members of U.P. Power Corporation Limited on the Standalo Statements of the Company for the standard 2193 (2007)
ledgers/sub ledgers are not maintained. Presently compilation of accounts are being made under Excel system, it is suggested that compilation of accounts should be made in upgraded software system to facilitate proper control of accounts as well as smooth compilation.  As informed by the Management there are no other cases of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan.	Funds received from State Government for scheme according to budget provisions of related financial year has been released by the Company to Subsidiaries for their utilization and accounting. Capital grants Rs. 498.00 Crores released during the year by U.P. Govt. has not been allocated to the DISCOMS till 31-03-2023.	As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the page and 214 Month 2022

S.  Sub – Directions  S.  Sub – Directions  Remarks  No.  Adequacy of steps to prevent encroachment of idle land there is no encroachment of idle land owned by Company may be company is encroached, under litigation, not put to use or and its collection are report.  Efficacy of the system of billing and collection of revenue in the company.  Whether the Company recovers As explained to us the U.P. State's and accounts, the State Generators U.P. Rajva Vidjut Electricity and Power Purchase Adjustment Cost (FPPCA)?  Adjustment Cost (FPPCA)?  Commission (SERC) approved the U.P. Electricity Regulatory U.P. Electricity Regulatory U.P. Electricity Regulatory Commission from time to time. The U.P. Commission of the subsidiary DISCOMs on the busis of Arm Length Principal and as such the same. The DISCOMs include the subsidiary Discovis and the sale price is the same. The DISCOMs include the same to the DISCOMs include the	the	S. S.	5	12
Remarks  As informed by the management, there is no encroachment of idle land owned by Company, subject to para I(c) of Annexure II of our report. Report on efficacy of system of billing and its collection are reported by DISCOMS Auditors in their respective Audit Reports.  As explained to us the U.P. State's Generators U.P. Rajya Vidyut Utpadan Nigam Ltd. and U.P Jal Vidyut Nigam Ltd. raise the bills on the U.P. Power Corporation Ltd. towards Fuel and Power Purchase Adjustment Cost (FPPCA) in accordance with the procedures laid down in the related order issued by the U.P. Electricity Regulatory Commission from time to time. The UPPCL accounts FPPCA and includes in its purchase cost. The UPPCL raises the bills on the subsidiary DISCOMs on the basis of Arm Length Principal and as such the purchase cost and the safe price is the purchase cost and the safe price is the same. The DISCOMs include the	Sub-Directions of Comptroller and Au of the Companies Act, 2013.	Sub - Directions	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided. Report on the efficacy of the system of billing and collection of revenue in the company.	Whether the Company recovers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?
	iditor General of India under Section 143	Remarks	As informed by the management, there is no encroachment of idle land owned by Company, subject to para I(c) of Annexure II of our report.  Report on efficacy of system of billing and its collection are reported by DISCOMS Auditors in their respective Audit Reports.	As explained to us the U.P. State's Generators U.P. Rajya Vidyut Utpadan Nigam Ltd. and U.P Jal Vidyut Nigam Ltd. raise the bills on the U.P. Power Corporation Ltd. towards Fuel and Power Purchase Adjustment Cost (FPPCA) in accordance with the procedures laid down in the related order issued by the U.P. Electricity Regulatory Commission from time to time. The UPPCL accounts FPPCA and includes in its purchase cost. The UPPCL raises the bills on the subsidiary DISCOMs on the basis of Arm Length Principal and as such the purchase cost and the sale price is the

	ei .	4	s's
	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	Whether the Company has received subsidy and grants from the Government in the year 2022-23 (including those accrued up to 31 March 2023) for onward allocation to the DISCOMs. If yes, the basis for allocation of aforesaid subsidy and grants to the DISCOMs may be examined and suitably reported to.	Whether the Company taken or withdrawn foan on behalf
purchase cost (which is transferred to the DISCOMs through sale bills) in its Aggregated Revenue Requirement and submit the same before U.P Electricity Regulatory Commission for approval of tariff for sale of power to electricity consumers. As such, the DISCOMs ultimately recover FPPCA from electricity consumers and account in its books of accounts.	No proper reconciliation among of receivables and payables between the generation, distribution and transmission companies has been done. Refer Para no, 13 and 17 D of Annexure I of Audit Report, regarding non-reconciliation of Interunit transactions. Further no balance confirmation has been produced from the Transmission and Generation Companies.	Yes, the Corporation has received Subsidy and Grants from Government in the year 2022-23. Kindly refer para no.20 b of Notes to Accounts.  As per information provided by the management the basis of allocation to DISCOMs is enclosed as per Annexure-A.	During the year Financial Year 2022-

	of frauds and errors, the accuracy and completeness of the accounting records, and	of frauds and errors, the accuracy and	
No comments	The management of the company is 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 Company's policies, the safeguarding of its assets, the prevention and detection	The management of the company is internal financial controls based on criteria established by the Compan internal control stated in the Guidance over Financial Reporting issued by th ('ICAI'). These responsibilities i maintenance of adequate internal fination for ensuring the orderly and efficient to Company's policies, the safeguard	
	nternal Financial Controls	Management's Responsibility for Internal Financial Controls	
	We have audited the internal financial controls over financial reporting of U.P. Power Corporation Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.	We have audited the internal finance Power Corporation Limited ("the Cor- with our audit of the Standalone Final ended on that date."	
No comments	Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.	Report on the Internal Financial Contro Section 143 of the Companies Act, 2013.	
	As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31 March, 2023.	As referred to in and forming part of, our audit report of even omembers of U.P. Power Corporation Limited on the Standalone Statements of the Company for the year ended 31stMarch, 2023.	Annexure IV
	respective quarters.		
	Crores drawn during this tenure were allocated among DISCOMs on the basis of latest available trade receivables of DISCOMs against each	refreshed to:	
	and availed loan under RBPF scheme Rs 4920.61 Crores (i.e REC- 1911.00 Crores and PFC-3009.61	DISCOMs. If yes. The basis for allocation of the aforesaid loan may be examined and suitably	
	from the capital market by way of issuance of bonds Rs 3488.00 Crores	DISCOMs in the year 2022-23 for onward allocation to the	

	No comments		
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 Company'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") 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 applicable to an audit of Internal Financial Controls and, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

No comments  Ite internal I financial arch, 2022, hed by the	7 X E 6 6 E	a process of financial urposes in y's internal procedures accurately ompany; exessary to y accepted y are being stors of the tion of un- could have	No comments
Opinion:  In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the	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.	A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the presentation of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and  (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.	Meaning of Internal Financial Controls over Financial Reporting

Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India except for the deficiencies reported by us in 'Annexure I' and 'Annexure II' to our audit report of even date on the Standalone Financial Statements of the Company for the year ended 31st March, 2023, and as mentioned below—

- 1. Company has no Internal control policies over payment to Generators. Branch Auditors have reported excess payment of Rs. 391.76Cr and old debit balances of Rs. 35.90 cr. It is also observed that no subsidiaries ledger is maintained by the company and payment to generators are made without considering outstanding balances in their accounts. Besides, no bill wise details of payment made to generators are available with the company.
- Company has not devised a system for placement of fixed deposit for approval by the competent authority by placing the comparative rates of interest, periodicity of fixed deposits and renewal proposal with revised interest rates in line with the prevailing market trends to ensure accrual of better revenue to the company.
- 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.

In order to strengthen the existing system through information technology, the company is in process of implementation of ERP system. Further party wise reconciliation is under process.

For appropriate monitoring and control mechanism, a committee has now been formed. The company has a Proper and effective control system in all the areas. However, for implementing the system more smoothly and effectively, the system is reviewed from time to time and accordingly directions are issued. Moreover, in order to strengthen the existing system through information technology, the company is in process of implementation of ERP system.

- 4. 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 w 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.
- 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.
- 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.
- 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.
- 8. 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.

There is a proper and effective system of power purchase. However, there is always scope for improvement in the system, for which the procedure will be reviewed and necessary directions, if required, will be issued.

Necessary instructions are issued in this regard time to time. However, the matter is under review and necessary directions will be issued.

The company has a complete system of clearance of Inter unit transactions. However, in ERP system we have in process to check proper IUT clearance through IUT dashboard.

The company has a system of confirmation and reconciliation of balances. However, units have been instructed to take effective action in this regard and ensure necessary confirmation from third party.

The company has a control system/procedure with regard to purchases, execution of works, sanction of estimates, financial approval etc for which threshold limit is fixed. All the payments are made in accordance with the financial approval given by the concerned

# MANAGEMENT'S REPLY TO THE STATUTORY AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF THE CORPORATION FOR THE YEAR ENDED ON 31,03,2023

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nority. Ho	nents by a and necess ed.	
petent aut	m of payn eviewed a t, if require	
comp	syster be re taken	_

For and on the behalf of Board of Directors

Nitin Nijhawan

(Dy. General Manager & CFO)

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

### INDEPENDENT AUDITOR'S REPORT

Management Reply

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 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, 2023, the consolidated statement of Profit and Loss (including other Comprehensive Income), the consolidated statement of eash 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.

- a) In the case of consolidated balance sheet, of the state of affairs (Financial Position) of the Group as at March 31, 2023.
- 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 eash flows and changes in equity of the Group for the year ended on that date.

### Basis for Qualified Opinion:

We draw attention to the matters described in "Basis for Qualified Opinion" paragraph of the audit report on standalone financial statements of Holding company, audited by us and the Subsidiaries namely MVVNL, PuVVNL, PVVNL, DVVNL 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.

No comments

### 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

 Tax deducted at source Rs.92.64 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 have not been adjusted till the close of the financial year. With reference to the said refund of Rs 7.09 crore, it is to be informed that regarding the refund relating to the assessment year 2011-12, 2015-16 and 2016-17, the Income Tax Department has issued letter no. ITBA/COM/F/ 17 /2023 -24 /1052528983 (1) dated 02.05.2023, orders were issued under Section 154 / 254 of the Income Tax Act 1961, according to which a refund of Rs 5,48,67,481,00 was issued to the Corporation for

the above three years and refund instructions have been issued, which till date has not been received in the bank account of the Corporation.

In this context, the Income Tax Department is being continuously contacted to get the above mentioned refund in the bank account of the Corporation. The officers of the corporation are also requesting to personally appear before the concerned Income Tax Officer to get the said refund. Every time the Income Tax Department informs that the said refund is pending at the level of Centralized Processing Center (CPC).

In this sequence, grievances were also submitted on the Income Tax Department's portal through the Income Tax Portal on 16.10,2023 and 01.11.2023. Email was sent to Deputy Income Tax Commissioner Range-III to get the above refund on 16.10,2023. But the said refund update has not been received.

Further, Grievance has been submitted on Public Grievance portal CPGRAMS on updated date 30.11.2023. On 12.12.2023, the Income Tax Consultant of the Corporation had a conversation with the Centralized Processing Center (CPC), in which the CPC informed that the request for the said refund has received by them, and the said refund will be made available in the bank account of the Corporation soon. Will be given. As soon as refund of Rs 5,48,67,481.00 is received in the bank account of the Corporation, action will be taken to get the remaining refund of TDS of Rs. 7.09 crore.

2. a. As per information provided to us Receivable from generators includes Rs.707.68 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. 30 of Notes to Accounts relating to M/s Lalitpur Power Generation Company.

b. Note 6- Loans & Others Financial Assets (Non-Current) includes Rs.118.21 Crore 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. Being old advances, Management should take necessary action for recovery/adjustments of this Advances.

Debit balance of Rs 135.36 crores against Rosa Power is due to debit notes amounting to Rs. 707 crores issued in the month of April, 2018 recovery of which had been stayed by the APTEL till further order.

There are no differences in the amount of the advances as per the books of UPPCL and the advances shown by the PFC as is clear from the table below: -

MPP	Advan	Advance	Exce	Remarks
	CV 85	Received	35	
	per	from	tin-	
	EIEA	UPPCL.	rece	
	PC	as per	neile	
	(Rs.)	PECCL.	d d	
	7337	(Nodal	Adv	
		Agency)	ance	- 1
	- 3	(Rs.)	Paid	

ORISSA	10.10	- Inco	(Rs.	74
ORISSA	69.69	69.68 + 3.32 (Interest	-0.01	Orissa is Rs. 69.69 Crores including Rs. 3.00 Crores which were wrongly shown as paid to Sasan UMPP. Forther, it lum beer confirmed by M/n PFC that the amount of Rs.73.00 Crores earlier mentioned by them is including loterest accrued and the amount paid by UPPCL is Rs. 69.68 Crores Only (Rs. 3.00 Crores Commitment advance and Rs.66.68 Crores
BANKA R- BIHAR	6.00	6.00	0.00	No difference
CHEYY UR- TAMILN ADU	9.27	9.27	0.00	A board note has been put up for the provision to be made in the accounts in respect of Cheyyur LIMPP and provision for the same will be created in books after due approval.
SAKHHI GOPAL	4.80	4.80	0.00	No difference
TATIYA ADHRA	5.95	5.95	0.00	No difference
TILATY	11.55	11.54	+0.01	Difference due to rounding off.
SASAN				Total amount paid to Sasan UMPP was Rs. 5 Crore which has been returned back to UPPCL after successful completion of the project No amount is due from Sasan UMPP against Commitment Advance as on date.
JHARK HAND	18.59	18.59	0.00	As per information provided by SPAT unit, new developer is being selected for the project and once the new developer is selected. The entire amount will be collected from the new developer. Confirmation of the amount paid by UPPCL is also ottached herewith.
KARAN PURA	1.12	1.12	0.00	Karanpura UMPP has acknowledged the amount received from UPPCL of Rs. 1.12 Croses. Copy of storment

				provided Karanpura attached herewith	by
TOTAL.	126,97	126.95	-0.02		

- 3. As per Note no.-14 to the Notes to Accounts, average billing rate mythology has been used asper decision of higher management of UPPCL instead of Differential Bulk Supply Tariff (DBST) adopted in the previous years. Reasons of such change has not been disclosed in the Notes to Accounts although it has impact on cost allocation to individual DISCOMS
- 4. Accounting Policy No. VIII of the Company regarding power purchases had not envisaged the method for accounting of power purchases where final approval of the tariff by the Regulatory Commission has not been

UPPCL has changed the methodology/method of allocation of power purchase cost to DIscoms to ABR(Average Billing Rate) and necessary disclosure in this regard has been made at point no.14 in the Notes to Accounts of the Financial statement.

It is already mentioned in the accounting policy of the company that power purchase from Central Generating Units and State Generating Unit is accounted for at the rate approved by Central Electricity Regulatory Commission (CERC) and UP Electricity Regulatory Commission (UPERC) respectively. Hence, it is implied that the power purchase is accounted for at the rates approved by the regulatory commission whether provisional or final.

appropriate monitoring and control mechanism, a committee has now been formed.

The Annual accounts for the F.Y. 2021-22 has been adopted in Annual General Meeting on 16.02.2024

5. Placement of Fixed deposit:

Total fixed deposit of Rs 2869.84 erore include Rs 2185.96 crore placed with ICICI bank only. has disclosed the same as a risk factor Para No. 24(v) in the Notes to Accounts. Proper monitoring of same needs to be done by the management.

6. The Annual Accounts of F.Y 2021-22 are yet to be adopted in Annual General Meeting (Refer Para 32 of Note - 30 "Notes on Accounts").

Specific Observations given by Discoms Statutory Auditors given below: -

### Pashchimanchal Vidut Vitran Nigam Ltd.

- 1. There is no accounting policy regarding method of accounting of unbilled revenue of Rs.735.36 Crore. which has been done on estimated basis and relied upon by us. (Refer Note no 8 of financial statement)
- 2. IND AS-8: In the current financial year, management has made several adjustments/corrections relating to prior period errors/omission. Rs. 2668.33 crores have been adjusted with surplus in the statement of Profit and loss as disclosed in Note 13 of Financial Statements in accordance with IND AS-8.
- 3. As referred to in Point No. 10 of Notes to accounts a
- 1. At the end of the year the provision for unbilled revenue is booked in sale of power according to billing cycle of consumer category by the concerned distribution division on estimated basis.
- 2. The error/omissions pertaining to prior period are adjusted with Retained Earnings under Reserve and Surplus without making any impact on P&L for current financial year.
- Electricity Duty is collected from Consumers at

sum of Rs. 4510.73 Crores and Rs. 38.20 Crores is payable as electricity duty and compounding charges respectively to UP State Government. No provision has been made for interest and penalty for late payments. It has been explained to us by the company that no interest and penalty is levied for such late payments in past years and we have relied on the same.

It is observed that the payment of Electricity Duty is booked on the basis of Debit/Credit Note raised by Uttar Pradesh Power Corporation Ltd and compounding charges is collected at division level and sent directly to the U.P. Treasury, However, the Company has no scientific method of its measurement for accounting and making provision thereof. Hence, we are not in a position to comment on the possible impact thereof on the financial statements of the company.

4. Tax Collected at Source (Asset) amounting to Rs. 8.13 crores and Tax Deducted at Source (Asset) amounting to Rs. 6.98 Crores are showing as on 31.03.2023 not reconciled with amount Rs. 4.75 Crore as shown in 26AS of the company for current financial year. Management has informed that the balances shown in the books of accounts reflect pending refund amount of TDS/TCS. We have relied upon the same. (Refer to Note No. 11"Other Current Assets" of the financial statements).

### Kanpur Electricity Supply Company Ltd.

- Replies of the management / compliance report of various observations pointed out by the Internal Auditor in their Internal Audit Report dated 16th June,2023 for the "F.Y." 2022-23 has not been made available to us so far, hence, we are unable to comment upon the impact, if any, arising in the "Ind AS-FS" of the company to that extent
- 2. The Government of UP has, vide its order nos, 3188 dated 24.10.2003 and 1077 dated 17.04.2008 decided that the electricity duty and interest payable for the period from 15.01.2000 to 31.03.2003 and from 01.04.2003 to 31.03.2008 respectively would be adjusted against the balance subsidy payable to UPPCL by the State Government. Accordingly, the amount of electricity duty and interest thereon payable due to pending adjustment by the State Government has been shown under the head 'Electricity Duty and Other

division level and sent directly to UPPCL (The Holding Co.) along with Electricity charges. At UPPCL level, the payment/adjustment of ED Payable is made with U.P. Govt. and the book adjustment of the same is made on the basis of Debit/Credit Note issued by UPPCL to PVVNL. Whereas Compounding charges collected at divisional level sent directly to the U.P. Treasury on regular basis.

As per past record no demand of Penalty/Interest has been raised by U.P. Govt. regarding late payment of Electricity Duty and Compounding charges.

During the FY 2022-23, Tax collected at source is amounted to Rs. 4.01 crore and Tax deducted at source amounted to Rs. 0.74 crore, total amount Rs. 4.75 crore is in conformity with the amount as shown in 26AS of the company. Further, the amount of Rs. 8.13 crore and 6.98 crores as mentioned by the audit is closing balance as on 31.03.2023 which includes amount of pending refund of previous years from Income Tax Department.

The cases, detected by the internal auditors, are being examined by the respective Distribution divisions and the actual revenue based on the facts and rules are being booked in the due course of time. Further the amount being reported is just 0.2% of the total revenue from sales and thus not having any major impact on the sales / financials of the Company for the year.

Necessary adjustment shall be made in this regard after receiving further instructions in this regard. Levies Payable to Government' grouped under "Other Current Liabilities" (Refer note no.17 of Ind AS FS).

- As per MCA data the Company is an <u>active non-compliant company</u>. Further, the master data of the company revealed following:
  - Charges column disclosed in the Company Master Data includes old satisfied charges.

b. The Company has not complied with the Order dt 22.01.2019 issued under section 405 of the Act, in respect to filling of MSME Form I. The Company has calculated Interest on Security Deposit (Consumer) @4.25% on the outstanding balance of Total Ledger Balance as per the books. However, the said interest is not reconciled with actual Interest allowed/adjusted by MPower (software used for recording sale of energy) in the Customer bills raised during the "F.Y." 2022-23.

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, However, the financial impact of the same on IND AS "F.S." is not ascertainable (Refer Para No.3 I (d) of Note No. 1A of "IND AS-FS").

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 The observation is being noted for compliance

The company is following accrual basis of accounting on the basis of which the interest expense on security deposit is booked on the account balance of liability for security deposit.

On the other hand, the interest paid during the years.

On the other hand, the interest paid during the year is on account of interest paid on security deposit for previous year. Both the amounts are different from each other and thus cannot be matched.

It is to kindly inform that adequate provisioning is made for work completed in the financial year but payment made thereafter in subsequent year which is duly accounted for.

No comments

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, 2023, 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.

(Rs. in Lacs)

Name of the Companies	Tota Asset as at 31.03. 023	2	Net Asse i.e Tot: Asse mini Tot: Liabi es a at 31.03.	ts d ts d liti s	Total Net Profit (Loss as at 31.03.2	<i>U</i>	Net Cas h in Flo ws/ (out flow s) as at 31.0 3.20 23
Subsidiaries: Madhyanchal Vidyut Vitran Nigam Limited, Lucknow, (MVVNL)	43106, 23	3	045.9 7		1824,5 7)	(3	61.86
Purvanchal Vidyut Vitran Nigam Limited, Varanasi,	57091. 18	6	804.6 5	(6	9)	(4	20.60

(PuVVNL)			-	
Paschimanchal Vidyut Vitran Nigam Limited, Meerut, (PVVNL)	37088. 24	8433.9 2	985.64	(101,50
Dakshinanchal Vidyut Vitran Nigam Limited, Agra, (DVVNL)	37057. 57	(4314.3 6)	(5078,7 8)	(505.28
Kanpur Electricity Supply Company Limited, Kanpur, (KESCO)	5048.0	(1755.6 5)	(1.50)	(36.28)
Total  CFS  Adjustment	179391 .23	12214, 53	(15521. 70) (364.34)	(1425.5 2)

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:

- As required by Paragraph 3(xxi) of the companies Act, (Auditor's report) order 2020 ("the order") issued by the Central Government of India in terms of section 143(11) of the act, we have given the Qualification/ Adverse remarks in Annexure II as reported by respective Statutory Auditors of Subsidiaries.
- 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—III", 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;

- The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- iv. (a). Based on the representation made by management of UPPCL and as reported by Discoms Statutory Auditors and to the best of its knowledge and belief, other than disclosed in the notes to the accounts, no funds have been advanced or loaned invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities. including foreign ("Intermediaries"), with the understanding, whether, directly or indirectly lend or invest in other persons or entities, identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) Based on the representation made by management of UPPCL and as reported by Discoms Statutory Auditors and to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Group from person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that Group shall, whether, directly, lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the Funding Part("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on audit procedures performed that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that caused us to believe that the representation referred under clause (iv)(a) and (b) contain any material mis-statement.
  - (d) The Group has not declared or paid any

- dividend during the year, therefore compliance with section 123 of the Companies Act, 2013 was not applicable.
- (e) Provision to Rule 3(1) of the Group (Accounts) Rules 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

### Annexure I to Independent Auditors Report

(As referred to in "Basis of Qualified Opinion" paragraph of our audit report of even date to the members of U.P. Power Corporation Limited on the Consolidated Financial Statements of the Group for the year ended 31st March, 2023)

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:

### Uttar Pradesh Power Corporation Limited (UPPCL)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

 Note- 12 Other (Current Assets) Rs.1567.90 Crore include Rs 431.68 erore Receivable from Generators as mentioned in Para 24 of Notes to Accounts-30 for which no confirmation and reconciliations are available. Same has been reported in last year Audit for making suitable Provision.

We are of the opinion that Provision for Rs 431,68 crore "Receivable from Generators" should be made in accounts.

 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, 2023 (Refer Para 29 of Note – 30 "Notes on Accounts"), which is not in accordance with Ind AS 36 Impairment of Assets.

Reconciliation of these balances is still under process by dedicated outside agency. The necessary accounting/ adjustment shall be made after completion of said reconciliation.

As per para 9 of Ind AS 36, which states that "An entity shall assess at the end of each reporting period, whether there is any indication that an asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount. Hence, the company has estimated the recoverable amount on the basis of net worth of the subsidiaries.

3. Loans and Other Financial Assets (Note-6), Trade Receivables-Others (Note-8), Financial Assets-Others (Note-11), Other Current Assets - (Note-12), Financial Liability-Trade Payables (Note-18), Other Financial Liabilities (Current)-except Current maturities of longterm 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. Similar issues also were brought to the notice of management in previous audit report but no corrective actions seem to have been taken in the financial year 2022-23. Major Balances include a) Rs 15.55 Crore (Note No. 6)- Loans & other financial Assets (Non-Current) including Rs. 5.19 Crore (Security Deposits) and Overlay Charges Rs 10.36 Crore and b) Sundry Receivable (Rs.685.13 Crore)-Financial Assets -Other (Current), Note No-11 including Rs. 408.24 Crore relating to Unscheduled Interchanges Charges Pool a/c, Reactive Energy Charges Rs. 123.79 Crore, and Misc. deposits/balances Rs. 29.26 Crore respectively. In absence of complete details and balance confirmation, we are of the view that provision should be made in the accounts to the extent of Rs.576.84cr. for old balances as reflected in Note-11 financial Assets-Other (Current Assets) and Note No. 6, Loans & other financial Assets (Non-Current). Loss of the company is understated and other receivable is overstated to that extent.

The old balances which are carrying over since last so many years, are mostly related to Transfer scheme. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same.

 Purchases as per Note No-22 for Rs.68653.93 Crore, includes Sales to Indian Energy Exchange for Rs 2581.77 Cr, which has resulted into reduction/understatement of Purchases and consequent understatement of Sales of Energy (Note No-20, Revenue for Operation).

Separate accounting for sale to Indian energy exchange has been started from December 2023 financial statement.

5. a.) Restructuring Reserve:

A Credit balance of Rs. 540.31 Crore is included in "Other Equity Note-14 as restructuring reserve. As confirmed to us, the balances are old and has been transferred through transfer scheme. No detail was available for aforesaid Reserves.

b.) Capital Reserve:

No details have been provided to us regarding capital reserve Rs 195.95 Crore. The unadjusted transfer scheme balances after due scrutiny will get transferred to separate AG code will be adjusted in future as and when it get reconciled as per decision of Higher management.  Note-19 Other Financial Liabilities- Current includes Deposits and Retentions from Suppliers & Others Rs 264,65 crore for which no detail is available.

 Details of charges filed with ROC against borrowing from bank and few generators have not been disclosed in the respective Notes to Accounts.

On examination of search report furnished to us, it was known that pari-passu charges has been registered on receivables /Current assets of the company against borrowings sanctioned by the bankers, while Debenture Trust deed executed with the trustees of the bonds shows that there is an exclusive charge on Current assets/receivables of the company including book-debts which is in contravention of the terms of the hypothecation deed executed with the bankers. Company has to take up the matter suitably with the Lenders. Appropriate disclosure for the same has not been given in the Notes to accounts.

Except balances received through transfer scheme details of balances are available with the unit concerned.

Action for harmonization of security in the issue of conflict/disconnect in security provided to different lenders etc. is under process.

### Non-Compliances of Ind-AS

- The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended):
  - (a) Financial Assets- Financial Assets-Other (current) (Note-11), Other Current Assets (Note-12), Financial Liabilities-Trade payable (Note-18) and Other Financial Liabilities (Note-19) 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 realis ability/settlement/ confirmation of balances for such amounts within twelve months after the year classification of same as current assets/liabilities is inconsistent with Ind AS I Presentation of Financial Statements. This has resulted in over statement of respective current assets/liabilities and understatement corresponding non-current assets/liabilities. Few specific instances include Unscheduled Interchanges Charges Pool a/c is Rs 514.86 Cr and Reactive Energy Charges Rs 123.79 Cr as on 31d march 2023 included in "Current Assets-Other" Note -11

(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. B (c) of Note-I has been done on cash basis. This is not in accordance with the provisions of Ind AS I Presentation of Financial Statements. The Company expects the Financial Assets- Trade Receivables (Note-8), Financial Assets-Other (Note-11), Other Current Assets (Note-12); and Financial Liabilities-Trade Payable (Note-18) and Other

As per Ind AS-1 Presentation of Financial

Statements, 'an entity shall classify an asset/ liability as current when, inter alia, it expects to

realise/ settle the asset/ liability (respectively)

within twelve months after the reporting period,"

Liabilities-Trade Payable (Note-18) and Other Financial Liabilities (Note-19) to be realized and settled (respectively) within twelve months after the reporting period. Hence, the aforementioned items are being classified current and not as non-current.

Considering the uncertainty of realization, these incomes are accounted for on receipt basis.

(c) Additions during the year in Property, Plant and Equipment include Employee cost at a fixed

Due to multiplicity of functional units as well as multiplicity of functions at particular unit, the percentage of the cost of each addition to Property, Plant and Equipment in accordance with Note-1 Significant Accounting Policy Para C (1) (d). Such employee cost to the extent not directly attributable to the acquisition and/or installation of Property, Plant and Equipment is inconsistent with Ind AS 16 Property, Plant and Equipment. This has resulted in overstatement of fixed assets and depreciation and understatement of employee cost. However, impact is not quantifiable at this stage.

company has formulated a policy of accounting and capitalizing the employee related costs at fixed percentages (15% on deposit works and 9.5% on other works).

(d) Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost (Refer accounting policy no.(VI) of (Note-I). Valuation of stores and spares for O & M and others is not consistent with Ind AS 2 Inventories i.e., valuation at lower of cost and net realizable value. Further, the stores and spares for capital work should be classified as part of Property, Plant and Equipment and recognised, measured and disclosed in accordance with Ind AS 16 Property, Plant and Equipment. Further, the company has not formulated any accounting policy in respect of provision for unserviceable stores & spares and slowmoving stores As per the accounting policy of the company, stores and spares are being valued at cost.

(e) Accounting for Employee Benefits: Actuarial Valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer Para 5 (a) Note – 30 "Notes on Accounts"). This is inconsistent with Ind AS 19 Employee Benefits. Actuarial valuation of gratuity liability in respect of CPF employees and leave encashment liability in respect of both GPF and CPF employees has been done in accordance with the provision of IND AS-19. As regard actuarial valuation of pension and gratuity for GPF employees, it is stated that the provision has been made on the basis of actuarial valuation report dated 09.11.2000 and the same facts has also been disclosed in Notes to Account.

(f) The Financial Assets (Note-6, 8 and 11) 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: Disclosures, have not been done for the same. As per Ind AS- 113 Fair Value Measurement, fair value means 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.'

And the Company expects to realise the only respective amounts which are being accounted for in the Financial Assets and hence, has considered the same as its Fair Value.

(g) Further Company has not disclosed the reasons for non- compliance of various Ind AS as required by IND AS-1 Presentation of Financial Statements. The necessary Accounting and disclosures has been made as per Ind AS and accounting policy adopted by the company.

 Inter unit transactions amounting Rs.148.17 Cr, are subject to reconciliation and consequential adjustments. (Refer Para 8 Note – 30"Notes on Accounts"). The Inter unit transactions are under reconciliation. The reconciliation of inter unit transactions is a continuous process and the effect of the entries is given in the accounts of reconciliation.

 Note-16 "FINANCIAL LIABILITIES OTHERS (NON-CURRENT)" includes Rs 804.87 Crore Liabilities In the present case, out of Rs.804.87, Rs. 147.05 crores is related to Transfer Scheme and balance

against Loan, the nature of loan and its terms and conditions are not disclosed.

amount of Rs.657.82 is old balances which are carrying over since long. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same. The unadjusted transfer scheme balances after due scrutiny will get transferred to separate AG code and will be adjusted in future as and when it get reconciled as per decision of Higher management.

### 11. Non- compliance of Accounting Policies:

Company has to review certain accounting policies which are in contradiction with accounting treatment given in the financial statements. Major instances are given below.:-

 a) INVESTMENTS: Provision for impairment is not being made at its Fair Value as per IND AS-109 as mentioned in the respective accounting policy. As per para 9 of Ind AS 36, which states that "An entity shall assess at the end of each reporting period, whether there is any indication that an asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount. Hence, the company has estimated the recoverable amount as per Ind AS 109 on the basis of net worth of the subsidiaries.

 FINANCIAL ASSETS: Financial assets on subsequent measurement are not recorded at amortized cost as per IND AS- 109, as mentioned in respective accounting policy.

Impairment on financial assets are not being made based on Expected loss. Necessary accounting has been made as per accounting policy and related disclosures have been made in Notes to accounts.

 e) FINANCIAL LIABILITIES: Borrowings are not measured at Fair value using effective r ate of Interest as mentioned in the accounting policy. Borrowings are measured at fair value as it represents the actual amount of liability which is to be paid off.

### 12. Maintenance of Proper Books of Accounts:

The company has systems 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 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.

Proper and effective procedure for maintenance of monthly accounts and subsidiary ledger is already prescribed in the Company. Further, in order to strengthen the existing system through information technology, the company is in process of implementation of ERP system.

### 13. Non-Disclosures in Notes to Accounts: -

Following disclosures have not been made in accounts: -

- Disclosure regarding amount of subsidy not accounted for in case of disputed solar power eases.
- Allotment date for Share application money placed with DISCOMS.
- Risk Management factor do not include Matrix of Age Wise Borrowings and Liabilities due.

Management has made disclosures which is necessary and related to accounts for the FY 2022-23.

### 14. Major Non-Compliances of Law

- Company has not appointed any Company Secretary as required u/s 203 of Company Act 2013.
- As per section 177 of the companies acts 2013, following major compliances/ issues were not placed before Audit committee.as also delegated by the Board of Directors:
  - Approval or any subsequent modification of transactions of the company with related parties.
  - Scrutiny of inter-corporate loans and investments.
  - Evaluation of internal financial controls and risk management systems.
  - Monitoring the end use raised through public offers and related matters.
- Company has not held meeting of Risk Management committee, Stakeholder committee etc. during the year under review.

Company has made recruitment of Company secretary and the same is under process.

All related party transactions are considered and approved by the Audit Committee and placed before the Board on half yearly basis and all other stipulated matters are placed before the Audit Committee and Board as and when arise

The Company shall adhere to the requisite compliances.

### 15. Major Audit observations in Material Management Zone Audit Report: -

### A. Property Plant and Equipment: -

d)

- a) Branch Auditors trial balance is showing a)
  Buildings under the head AG Code 10.208
  "Building CONTA DIST INST" amounting to Rs.
  48,34,196.68 and under AG Code 10.211 Office
  building amounting to Rs. 11,65,227.05, but
  information regarding the Land of corresponding
  assets not provided to us. #Units645 Elec Civil
  ConstDiy 1
- b) Branch Auditors trial balance is showing Buildings under the head AG Code 10.211 "Office Building" amounting to Rs. 42,08,722.10 but information regarding the Land of corresponding assets not provided to us. #Units641 Civil
- An amount of Rs 36506.76 is shown under the c) head Scrap Materials A/c (A/c Code 22 770), on review of the said account we were explained that these are group of assets which has been fully depreciated and are being carried at its residual value. Further, since fixed assets register is not being maintained these assets cannot be identified. Furthermore, no report of any committee who identified the above assets as scrap was provided to us. Further, as per Ind AS 16 (Property, Plant and Equipment) which requires measurement of such kind of assets at its net realizable value which has not been worked out. Therefore, we cannot comment upon the value at which these assets are carried. #Units330 - EIE&PC

- a) The Balances for these assets i.e. Building are transferred under transfer scheme without Land Balances and most of the Land are pertains to UPSEB era. Further Unit is working to identify the accounting of mentioned Land.
- b) The mentioned Building is pertains to construction of Shakti Bhawan premises and Land acquired for the same at the time of UPSEB era.
- c) The said amount of Rs 36506,76 under scrap material has been written off with the approval of Management. The necessary accounting adjustment have been done in the March 2023 accounts.

The zone is not evaluating the Property Plants and d) The accounting related to Property Plants and

Equipment (PPE) for impairment as required under INDAS 36, as explained to us revaluation of PPE is not permitted by the Electricity (Supply) (Annual Accounts) Rules, 1985, the exception may be because the PPE cost is built in the Fixed Cost of the tariff but as explained to us the cost of PPE of the Company is not approved under the tariff approved by the regulator neither Depreciation is allocated to the Distribution companies.

The company has not sought any clarification from relevant regulatory authorities regarding the same. Equipment is done as per the accounting policy of the corporation.

### B. Payment of Lease

(Electricity Store Procurement Circle) are being maintained at rental premises. As explained to us the rent of Unit 972 is being deposited to Court as the ownership of the premises is sub-judice. Further latest lease agreement and the rent receipt were not being provided to us for premises with Unit 327, further Compliances of Ind AS 116 is not done at zone level.

In this reference, it is submitted that the present case is not a lease agreement, it's just a normal rent agreement which has been done to use the premises. Hence, IND AS 116 will not be applicable in the instant case and accordingly no compliance of the same is required.

Presently, due to ownership dispute the matter is subjuidice in court, hence the renewal rent agreement is pending. However, liability for payment of rent is being created on monthly basis in case of Unit #327. Further, amount of monthly rent is being deposited in court in case of Unit #972...

### C. Investments

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 to MPPMCL as explained to us the amount of Equity contribution is not identified in books of accounts further necessary detail on the same is required from Fund section of the company by the EIE&PC which remained unclarified till date, therefore in absence of information and adequate explanation we cannot comment upon it.

- D. The balances in account of party, contractors, Governments Departments, etc., including those balances appearing under loan and advances & other receivables are subject to confirmation and reconciliation. The impact of adjustment if any, which may arise out of the confirmation and reconciliation process cannot be commented upon.
- E. Branch Auditors observed lack of proper system of review for identifying doubtful dues, especially those arising out of disputes pending before respective judicial forums and absence of regular follow ups with the respective parties for recoverability of outstanding

The payment of Rs. 65.50 Crores considered as equity contribution against share of UP in Rajghat HEP was done at the time of erstwhile UPSEB (during 1997-1998). The matter is under scrutiny/reconciliation and accordingly appropriate action will be taken.

As regard, the additional amount of 1.24 Crores as UP's share towards Difference in actual capital cost of the Rajghat HEP spread over the years FY 2002-03, 2003-04 and FY 2004-05 has been set off against the interest payable to UPPCL by MPPCL in compliance of MoM dated 25.07.2018. No separate accounting has been identified as equity contribution in the books of accounts.

The company has a system of confirmation and reconciliation of balances. However, units have been instructed to take effective action in this regard and ensure necessary confirmation from third party.

The provisions for doubtful receivables has been made as per management estimate and the same has been disclosed at point no. 07 in the Notes to Accounts.

balances In the absence of which we are unable to quantify the amount of provision which is required for irrecoverable or doubtful dues and its consequential impact on the financial statements. . #Units330 – EIE&PC

### F. TDS Receivables-

As observed the zone has following balances as TDS receivable appearing in the books of the zone, in the absence of year wise breakup and status of completion of the assessment, we cannot comment upon the genuineness of the same, Branch Auditors following balances were outstanding on 31.03,2023

S. no	Unit Code	Unit Name	AG Code	Amount Outstanding (Rs.)
1	982	ETI	27.425	19,47,440.00
2	973	Service Commis sion	27.425	-12,04,953.00
3	646	Mainten ance	27.425	5,730.00
4	645	Civil Const. Aliganj	27.425	11,98,908.00
5	641	Civil	27.421	-3,38,872.00
6	641	Civil	27.425	1,79,519.00
7	330	Import and Export	27.422	76,99,77,097.64
8	330	Import and Export	27.425	9,61,37,377.20
9	327	ESPC	27.425	13,848.00
Tot:	d TDS R	eceivables		86,79,16,094.84

The referred balances are due to pendency of refund, as soon as the refund is received and details are provided from corporate tax, unit will account for the same. Further units analyzed their negative balances and necessary correction are being made in current FY accounts.

G. Trade payables

Trade payable having debit balances for power purchase of following parties, in several cases excess payment of Rs.3917614447.47 has been made to the parties namely NHPC- Rs. (-)3432723674.00, TEESTA URJA LTD. Rs. (-)3722.00. NOAR-Rs. (-)3633710.00, POWERGRID RAMPUR SAMBHAL TRANSMISSION (-)16432986.00, M/S SIMBHAULI SUGAR MILLS Rs. (-)76155192.24, M/S DWARIKESH SUGAR MILLS LTD. Rs. (-)2216562.75, TRIVENI ENG.& IND.LTD DEOBAND Rs.(-)74915812.07. TRIVENI ENGINEERING LTD. Rs.(-)69228689.50, MILAK NARAIYAN HINDUSTAN LTD. UTRAULA Rs. (-)10440643,57, BAJAJ HINDUSTAN LTD, (GANGAULI) Rs. (-)34873409.42, BAJAJ HINDUSTAN LIMITED, BARKH (-)1662752.45, BAJAJ SUGAR LIMITED, BARKHERA, Rs. (-)36495325.42, BAJAJ HIND.L., KUNDARKHI Rs. (-)11714482.31, & BAJAJ HIND.L., PALIAKALAN, LAK Rs. (-)147117485.74 and other includes old balances which are under reconciliation, year of advance if any is not

We have worked out that in following cases, the debit balances as mentioned by audit are more than 9-10 years old and are subject to reconciliation. We are working on the reconciliation and will try to resolve these debit balances as soon as possible.

AG Cod	Name of the Gener ator	Debit Balance as per Audit Observatio n (Rs.)	Remark
41 113	N.H.P .C.	343272367 4.00	Debit balances pertains to books prior to 01.04.2007 and

provided to us neither was available with the unit, neither current status was explained to us further it should be emphasized that the advances and excess payments are not interest bearing therefore loss to the corporation if any cannot be determined in the absence of clarification and adequate details. Bearing lack of documentation and adequate information, the recoverability or provision for doubtful amount cannot be commented upon at this stage (Unit#330 ETE&PC).

	OLD BALANCES	
AG Code	Name of The Generator	Total Balance
41.10	MADHYA PRADESH	-255974601.81
41.11	BHAKRA PROJECT MANAGEMENT BOARD	-16575376.60
41.12 8	KARNATAKA P.C.L.	-2088110.00
41.13	MSEDCL	-15502004.00
41.40 5	LANKO EU LIMITED	-9705040.12
41.41 1	G.M.R. ENERGY PVT. LTD.	-60719.00
41.42	MANIKARAN	-1534738.00
41.42	M/S A.C.C, LTD.	-775440.00
41.42 7	MITTAL PROC.PVT.LTD.GHAZ IABAD	-46511195.00
41.43	TECH. ASSOCIATES	-6931463.93
41.74	WAVE INDUSTRIES PVT. LTD. (ERS	-1660526.78
41.20 5	HIMACHAL PRADESH	-1688774.00
	Total	-359007989.24

			various letter and e-mails has been send to party for reconciliation
41	BAJA	-	Debit Balances
756	J	147117485	Since- 2009-10.
	HIND	.74	
	,L,		
	PALI		11111
	ΛΚΛ		
	LAN,		
	LAK		
	TOT	-	
	AL.	357984116 0	

Hence, out total amount of Rs 391.76 Crores of debit balance as mentioned in the first table of the para, an amount of Rs. 357.98 crores are very old for which reconciliation with concerned GenCo as well as internally with Fund unit is under progress. Out of the remaining Debit balances, Rs. 1.64

Crores which is related to Powergrid Rampur Sambhal Transmisson Ltd. (PRSTL) is on account of Negative Bills verified in Feb,23 and the same has been adjusted from further payments to PRSTL, now the balance is credit (Rs. 931905) as per books of May 2023.

Remaining accounts with debit balance as mentioned by audit, amounting approximately Rs. 32.14 Crore (391.76-357.98-1.64=32,14 Crore), are being examined and under reconciliation through third party consultant. These balances were inadvertently replied as excess Payment, however the same cannot be considered as excess payment until the reconciliation is complete with concerned parties.

Further, as mentioned by audit in the second table of the para, there are old debit balances for which the unit has sent letters to concerned GenCos and trying to reconcile these balances

### H. Staff and Other Liabilities

The Zone has not provided relevant details of the following outstanding balances, (above more than Rs 1.00 Crore) which are quit old and details of same could not furnished to Branch Auditors.:-

UNIT COD E	AG CODE	HEAD OF ACCOUNT	Dr.	Amount (INR)
983	44,620	CPF EMP Recovery	Cr.	(15618278.0
971	44.412	Liability to Madhyanchal – EC/ED	Cr.	(8227668,67)
	44.610	Liability to Trust For EMP - GPF	Cr.	(208115768. 53)
	44.620	CPF Employee Share	Cr.	(16982312.0
	44.621	CPF Employer Share Contribution	Cr.	(11031894.0 0)
330	46 936	AMT PAYBL- OTHER EB/ST GOVT./LB	Cr.	(6,01,50,278. 05)
	46 936E	GL PAYABLE UPJVNL	Cr.	(90,81,65,77 4.00)
	46 98	RECEIVABLE ACCOUNT	Cr.	(48,15,483.0 0)
	46 989	U.P.P.T.C.L.	Cr.	(62,00,56,92 8.13)

The Balances shown in unit code 983 and 971 for AG Code: 44.610, 44.620 and 44.621 are related to liability towards GPF and CPF which are already paid from Zone Level. And Balance appearing in AG head 44.412 is related to Electricity charges deduction from Employee's salary.

### I. Power Purchase

i) There is no effective system in place to verify power purchase for completeness, 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.

The unit has effective internal controls to verify total energy purchased during the year and have a mechanism to verify each and every bill on the basis of related energy account of concerned generator. For this purpose, all the energy bills related to FY 2022-23 not received at the unit till the preparation of Trial Balance have been identified and provisioning for the same has been done on estimated basis. Similarly, bills that have been received but not verified till the finalization of account have also been provided for appropriately. Hence Power Purchase Cost and Energy both have been accounted for whole year. Details of provisioning have been also provided to audit. Supplementary bills for reimbursement of Statutory charges/Income tax invoices as and UPERC/CERC true-up/tariff revision orders are

being accounted for as per the event. We strive to

ensure booking of all power purchase cost during the related financial year itself. In order to transfer the total power purchase cost to DISCOMs reimbursement bills and other bills of nature that cannot be known to us in advance are considered till the date of preparation of trial balance as an internal control measure in practice to ensure all such costs such as reimbursement bills, bills pertaining to any latest UPERC/CERC order etc. raised after financial year end and received up-to date get recorded in books and total cost gets accurately allocated to DISCOMs for consideration in their books.

Regarding quantitative reconciliation of power, this is to submit that the energy booked in accounts is already verified from energy billed by generator visà-vis energy account generated by Central/State Load Dispatch Centres (NRLDC, SLDC etc.) Further, a reconciliation of energy quantity booked in accounts with energy shown as per Energy Schedule is being carried out regularly.

This is worth considering that an independent third party firm has been appointed for reconciliation of accounts with all suppliers and reconciliation work is being carried out on top priority. Account statements of almost all suppliers have been received for FY 2018-19, 2019-20, 2020-21 and 2023-24 which have been reconciled/ under reconciliation for differences identified. Account statements for FY 2022-23 have been already requested form suppliers and are under process of reconciliation. We are continuously following up with suppliers/creditors for the purpose of balance confirmation and reconciliation, Reconciliation is a continuous process and we are working in that direction.

The proposal of employing additional resources is under consideration of management and the cost has not yet been finalized,

During our audit we were explained that the ii) reconciliation with Power Generator Companies from F.Y 2018-19 till FY 2022-23 is being carried out by M/S Mercados Marketing Energy Private Limited contracted in January 2021, at a fees of Rs 2,39,48,100.00 adjustment if any reconciliation will be done upon submission of final report by the contractor, Furthermore, the reconciliation for balances pertaining to financial years before 2018-19 will be handled by additional staff, but no cost comparison between the two reconciliation methods was provided to us, which created a gap in understanding the efficiency and effectiveness of each approach between the contractor-led reconciliation and the additional staff-led reconciliation.

Generation based Incentives (GBI) receivable from IREDA amounting to INR9,66,31,925.88

(iii

Generation Based incentive for difference in 'Average Tariff' of solar power projects and 'PPA (Previous Year – Rs 9,77,33,211.20) and a sum of Rs (265,13,53,853.51) (Previous Year - Rs (85,62,65,550.77) from UPNEDA are subject to confirmation and reconciliation and Consequential adjustment, (Unit#330 EIE&PC)

iv) The zone has received interest amounting to Rs. 38,17,77,874 and TDS receivable of Rs. 38177789.20 thereon, the amount of interest has been netted off from the purchase cost in the books. Purchase cost and interest income, therefore are understated to the extent of Rs. 38,17,77,874 (Unit#330 EIE&PC) rate' is accounted as receivable from UPNEDA and IREDA and received on regular basis.

Confirmation and Reconciliation is under process. Letter (1350 dated 21/10/2023, 1351 dated 21/10/2023) sent to UPNEDA & IREDA for the same.

Interest cost or interest receivable included in the Power Purchase Bills presented by Generators on account of adjustment/revision in compliance of UPERC/CERC regulations or order etc. have been accounted under power purchase cost.

Since, the total power purchase cost is to be transferred to DISCOMs as Power sale price, hence, there is no understatement/overstatement of profit or loss and no impact on profitability.

### J. Provision for Late Payment Surcharge

Unit has accounted total late payment surcharge Rs.5695614955.00 out of which an amount Rs1123754841.00 is for bills remained unverified, Accounting system adopted by the unit is in diversion of accepted accounting policy on accounting on accrual basis where the LPS should be accrued after the specified time period of unpaid bills as specified in their PPA, whereas only bills are accounted which is received by El&PC unit. No system was observed where bill wise LPS pending overdue for payment is accrued and accounted. It is further observed there is no system in place which could provide information regarding outstanding and overdue hills details over which LPS need to be accrued and whether the accrual has been accounted or not. Therefore, we cannot comment upon on the amount of overstated profit/understated loss of the zone for the financial year 2022-2023 on account of provision of late payment surcharge.

The unit has verified Late Payment Surcharge bills of generators as per the provision of PPA. Proper checking and computation is carried out before verification all LPS bills. In cases where LPS bills were pending for verification, appropriate provisions have been made in the books. Further, the calculation sheet on the basis of which Late Payment Surcharge is being calculated jointly signed by the generator, fund section for payment and rebate and EIE & PC for bills, so there is a proper system for the verification of the Late Payment Surcharge Bills.

Hence, there is no understatement/overstatement of loss on account of Late Payment Surcharge at the unit level.

Further, ERP system of Bill verification would help to strengthen internal control for computation and accounting of LPS.

### K. Bank Reconciliation Statement: -

On review of the bank reconciliation statements we observed that old Un-reconciled balance of INR Rs. 138164.34 for which no adjustment /reversal has been made in the books of accounts. # Unit983 - DG Vigilance

The referred difference is now reconciled.

### L. Pending legal cases at different forums

On our query during test check audit of liabilities on pending legal cases at different forums, we were explained that the status of court cases received from PPA unit, Planning unit Power Management Cell and SPAT unit has been considered by the Zone and the same has been disclosed as contingent liability. However, no details were provided to us during our audit and as explained to us the zone has no information relating to the cases and the same is dealt at HQ level. Therefore, we cannot comment upon the status of the cases and its

The detail of Contingent Liability has been provided.

financial implication on the books of accounts.

### M. Provision for Power Purchase and Unverified LPS and Power Purchase cost: -

The Zone has booked an amount of Rs. 807.32 crore, as unbilled and unverified power purchase cost and Rs. 112.37 crore, as LPS Charges (unverified), on our examination and explanation provide to us, we observed that these charges are unverified and booked under expenditure on reasonable estimate, further as explained necessary deviation on their verification will be accounted at the time of verification. Therefore, impact if any on account of verification cannot be commented upon at this stage. However, Management has confirmed total amount of unbilled and unverified. Power Purchase cost for Rs 9437 crore as on 31st March 2023.

As per the prudent accounting practice Provision for Late Payment Surcharges has been provided for on available reasonable estimates i.e. on the basis of bills submitted by the generator.

### N. Rental from Contractor

The unit has accounted Rental Income from Contractor M/S PrayagRaj Power Generation Corporation Limited of Rs 2,29,927.00 further as explained to us the said amount is on account of Lease of Land to the contractor, however unit did not had any information of Land is being recorded in the books of which unit.

The referred Land is transferred from UPPTCL Civil Unit Allahabad through OM No. 5107 dated 25.06.2015 to Unit #645 and informed by the transmission unit that it does not have any land balances in their books regarding to mentioned land.

### O. Sale of Scrap

The Zone has sold old/unserviceable asset for Rs. 1734359.00 during the Financial Year, however as explained the assets sold were very old and gross value was ascertained on the basis of committee report, therefore the correctness of the Profit on sale of Asset of Rs. 927298.00 cannot be commented upon due to lack of details.

Since the assets balances are transferred under transfer scheme and the assets are very old, therefore the accounting is done as per the best available records.

### Common observations in Audit Report of Subsidiaries

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

As per Para No. 9 of Notes to Accounts, Company has changed its policy for provisioning of bad and doubtful debts against trade receivable considering the simplified approach as envisaged as per Ind AS-109 pertaining to expected losses method quantifying its consequential impact for Rs 12658.27 Cr. but it has followed graded provisioning over the period of four years commencing 40% in Financial Year 2022-23 with incremental provisioning of 20% each successive year which have resulted in deficient provisioning of bad and doubtful debts. Discoms Auditors were of the view that deferment of graded provision behind 31.03.2023 is the violation of Ind-As 109. Auditors of DVVNL has quantified the impact of short provision for Rs 5111.34 or but other Auditors have not quantified the impact of deficient provisions.

However as per Age wise analysis given in the notes to accounts, a sum of Rs, 70398,95 Cr is outstanding from This provision has been made as per provisioning policy approved by the BoD and disclosed in the financial statements.

It is worth to mention here that the Discoms are giving efforts to realize the amount from Debtors including old balances of Trade Receivables. They are regularly arranging the camps, awareness programme for the public and Kiosk for the realization of the amount.

Considering the above facts, it would not be appropriate to create full provision on Non-Government Debtors in the first year. Therefore, it has been done in a graded manner.

Non-Government Consumers for more than three years pertaining to group which constitute 65 % of total Trade Receivable. There is difference of Rs 1635.77 cr between amount of trade Receivable shown in Note No. 10 and as

per Para 43(a) of Notes to Accounts.

Company needs to review its policy for provisioning considering the comments of statutory Auditors of Discoms, age-wise analysis of Non-Government consumers and other relevant factors mentioned in Ind As 109 relating to expected losses. However, in absence of complete details, total deficient provision of the group is not quantifiable at this stage.

Subsidiaries wise brief observations on above issue are furnished below: -

### (a) Madhyanchal Vidyut Vitran Nigam Ltd.

- There are differences in sundry debtors as per i. 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 Rs.27.27 Crores were reflected in 4 divisions of Ayodhya zone due to wrong classification of accounting entries in MTB.
- We draw attention to Note 10 and para 42 of Note ii. 31 to Notes to financial Statements relating to disclosures of trade receivables wherein the company has not ascertained and classified the Trade Receivables into 'Disputed' Undisputed', 'significant increase in credit risk' and 'credit impaired', as required by amended Schedule III to the Companies Act, 2013.
- The segregation of 'Trade Receivable (Current)' iii. into Government/ Non-Government and ageing into different age buckets as per para 36(B) of note 1B have been made only on the basis of online billing data provided to the zonal auditors 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, the total trade receivables as per the data provided by the commercial section as on 31st March 2023 did not match with the total 'trade receivables' as shown in the books of accounts of the company and the same has been reduced under the category of "Non-Government consumers" under 'Receivables outstanding for more than 3 years' while categorizing the age buckets.

The data used while calculating the rates of provisions like 'collection of receivables' and determining the unpaid amount against the 'assessment made in the base period' by the age buckets etc., were not verified by the concerned

- i) Regarding credit balance in the sundry debtors, there were four units, which are having negative balances; correction entry has been made by respective units.
- ii) Due to non-availability of required data, such disclosure could not be made. Efforts are being made to establish the system to maintain the required data.
- iii) Data as per commercial section and as per accounts are under reconciliation.

zonal auditors and hence have been relied upon by us based on management's certification.

### (b) Purvanchal Vidyut Vitran Nigam Ltd

i. The age-wise classification done by the management is not appropriate. As per explanation and information given to us, the age-wise classification of debtors has been done on the basis of last payment date of the consumer and not on the basis of actual date of bills.

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. 13660.98 Crore, total outstanding trade receivable for 1 year and less is Rs. 7790.83 crores, which shows that the realization of trade receivables is very poor. Further, total Trade Receivable outstanding at the yearend is Rs. 38634.44 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.

ii. On direction of Hon'ble High Court, the UPPCL has directed the Company to get the special audit conducted at Distribution Division level of revision done in consumer's bills and accounting of its recovery in the cash book during the financial year 2021-22 and 2022-2023. As per information provided to us by the management, total No. of 36,02,611 bills and 11,92,487 bills have been revised during the financial year 2021-22 and 2022-23 respectively. However, the management has failed to provide the quantum of total amount involved. Since, the matter is at preliminary stage, the ultimate outcome of the same and its impact on the financial statement could not be ascertained

i. Age wise classification of debtors has been done considering that when the consumer make the payment and it is not possible in the system to do the ageing on the basis of invoice date as some times consumer makes the part payment also.

The supply of electricity is a wide ranging public utility service which have to be scheduled as per the prevailing Government policies enforced in urban and rural areas irrespective of the recovery constraint, further in many of the schemes, revenue subsidy is offered and given by State Government at later stage. However efforts are being made to recover the electricity dues time to time and hopefully these trade receivables will reduce in future. However, in view of the audit observation the trade receivable (Dues from consumer) will be reviewed and sufficient provision will be made in the accounts in hand.

ii. In compliance of direction of UPPCL the process of empanelment for special audit is under process. The audit will be conducted in accordance with the specified guidelines and the necessary accountal required (if any) will be dealt with accordingly.

### (c) Pasheimanchal Vidyut Vitran Nigam Ltd.

i. No revaluation loss has been recognized during the reporting period in respect of Trade Receivables based on security deposit equivalent to 45 days billing to cover the outstanding dues. In absence of adequate security deposit cover for customers under Government sponsored schemes, no provision for likely impairment loss has been provided against such receivables by the company. Under the circumstances, we are not in a position to comment on the possible impact thereof on the financial statements of the company. (Refer to

(i) 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 served to the consumers. Further, management believes that the bill amounts that crossed due date are still recoverable. In view of the Management, sufficient provision has been made to meet any impairment of receivables from all the categories of consumers. Hence, no impairment loss has been recognized during the reporting period in respect of Trade Receivables. Considering the various factors, the Provisioning Policy has already been designed.

- Note No. 8 of Notes to Accounts
- ii. The company has not furnished the details of advance deposit received from consumers against temporary connection and the entire security deposits from them has been shown as non-current liabilities. In absence of such details, quantification of current and non-current liabilities therefrom is not possible and ascertained.
- During the course of audit, we observed that a huge amount is lying as debtors, which has been secured/unsecured classified into good/doubtful/ Govt/Non-Govt. Age wise analysis of outstanding is done in Note No. 8 of Financial statements, however, details thereof is not provided to us for the audit. Moreover, the classification into disputed and undisputed debtors are not done at all in Note No. 8 of Financial statements, which is not in accordance with amended Schedule III to the Companies Act 2013. Time barring/non-recoverable cases are not identified, in absence of any such classification, we are unable to comment there upon.

- and applied in FY 2022-23.
- (ii) The Security Deposit from consumer against Temporary Connection is booked along with Security Deposit from consumer of Permanent Connection in specific AG Code exists for category of consumers. However, the necessary accounting will be made from next Financial Year.
- (iii) The necessary disclosure is made in Notes on Accounts at point no. 8(a) as per the records available. Further we are in the process of developing a new software of Billing which will provide the details in required format.

### (d) Dakshinanchal Vidyut Vitran Nigam Ltd.

- In our opinion, substantial un-reconciled amount of Rs. 4,508.08 Crores (Total Debtors as per Balance Sheet – 22,701.94 Crores (excluding KESCO 203.77 Crores, Torrent Power Limited 57.70 Crores, Prov. Of Unbilled Revenue 526.71 Crores & Theft of Power 0.69 Crores) less Total Debtor as per Billing Software – 18,193.86 Crores), of trade receivable as on 31.03.2023, as per billing software and Books of account, should be eligible for 100% written off as unidentified debts.
- ii. There is substantial un-reconciled difference of Rs. 1,109.83 Crores between revenue assessment of billing software and revenue booked in financial statements, for which inappropriate explanations were offered, the company should have identified reconciliation and recognised correct revenue in Profit & Loss account. Even Hon'ble Allahabad High Court has taken cognizance of such variances in some other cases for which information was not made available to us.

Efforts are being done to reconcile billing and accounting data which is a time taking exercise considering the huge consumer base and is still going on.

As suggested by the Central Auditor regarding the creation of provision of differential amount, it is to submit that it will not be a good accounting practice to make provision in accounts without proper reconciliation. It would be better to make necessary provision post reconciliation of the balances.

It is pertinent to mention here that a new provisioning policy has been implemented in F.Y. 2022-23 which allows the provisioning in graded manner as per the ageing of the consumers/debtors.

The Books of accounts are prepared on the basis of transactions accounted for by the divisions on day to day basis. In the same way revenue assessment is booked by the units through system generated MIS and manual registers (wherever applicable). The billing software may have some flaw or bug while generating the MIS but it is minutely cross checked manually by the units and then accounting is done. So, The accounting presented in the books are duly checked and certified from the units. The matter of difference shown from accounts to billing software

is under reconciliation with commercial wing of the Discom and UPPCL.

### 2. Comments on 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:

### (a) Dakshinanchal Vidyut Vitran Nigam Ltd.

 There is no reasonable certainty for the recovery/payment of following amounts outstanding since long period of time without any balancing/reconciliation, hence should be reconciled and dealt accordingly

These balances are under reconciliation and necessary adjustment/ corrections shall be done after proper reconciliation on the need basis.

S. No.	AG Code and Name	Amount (in Crores)
a	46.302 Other Levies	Rs. 28.19
ь	46.330 Other State Levies Payable	Rs. 1.32
c	44 Staff Related Liabilities (Debit Balance)	Rs. 3.06
d	44 Staff Related Liabilities (Credit Balance)	Rs. 0.77
c	U.P Rajya Vidyut Utpadan Nigam Limited	Rs. 0.95
f	U.P Power Transmission Corporation Limited	Rs. 7.34
В	AG Code-28 (Transfer scheme balances)	Rs. 12.22
h	AG Code 25.5 Advance Interest Free (Capital)	Rs. 9.38
i	(Under EE Admin) AG Code 44.350A 7th Pay Commission	Rs. 16.35

ii Details of transfer scheme balances for more the Rs 1 lakhs as reported by statutory Auditors id furnished below;

ZONES	AG CODE S	NAME	AMOUNT (In Rs.)
ALIGA RH	23.703	Pub Light Maintenance Charges	15,28,406,50 De

These balances are under reconciliation and necessary adjustment/ corrections shall be done after proper reconciliation on the need basis.

	25.1	Advance to Suppliers	1,13,696.00 Dr
	25.6	Ad pay to Stores	17,33,772.75 Dr
	28.744	Theft of Cash	16,55,861.15 Dr
	28.UT T	UIT	3,86,349.00 Dr
	44,310	Net salary payable sundry liabilities and provision	4,30,182.92 Cr
	53.612	Rural Deposit Scheme	52,88,176.05 Dr
	53.620	Financial Part Con	1,33,588.74 Dr
KANPU R	23.110	Railway Traction	9,16,04,948.1 3 Cr
	23.110 A	Cess Lucknow	3,03,000.75 Dr
	23.II0 C	Kesco	81,71,24,383. 56 Dr
	23.70 7K	Other Recovery From Consumer	122,06,09,19 8.57 Dr
	28.10 1	Sundry Debtor For Sale of Energy	68,95,705.94 Dr
	46.56	IUT Cash Within Zone	10,83,716.75 Dr
JHAN SI	23.3	Others	82,72,08,850. 07 Cr

## (b) Purvanchal Vidyut Vitran Nigam Ltd.

Details of major odd balances as reported by statutory Auditors is furnished below:

DD CLOSING BALANCES IN AG CODES

ASSETS CR BALANCE		LIABILITIES DR BALANCE			
AG		Balances (Rs.	AG		Balances (Rs. )
14	64	2,61,72,455.1	42	1	7,56,38,238.1
14	85 A	54,60,208.34	44	220	1,29,77,048.0

AG code wise analysis of odd balances are being scrutinised and the necessary adjustment entries are being passes accordingly.

14	85 Y	1,87,75,087.5	44	320	63,67,640.04
22	76 0	30,48,98,186. 00	44	410	2,14,39,000.2 6
23	11 2	7,52,95,528.7	44	504	97,26,879.38
23	2	2,06,00,141.0	44	505	92,55,430.90
23	21	71,18,256.00	44	507	3,80,71,518.0 3
23	70 5	2,83,17,850.0	45	58	2,48,16,58,99 5.44
24	30 8	65,03,605.38	46	101	99,95,67,262. 50
24	40 9B	35,79,26,602. 71	46	123	88,33,412.52
28	61	3,74,10,04,79 4,00	46	2	1,08,63,96,13 0,84
31		7,03,25,49,60 2.28	46	3	1,04,85,720,0
33		7,72,85,10,43 0.30	46	922	1,31,42,44,85 6.20
34		71,09,06,173. 38	46	941 01	2,72,09,862.7
36		10,87,27,166. 69	46	941 02	2,51,65,221.6 5

### (c) Madhyanchal Vidyut Vitran Nigam Ltd.

i. In many cases at zones 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 Crores) Deposit & Retention from suppliers 476.48 Advances to Suppliers 113.10 Sundry Liabilities 188.17 Sundry Receivables 25.32

 It was noted that the following balances pertaining to various zones are outstanding in the books of Head Quarter since many years which have not been identified, reconciled and transferred to the respective units/zones.

Account Head	Amount (Rs. in Crores)		
Other Liabilities and Provis	ions 8.34		
Provision for depreciation	669.33		
Stock Related Accounts (ne	0 11.30		
Deposit for Electrification	35,21		
Capital Work in Progress	(3.79)		

i. we are in the process of migrating to ERP, the same shall be dealt in accounts prospectively. Further, regarding confirmation of balances from suppliers, steps are being taken to maximize the response by proper correspondences to suppliers at the Zonal level as letters for balance confirmation

are being issued.

ii. The old balances which are carrying over since last so many years, are mostly related to Transfer scheme. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same.

### (d) Pasheimanchal Vidyut Vitran Nigam Ltd.

- Balances of trade receivables, trade Payables, Suppliers, Contractors, loans and advances, staff related liabilities & advances and other various debit/credit balances, dues from government and reconciliation in respect of certain Bank balances are subject to respective confirmations. reconciliation and consequential adjustments thereof. In absence of proper records/details, we are unable to ascertain the effect of the adjustments arising from reconciliation and settlement of old dues, possible loss/ profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities. Various debit and credit opening balances are lying unadjusted, including the account received under transfer scheme. Under these circumstances, we are not in a position to comment on the possible impact thereof on the financial statements of the company.
- ii. As referred in Note 10 to the financial statements receivables from Uttar Pradesh Jal Vidyut Nigam amounting Rs 0.832 crore and Rs. 35.03 crore from Uttar Pradesh Power Transmission Corporation Limited are shown under Current Assets, which are outstanding for more than 12 months. As results of this other current assets are overstated and other Non-Current assets are understated by Rs.35.86crore.
- iii. As referred to in Note 18 to the financial statements, Payables to Uttar Pradesh Rajkiya Vidyut Utpadan Nigam Ltd.amounting Rs.33080.00, Uttarakhand Power Corporation Ltd. Rs.0.17crore, are shown under Current liabilities. However, these balances are outstanding for more than 12 months. As a result of this, current liabilities (Other financial liabilities) are overstated and non-current liabilities (Other financial liabilities) are understated by Rs.0.17 Crores.

(i) The various balances appear under current assets, current liabilities etc. are considered as good in view of the management. Further it is to state that the provision for any uncertainty in receivables has been made in books of accounts, regarding which necessary disclosure has been made in notes on accounts.

The copy of confirmation letter from other discoms (Purvanchal, Madhyanchal, Dakshinanchal, KESCO), UPPTCL, UPPCL (Power Purchase Liability) and from various FI's/Banks etc. has been provided to audit.

- (ii) The balance appeared as receivable/payable under assets/liabilities is of current in nature and in all the discoms the uniform treatment is made regarding these balances in accordance with the provisions of Ind AS-01.
- (iii) The balance appeared as receivable/payable under assets/liabilities is of current in nature and in all the discoms the uniform treatment is made regarding these balances in accordance with the provisions of Ind AS-01.

 Non Provision of Dues from entities matters of which are pending in NCLT:-

a. Matter relating Trimurti Coneast Private Limited in this case outstanding in the tune of INR. 9.24 erore, the present status is the resolution plan has seen been approved. And no further proceeding is pending. It is therefore suggested that the outstanding claim of Rs. 9.24 erore should be written off. As per the order/directions of Hon'ble Supreme Court (Writ No/ 26355/2022 SLP No. 19947/2023 against the writ petition filed by director of company Sh. Narendra singh under which decision has come in favour of UPPCL. Now recovery proceedings as per the order of Supreme Court has been initiated.

b. It has been observed that Rs.4.04 crore are dues from M/S. Chaudhary Ingot Private Limited whose matter is pending in NCLT. According to the sequence of payment, the electricity dues do not get preference over bank and other dues. As such recoverability of these dues is in jeopardy and Provision for doubtful debts must be made @ 100% i.e., 4.04 Crore. In this case the Pashchimanchal has adjusted Rs. 1.04 crore from security deposit from due as such the balance of Rs. 4.04 erore needs to be provided for

c. Interest accrued and due Rs.7.37 Crores under Other Current Assets (AG 28,240 & 28,250), which is pending for reconciliation for more than a year, impact of the same is not ascertainable on the financial statements. (Refer to Note 11 of Financial Statement.)

- d. AG Code 26.7 represent Cont. Mat. Control A/C having balance as on 31.03.2023 is INR 1,13,84,537.54 belongs to material advanced to contractor Mr. Shailesh Kumar Since 2010. This material is required to be recovered from the contractor immediately otherwise provision is required to be make in the books of the accounts.
- e. Subsidy Receivable from Government shows unadjusted negative Balance of Rs. 4.90 Cr (Previous Year 4.17 Cr). The book entry to adjust/set off these balances has not been made.

The recovery as per section-5 has been issued to the consumer and efforts are being made with Distt. Administration to recover the electricity dues.

The amount has been received under finalisation of Transfer Scheme 2003 vide Govt. of U.P. Notification No. 1528/24-P-2-2015-Sa(218)/2014 Lucknow Dated 03-11-2015 for Ghaziabad Zone. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same.

The material issued to contractor against which miscellaneous advance is booked. All these material are lifted from contractor's store and now laying at Electricity Store Center, The valuation of store is under process and therefore, adjustment/provisions of non-recovery will be made accordingly.

The balance pertains to old period. The same will be reconciled/adjusted in subsequent years after due verification.

### 4. Cash and Cash equivalents

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

### Dakshinanchal Vidyut Vitran Nigam Ltd.

In our opinion following long pending un-reconciled differences between bank balances as per bank passbook/statements vs. bank balance, as declared in AG 24, should be reconciled and dealt accordingly.

S.	Name of Zone	Balanc		Balance		Differenc
N		e	as	as	per	e
0.		per	-	casl	iboo	

The Bank Reconciliation Statement (BRS) is being done regularly in all the divisions of this company. The outstanding balances of Stale cheques, Uncashed cheques, Other Debits and Other Credit in BRS are being monitored regularly and adjusted after due reconciliation. It is a continuous process where old outstanding balances are adjusted on regular basis in the Units.

		bank passbo ok	k/MTB/ AG24	
1.	Agra Zone	9.19	10.03	-0.84
2.	Aligarh Zone	1.37	14.13	-12,76
3.	Kanpur Zone	12.00	6.74	5,26
4.	Jhansi & Banda Zone	18.73	-5.28	24.02
	Total	41.29	25.62	15.67

AG 28.919 Other Deposits of Rs. 1.34 Crores included in Deposits & Retention from Suppliers & other of Rs. 1,211.66 Crores in Note 18, is on account of FDR deposited with appellate authorities, in our opinion it should be classified under Cash & Cash Equivalent Note 9-B.

The suggestions of the auditor shall be addressed.

# b. Madhyanchal Vidyut Vitran Nigam Ltd.

Bank reconciliation statements at some of the divisions/ units have not been prepared and various old un-reconciled entries are appearing in the bank reconciliation statements in various units at zones/ head office since long periods which require adjustments and appropriate accounting in the books of account. Similarly, the copies of bank statements were available but proper balance confirmation certificates/ statements, duly authenticated by the bank were not available in many cases.

Further, in Ayodhya zone, the divisions have bank balance of Rs.119.95 Crores, while balances as per Bank Statements is Rs.15.77 Crores. Similarly, BRS at the divisions of LESA Ciss zone reflect unidentified debit entries amounting to Rs.1.29 Crores and credit entries amounting to Rs.87.94 Crores outstanding for long period which require adjustments and appropriate accounting in the books of account. Differences reflected in BRS are being scrutinized progressively and many accounts have been reconciled. The Company is reconciling the balance accounts also.

## c. Purvanchal Vidvut 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. 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.
- a) All the concerned units have been instructed to update the Bank Reconciliation Statement and necessary accounting of the uncashed cheques/stale cheques will be made in the accounts in hand.

- (b) It has also been observed by us that in bank reconciliation statement of ICICI Bank maintained for establishment related payments at Central Payment Office, Headquarter, an amount of Rs. 79.26 Lacs pertaining to stale cheques has been shown outstanding and not reversed.
- b) The necessary accounting entry has been made in the current financial year. BRS is also updated accordingly.

## d. Paschimanchal 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, un-cashed cheques, other debits and credit, which requires special attention of the management for necessary adjustments and impact thereof is not ascertainable on the financial statements.

Zone Wise details are furnished below;-

## Merrut zone

## Bank Reconciliation Statement (BRS)

i. The BRS includes Bank Charges and the amount withdrawn directly by authority against court cases, reflected under other debits but not accounted for in the books of account. The amount of Bank Charges and other debits has been substantial but still not forming part of the books of account and continues to be reported in BRS.

(Rs. in lac)

Particulars	Other Debits (Total)	Bank Charges (included in the Total)
Less Than 1 year	3.91	3.91
1 to 3 years	12.59	0.03
More than 3 years	168.01	14.10
Total	184.51	18.04

In our opinion suitable provision need to be made in accounts for debits as mentioned above.

- Reconciliation statements available in of divisions carry uncashed cheques, dishonoured cheques and other credits given by bank in previous years but not recorded in books of divisions. In few cases Time barred/stale uncashed/dishonoured cheques not reversed and are shown in bank reconciliation statements.
- Accrued Interest on Fixed Deposits has not been accounted for in the Books.
- In few Cases, the Bank statements are not provided to confirm the substantial balances appearing in the Books and subsequently in the Bank Reconciliation

The reconciliation of outstanding entries is in the process and accordingly unaccounted other debits reconciliation and accounting shall be done in current financial year.

The reconciliation of outstanding entries is in the process and accordingly unaccounted other debits and credits shall be reconciled and accounted for in the next financial year.

There is no Fixed Deposit (AG 20) in the zone.

Bank statements have been obtained and updation of reconciliation is being done which will be completed in current financial year, Statements. As informed, the bank accounts are no more operational. In the absence of the Bank Statements, the updated status of these balances could not be confirmed.

## Bulandshahar Zone

Bank reconciliation statements (BRS) in respect to Bank accounts of mostly divisions of Bulandshahr zone contains outstanding old entries which includes stale cheques, uncashed cheques, other debits and credits more than three month which requires reversal after proper & exact reconciliation and may have impact on trial balance. Distribution divisions are accepting large number of cheques as a normal course of business. Some cheques got bounced due to various reasons. For bounced cheques consumer's ledger is charged with interest and penalty. With respect to other credit sometimes consumer makes payment in division's bank account but it is not clear for which consumer payment received due to non-availability of full details in Bank Statement. Clearance of uneash cheque & other credit is a regular process and efforts are being made to clear old uneash cheques and other credit. Other debit in bank reconciliation statement appears due to non-accounting of bank charges. For refund of bank charges regular follow-ups are being done by divisions.

## Ghaziabad Zone

In the Bank Reconciliation statement, the bank accounts were reconciled subject to following items:

- · uncashed cheques of Rs 24.39 Cr.
- · Old difference Rs 28.35 Cr
- · Other credits not traced Rs 47.77 erores.

No details, age and explanations could be provided to us hence we are unable to comment on its impact on the accounts Uncash amount also includes the amount of cheque received and deposited in March-2023 but realized in subsequent month. Further, old difference and other credit pertains to old periods and concerned units are under process of reconciling the same amount, it will be adjusted in books of accounts after reconciliation.

### Shahranpur Zone

Bank Reconciliation Statement (BRS) in respect to bank accounts in case of few divisions of Saharanpur Zone contains outstanding of previous years entries (even some entries are more than 10 years old) which are seizure by various authorities in respect to Court and other cases. The Seized amount from division's bank accounts as per instruction of court is under pursuance/ appeal. After decision of court accounting entry shall be made in division's books of accounts.

# 5. Capital Work in Progress

i. Capital work in progress includes Rs 1389.61cr (refer notes-3) being "Advances to suppliers and contractors" to be reflected as Advance against capital expenditure as per provision of "the schedule III to the companies Act 2013" as Non- Current Assets. Consequently, capital work in progress is overstated and "Advance against capital expenditure" is understated to that extent.

i. As per the provisions of the ESAAR Rule 1985, the Advance against Capital expenditures are grouped with Capital Work in Progress.

- Group Company has not disclosed age-wise details of the Capital work in progress including projects in progress/projects temporary suspended as per requirement of Schedule III to the companies Act 2013.
- Audit comment is noted for future compliance and the required disclosers shall be made in FY 2023-24.

Subsidiaries wise observation as reported by the Auditors as given below:

## a. Madhyanchal Vidyut Vitran Nigam Ltd.

At Ayodhya Zone, a sum Rs.337.61 Crores and revenue expenses of Rs.40.25 Crores has been capitalized during the year but the details of material & labour consumed, assets created and completion certificates of capital works completed were not available. Further, Details of projects under "Capital Work in Progress" amounting to Rs.11.55 Crores does not contain item-wise details of consumption.

Completion certificates are available but same could not be shown to Zonal Auditor. The concerned Zone has been instructed to produce the same at the time of next audit and ensure not to repeat this in future.

# b. Purvanchal Vidyut Vitran Nigam Ltd.

- As reported by the Zonal Auditors, the status, situation and condition of Capital Work in Progress is not available for verification.
- Work register in construction and secondary works divisions have been maintained. For remaining units, necessary instructions have been issued to maintain the same.
- Capital work in progress includes advance to Suppliers/ Contractors (Capital) amounting to Rs. 825.24 Crores. As reported by the zonal auditors, name and age-wise break-up of the same is not available, hence we are not able to comment upon the same.
- ii. Unit wise balances appearing in the advances head is being reviewed and necessary directions have been issued to units to reconcile the same and maintain the party-wise list of advance to Suppliers/ Contractors. Further, we are in the process of migrating accounts on ERP, hence requite details as sought by the auditors will be taken care automatically.
- iii. The time period of ABD funded UPPDNRP Project has expired on September, 2022. The approval of time extension not available on record for verification. However, as per UPPCL Letter dated 06/02/2023, the Company has been imposing liquidated damages on vendors w.e.f. 01/01/2023,
- iii, No Comments as this Para is for information purpose only.

# Paschimanchal Vidyut Vitran Nigam Ltd.

The detail 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

The balance appearing under CWIP pertains to all the running capital works, for which age wise and project wise details is available with the company. Further, we are in the process of migrating accounts on ERP, hence requite details as sought by the auditors will be taken care automatically. on the financial statements. (Refer to note 3 of financial statements and point no 43 of notes on accounts)

## Moradabad Zone:

### CWIP

Amount Outstanding Rs. 3.52 Crores - Contract awarded to M/s Ishan Earthing Ltd. on 25.08.2018. Not yet Capitalized and still stated in WIP, If the asset is commissioned to business operations, no depreciation is being charged. No explanation was offered at ZO level. The mentioned contract is going in ECWD, Moradabad. This project is under completion which is to be capitalized after successfully completion and handed over to respective division.

# d. Kanpur Electricity Supply Company Ltd.

Capital work in progress Rs 29.14 crore
The disclosure requirement as envisaged by para L (vi)
(b) under "Additional Regulatory information of
Schedule III of the Act has not been complied with.

Adequate disclosure have been made in the financial statements on the basis of available records.

## 6. 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. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.

Valuation of Inventory has been done on the basis of Accounting Policy of the Company.

# Major comments observed by Subsidiaries Auditors are reproduced below:

## a. Dakshinanchal Vidyut Vitran Nigam Ltd.

Inventories of the Company of Rs. 427.62 Crores as at 31.3.2023, are erroneous considering our opinion expressed in Point No. (ii) of Annexure 1 to our audit report (In absence of physical verification) read with followings:

Fixed Assets identified as not fit for use, are derecognised from AG 10 & 12 and are recognised under AG 22 at Written Down Value. New material procured/issued for repair is debited to AG 22, while labour charges are recognised as revenue expenditure under AG 74. After repair the repaired asset is recognised by debiting AG 10 and credited AG 22 at self-estimated valuation of brand new asset, instead of historic cost of repaired asset. This results into incorrect presentation of inventory wherein, exaggerated imaginary credit (new asset value - (WDV + Repair Material)) remains parked in inventories. This may have been resulted as aggregate impact of multiple crores of undervaluation of inventories. Company needs to stop this practice immediately and identified it's consolidated

Accounting under these heads are done as per accounting policy and prevailing practice of the company. The Auditor has only estimated for possible flaw, hence the comment appears to be suggestive only. The Suggestions of the auditor shall be examined for review and action will be taken accordingly.

- impact on inventory valuation to arrive at correct valuation.
- ii. Otherwise also, if the assets de-recognised is not repairable, it is further debited to AG 22.770 "Scrap Material" at realisable value, instead of book value and declaring loss on sale of asset to Profit & Loss account. This practice resulted loss on sale of scrap in AG 22 (other than AG 22.770).

# Madhyanchal Vidyut Vitran Nigam Ltd.

- i. Ageing of inventory was not done and obsolete items were also not identified and adjusted in the books of account in some cases. Further, in respect of inventories of Rs. 272.37 Crores in Ayodhya zone, inventory records, item wise details of inventory and its valuation (except inventory worth 102.74 Crores pertaining to (Workshop and Store divisions) as at the year end were not available.
- ii. Provision for Unserviceable store of Rs. 41.76 Crores as appearing in Note 7- Inventories continues since 2012-13 despite substantial increase in level of inventory to Rs 723.11 Crores in 2022-23 as against Rs. 230 Crores 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.
- In FY 2023-24, Stock account is being maintained in ERP that will enable inventory records (ageing, item wise details). The valuation of stock in ERP is being maintained by system on weighted average hasis.
- ii) Creating provision for unserviceable store is a matter of estimate to be made by the management according to the circumstances. In view of the management the existing provision of Rs. of 41,22 crores is sufficient as on the date of Balance Sheet. In view of the same, maintenance of the spares has been given top priority and accordingly the estimate for provision for unserviceable spare and stores has reduced from the earlier years.

### c. Purvanchal Vidyut Vitran Nigam Ltd.

- The Company has carried out valuation of stores as on 31/03/2023 by an independent Firm. As per Zonal Auditors' Report, the physical verification of stores and its valuation is pending at Varanasi Zone and some of the Units of Gorakhour Zone.
- Stock shortage/ excess pending investigation amounting to Rs. 72,40 Lacs is outstanding as on 31/03/2023. In absence of proper information, we are unable to comment upon its nature and proper accountal.
- No movement analysis is available to categorize fast moving, slow moving, non-moving and dead stock items.
- No provision for obsolete, unserviceable stores and spares has been made. An old provision amounting Rs. 62.97 Crores is lying against obsolete stores since 2003 under Final Transfer Scheme.
- There is no system for identification of scrap and its valuation at fair value.
- d. Pashimanchal Vidyut Vitran Nigam Ltd.
  - i. Inventory consists of stock items, which are used

- The necessary instructions have been issued to zones (for remaining units) to conduct the physical verification of stores/inventory and its valuation as per Ind AS-2.
- The units have been instructed by the Discoms HO to update the stock shortages/excess pending investigation and investigate the same for necessary accountal.
- The detail of fast moving, slow moving, non-moving and dead stock items of store divisions is available at the unit.
- iv. The provision existing for obsolete, unserviceable stores and spares, provided in final transfer scheme 2003, amounting to Rs. 62.97 crore is sufficient to cover the unserviceable stores.
- The company has policy for identification/ Valuation of scrap by forming scrap committee.
- i. Inventories are purchased centrally by Material

interchangeably for capital expenditure or for regular repairs and maintenance purposes. Since ultimate use of such stock items is indeterminate at initial recognition, the Company classifies such items as inventory. These items are classified subsequently either in property, plant and equipment through capital work in progress or expense in the Statement of Profit and Loss as and when it is so used, which is not in accordance with requirement of IND AS-2 'Inventories' and IND AS-16 'Property, Plant and Equipment'. The effect of such non-compliance on PPE, inventory, depreciation, spares consumption is not ascertainable.

ii. Liability for Material received on loan by the Company amounting to Rs. 0.73 Crores 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. 0.73 Crores is shown in the Balance Sheet of the Company as on 31<sup>st</sup> March, 2020, as on 31<sup>st</sup> March, 2021, as on 31<sup>st</sup> March, 2022' and as on 31<sup>st</sup> March, 2023 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. 7 of Financial Statements).

Merrut Zone

No system for identifying and segregating unserviceable/slow-moving/non-moving items forming part of the inventories is in place other than ETD- Baghpat, ETD-I Meerut, ETD-II Meerut and EUTD Meerut. However, such items are mixed with the regular stock and are valued as normal stock in all units. Impairment in value of inventory is neither computed nor accounted.

 Kanpur Electricity Supply Company Ltd. Inventory Dr.₹ 50.11 Crores

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 ₹104.31 Crores grouped under the head 'Capital Work in Progress'(Also Refer Note No. 3 of "IND AS FS") and 'Advances Recoverable in Cash or in Kind or for value to be received' of ₹0.67 Crores grouped under the head 'Other Current Assets'(Also 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' is not ascertainable.

Management section of the PVVNL on estimated basis considering past consumption. After that it is allocated to different store centres of PVVNL. Due to structure and nature of business, it is quite impractical to determine their expected time and place of put to use. Due to which the same is shown under Inventory rather than Property. Plant and Equipment.

 The necessary correction regarding same has been made in Annual Accounts of FY 2023-24.

The process of identifying and segregation of unserviceable/ slow/non-moving items forming part of the inventories and certification of the same by an independent party has been initiated in the zone. The process is completed for store and will be completed for all the units.

Efforts are being made to provide balance confirmation from contractors with respect to material issued to them.

## 7. Property Plant & Equipment

General Comments given by the Discoms statutory Auditors on Property Plant and Equipment are given below:-

i. We draw attention to para ii(e) of Company Information and Significant accounting policies stating that employee cost to capital works are capitalized @ 15% on deposit works, 13.50% on distribution works and 9.5% on other works. Further, it was noted that a sum of Rs. 1040.30 Crore of Employee benefit expenses has been capitalized to fixed assets out of total establishment expenditure of Rs. 3580.04 Crore incurred during the year.

In our opinion, capitalizing Employee benefit expenses on fixed percentages of 'direct costs' instead of Employee benefit expenses directly attributable for such construction, is neither in accordance with generally accepted accounting practices nor as per Ind AS-16. The impact of over capitalization of Employee benefit expenses to fixed assets, as above, on the financial statements is not ascertainable at this stage in absence of complete details.

ii. Group has not disclosed accounting policy for Assets not in possession for Rs 128.04 Cr as per Note No 4 to the financial statements. Statutory Auditors of PVVNL have made following comments the same.-

"Assets amounting to Rs.51,55 Crore, being expenses on construction of Bay are shown as "Assets not in possession of Pashchimanchal Vidyut Vitran Nigam Ltd.". The agreement with Transco is not available with the company. It is informed to us that the company has a right to use these assets."

Specific observation given by the Discoms statutory Auditors on Property Plant and Equipment are given below:-

## a. Pashchimanchal Vidyut Vitran Nigam Ltd.

- Due to non-availability of proper and complete records of Work Completion Reports, there have been instances of non-capitalization and / or delayed capitalization of Property, Plant and Equipment, resulting delay in capitalization with corresponding impact on depreciation for the delayed period. In the absence of sufficient and appropriate audit evidences, we are not in a position to comment on the correctness of the same (Refer to 2(II) and IV(b) of 'Significant Accounting Policies\* 10 the Financial Statements).
- ii. In case of withdrawal of an asset, its gross value and accumulated depreciation is written off on estimated basis. In the absence of sufficient and appropriate audit evidence thereof, we are not in a position to ascertain impact of the same on the

i. Due to multiplicity of functional units as well as multiplicity of functions at particular unit, the company has formulated a policy of accounting and capitalizing the employee related costs at fixed percentages (15% on deposit works, 13.50% on distribution works and 9.5% on other works). However, the Accounting policy of the Company is under review and necessary action shall be taken accordingly.

 The Accounting policy of the Company is under review and necessary action shall be taken accordingly.

 Due to scattered geographical area and multiplicity in nature of Capital works, in some cases there might be delay in capitalization of assets. However, most of the completed Capital works are capitalized in same month.

The company is providing depreciation on addition of Fixed Assets on monthly basis. The same has also been disclosed in Significant Accounting Policies at point no. 2(H) and IV(b).

ii. Due to scattered geographical area and multiplicity in nature of capital works, it is quite difficult to establish the correct date of installation/put to use of assets. In case of withdrawal of an asset the gross value and financial statements.

accumulated depreciation is reversed/ written off on estimated used life of that asset, Further, we are in the process of migrating accounts on ERP, hence requite details as sought by the auditors will be taken care automatically.

## Merrut Zone:-

Confirmation for Assets of Rs. 11.97 Cr. (Previous year 11.97 Cr.) shown under the head AG 11 as on 31-03-2023 are reported as under the possession of M/s U.P. Power Transmission Corporation Limited is not available on records.

Power flows from 132 KV substations of TRANSCO to 33 KV sub-station of Discoms through Bay. Bay is constructed by TRANSCO under Deposit Works. The expenditure incurred on construction of Bay is borne by Discoms, It has been shown as assets not in possession of discom in the Annual Accounts. The same is amortized according to rate applicable on similar class of assets.

## b. Dakshinanchal Vidyut Vitran Nigam Ltd.

Sale of Scrap Rs. 50.59 Crores generated from unrepaired fixed assets should be recognised as Revenue in Profit & Loss account, in place of present practice of crediting to AG22.770. The matter will be reviewed and suitable action will be taken in ensuing year.

# c. Purvanchal Vidyut Vitran Nigam Ltd.

- As reported by the Zonal Auditors, the Fixed Assets Register stating nature of assets, date of addition, its location, actual cost etc. is not up to date except for Mirzapur and Azamgarh Zone.
- As reported by the zonal auditors, physical verification has not been done at Azamgarh, Gorakhpur, Prayagraj, Mirzapur and Varanasi zones during the year under consideration.
- As reported by the Zonal Auditors, completion certificate has not been produced for verification for transfer of Capital Work in Progress to Fixed Assets by some of the units.

- The details are available with respective Division/units. Further, we are in the process of migrating accounts on ERP, hence the same will be taken care automatically.
- ii. Physical verification of all units have been done for FY 2020-21. Detail of the same is available with units. It is provisioned to conduct the physical verification of Fixed Assets once in an interval of 3 years.
- Necessary instructions have been issued to the units by the Discom HQ.

d. Kanpur Electricity Supply Company Ltd. Property, Plant And Equipment Dr.₹1026.57crores The land of the Company is on lease from UPPCL at ₹1.00 per month as per the transfer scheme (Also Refer point no. 10(c) of Note no. 1-B to "IND AS-FS"). As informed the value of such land is yet to be ascertained by UPPCL. However, we have not been furnished 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 "Ind AS F.S." of the aforesaid is not ascertainable.

The company has not received any demand from Govt, of UP to pay interest on conversion charges. The liability shall only arise when the company expresses its willingness to convert the land to free hold and then the second party GoUP makes a demand for delayed conversion charges. In the present case none of the parties have taken any such action as GoUP has not demanded any amount.

A liability is booked when there is a reasonable certainty of outflow of economic resources of the enterprise. It is not possible to book a liability without any demand or a reasonable certainty and booking of liability only on the basis of future assumptions will lead to overstatement of loss and liability and will not reflect the correct position of

the financial statements.

In the present case there is no such liability and thus it has correctly been disclosed as a contingent liability in compliance with the comments of C&AG

## Madhyanchal Vidyut Vitran Nigam Ltd.

- In case of fixed assets, which are decommissioned, the corresponding accumulated depreciation is reversed on estimated basis, which has no relation with their carrying cost in MTBs. As a result, the cost and accumulated depreciation of assets in use are not correctly reflected in MTBs in several cases. Such practice of determination of carrying cost on estimated basis and charging depreciation thereon is not in accordance with IND AS 16. In the absence of complete details, effect of the said deviation, from Ind AS, on financial statement could not be ascertained.
- ii. A sum of Rs. 28.07 Crores were capitalized as fixed assets (Computer & Printers) by transferring amounts from 'Capital WIP' on centralized basis at head office level. It was noted that these amounts comprised of various type of computers/ hardware/Accessories etc. purchased in earlier years and delivered/ being used at various zones/ field units and hence capitalizing the same on centralized basis was not proper. Further, item/ location wise entries of these assets were not made in the Fixed Assets register.

Similarly, payments of 27.98 Crores made for ERP software during 19-20 and 20-21 were capitalized as 'Intangible Assets' during the year. However, the completion report, date of completion, useful life etc. were not available for verification. Further, no amortization of these intangible assets has been done during the year.

iii. During the year, 'GOI Loans' under 'RAPDRP' of Rs 230.25 Crores were converted into 'Capital Grants'. The un provided interest liability on "Loans converted into grant' amounting to Rs 144.87 Crores (Including Rs 102,26 Crores up to the period 30.09,2017 and Rs 42.61 Crores up to 31.3.2017), have been transferred to 'Capital Grants' and 'Interest pending capitalization' head by treating the same as 'borrowing cost'. Accordingly, an amount of Rs. 170 Crores pertaining to 'interest pending capitalization' (Including Rs 25.14 Crores of interest for the period 1,10,2017 to 31,3,2019) has been transferred to field units through 'Inter Unit Transactions' as

- i) Due to unavailability of exact put to use date of old assets, the depreciation on such decommissioned assets is reversed on estimated basis. In maximum number of eases for the balance assets considering the nature and volume of transaction, the decommissioning of an asset on estimated basis has to be resolved. We are in the process to minimize such cases by putting different controls in the system/back up. It is suggested to have a history sheet register for each asset with the year of purchase, installation, major expenses incurred, decommissioning of assets in past, quantity of fixed assets, etc.
- ii) The concerned unit has been instructed to allocate such assets to the concerned division/zones. Although, this has no impact on the financial statements of the Company.

Necessary rectification entry for amortization of intangible asset (ERP software) has been passed in F.Y 2023-24.

iii) The ATDs were issued by the Fund section after finalization and audit of zonal accounts due to which acceptance and accounting at zonal level could not be done in F.Y 2022-23. This will be reconciled in next accounts in hand.

However, due to non-acceptance of these debit advices. The concerned zones will accept the ATDs and

by the concerned units, the capitalization of this amount in 'Property Plant & Equipment's' and corresponding 'Provision for depreciation' for the period from F.Y. 2017-18 to 2022-23 has not been done resulting in overstatement of 'Inter Unit Transactions' and understatement of 'Fixed assets' and 'Depreciation'. The resultant impact of not charging depreciation on the profits for the year could not be ascertained in absence of complete details.

capitalize the same retrospectively with its provision for depreciation in the current F.Y.

## 8. Non Provision of Expenditure/Losses

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

## a. Madhyanchal Vidyut Vitran Nigam Ltd.

Advances to suppliers amounting to Rs 113.10 Crores at the HO level are outstanding since more than 7-8 years. It also included Rs 40.61 Crores 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 provisioning of these amounts has resulted in overstatement of advances and understatement of losses for the year by Rs 113.10 Crores.

The Concerned unit has been instructed to scrutinize the matter & take necessary action.

# b. Pashchimanchal Vidyut Vitran Nigam Ltd.

- i. 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.
- PVVNL has disclosed prior period adjustment in its para no. 34 to the notes to the account for Rs 94.57 cr restating the loss to Rs 793.86 cr from Rs 699.29 cr. But, restated amount of pervious year 2021-22 has not been reflected in financial statements.

# 9. Subsidies Received under Atmnirbhar Bharat Scheme.

Group has shown Rs. 14940.00 Crore Subsidy Receivable from U.P Government as Non-Current Assets 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).

The liability of Transmission charges is booked on the basis of Bills received from UPPTCL. The payment thereon is made by UPPCL and adjustment made in Books of PVVNL through Debit Note received from UPPCL. The accounting of settlement/adjustment of Wheeling charges is only a book adjustment for PVVNL through UPPCL (The Holding Co.). Being the Government company, no such surcharge has been imposed in past years too. In view of the past trend, no provision has been made during the year by the company.

The error/omissions pertaining to prior period are adjusted with Reserve and Surplus without making any impact on P&L for current financial year. The component wise/schedule wise impact of restating of previous year balances has been shown in Notes on Accounts at point no. 34. However, As suggested by the Audit, the same shall be taken care in future.

As reported by the Auditor the matter has been referred to Expert Advisory Committee, of ICAL. This may be taken up in accordance with the opinion of the ICAL.

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. It is learnt from management Representation Letter that company is referring the issue for the opinion of Expert Advisory Committee, of ICAL Pending receipt of such opinion its impact on accounts cannot be ascertained at this stage.

## 10. Non-Reconciliation of Inter Unit transactions.

Inter unit transactions amounting Rs.1366.49 crore (Note No. 13- Other Current Assets), has not been reconciled till closed of the financial year.

The Discoms have been instructed to reconcile the IUT balances. However, a module of IUT on the ERP is under preparation. The mismatch of IUT shall be completely resolved in future prospectively.

# Non-Compliances of Ind AS/Schedule-III And Other Provisions Of The Companies Act-2013 (other than those mentioned above)

Following accounting policies of the Group are not in compliance with Ind AS/Companies Act 2013:

- i. "Other Equity"-Note-15 includes Rs 18767.69 Cr as consumer contribution towards capital Assets/Capital Grants which are to be reflected as "Deferred income" under "Non-Current Liabilities, "as per Ind As 20. In view of above "Deferred income" is understated and "Other Equity" (negative) is also understated to that extent.
- Policy no. VIII(B) regarding accounting of late payment charges on cash basis and (viii)f regarding penal interest over dues, interest etc. on cash basis are against the accrual concept of accounting.
- Policy no. XVI -Financial Assets regarding subsequent measurement on debt instrument at amortized cost in accordance with Ind as 109
- Policy no. XVII- Financial Liabilities regarding subsequent measurement of borrowings using effective interest rate method.
- v. 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 MSMED Act, 2006.

- The accounting Policy of the Company is under Review and necessary action shall be taken on revision of the same.
- The LPS is being accounted for on Cash Basis due to uncertainty of the ultimate collection or realization of the same.
- The accounting Policy of the Company is under Review and necessary action shall be taken on revision of the same.
- iv. The accounting Policy of the Company is under Review and necessary action shall be taken on revision of the same.
- v. 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. This fact has been disclosed in Notes on Accounts.
- Unbilled revenue Receivable has not been disclosed in the Notes to Accounts except DVVNI.
- vi. The Discoms have been instructed to disclose the necessary information in Notes on Accounts.

and MVVNL Similarly, unbilled Trade Payable has not been disclosed except UPPCL (Holding Company) as required by Schedule-III of Companies Act, 2013.

 Group has not conducted actuarial valuation relating for pension and Gratuity pertaining to employees of erstwhile UPSEB during the financial year 2022-23. (para no. 15(a) to the notes to accounts referred).

 Group has not made necessary disclosures and information as required by Ind As 19 pertaining to Actuarial Valuations in respect of KESCO, PuVVNL, DVVNL and PVVNL respectively. vii. The provision of pension and Gratuity pertaining to employees of erstwhile UPSEB has been done on the basis of actuarial valuation reportdt.9.11.2000 submitted by M/s Price Waterhouse Coopers. This has been disclosed in Notes on Accounts of CFS.

viii. The required disclosures have been given by all the Discoms. Repetitive disclosures are not required as per MCA General Circular No. 39/2014 dated 14th October, 2014 in CFS.

Specific observations given by statutory Auditors of Discoms on the subject are given below: -

# Pashchimanchal Vidyut Vitran Nigam Ltd.

- i. As per Para 16 of IND AS 37, the company is required to disclose Court Cases going on at the end of financial year, brief description related to nature of the contingent liabilities and estimate of its financial effects and possibility of reimbursement. The company has not made required disclosure with respect to above. Thus, company has not complied with disclosure requirement of IND AS 37. Accordingly, the impact of noncompliance of the above IND AS on the financial statements is not ascertainable. (Refer to Note No. 18(b) of Notes on Accounts).
- ii. Amount as disclosed in respect of claims/pending court/ arbitration/legal/tax cases have not been properly compiled and ascertained as per IND AS-37 "Provisions, Contingent Liabilities and Contingent Assets". No amount of capital commitments in respect of estimated amount of contract remaining to be executed on capital accounts ascertained. In the absence of details thereof, impact of the same upon the financial statements is not ascertained. (Refer Note No. 18(b) of Notes to accounts, regarding contingent liabilities)
- iii. Refer Point No. 1(c), 2(VI)(b) and 2(VI)(f) of Significant Accounting Policies, wherein disclosure has been made for certain items which have been accounted for on cash basis/cut-off date basis, which is not in consonance with the accrual basis of accounting required by the Indian GAAP. Due to cut off date basis of accounting, the accounting for provisions in the books of accounts is not in consonance with IND AS-37 "Provisions, Contingent Liabilities and Contingent Assets" is not verifiable, Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.

The contingent liabilities consists of claim of staff & court cases for Revenue and other related liabilities, Statutory defaults, Statutory dues, Court cases etc. has already been disclosed in Notes on Accounts at point no. 18(b).

The zone wise details of Contingent Liabilities is as follows:

Zonc	Contingent Liability as per Audit Report & details provided by zone	Statutor y Defaults
Meerut	85.97	0.05
Moradabad	13.64	0.13
Ghaziabad	176.03	0.28
Saharanpur	3.48	0.16
Bulandshaha r	3.64	0.27
Total	282.76	0.90

The Company has disclosed the Contingent Liability measured to the extent possible for which the records of the same are available with the company.

All the expenses and Income are accounted for on accrual basis except those are mentioned in Significant Accounting Policies at point no. 1(c), 2(VI)(b) and 2(VI)(f) for which the ultimate collection of the amount is uncertain.

Further, the provision of expenses has also been made at the end of the financial year based on the best estimate of the Company.

- iv. 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 nonpayment of dues in compliance of above regulation. Consequential impact of the same on the financial statement is not ascertained.
- v. Auditor of Moradabad Zone has reported that Moradabad ZO has not disclosed the impact of pending litigations on its financial position in its financial statements amounting Rs.1363.57 Lakhs.
  - IND AS-1: Policies relating to provision made against (i) advances to suppliers/contractors (ii) Slow/non-moving and unserviceable stores, (iii) bad and doubtful debts (iv)advance to employees and others are not disclosed under Annexure "Significant Accounting Policies" annexed with Financial Statements as required in IND AS-1. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.
  - . IND AS-36: All the assets of the company are recorded at their historical values without arriving at their recoverable amounts and arriving at amount of impairment of loss. Company's submission that "their recoverable amount is higher of the assets' net selling price", has not been substantiated. In the absence of fixed assets physical verification, fixed techno-economic register. viability assessment and calculation and determination of Cash Generating Unit, we are unable to comment whether any impairment loss has remained unassessed or un-provided for in accordance with IND AS-36 "Impairment of Assets". Impact of noncompliance of the above IND AS on the financial statements is not ascertainable.

The liability of Transmission charges is booked on the basis of Bills received from UPPTCL. The payment thereon is made by UPPCL and adjustment made in Books of PVVNL through Debit Note received from UPPCL. The accounting of settlement/adjustment of Wheeling charges is only a book adjustment for PVVNL through UPPCL (The Holding Co.). Being the Government company, no such surcharge has been imposed in past years too. In view of the past trend, no provision has been made during the year by the company.

Regarding pending litigations, considering uncertainty of final decision from competent authority, the same is shown/disclosed as Contingent Liability in Notes on Accounts forming part of Financial Statements. Refer reply of point no. 6 (a&b) above.

Detailed Disclosures have been given by the PVVNL, in Point no. 8 of Notes on Accounts. Subsequently, this has been incorporated in the Consolidated Financial Statements of UPPCL.

As Assets of the Company have been accounted for at historical cost and most of the Assets are very old. Due to increasing Inflation and increasing Market value of the LT Wire, Copper, Aluminium, Brass, etc. The recoverable amount of the assets is expected higher than its present accounted value.

### vi. Depreciation/Amortisation

We have observed that the depreciation on Property, Plant and Equipment has not been worked out properly as there are discrepancy/ variation in date of put to use of various assets. The depreciation on addition in Property, Plant & Equipment during the year was provided as per the order of UPERC/Secy/ (MYT for distribution and transmission) Regulations, 2019/408, Lucknow, dated: September 23, 2019, on monthly basis instead of actual period of availability of asset for its

The depreciation/amortization on addition of fixed assets during the year has been provided on monthly basis as the major portion of the capitalization are being done on month end basis on receipt of the completion certificate of the Assets.

The same has also been disclosed in Notes on Accounts at point no. 6(d) of concerned Discorn. intended use on addition. This is not as per provisions of Schedule-III of the Companies Act, 2013 and also against accounting policy of the Company as stated in Para 2(IV)(b) under the head depreciation. In the absence of proper audit trail, we are unable to quantify the impact of the same on depreciation and consequential impact on the financial statements.

# Kanpur Electricity Supply Company Ltd.

Note no. 13 of the "IND AS-FS"

The Company has not complied with the disclosure requirements envisaged by Schedule-III of the Act except the following:

In respect of non-current borrowings:

- (i) Nature of security in respect of each case of borrowing.
- (ii) Terms of repayment of term loans and other loans.

Necessary Disclosures of the Loan taken by the UPPCL on behalf of the Discoms have been given in Point no. 50 of Notes on Accounts of CFS.

# c. Madhyanchal Vidyut Vitran Nigam Ltd.

- a. The 'liabilities for capital works', 'liabilities for O&M works' and 'Liability for expenses' etc. have been categorized under 'Other Financial Liability(current)' instead of showing them under 'Financial liability (Trade payable)'. Further, the disclosures/ ageing of 'trade payables' as per 'Para 36 of Note 1B', have been done without taking into account the amounts shown under the heads 'Other Financial Liability'/ figures certified by the zonal auditors.
- b. Financial Assets-Other Current (Note-10) and Other Financial Liabilities- Current (Note-18) have been classified as 'current' but include balances which are outstanding for realization/ settlement since previous financial years and in the absence of adequate information/explanations regarding the realizability /settlement of such amounts within twelve months after the year end, not classifying them as noncurrent assets/ liabilities is not in accordance with Ind AS-1 "Presentation of Financial Statements.
- c. Additional Disclosures relating to maturity / redemption or conversion date of bonds, repayment of term loan & Other loans, nature of security etc. in respect of various borrowing appearing in Note 14-'Financial Liability – Borrowing' and current maturity of Long term borrowing in Note 16 have not been made as required by Companies Act 2013.

a) Financial liability (Trade payable)'comprises liabilities relating to direct expenses w.r.t purchase & transmission of power. Accordingly other payables are being shown as current liability /long term liability as the case may be.

Since the said balances should not be covered under Trade Payable the same has not been taken while disclosing the ageing of Trade Payables.

 b) The amount receivable/payables were expected to be realized/paid immediately hence shown as current assets/liabilities.

 c) The necessary Disclosures have been given in Point no. 50 of Notes on Accounts of CFS.

### d. Purvanchal Vidyut Vitran Nigam Ltd.

The Company has not complied with the provisions of section 42 of the Companies Act, 2013 as well as The Companies (Acceptance of Deposits) Rules 2014 relating to Share Application Money pending Allotment.

As per Para 8.2.2 "Share application money to the extent not refundable shall be shown in this line item and share application money". Therefore, the same has been shown as pending allotment.

There is no system at Zones and ESDs of the Company to prepare the Balance Sheet and Statement of Profit and Loss. The Zonal auditors have only been provided Trial Balances (MTB) for the purpose of their audit which is non-compliance of Schedule III of the Companies Act, 2013. Due to organizational structure of the Company the zones and ESDs are performing different type of activities. Hence at zonal and ESDs level only Trial Balances are prepared.

Impairment of assets has not been done, which is in contravention of Ind AS-36 of ICAL

There is no any indication of impairment test as prescribed in para 12 of Ind AS 36. Hence impairment of assets is not required.

The Company has disclosed contingent liabilities to the tune of Rs. 168.77 Crores at para 28(b) of Notes to Account of Balance Sheet. Since, the status of contingent liability has not been provided to us, we are unable to comment upon the provision required as per Ind AS-37.

Contingent liabilities have been disclosed in Notes to Accounts in accordance with to Ind AS-37 to the extent possible.

# e. Dakshinanchal Vidyut Vitran Nigam Ltd.

- The Company is marked as Active Non-Complaint by the Registrar of Companies, consequence to which the Company is unable to file necessary form with the registrar for Change in Authorised Share Capital (Form SH 7), Change in Paid-up Share Capital (Form PAS 3), Changes in Director (Form DIR 12) etc. The Company may end-up paying heavy late fees for the above non-compliances. This has led to difference in, Authorised Share Capital as per MCA website is Rs. 24,000/- Crores and as per balance sheet is Rs. 30,000/- and Paid up share capital as per MCA website 20,87,72,198 no. of share of Rs. 20,877.22 Crores and as per balance sheet 23,46,17,381 no. of share of Rs. 23,461.74 Crores.
- The Company has failed to produced/maintained statutory registers prescribed under Companies Act, 2013.
- The Company has not filed creation/modification /satisfaction of charges with registrar of companies consistently since past 3 years.

Company was unable to file Annual Return at MCA due to pendency of AGM of FY 2021-22 as the Final Comments of C&AG were pending. However as on date the status of Company become Active on MCA portal and the company secretary is in process to meet all compliances required by MCA.

Full time company secretary was not appointed till Mar 2023 therefore these compliances have been pending. Now full time company secretary is appointed and necessary instructions have been issued for compliance of provisions of companies Act-2013

# f. 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:

- Charges column disclosed in the Company Master Data includes old satisfied charges.
- There is no full-time company secretary and Chief Financial Officer in accordance with the requirements of Section 203 of the Companies Act, 2013.

The company has now appointed Director (Finance) and whole time company secretary and the compliance to the audit observation has now been done.

 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.

# Specific observations in Audit Report of Subsidiaries

# Pashchimanchal Vidyut Vitran Nigam Ltd. Borrowings

There is no system of identification of qualifying assets and interrupted projects which are being financed from the borrowed funds in accordance with IND AS-23. During the year under audit, the company has not capitalised any interest on borrowing, while balance still persist in CWIP and there are payment of interest by the company. Management has informed us that the all-capital projects under scheme for which fund was borrowed has been closed prior to the FY 2022-23. However, Capital projects, running other than schemes, are not identified. Hence, In the absence of complete details of qualifying assets vis a vis uses of interest paid money by the company, we are unable to quantify the impact of the same on the financial statements. (Refer to note 23 of financial statements).

## Accrual System of Accounting

During the course of our audit, we have come across some expenses, which have been accounted for on cash basis instead of accrual/mercantile basis. The same is not in accordance with the basic accounting assumptions and the company's accounting policy. In absence of the complete audit trails, we are not in position to ascertain the Impact of the same on the Financial Statements of the company. (Refer to 1(b) and 2(VI) of 'Significant Accounting Policies' to the Financial Statements)

### Statutory Compliances

- The company has corrected Interest on RAPDRP Loan previously accounted as Income instead of transfer to Grants amounting to Rs. 110.64 erore. In FY 2022-23, further company also corrected interest on RAPDRP Loan accounted as expenses which is to be capitalized by Rs. 279.06 erore. In absence of complete documents/calculation of conversion into Grant, we are unable to comment upon the correctness of the same.
- GST reconciliation with books of accounts and return is not made available to us and stated by the management that the same is under process. Hence, we are unable to comment upon the impact of same on financial statements.

### Others

 No subsidiary ledgers have been maintained by the company for Consumer Security Deposit, Meter Security Deposit and Advance consumption charges. In absence of same, correctness of the figures appearing in the financial statements under these head could not be verified. As per IND AS-23 Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset.

During the FY 2022-23, the company has not capitalized any interest on borrowings as all the capital projects, for which borrowings from FI's have been taken, has already been completed prior to FY 2021-22. Further, the remaining balance as shown under the CWIP is pertains to the other capital works, which are funded other than capital borrowings.

During FY 2022-23, the company has corrected interest on RAPDRP Loan by capitalizing the same through Retained Earnings.

All the expenses and Income are accounted for on accrual basis except those are mentioned in Significant Accounting Policies at point no. I(b) and 2(VI) due to uncertainty of the ultimate collection or realization of the same.

No Comment as the necessary correction has already been made.

The company is regular in paying and depositing GST on time. The reconciliation of Books of Accounts and GST Return is under process. The necessary correction/adjustment will be made accordingly after due reconciliation.

The company is maintaining Online Consumer Ledger through outsourced billing agencies which maintain all the required records of consumers like Consumption, Arrear, Security, Advance, etc.  As during the course of audit we observe that the late payment surcharge recoverable from customers is accounted for on eash basis due to uncertainty of realization however, the company does not have record related to actual realization of the late payment surcharge actually collected, the amount of late payment surcharge was being accounted for on ad-hoc basis by the divisions thus, late payment surcharge is not accounted for in line with the accounting policy & due non availability of proper records we are unable to ascertain the effect of the transections on the financial statement. As per policy of the company considering uncertainty of realization of Late Payment Surcharge, due to bill revision, OTS, Waival, etc., the accounting is being made on realized basis. The same has been disclosed in Significant Accounting Policy at point no. 2(VI)(b)

## Merrut Zone:-

 Following are very old unreconciled/unexplained outstanding appearing in trial balance of the zone having substantial amounts, which should be squared up/settled at regular intervals:

(Rs. in lac)

		(185, III the)
CODE	HEAD OF ACCOUNT/GROUP	AMOUN T
28.87	Receivable from related companies	2528.34
31,0288	MEERUT ZONE	1153.76
31P.01	WITHIN ZONE	23.58
46.56	LIAB.FOR LU.T (UPSEB)	3118.92
46.981	UPP.CORP.LTD.	-1459.29
46.999	UPP.CORP.LT	-9517.74
46.989	UP POWER TRANS MISSION	-175.70

- ii. Party wise details of amount outstanding under those accounting heads are not available. Balances outstanding under these heads could not be verified from any record available in unit/ Zone. The age wise analysis for advances and liabilities is not done. In the absence of any analysis of time barring cases and chances of recovery, no provisions are made for non-recoverable cases.
- In absence of complete details i.e. party wise & age wise outstanding, their names, addresses etc. The procedure prescribed under SA 505 for obtaining balance confirmations directly to statutory auditors could not be initiated.

The old balances which are carrying over since last so many years, are mostly related to Transfer scheme. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same.

### STATUTORY NON-COMPLIANCES

### i. Income Tax and Tax Deduction at Source (TDS):

- The provisions for expenses made at the year-end consisting of Interest on Consumer security deposits, Professional Expenses, Contractors etc. are subject to TDS but tax has not been deducted. Also, Tax has been deducted on payments basis whereas as per Income Tax provisions, Tax should be deducted on booking of expenses or on payment, whichever is earlier. The practice should be amended to fall in line with the provisions of Income Tax Act.
- Pending TDS demand for Rs. 5.48 lacs (Previous Year Rs.22.41 lac) are appearing at TRACES (Income Tax TDS portal). The basis of these demands needs to be identified and the same need to be removed or paid on its merit. The Contingent Liability arising due to this demand need to be recognised.

The matter shall be reviewed as observed by the audit and necessary action shall be taken accordingly.

The outstanding TDS demand as per TRACES portal is under reconciliation. The same has been identified and reported as Contingent Liability.

## ii. Goods & Services Tax (GST):

- In some cases, units have not charged GST on Miscellaneous receipts components like RO/DO charges etc which are otherwise covered under the provisions of GST. There are other receipts which need to be identified and GST should be charged accordingly. We have identified receipts (in the nature of RO/ DO charges) amounting to Rs. 167.80 lac (Previous Year Rs. 4.37 lac) on which GST have not been claimed and deposited.
- Miscellaneous Receipts cover receipts of different nature. It is advised to identify receipts on the basis of its nature and should be booked under separate heads rather than clubbing as Miscellaneous. We observed that on some receipts, GST has been claimed such as LD and Tender charges Receipts whereas on some other receipts, GST has not been claimed. In view of the same it is important to classify these receipts to identify and charge GST.

The matter shall be examined for necessary action.

Receipts such as Sale of Tender, RO/DO etc. are separately classified and accounted in prescribed AG Code.

# SECURITY DEPOSIT FROM CONSUMERS AND INTEREST PAYABLE (AG CODE 78)

As per the practice, Interest on customer deposits have been provided on average balance basis and the prevailing Bank Rate is considered for making the provision for Interest. The actual payment of Interest to the customers are not reconciled /adjusted with the provision made during the year. The effect of difference between the provision made for Interest and actual Interest paid has not been taken in the Profit & Loss Account but instead adjusted against the Debtors/ recoverable.

The provision for Interest on Security Deposit from consumers and actual interest is paid at the same rate (bank rate).

## Security Deposit/EMD/ Retention Amount

We observed that the details of accumulated amount of Security Deposits/EMD/retention money forming part of the trial balance are not available and hence are subject to confirmation and reconciliation. The accumulated amount needs to be reviewed to demarcate the confirmed amount which may be retained and the unidentifiable part needs to be adjusted/setoff. We are in the process of migrating accounts on ERP, hence requite details as sought by the auditors will be taken care automatically in ERP.

## Internal Audit Reports

The format of the Internal Audit Report needs to be reviewed. Most of the Auditors are confining their report to standard formats of the Report given. They should be asked /encouraged to report on other Unit related substantial issues over and above the Standard Format given to them. The formats should also be reviewed to include relevant clauses and remove clauses which are not applicable at Unit Level.

It is the practice of the Company to review the format of the Internal Audit Report. The Company updates the same as and when required.

No action required at zone level.

### Moradabad Zone:

#### i. Ed And Other Levies

During the year Total ED & Other Levies Collected-18278.65 Lakhs however ED & Other Levies Paid-13114.32 Lakhs. That mean either 5164.32 Lakhs amount is excess collected or not paid to the government. If excess collected, it is income and if correctly collected, why not full amount of duty paid to the government? In such a way the liability is accumulated over the years and reached to such alarming level 66670.76 lakhs.

### ii. Accounting System

During the course of auditing we observed that no sub-ledgers of Accounts Receivables and Accounts Payables are prepared. Hence party wise receivables and payables cannot be ascertained. i. The GoUP usually converts the ED payable into Subsidy/Grants, therefore, it may be possible the full amount has not been converted by the Government into Subsidy/Grant. This is an on-going process and practice, that's why the company adjust this amount on the basis of book entries.

Further, All ED payment to State Govt. is done at HQ Lucknow level and thereafter adjusted in books of concerned zone/ division on the basis of advice/WMDR are issued by HQRS.

ii. As per current accounting system of UPPCL, there are no individual ledgers/subsidiary ledgers of Accounts Receivables and Accounts Payables are maintained with monthly accounts. However, all the details of receivables and payables are available at respective division level. Customer details are also maintained/ available in billing software of Corporation. However, the company is in the process of migrating accounts on ERP, hence requite details as sought by the auditors will be taken care automatically in ERP.

# Ghaziabad Zone

- i. The Branch has two categories of customers i.e. prepaid customers and posts paid customers. In the case of prepaid customers, the collection goes to HO which in turn inform the branch of the amount collected by them on its behalf. The Zone could not produce the records related to accounting of unadjusted portion out of prepaid recharge of meter and recognition of revenue out of such prepaid amount for the period upto 31st March, 2023. Also it could not be explained how the accounting is done of the eases of negative balance in
- i. As Enumerated to the Auditor recognition of revenue of prepaid recharge of meter is done on the basis of Consumption report provided by Agency. Since, revenue is realized prior to assessment, hence the amount received is being credited to respective consumer ledger.

the case of prepaid meter. No record could be produced before us to verify the accrual of income and realization thereof, hence we are unable to comment thereon and quantify its impact on the accounts;

ii. The Company has not laid down its accounting policy on recognition of income in the case of theft of power (dishonest abstraction of power) and the income is recognized based on consumption estimated in report of JE/SDO etc. During the year, the Branch has recognized such income of Rs.68.43 Crores (Code AG-61.6) where against only Rs.7.13 Crore (Code-AG-23.8) have been realized and rest has been accounted for a Receivable. Further, such accounting treatment is not in accordance with IndAs-18 which stipulates recognition of income only when the realization thereof is certain. Hence, the Zone has not provided for the doubtful amount. However it is informed by the officials that the provision is made at the HO level in their books, the details and basis thereof, however, could not be explained. In view thereof, its impact on the accounts of the Zone could not be ascertained and quantified.

ii. As per the accounting practice of the Company the provisional assessment first issued to the consumer. Subsequently, if the same has not been requested to revise based on the concrete evidences, the company finalize the same and charges in the bill of the consumers.

The company made provision against outstanding receivable for Sale of Power as per it's accounting policy, which includes receivable from consumer against Theft of Power. These provision are being made at DISCOM HQRS level, hence zones are not required to make provision at their level.

iii. The Branch had engaged Primeone Workforce Pvt Ltd for providing skilled Unskilled manpower for operation /maintenance of 33/11KV substation and HT/LT distribution lines. This party was awarded contract with higher profit margin of 6% compared to other similar contract with 3.8136%, Similarly it was noticed that the party has claimed excess rate of wages by Rs.83.86 Lakhs during the year. iii. It was enumerated to the auditor that quotation of L-1 firm after opening of tender sent to concerned committee for further process and profit margin decided on the basis of other factors. The rate taken for comparison from agreement pertains to the month of Jan-2020 which was prevailing rates of that time. Since the agreement period was extended till Dec-2022, Payment as reported by the auditor pertains to that extension period along with prevailing DA rates.

iv. In yet another case, Mool chand om sai enterprise Pvt Ltd was awarded contract for 2 years for Rs 23.85 crore for manpower supply for operation /maintenance of 33/11KV substation and HT/LT distribution lines wherein the party has excess charged by 16,30,439.64. No explanation was given to us in respect of the above. iv. In the case of Mool chand om sai enterprise Pvt Ltd, as explained by the units, the excess amount as reported by the auditor is due to the DA rate difference prevailing time to time.

Therefore, such reported amount is not excess payment, since all the payments made to concerned firm is in compliance of agreement and their extension thereof.

- v. As a policy, the branch does not deduct TDS at the time of making provision for expense as the same is deducted at the time of payment. This is not accordance with the provision of Income Tax Act. Similarly, in the case of TCS u/s 206C of the Income Tax Act, tax is not collected at the specified rate;
- v. It was enumerated to the auditor that the booking of provision for expenses in March Final account is as per the past practices which is being followed year to year in which all the liabilities are transferred to concerned AG heads viz. 46.430, 43.3 and 42.3. However it was also explained to the auditor that proper deduction of taxes is made as and when the invoice is received and uploaded on ERP.
- vi. The security deposit from customers under code AG 48.1 is Rs. 998.88 crores whereas the same as per customer's master data for all divisions, it is Rs. 1620
- vi. It was enumerated to the auditor that all the distribution units are under process of reconciling the difference between security deposited from

crore. No explanation could be offered for such a huge difference hence we are unable to comment on its impact on the accounts. customers as per books and as per master data of commercial.

vii. In the case of Division IV Noida (Code AG 23.1), the payment received from debtors during the year is Rs 241.68 crores as against the sale of Rs 75.05 crores. No explanation/details were given for excess collection of Rs 166.62 crores hence we are unable to comment on its impact on the accounts. It was explained that in the case of collection received directly at the head office, the details of such payment pertaining to the Zone is received with an interval even of 2 years hence the figure of debtors as reported in Trial Balance is subject to such collection at HO, consequently, in the absence of information of such collection, the impact on debtors could not be ascertained and quantified.

vii. The Sale of Energy as reported in report of Rs. 75.05 erore is rectified to Rs. 158.69 Crore which reduced the excess collection as reported in report of Rs. 166.62 to Rs. 82.99 Crore during the course of audit. It was also enumerated to the auditor that remaining excess collection pertains to accounting of withdrawal entry in current financial year for correction of previous year as provided by HQ.

viii. During July'20 to November'20, there was a cash embezzlement of Rs 5.64 crores under the division EUDD-7, Ghaziabad by Mr. Sumit Gupta, Head Cashier Revenue of the division. Similarly, Cashier of EDD Greater Noida Satender Pal Singh TG-II embezzled cash of Rs 82,21,974/- during March'21, April'21 and June'21. In yet another case, Cashier of EUDD-IV, Ghaziabad.

viii. The necessary disclosure regarding the same has been made in Notes on Accounts at point no. 33 of the respective Company and Point no. 50 of Notes on Accounts of UPPCL CFS.

ix. Harinath TG-II during the year 2018-19 embezzled Rs.19,19,767/-(net of recovery of Rs.89,3287). Despite the above cases having been declared fraud in respective years, the same has not been provided for.

ix. The necessary disclosure regarding the same has been made in Notes on Accounts at point no. 33 of the respective Company and Point no. 50 of Notes on Accounts of UPPCL CFS.

## Saharanpur Zone:

Assets created out of Consumer Contribution are depreciated/amortized through the Liability shown under the head of Consumer Contribution in Capital Reserve.

As explained to us that Fixed Assets created out of these deposit works are not depreciated through the profit and loss account instead these assets are depreciated through the consumer contribution liability head.

> i. The additional security as pointed by audit has been taken up by the division with consumers and progress in the matter is as under:-

# In respect of Receivables (Big Consumers) :-

M/s RAVI ORGANICS security due Rs. 18,17,160 against which final notice has been issued to defaulter. The said consumer is regular and prime consumer and he is intending to pay the additional security amount in instalment. Consumer has informed vide his letter no. 9110 dated 31.07,2023 that an amount of Rs. 213600.00 has been paid vide receipt no. 3413201507235757005 dated 25.07,2023 and for rest amount consumer has asked some time, as informed by division vide letter no. 4133 dated 01.08,2023.

i. Report on short security collected from large and heavy consumers: Following is the detail of the large and heavy consumers from whom due security is not collected which is to be collected immediately:

> D. L. S. PAPERS (P) LTD security due Rs. 3306440.00 against which see -3 and now final notice has been issued to defaulter.

- - on the basis of data given to us related to the heavy consumers, following are the eases where either there
- 1- The connection pertain to Executive

are payments pending since long or there are irregular payments or partial payments:

S. No	Consumer Name	No.	Last Payment	Total Amt due as on 31.03.2023
1.	Executive Eng.	DI3008051 36188	04-05-2018	52,50,763.38
2.	Harminder Singh	611697100 0	24-10-2009	40,90,365.00
3.	Dishnet Wireless	343567100 0	20-09-2013	38,83,056.00
4.	Muspkee m Ahmed	542220400 0	Never Paid	34,89,852.00
5.	Kisaan Dass Rice Mill	439043000	10-03-2015	32,76,868.00

Although, the Management of Saharanpur zone has informed that the outstanding dues against Sh. Harminder Singh and Sh. Mustakeem Ahmed has been fully recovered.

- The Comprehensive ERP is under implementation in the Zone. Our Comments are as follows: -
  - The Trial balance of the all divisions are not aligned with ERP.
  - The Due Diligence of Migration of Software not undertaken
  - Partial Migration to new ERP from Old working software (Excel)

It has come to our notice that the zone has since shifted payment module w.e.f. 1 Jan 2022. Under the system the payments are centralized at HQ Meerut UP wherein they are understood to maintain separate ledger Accounts in the New ERP.

Under this arrangement the zone will continue to show liability to the vendor whereas the vendor has already been paid during the period from 01 Jan 2022 to 31st March 2023. The consolidated Trial Balance presented to us is showing a liability is INR 491,54,18,830.67/-. The payments against these liabilities are made by the Head office directly to the Vendors. But effect of these payments are not reflected in the trail balance of the Zone. In the trail balance only balance payments should have been reflected. Therefore, this point has to be taken into the account at the time of finalization of the Company Balance Sheet.

engineer Jal Nigam. The concerned is in regular pursuance with the consumer, and consumer has informed due to non-allocation of budget in this head by the UP Govt, the payment is still held up. The connection comes under essential public services of U.P. Govt. Hence this connection could not be disconnected; however efforts are being made to realize the outstanding dues.

- 2- Against the observation at S.no 2 to 5 this is to inform to you that all these connections have been permanently disconnected on HCL Billing System. Against S.no. 2, 4 & 5 the outstanding due has been recovered from consumers. The rest case shown at S.no. 3 i.e. Dishnet Wireless PD has finalized as on dated 24.07.2023. After adjustment of security amount the final outstanding due is Rs. 114700.00 only. For recovery of outstanding said amount, division is doing necessary action as per rule. In this process, outstanding dues against Sh. Harminder Singh and Sh. Mustakeem Ahmed has been fully recovered.
- Complete ERP Implementation/migration is under process of UPPCL / PVVNL. This will be taken up with the ERP team.

A/c Code	Account Name	TB Closing Balance as on 31.03,2023
42.1	Supply of Material/ Cap.	262,37,44,037.30
43.1	Supply of Material (O&M)	229,16,74,793.37

The point has been noted. The liability shall be cleared after receipt of payment details through IUT.

Remarks: Out of this Liability of Rs.491.54 Crore, some payments already made to the vendors by HQ. These payments must be lying at debit balance in these heads in HQ accounts.

#### Observation:

In our opinion these payments must be considered while financialization of the financial statements of the company as a whole.

iv. AG Code 26.7 represent Cont. Mat. Control A/C having balance as on 31.03.2023 is INR 1,13,84,537.54 belongs to material advanced to contractor Mr. Shailesh Kumar Since 2010. This material is required to be recovered from the contractor immediately otherwise provision is required to be make in the books of the accounts.

iv. The material issued to contractor against which miscellaneous advance is booked. All these material are lifted from contractor's store and now laying at Electricity Store Center, The adjustment/provision for non-recovery will be made after valuation of stores.

### a. Dakshinanchal Vidyut Vitran Nigam Ltd.

 During the year, Loan of PFC R-APDRP Part A (Rs. 77.53 Crores and accrued Interest Rs. 28.38 Crores) and Loan PFC R-APDRP Part B (Rs. 181.70 Crores accrued Interest Rs. 46.76 Crores) was converted to grant. Total accrued interest of Rs. 75.15 Crores, being interest during construction period, has been capitalised to assets during FY 2022-23, which was erroneously omitted to be capitalised during FY 2016-17. The company has erroneously, by imagining capitalisation in 2016-17, charged total depreciation Rs. 39.47 Crores, current depreciation to profit and loss and accumulated would be deprecation of preceding 5 years as prior period adjustments and failed to correspondingly amortised Rs. 65.42 Crores out of total Grant of of Rs. 334.18 Crores for the expired life of the corresponding assets in this way Profit of the company is understated by the equivalent

The portion of interest on RAPDRP loan up to period of Project completion was left to be capitalized due to omission. Therefore, the Interest is capitalize with retrospective effect and corresponding depreciation is also charged retrospectively.

Conversion of Loan into Grant is effected and applicable from the FY 2022-23 only as confirmation from the PFC (nodal agency) received in the FY 2022-23. Hence transfer of Liability of loan and interest converted in grant, is done in the FY 2022-23, so amortization also effected from the FY 2022-23 because grant does not exist before confirmation from PFC.

Hence amortization need not be made retrospectively as there is no error and omission in conversion of Loan into grant.

ii. Balance of Rs. 30.18 Crores under AG 46.301 ED Payable to State Govt., Rs. 2.77 Crores under AG 44.412 EC Payable (Out of Nigam) and Rs. 20.07 Crores under AG 46.922 Adv. Reed. For Sale of Scrap, parked in other liabilities/ other assets and Rs. 2.56 Crores in BRS-BOB under EE Admin, duly acknowledged by the company, should have been transferred to Inter Unit Transfer (IUT) During the year the Company has capitalised ERP Software of Rs. 29.32 Crores which should have been capitalised

Reconciliation of IUT is under process as it is a continuous process. The dues for electricity duty is adjusted by GoUP. Regarding other liabilities divisions are instructed by the Discom HQ to reconcile and clear all pending liabilities as shown by the Audit.

Further, we are in the process of developing a separate module for IUT reconciliation in ERP. After implementation of the same, the same will be on 12.08.2020. On this capitalisation the company has erroneously declared an amount of Rs. 7.18 Crores as previous years amortisation by restating the opening balance of Retained Earnings. In our opinion adopted/audited financial statement of preceding years cannot be restated incorrectly for such ignored adjustments. Resulting Loss of this year is understated by equivalent amount.

taken care.

iii. We have observed, accounting head AG 44.410 'Other Misc. Recovery Payable' balance of Rs. 11.27 Crores (as at 31.03.2023), is increased from 3.73 Crores (as at 31.03.2021), majorly in Jhansi Zone (by Rs. 3.97 Crores in FY 2021-22 and by Rs. 6.00 Crores in FY 2022-23), which is not substantiated to the satisfaction about the nature and reason substantial increase. Appropriate efforts should be made.

It was informed by the unit concerned that there is increase in this head because the unit has received the amount in its bank account of which source is yet to be identified. The process of identification is going on and the unit has also been instructed to resolve it soon.

iv. Though the Company has retained an amount of Rs. 15.12 Crores of M/s Pace Computers Services in AG Code 46.124 under EXECUTIVE ENGINEER (ADMN.) outstanding since April 2022, wherein the Company has not assessed the exact amount of claims against the supplier and credited his Profit and Loss account for the same.

It has been reported that the matter is under scrutiny and necessary action shall be taken accordingly.

# b. Purvanchal Vidyut Vitran Nigam Ltd.

 The Inter unit balance has not been reconciled due to which net amount of 699.87 Crores having debit balance has been shown as Inter unit transfers in the Balance Sheet.

Reconciliation of IUT is made as per details and register maintained for the purpose. Reconciliation of IUT is a continuous process. Further, we are in the process of developing a separate module for IUT reconciliation in ERP. After implementation of the same, the same will be taken care.

 In case of advances under T.I. and P.I. and adjustment thereof, amount aggregating to Rs. 57.90 Lacs is outstanding. It needs serious perusal and timely settlement. Instructions have already been issued by the Discom HQ to the units to close T.I. & P.I. and adjust the same in the accounts.

### Azamgarh Zone-

 During audit it was noticed that in almost every unit huge amount aggregating to Rs. 7,43,36,967 is shown as outstanding against each and against materials to employees. The amount is quite significant in some of the units. These advances should be recovered and properly accounted for. Efforts are being made by the management to adhere all these issues. Further, necessary instructions have also been issued by the Discom HQ to concerned units to maintain proper records.

 As on date there stands a demand of Rs. 1,34,820 for late filing/ late deposit/short deduction of Income Tax TDS. This liability should be disposed off either through necessary corrections or through recovery from concerned responsible persons. In this regard it is pertinent to mention here that the old balances which are carrying over since last so many years, are mostly related to Transfer scheme. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same.

iii. At units, records like Cheque Dishonour Register, Log

Books of Vehicles, Receipt Book issued & Received Register, Stamp & Postage Register, TDS Register are not being properly maintained & found incomplete except in few cases.

 Since, the work register being incomplete, the amount debited in capital work in progress is not verifiable. Further, we are in the process of migrating towards ERP accounting system which will provide the required information.

### Basti Zone-

- TI/PI which is open earlier year/during the year and still pending as on 31st March, 2023. Some of which are pending from more than 10 years. Hence all pending TI/PI's should be closed as per prevailing circular of the corporation or recovered from the official concerned.
- Out of total Capital WIP of Rs. 57.64 Crores appearing in 4 units of the Zone, Rs. 5.60 Crores relates to more than 3 years old.
- iii. Some records like dishonor cheque register, electricity theft register, PD Register, Vigilance Register, log books of vehicles, receipt book issue & received register, stamp & postage register are not produced by Some of the units.

Instructions have been issued by the Discom HQ to the units to close TI & PI and balances shall be adjusted in the accounts in hand.

Instructions have been issued by the Discom HQ to the zone to revise the amount booked in WIP and to settle the same on the basis of completion certificate.

Necessary instructions have been issued by the Discom HQ to concerned units to maintain the necessary records.

## Gorakhpur Zone

- i. TI & PI are requested to be closed timely from the date of its issue but the same is not being followed. Some Units are not following proper system for its timely adjustment to avoid its misappropriation/ misutifization. Also it was observed that adequate internal controls with respect to T.I/P.I. were weak in some of the units.
- ii. At the time of issuing No Dues Certificate due course has not been followed and proper record for such certificate has not been maintained. In result, unnecessary litigation and financial loss occurred. Management may take notice and strictly implement the due course of issuing no dues certificate
- iii. Civil Distribution division has failed to provide Hydel Colony residents occupancy, maintenance and unauthorized occupancy in the campus while some unauthorized encroachments and occupancy have been noticed. It involves financial loss to the Company, which required to be ascertained.
- iv. In most of the Units it is found that M.B. issue register is not properly maintained and direction in this respect not followed. In some cases, it is found MB Book not returned even after retirement or transfer of concerned employees and no serious efforts taken by Division to return back that MB. Further after utilization of M.B in many cases it is not returned to unit/custodian.
- v. Solar based net metered billing system is not working

Efforts are being made by the management to adhere all these issues, Further, necessary instructions have also been issued by the Discom HQ to concerned units to maintain proper records.

In this regard it is pertinent to mention here that the old balances which are carrying over since last so many years, are mostly related to Transfer scheme. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same.

Further, we are in the process of migrating towards ERP accounting system which will provide the required information. smoothly and feeding of meter reading (import/export) in solar based net meters are not being done at all. If done only based on consumers awareness and pursuance, thus it shows loss of revenue on regular basis.

- In many tender cases, while checking financial statements certified by CA, UDIN based certificate not found. It creates reasonable doubt on the genuineness of the statement.
- In most of units Log Book of Vehicles either not maintained or not produced before us for checking.
- viii. At some units, earnest money deposit/security deposit register was not maintained properly hence it is not possible to make any comment on whether earnest money deposit/security deposit was taken from any contractor or not and also refund of earnest money deposit/security deposit to any contractor was made or not. It is evident from the above that there is chances of twice payment to contractor
- The Gorakhpur Zone have pending litigations of involving more than Rs. 504.00 lacs which would impact its financial position.
- At many of the unit's records like log books of vehicles and TDS register are either not maintained or not properly updated.
- xi. There is subsequently huge difference between Debtors of Distribution Units that appears in the online data base of the company and that appears in the trial balance of the units. The reconciliation of the same has not been prepared by the units. As explained, this is because fictitious billing and not accounting of Late Payment Surcharge due in consumers bill as per company policy.
- xii. Remittance of cash into bank is not done within the prescribed time at the distribution units. Cash is usually deposited into bank after delay of 2 – 5 days.

Remittance of eash into bank are being done regularly within time frame as decided by the management. Although, the matter has noted for compliance.

### Mirzapur Zone

- At some of the units, records like dishonor register, log books of vehicles, receipt book, issue & received register, stamp & postage register, TDS register are either not properly maintained or not updated.
- ii. Most of the Bank reconciliation has been prepared with opening differences, which is not correct. In overall, the Bank reconciliation prepared by the Unit is not fully satisfactory & up to the mark and it does not serve main purpose of Bank Reconciliation
- Some of the units have shown advances to employees as outstanding against materials. The amount is quite significant in some of the units and outstanding is in

Efforts are being made by the management to adhere all these issues. Further, necessary instructions have also been issued by the Discom crores. The employee wise list of such outstanding is not made available to us showing the date since when such outstanding stands. It was also noted that advances against material have been debited to the account of J. E's and they have submitted the details of consumption and balance of stock in the form of JE Stock Accounts in form of 1S/2S/3S/4S.

- iv. Some units MB was issued to various His since long time but was not deposited back to the units till the date; It was observed that some JHs were transferred from the unit without submitting MB and no dues were also issued from the unit. It is strongly recommended to management to identify the JEs who has not submitted the MB and take necessary action for submission of the same
- v. This is the corporation practice to accept payment in Cash/Demand Draft only in case where cheque of the consumer was dishonored. But it is observed that again cheque has been received against dishonor cheque from consumer, which is against the corporation norms and the unit must avoid and follow the norms of accepting Cash/DD in case of dishonor of cheque.
- vi. Completion certificate has not been shown for completed job which has been transferred to Fixed Assets from Capital Work in Progress except for some of the units.
- vii. Some of the units do not maintain a separate register for SJ-1, SJ-2, SJ-3 & SJ-4. They are directly making entries either in only one or two register. As per corporation norms separate register should be maintain. And also, unit is required to prepare manual SJ's register on their own and then it should be tallied with SJ's prepared by the hired accounting agency. This will vouch & cross check the accuracy of work done from both the end, but in almost all the case manual SJ's have not been prepared and the computerized SJ's prepared by such external agency is pasted in manual SJ's register.

HQ to concerned units to maintain proper records.

In this regard it is pertinent to mention here that the old balances which are carrying over since last so many years, are mostly related to Transfer scheme. Presently we are in the process of scrutinizing the same and necessary accounting like writing off/writing back etc shall be done after the thorough review of the same.

Further, we are in the process of migrating towards ERP accounting system which will provide the required information.

# Varanasi Zone-

The disclosure requirement as envisaged by para 1. (vi)(b) under 'Additional Regulatory Information' of Schedule III of the Act has not been complied with

Total demand of Rs. 28.38 Lacs is pending for TDS defaults in various units of Varanasi Zone.

Records of Log Book of Vehicles, WIP Register, T&P Register, Contractor's Ledger, WMDR/WMCR, MB Movement Register, Additional Security Tools & Plant Register, Incumbency Register etc., not made available/provided

Service Books not maintained properly i.e., nominee

Efforts are being made by the management to adhere all these issues. Further, necessary instructions have also been issued by the Discom HQ to concerned units to maintain proper records.

Further, we are in the process of migrating towards ERP accounting system which will provide the required information. details, easte certificate and re- attestation not maintained.

Bills continued to be raised to Permanent Disconnection Consumers

ERD/Suspense register not maintained

Non- Submission of Receipt Book by collecting agent on regular basis.

In many cases it is noticed that additional security for additional load in case of HV Consumer category has not been taken.

Line Losses reported in many divisions.

# c. Kanpur Electricity Supply Company Ltd. Deposit for Electrification (AG Code 47) Cr. ₹48.26Crores

Party-wise break-up of the above sum with respect to: -

- i) 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 as on 31.03.2023.

Audit comment is noted for future compliance. Efforts are being made by the management to adhere all these issues. Further, necessary instructions have also been issued by the Discom HQ to concerned units to maintain proper records.

Further, we are in the process of migrating towards ERP accounting system which will provide the required information.

# Security Deposit From Consumer Cr. ₹181.16Crores

The above sum includes the sum of ₹16 Crores diverted from the revenue received from the consumers account received against electricity charges. Despite of C&AG comments on the accounts of the company for the F.Y.2020-21 & 2021-22, no corrective measurement taken in the "IND AS- FS" for the F.Y.2022-23. As per the Provisions of electricity supply code, the balance for security deposit should be 45 days of average billing and the amount of Rs 16,00,00,000 pertains to security deposit only and has thus correctly been accounted for.

The amount has not been diverted but has been deposited by the consumer along with the amount paid for electricity charges which was subsequently accounted for in the head of security deposit in compliance with the OM no. 821/DN/20-21 dt 24.09.20 of concerned distribution division which has clearly stated that Rs 16 crore deposited by consumer shall be booked in security deposit only in compliance with the provision of electricity supply code. The audit para has also been dropped by C&AG in FY 22-23.

Statement Of Profit And Loss Exceptional Item (AG Code 79.501) Dr. 3.59Crores The sum represents reversal of ₹2.89Crores on account of "KESCO's" share in the loss of principal / unrealised interest / notional interest allocated during the F.Y 2021-22 & ₹ 6.48 Crores of notional interest for the F.Y 2022-23 for earlier years invested by the CPF/GPF Trust in the Fixed Deposits of a Public Ltd. Company. The documents / information available was not adequate for forming an opinion. (Also Refer Para No. 33 of Note No. 1B of "IND AS- FS")

Relevant documents as desired have been shown to the Auditors on the basis of available records.

## Annexure II to Independent Audit 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

The Property, Plant and Equipment register are maintained in Excel format. Units are instructed to maintain the mentioned details.

Units are instructed to maintain the mentioned details.

Physical verification of the assets is being carried out by the respective units head. The Unit Code 646 holding Land of Rs. 4.65 crores in its books has the title deed for the same, detail for the same are as follows:

Cost of Land 1,13,52,800.00

Development Charges 3,09,67,162.00

Total 4,23,19,962.00

Other misc. Development Exp. 42,28,439.00

Total Value of Land held by unit 4,65,48,401,00

Further, the Unit Code 982 holding Land of Rs. 4,96,250/-, has been instructed to provide the title deed for above mentioned Land.

 Para No. 2 a & b relating to physical verification of Inventory and submission of quarterly statements to Bank regarding working capital limits. Units are instructed to get the physical verification done of Stores and Spares.

The company has obtained fund based / nonfund based credit limits from multiple banks aggregating to Rs. 1930.00 crores against security of Receivables. Accordingly, as per the terms of sanction, Quarterly/Half yearly statements in respect of receivables including both current and non-current receivables have been submitted to respective banks. In this regard adequate disclosure including total limits utilized (Fund based and non-fund based) at quarter end has been made in the financial statement of F.Y. 2022-23.

- 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.

No comments

No comments

The company is duly complying the requirement given in section 148 of companies act 2013 regarding cost audit which is being done by cost auditors on the basis of cost records maintained.

Zone is generally regular in depositing undisputed statutory dues with the appropriate authorities including provident fund. Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, goods & services tax and other statutory dues. Detail of the balances shown are as under:

5.Na	Head	Head of Account	Amount	March-23 Liability Patel in April-23	Old Outstanding Balances
1.	81,121	Towards Employer RFC FRF	12970.00	0.00	-12787.00
2	AA.401	AT SOURCE	-337538.51	36233.00	-9011/05/31
3	A6.35	PROVISION FOR PAING UCHEFTT TAX	-2364111.71	0.00	-2764135.29
4	86.524	105011	+606776-00	574189.86	37587,00
5	41.027	PARMENT OF SALES TAX	-581.91	0.00	381.31
0	46.929	JENVOCE TAX	38612-00	9.00	-96612-98
7	44.110	GRATUITY	29224337/A 7	13000.00	56511335765
*	66.830 64.621	Trustown. CYCE+EMPL CYCE+EMPL	-5254366.98	0.00	-3754386.50

	9 A4,608 NPY - 0.60 -207958740,666 - 207958740,666				
	The above old outstanding balances are under reconciliation.				
g. Para No. 11c Relating to not establishing whistle blower mechanism.	No comments				
h. Para No. 13 Relating to approval of related parties' transaction.	No comments				
i. Para No. 14 Relating to internal audit system.	No comments				
Subsidiaries					
Dakshinanchal Vidyut Vitran Nigam Ltd.  i. Para No. (i) Relating to property, Plant & Equipment,  ii. Para No. (ii) a Relating to physical verification of Inventory.  iii. Para No. (vii) Regarding Statutory dues	i) The Fixed Assets Register as on 31.03.2023 was completed and has already been submitted to UPERC.      ii) Physical verification of Inventory has been done.				
iv. Para No. (x)(b) Regarding private placement of equity shares.  v. Para No. (xi) Related to Fraud /deficiencies in internal control system.	by conducted internally by concerned personnel of units of the Nigam as per prevailing practice.  iii) Liability of Electricity duty is adjusted from				
vi. Para No. (xiii) Related to Non compliances of Section 177 and section 178 of Companies act.	Revenue subsidy as per UP Govt GO regularly at UPPCL level. Regarding other liabilities divisions are instructed to reconcile and clear all pending liabilities as shown by the Audit.				
	iv)-No Comment Required-				
	v) FIR has been lodged against the accused and the case is under police enquiry.				
Madhvanchal Vidvut Vitran Nigam Ltd.	vi) No Comment Required.				
i. Para No. (i) Relating to property, Plant & Equipment.  ii, Para No. (ii) a Relating to physical verification of Inventory.  iii. Para No. (vii) a Regarding statutory dues.  iv. Para No. (xi) Relating to embezzlement of cash.  v. Para (xiv) Regarding deficiencies in Internal Audit	i) Fixed Assets register has been maintained at all units. We are migrating accounting to the ERP system which will capture the full particulars of Property, Plant and Equipment.  ii) Physical verification of inventory is conducted internally by concerned personnel. The defaulting				
system in Ayodhya Zone.	zone has been instructed to conduct the same.  iii) Payment of Statutory dues are monitored & complied with at HO level on regular basis.  iv) Special Audit has been conducted in the concerned unit and appropriate action will be taken in due course.  v) The company has adopted the policy of conducting internal audit twice in a year (Half yearly) from the F.Y 2023-24.Internal audit report				

of units have been received within stipulated time period and compliances of the same is being done. Purvanchal Vidyut Vitran Nigam Ltd. i) Fixed Assets register has been maintained at all units. We are migrating accounting to the ERP Para No. (i) Relating to property, Plant & system which will capture the full particulars of Equipment. Property, Plant and Equipment. Para No. (ii) a) Relating to physical verification of ii. ii) Physical verification of inventory is conducted Inventory. Para No. (vi) Non-Maintenance of cost records. internally by concerned personnels. The defaulting iii. Para No. (vii) Regarding Statutory Ducs. zone has been instructed to conduct the same. iv. Para No. (xi) a and c Relating to fraud and relating iii) Noted for Compliance. iv) Payment of Statutory dues are monitored & to whistle blower mechanism. complied with at HO level on regular basis. Para No. (xiv) a Regarding deficient internal audit vi. v. Special Audit has been conducted in the concerned unit and appropriate action will be taken in due course. vi. The company has adopted the policy of conducting internal audit twice in a year (Half yearly) from the F.Y 2023-24.Internal audit report of units have been received within stipulated time period and compliances of the same is being done. Kanpur Electricity Supply Company Ltd. Para No. (i) Relating to property, Plant & All the required details on the basis of available records have been provided. Equipment. Para No. (ii) a) Relating to physical verification of ii. Inventory. Para No. (vi) Regarding Cost Records. iii. Para No. (vii) a) Regarding Statutory Dues. iv. Para No. (x) b regarding disclaimer of section 42 V. and section 62 of companies act 2013. Para No. (xiv) a Regarding Strengthing of Internal vi. Audit system. i) The Fixed Assets Register as on 31.03.2023 of all Pashchimanchal Vidyut Vitran Nigam Ltd. divisions is completed which contains quantitative Para No. (i) Relating to property, Plant & details, location, etc. and the same has been sent to UPERC. Equipment. Para No. (ii) a) Regarding a Relating to physical ii. verification of Inventory. ii) No any discrepancies of 10% or more has been Para No. (vii) a) Regarding Statutory Dues. came into notice of management. Para No. (x) b regarding disclaimer of section 42 and section 62 of companies act 2013. iii) The company is regular in depositing undisputed statutory dues such as Income Tax, GST, Labour Para No. (xi) a Relating to fraud at Meerut, Ghaziabad and bulandsahar Zone. Cess, etc. in Govt. account. The GPF CPF contribution/deductions from Employee Salary is

made

Lucknow on regular basis.

iv) No Comments

being

unit

contribution/deduction is remitted by HQ to Trust

level

and

	<ul> <li>v) The disclosure regarding said frauds has been made in Notes on Accounts at point no. 33</li> </ul>
Annexure III to Independent Auditors Report	- Marie - Marie
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")	No comments
as of 31st March, 2023, 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	No comments
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	No comments
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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- 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
- 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, No comments

No comments

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 2023.

No comments

## A. Holding Company (UPPCL)

1) Company has no internal control policies over payment to Generators. Branch Auditors have reported excess payment of Rs. 391.76Cr and old debit balances of Rs. 35.90 cr. It is also observed that no subsidiaries ledger is maintained by the company and payment to generators are made without considering outstanding balances in their accounts. Besides, no bill wise details of payment made to generators are available with the company. In order to strengthen the existing system through information technology, the company is in process of implementation of ERP system. Further party wise reconciliation is under process.

2) Company has not devised a system for placement of fixed deposit for approval by the competent authority by placing the comparative rates of interest, periodicity of fixed deposits and renewal proposal with revised interest rates in line with the prevailing market trends to ensure accrual of better revenue to the company.

For appropriate monitoring and control mechanism, a committee has now been formed.

3) 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. The company has a Proper and effective control system in all the areas. However, for implementing the system more smoothly and effectively, the system is reviewed from time to time and accordingly directions are issued. Moreover, in order to strengthen the existing system through information technology, the company is in process of implementation of ERP system.

4) 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 visà-vis power purchase accounted in the books of There is a proper and effective system of power purchase. However, there is always scope for improvement in the system, for which the procedure will be reviewed and necessary directions, if required, will be issued. 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.

- 5) 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.
- 6) 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.
- 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.
- 8) 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.

Necessary instructions are issued in this regard time to time. However, the matter is under review and necessary directions will be issued.

The company has a complete system of clearance of Inter unit transactions. However, in ERP system we have in process to check proper IUT clearance through IUT dashboard.

The company has a system of confirmation and reconciliation of balances. However, units have been instructed to take effective action in this regard and ensure necessary confirmation from third party.

The company has a control system/procedure with regard to purchases, execution of works, sanction of estimates, financial approval etc for which threshold limit is fixed. All the payments are made in accordance with the financial approval given by the concerned competent authority. However, the existing system of payments by a single authority will be reviewed and necessary action will be taken, if required.

#### B. Subsidiaries

The Auditors of DVVNL have reported that -

- The Company did not have an appropriate internal control system for recording of financial transactions into books of accounts commensurate to size and nature of business of the Company. Books of accounts are not maintained on any accounting software rather are manually, which might results posting of entries to wrong accounting heads and any unauthorized changes subsequently.
- The Company did not have an appropriate internal control system for consolidation of books of accounts of different accounting level hierarchy viz., Divisions, Zones, Government Aided Schemes, Financial Units and Head Office. There is absence of integrity of accounting data between different accounting hierarchy

All the transactions routes through sectional journal and cash book which are maintained by departmental employees. The company has made proper internal control systems for accounts maintenance.

Efforts are being made to reconcile and clear all the IUT balances by the end of this Financial Year. wherein manual accounts (Trail Balances) of divisions are consolidated manually at Zones, which are further consolidated at Head Office with Head Office, Schemes/Units accounts. These had resulted in unexplained consolidation suspense in the nature of Inter Unit Transfer (IUT Difference) of Rs. 0.94 Crores, subject to matters reported Basis of Qualified Opinion section of our report, and could potentially result in misstatement in consolidated figures.

- The Company did not have an appropriate internal control system for maintaining record of audit trail (edit log) for all transactions recorded in the books of accounts, which could potentially result in unauthorized or unwanted changes in the Company's financial figures.
- 4. The Company did not have an appropriate internal control system for integrating billing software data with accounting data, which could potentially result in material misstatement in the Company's revenue from operation, trade receivables and provision for bad debts balances.
- 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.
- 6. The Company did not have an appropriate internal control system for recording of dates of additions and deletions of fixed assets. The company has not considered actual dates of additions and deletions to fixed assets for computing depreciation, this could result in misstatement in the Company's depreciation figure.
- The Company did not have an appropriate internal control system for physical verification of fixed asset and identification of discarded assets, which could potentially result in misstatement in the Company's fixed assets balances.
- 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 non-capitalization of completed projects.
- The Company did not have an appropriate internal control system for obtaining periodic external balance confirmation, which could potentially result in misstatement in Company's trade receivable, other receivables, and other payables figures.

The company do maintain proper records. Records of all the transactions are maintained through youchers. Therefore, Proper audit trail is recorded.

The company is in process to integrate the billing software and accounting system.

Inventory valuation has been done for two zones in F.Y. 2022-23.

The company is making efforts to update historical data. We are in process of implementation of ERP software where these concerns of the auditor shall be ensured to be adhered by the software.

FARs of FY 2022-23 has already been submitted to UPERC.

The company is making efforts to update historical data. We are in process of implementation of ERP software where these concerns of the auditor shall be ensured to be adhered by the software.

Balance confirmation of other discoms, UPPCL, UPPTCL, REC, PFC are available and shown to audit also.

Due to large no. of consumers and most of them are domestic consumers spread over the large geographical area Therefore obtaining confirmation of all trade receivables is practically not possible. However, units have sent balance confirmation letters on sample basis to the consumers for the purpose of audit.

Company was incorporated in F.Y. 2003-04 while

10. The Company did not have an appropriate control for

identifying the parties from whom amounts arising out of transfer scheme are receivables and/or payables. These could result in misstatement in the Company's Financial Assets-Others (Current), Other Current Assets, Other Financial Liabilities (Current).

- The Company did not have an appropriate internal control system for making independent assessment of power purchases and transmission charges. Further such expenses are booked on the basis of advice/invoices received from UPPCL & UPPTCL, respectively.
- The Company internal control system over preparation of fixed assets register was not operating effectively which could result in misstatement in the Company's fixed assets and depreciation balances.
- 13. The Company internal control system over reconciliation of bank accounts was not operating effectively. We have observed substantial difference in balance as per bank vs balance as per cash book as reported in Basis of Qualified Opinion section of our report.
- 14. The Company internal control system over preparation of accounting vouchers was not operating effectively wherein our test check revealed all the vouchers were not signed by the authorized signatories, which could result Company recording an unauthorized transaction.
- 15. The Company internal control system over provisioning of expenses, capitalisation of assets in EE Admin (HQ Payment) Unit was not operating effectively, which could potentially result in misstatement of Company's financial statement. Our test check observations in this regard were duly rectified during the course of audit.
- The Company internal control system over recording of expense on accrual basis was not operating effectively.

final Transfer Scheme Balances were received in the F.Y. 2014-15. Efforts are being made to identify/reconcile these old balances,

The power purchase is centrally dealt by UPPCL on behalf of the company as per the tri patriate agreements entered in to by generators UPPCL and the company.

FARs of FY 2022-23 has already been submitted to UPERC.

The Bank reconciliations at division are updated and for the balance BRS the efforts are being given to ensure zero outstanding in Bank Reconciliation Statement.

All the transactions route through sectional journal and cash book. These are maintained by departmental employees only. The company has made proper internal control systems for accounts maintenance.

The Observation of the audit will be taken care in ensuing year.

Company is following accrual system except otherwise stated in the policy.

### 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 At present, in manual accounting system, there is no such system exist to record the actual date wise details of capitalisation of assets. Thus, the company is providing depreciation on addition of Fixed Assets on monthly basis. The same has also been disclosed in Significant Accounting Policies at point no. 2(II) and IV(b).

Noted for future compliance.

assets and records.

- Company do not have an effective system for realizing revenue from customers as the amount of receivables as on 31st 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.

Due to strengthening of revenue realisation mechanism and addition of various modes of revenue collection viz. Online bill deposit, KIOSK machines, ATMs, Mobile vans etc., management expects that Revenue Realization from customers in coming year will be better in comparison to previous year.

Efforts are being made to reduce the electricity theft by strengthening the distribution network and patrolling the existing distribution lines.

No comments.

The reconciliation of Inter unit transactions is a continuous process and the units are instructed to reconcile/adjust Inter Unit Transfer on monthly basis. A dedicated IUT cell has been formed for monitoring the reconciliation and settlement of Inter-Unit Transfer balances.

### The auditors of MVVNL have reported that -

1) Company has system of maintaining various Sectional Journals wherein vouchers relating to day to day transactions are recorded. 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/ outsourced agencies, which are not under control of the accounts department. Neither the risk of security of data in accounting system has been assessed nor is there any mechanism to check data entries and to ensure correctness and completeness of the accounting reports generated.

2) System of compilation of Bank Reconciliation statement is weak in as much as various old un-reconciled entries are scrutinized and necessary action will be taken

1) The Method of Preparation of Accounts is prescribed by erstwhile UPSEB and the Company is following the same.

The Prescribed SJs are prepared on the basis of vouchers duly authorized by the competent authority & at the time of payment, Entry is made in cash book by duly linking the SJ series No. of the concerned voucher. All the transactions are properly interlinked and organized.

However, we are in the process of migrating manual accounting in the ERP system which will ensure correctness and completeness of the accounting reports generated.

2) Differences as reflected in BRS are being

pending in BRS for adjustment and its appropriate accounting in the books of account.

- 3) The company is under the process of reconciliation of inter unit transactions at zones/ head office level. It was noted that large number of un-reconciled IUTs are persisting since previous year which are still under reconciliation.
- 4) Party wise details/ sub-ledgers of advances to supplier, contractors, staff, security deposits and other parties was generally not maintained and hence the system of reconciliation and balance confirmation with the concerned parties is not in vogue.
- 5) 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.

It was also noted that billing for sale of electricity to consumers are accounted for on the basis of report generated through Online Billing System implemented by various outsourced agencies. However, system audit of the said billing system, if any, being dealt at UPPCL was not made available and as such we are unable to comment on the efficacy of the same.

6) It was noted that various payments for AMCs/ online billing system are done by UPPCL on behalf of the company and its accounting is done in the books on the basis of debit notes raised by UPPCL. However, there was no system in the company to ascertain and ensure the provisioning of total expenditures pertaining to the financial year.

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 1' 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 accordingly. Concerned Zones have been instructed to reconcile the differences.

- The reconciliation of Inter Unit Transactions is a continuous process and the company is consistently reconciling the IUT balances.
- 4) As we are following manual System of Accounting although party-wise ledgers are not available but details of the concerned items are being maintained by the units where individual balances can be derived.

However, we are in the process of migrating our accounting in the ERP system which will provide the required information.

 Consumers ledger is maintained in billing system.
 We are reconciling the differences appearing in the books of account and data of commercial department.

6) Expenses relating to AMC/Online billing system are allocated by UPPCL on reasonable basis by issuing debit notes which are accounted for accordingly.

No Comment.

effectively as at 31 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 and on behalf of the Board of Directors

(Nitin Nijhawan)

Dy. General Manager & CFO

(Nidhi Kumar Narang)

Director Finance DIN-03473420



## Manish Mishra & Associates

Company Secretaries in Practice

Office Address: Flat No. G-2, B 1/65, Classic Mansion Apartment, Sector-K, Aliganj, Lucknow, U.P. - 226024 Contact: +91-7084645555 ( E-mail: mmacshocknow(agatail.com) Website: www.psmars.com

### Form No. MR-3

### (For the Financial year ended 31.03.2023)

[Pursuant to Section 204]1] of the Companies Act. 2013 and Rule 9 of the Companies(Appointment and Remuteration of Managerial Personnel] Rules. 2014]. **To.** 

U. P. POWER CORPORATION LIMITED SHAKTI BHAWAN, ASHOK MARG LUCKNOW UTTAR PRADESH -226001

We have conducted Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by U. P. POWER CORPORATION LIMITED (CIN:) [hereinafter called 'the Company') having its Registered Office at "SHAKTI BHAWAN, ASHOK MARG [JUCKNOW UTTAR PRADESH -226001. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon after considering the following facts:

- (a) U. P. POWER CORPORATION LIMITED is a Government Company as defined in Sec. 2 [45] of the Companies Act 2013.
- (b) Certion provisions of the Companies Act2013 are exempted for Government Companies
- (t) In addition to various applicable Laws, U. P. POWER CORPORATION LIMITED is required to comply with Corporate Governance Guidelines and Directions issued by the Government of India from time to time.
- (d) U. P. POWER CORPORATION LIMITED is a Debt Listed entity and itsdebt securities are listed with Bombay Stock Exchange.
- (e) The creation of U.P. Power Corporation Ltd. (UPPCL) is the result of power sector reforms and restructuring in UP (India) which is the focal point of the Power Sector, responsible for planning and managing the sector through its transmission, distribution & supply of electricity.

### Management's Responsibility for Secretarial Compliances:

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.



### Secreturial Auditor's Responsibility:

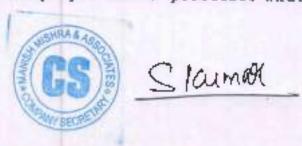
Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company withrespect to secretarial compliances.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company nor taxation laws. This Reports to be read with our letter of even date whiches annexed as Annexure A and forms an integral part of this report.

We have examined the books papers, minutebooks, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the applicable previsions of: -

- 1 The Companies Act, 2013 (the Act) and the Rules made there under:
- The Securities Contract (Regulation) Act. 1956 (SCRA) and the Rules made there under:
- The Depositories Act. 1996 and the Regulations and Bye-laws framed there under.
- 4 The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act. 1992 (SEBI Act):
  - (a) The Securities and Exchange Board ofIndia (Usting Obligations) and Disclosure Requirements) Regulations, 2015
  - (b) The SEBI (Probibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India 'Issue and Listing of Debt Securities Regulations, 2015.
  - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021.
  - (e) The Securities and Exchange Boardof India (Dehenture Trustee) Regulations, 1993.
  - (f) Standard Operating Process under Regulations 3(5) and 3(6) of SEBI (PH) Regulations, 2015 for ensuring Compliance with Structured Digital Database (SDD). Company has not complied with Regulations 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 however the Company is in process of procuring software.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby reportthat in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed above and also that the Company has proper Board- processes and compliance-



### mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

I further report that as per the information and representation by the officers, the company has complied with the provisions of the other laws applicable to the Company. We have relied on the representation by the company and as officers for systems and mechanism formed by the company for compliances under the above. Act, Laws and Regulations to the contpany. We have also examined compliance:

- (i) With respect to the Secretarial Standards SST and SS-2 issued by the ICSI and asnothed by the Ministry of Corporate Affairs (MCA) and report that the Company has generally Complied with the said Standards.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and report that the Company has complied with the same.
- (iii) The provisions of Regulation 16 to 27 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made applicable on high value debt listed entities with effect from September 7, 2021 on Comply or explain basis, and mandatory applicable from 01.04.2023.
- (iv) The Company is duly comblying with the provisions of Prevention of Sexual Harassment at the Workplace

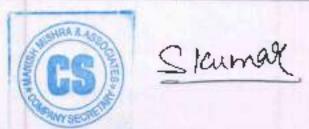
We further report that during the said FinancialYear, the Company has complied with the provisions of the Acts. Rules, Regulations, Guidelines, Standards, etc., mentioned in the foregoing chart, subject to the observations made in the following paragraph:

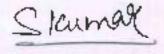
S. No.	Details of Violation	Observation
1.	Regulation 52(1) (Quarter March-2022) Non-submission of financial results within the prescribed period under this regulation.	BSE has imposed fine of Rs. 2,53,700/ on the company.
2.	Regulation 52(1) (Quarter/Year March-2023) Non-submission of fractical results within the prescribed period under this regulation.	BSE has imposed fine of Rs. 1.71,100/ on the company.
3.	Regulation 52(4) (Quarter/Year March-2023)	BSE has imposed fine of Rs 34.220/- on the company.



Skumar

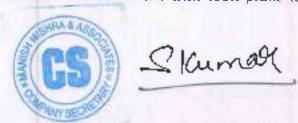
ŝ.	Regulation 19(1)	The nomination and remumeration committee
٥	(c)The chairperson of the audit committee shall be an independent director.	
	(b) Two-thirds of the members of audit committee shall independent	
	minimum three directors as members.	
	[8] The audit committee shall have	
	accordance with the terms of reference, subject to the following:-	
	Every listed entity shall constitute a qualified and independent audit committee in	not consist of independent directors.
7.	Regulation 18(1)	The audit committee does
	beard of directors shall comprise of independent directors	
	non-executive charperson, at least half of the	
	comprising of independent directors and where the listed entity does not have a regular	
	one third of the board of directors shall	directors.
	Where the chairperson of the board of directors is a non-executive direct, at least	not have the requisite number of independen
6.	Regulation 17(1)(b)  Where the charmerson of the hand of	The board of directors does
£		Company.
		submission or representation by the
		waiver of fine after
		However, BSE has granted
	quained company secretary as the compliance officer	compliance during September, 2022
	Non-compliance with requirement to appoint qualified company secretary as the	company for non
	(Quarter September 2022)	BSE has imposed fine a Rs. 1,08,560/- on th
5.	Regulation 6(1)	DCF how inspect Co.
	to secured listed NCDs in the financial	
	security created and maintained with respect	THE RESERVE OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TO THE PERSON NA
	(Quarter/Year March-2023) Non-disclosure of extent and nature of	Rs. 34,220/- an th
4.	Regulation 54(2)	BSE has imposed fine
	yearly/annual financial results	
	Non-disclosure of line items prescribed under this regulation along with the half	





	The board of directors shall constitute the numination and remuneration committee as follows:	does not consist of independent directors.
	(a) The committee shall comprise of at least three directors.  (b) All directors of the committee shall be non-executive directors, and	
	At least fifty percent of the directors shall be independent directors.	
9,	Regulation 20  (1) The listed entity shall constitute a Stakeholders Relationship Committee to specifically look into	The stake holders relationship committee does not consist of independent directors.
	(various aspects of interest) of shareholders, debenture holders and other security holders.  (21) The champerson of this committee shall be a non-executive cirector.  (24) At least three directors, with at least one being an independent director shall be	
10.	members of the Committee.	
	As per the provisions of section 129 read with Section 96 of the Companies Act, 2013, the Audited Imancial statement of the company for the financial year 2021-22 was required to be adopted in the Annual General Meeting of the company within six months of the closing of the financial year i.e. latest by 30/09/2022. Though, by holding the Annual General Meeting on 29/09/2023, the company has complied with the provisions of section 196 of the Companies Act, 2013. The Audited financial statement of the company for the financial year 2021-22 were not ready for their adoption and the this General meeting was adjourned. Thus by the non-adoption of Audited financial year 2021-22 in this Annual	

The changes in the Composition of the Board of Directors that took place during the



period under review were carried out in compliance with the provisions of the Act. Adequate notice was given to all the Directors to Schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information, and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decision were taken by the Board unanimously after satisfactorily clarifying points raised by any Director and after recording views expressed by any Director. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules. Regulations and Guidelines.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to audit by Statutory Auditors and CAG.

For Manish Mishra & Associates Practicing Company Secretaries

Sukhmendra Kumar Partner

ACS No: 37552 CP

No: 21707

Lucknow, 29.09.2023

Peer Review No-3163/2023 UDIN: A037552E001135431 To,
U. P. POWER CORPORATION LIMITED
SHAKTI BHAWAN,
ASHOK MARG LUCKNOW
UTTAR PRADESH -226001

My report of even date is to be read along with this letter.

- If Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit
- 2] There followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the Compliance of Laws, Rules and Regulations and happening events etc.
- 5) The Comphance of the Provisions of Corporate and other applicable laws rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company not of the efficacy or effectiveness with which the Management as conducted the affairs of the Company.

For Manish Misbra & Associates Practicing Company Secretaries

Sukhmendra Kumar

Slaumal

Partner

ACS No: 37552 CP No: 21707

Lucknow, 29.09.2023

Peer Review No-3163/2023 UDIN: A037552E001135431

### U. P. Power Corporation Ltd.

(A Government of UP undertaking) CIN:U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

### Management replies on observations of Secretarial Audit Report for the F.Y. 2022-23

Sr. No.	Details of Violation	Observation	Management Replies
1.	Regulation 52(1) (Quarter March-2022) Non-submission of financial results within the prescribed period under this regulation.		time in filing results under regulation 52 with SEBI vide its letter dated 20th May,
2.	Regulation 52(1) (Quarter/Year March-2023) Non-submission of financial results within the prescribed period under this regulation.	BSE has imposed fine of Rs. 1,71,100/- on the company.	The Company has applied for extension of time in filing results under regulation 52 with SEBI vide its letter dated 29th May,
3.	Regulation 52(4) (Quarter/Year March-2023) Non-disclosure of line items prescribed under this regulation along with the half yearly/annual financial results.	BSE has imposed fine of Rs. 34,220/- on the company.	The Company has applied for extension of time in filing results under regulation 52 with SEBI vide its letter dated 29th May, 2023 which was rejected by the SEBI. Thereafter, the Company has paid fine of Rs. 34,220/- under regulation 52(4).
4.	Regulation 54(2) (Quarter/Year March-2023) Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements.	BSE has imposed fine of Rs. 34,220/- on the company.	The Company has applied for extension of time in filing results under regulation 52 and 54 with SEBI vide its letter dated 29th May, 2023 which was rejected by the SEBI. Thereafter, the Company has paid fine of Rs. 34,220/- under regulation 52(4).
5.	Regulation 6(1) (Quarter September 2022) Non-compliance with requirement to appoint qualified company secretary as the compliance officer.	BSE has imposed fine of Rs. 1,08,560/- on the company for non-compliance during September, 2022. However, BSE has granted waiver of fine after submission of representation by the	The Company has submitted representation with Stock Exchange w.r.t. waiver of said fine and the Stock Exchange granted waiver of the same.

### U. P. Power Corporation Ltd. (A Government of UP undertaking)



CIN:U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

		Company.	
6.	Regulation 17(1)(b)  Where the chairperson of the board of directors is a non-executive direct, at least one-third of the board of directors shall comprising of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.0	The board of directors does not have the requisite number of independent directors.	The Company has duly constituted all applicable committees with executive and non-executive directors (Nominee Directors appointed by the Government of Uttar Pradesh) except Independent Directors. As the company is an Uttar Pradesh State Government Company (State PSU) therefore all the Directors including Independent Directors are appointed by the Government of Uttar Pradesh. The regulations have been recently made applicable on the Company and it has already submitted representations to the Government of Uttar Pradesh to nominate/appoint Independent Directors on the Board of the Company. The same is under process at the level of Government of Uttar Pradesh.
7.	Regulation 18(1)  Every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following: -  (a) The audit committee shall have minimum three directors as members.  (b) Two-thirds of the members of audit committee shall independent directors  (c) The chairperson of the audit committee shall be an independent director.	The audit committee does not consist of independent directors.	The Company has duly constituted all applicable committees with executive and non-executive directors (Nominee Directors appointed by the Government of Uttar Pradesh) except Independent Directors. As the company is an Uttar Pradesh State Government Company (State PSU) therefore all the Directors including Independent Directors are appointed by the Government of Uttar Pradesh. The regulations have been recently made applicable on the Company and it has already submitted representations to the Government of Uttar Pradesh to nominate/appoint Independent Directors on the Board of the Company. The same is under process at the level of Government of Uttar Pradesh.
8.	Regulation 19(1) The board of directors shall constitute the nomination and remuneration committee as follows:  (a) The committee shall comprise of at least three directors,	The nomination and remuneration committee does not consist of independent directors.	The Company has duly constituted all applicable committees with executive and non-executive directors (Nominee Directors appointed by the Government of Uttar Pradesh) except Independent Directors. As the company is an Uttar Pradesh State Government Company (State PSU) therefore all the Directors including Independent



### U. P. Power Corporation Ltd. (A Government of UP undertaking)



CIN:U32201UP19995GC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

	(b) All directors of the committee shall be non- executive directors, and At least fifty percent of the directors shall be independent directors.		Directors are appointed by the Government of Uttar Pradesh. The regulations have been recently made applicable on the Company and it has already submitted representations to the Government of Uttar Pradesh to nominate/appoint Independent Directors on the Board of the Company. The same is under process at the level of Government of Uttar Pradesh.
9.	Regulation 20 (1) The listed entity shall constitute a Stakeholders Relationship Committee to specifically look into (various aspects of interest) of shareholders, debenture holders and other security holders. (2) The chairperson of this committee shall be a non-executive director, (2A) At least three directors, with at least one being an independent director shall be members of the Committee.	The stakeholders relationship committee does not consist of independent directors.	The Company has duly constituted all applicable committees with executive and non-executive directors (Nominee Directors appointed by the Government of Uttar Pradesh) except Independent Directors. As the company is an Uttar Pradesh State Government Company (State PSU) therefore all the Directors including Independent Directors are appointed by the Government of Uttar Pradesh. The regulations have been recently made applicable on the Company and it has already submitted representations to the Government of Uttar Pradesh to nominate/appoint Independent Directors on the Board of the Company. The same is under process at the level of Government of Uttar Pradesh.
10.	As per the provisions of section 129 read with section 96 of the Companies Act, 2013, the Audited financial statement of the company for the financial year 2021-22 was required to be adopted in the Annual General Meeting of the company within six months of the closing of the financial year i.e. latest by 30/09/2022. Though, by holding the Annual General Meeting on 29/09/2023, the company has complied with the provisions of section 196 of the Companies Act, 2013. The Audited financial statement of the company for the financial year 2021-22 were not ready for their adoption and the this General		CAG Audit for the financial year 2021-22 was not completed till the date of holding AGM i.e. up to 29/09/2022. The CAG Audit was completed and provided its Report Thereafter adjourned AGM for the financial year 2021-22 was held on 16/02/2024 and after obtaining shareholder's approval, the Financial Statements for the FY 2021-22 has been filed with ROC.





### U. P. Power Corporation Ltd.

(A Government of UP undertaking) CIN:U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

meeting was adjourned, Thus by the non- adoption of Audited financial statement of the company for the financial year 2021-22 in this Annual General Meeting, the company has failed to comply with the provisions of section 129 of the Companies Act, 2013.

For and on behalf of the Board of Directors

Date:

Place: Lucknow

(Nidhi Kumar Narang) Director Finance

DIN-03473420

(Pankaj Kumar) Managing Director

DIN-08095154

Blund

Annenue III A

MANAGEMENT REPLY ON COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Final Comments	Management Reply
The preparation of Standalone Financial Statements of Uttar Pradesh Power Corporation Limited (Company) for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 15 September 2023.	
I, on behalf of the Comptroller and Auditor General of India (CAG), have conducted a supplementary audit of the Standalone Financial Statements of Uttar Pradesh Power Corporation Limited for the year ended 31 March 2023, under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and selective examination of some of the accounting records.	

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

# A. Comments on Financial Position Balance Sheet Current Assets Financial Assets- Other (Current)-Note -11: ₹ 15763.15 crore

As per clause 1.2 (i) of the tripartite MOU executed under Ujjwal DISCOM Assurance Yojana (UDAY) between Ministry of Power, GOI, Government of Uttar Pradesh (GoUP) and the Company, 'the GoUP shall take over the future losses of the DISCOMs in a graded manner i.e. 5 per cent of loss for the year 2016-17, 10 per cent of loss for the year 2017-18, 25 per cent of loss for the year 2018-19 and 50 per cent of loss for the year 2019-20 in the corresponding next year i.e. 2017-18, 2018-19, 2019-20 and 2020-21 respectively. Accordingly, DISCOMs were eligible to be funded by GoUP in UDAY scheme for the period from 2017-18 to 2020-21 to the extent of ₹ 4,920.99 crore1 as per the MoU. However, the DISCOMs accounted other income of ₹ 7,289.33 crore2 in their accounts and thus excess income of ₹ 2,368.34 crore was booked as other income on account of government grant for operational losses during the period from 2017-18 to 2020-21. The excess grant booked by

The Govt. of U.P had committed to extend the loss funding support under the UDAY Scheme where a Tripartite MoU was signed (amongst Central Govt., Govt. of UP & UPPCL) detailing the modality based on which the Discoms / UPPCL would compute the loss funding required based on the previous year audited financials. The methodology is as per the Operational Funding Requirement (OFR) and was valid for the period of the MoU ending on 31.03.2021 (With respect to the audited financials of FY 2019-20).

The methodology of calculating the support is being approved in the State Budget after due verification by the GoUP and the amount released through Government Orders and accounted for appropriately and in line with the requirements of IND AS- 20. The methodology for working out the Operational funding requirement is briefed as follows-

6	Particulars	1 303701311	Property in				
No.	Particulars	MVVNL	PuVVNL	PVVNL	DVVNL	KESCo	TOTAL
ı	Revenue (excluding Cash Support & ED Retention)	13050.20	12424.70	18201.00	10417.22	2,740.51	56,833.63
2	Other Incomes	290.82	627.86	419.54	220.64	43.26	1,602.12
3	Expenditure	20098,14	20048,51	24385.51	17537.76	3133.14	85,203.06
4	Book Loss(+) / Profit(-)	-6757.12	-6995.95	-5764.97	-6899.90	-349.37	-26,767.31

DISCOMs should have been shown as recoverable from DISCOMs as well as payable to GoUP in the Company accounts, as all money related to UDAY was routed to DISCOMs through the Company. This resulted in understatement of 'Other Financial Liabilities' and 'Financial Assets-Other (Current)' by ₹ 2,368.34 crore.

Despite similar comment of the CAG on the accounts for the year 2018-19 to 2021-22, no corrective action was taken by the Management.

5	Add: Depreciation	672.42	847.75	643.23	630.24	54.31	2,847.95
6	Add Provision & bad debts	2436.36	2504.30	439.79	2210.80	-100.55	7,490.70
7	Cash Loss (+)/Profit (-)	-3648.34	-3643.90	-4681.95	-4058.86	+395.61	-16,428.66
8	Add: Increase In Debtors	4022.46	4602.34	1270.46	1306.48	231.46	11,433.20
9	Add: Decrease in Long Term Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
10	Grees Operational Funding Required (OFR) (Without Government Support)0-0	-7670.80	-8246.24	-5952.41	-5365.34	-627.07	-27,861.86
11	Support From State Govt	0.00	0.00	0.00	6.00	0.00	0.00
12	Cash Support from State Govt. incl. ED retention (Subsidy)	3663.54	3777.71	3304.14	3770.27	0.00	14,515.66
13	Total Support From State Govt.	3663.54	3777.71	3304.14	3770.27	0.00	14,515.66
14	Operational Funding Required (OFR) (After Government Support)	4007.26	-4468.53	-2648.27	-1595.07	-627,07	-13,346.20
15	Amount of Losses as per Action Plan & State Govt. Commitment (60% of OFR)	-2404.36	-2681,12	-1588.96	-957.04	-376.24	-8,007.72

<sup>1 ₹ 182.00</sup> crore+₹ 506.57 crore+ ₹1596.15 crore+ ₹2636.27 crore

<sup>2 ₹ 409.93</sup> crore+ ₹761.09 crore+ ₹2399.99 crore+ ₹3718.32 crore

In view of the above, it is clear that there is no excess booking of loss subsidy as the correct amount in accordance with the OFR has been received from GoUP and accounted for by UPPCL accordingly. Hence, there is no understatement of 'Other Financial Liabilities' and 'Financial Assets-Other (Current)'.

Further, in this reference it is pertinent to mention here UPPCL has taken up the matter with Principal Accountant General, Lucknow under intimation to C&AG, New Delhi for review/ reconsideration vide letter no-954/PCL/CA-BS/209/AG dated 21.03.2024.

2. Clause IV of Annexure-II of the Revamped Distribution Sector Scheme (RDSS) launched by MoP, GoI (July 2021) provided for preparation of and adherence to a roadmap for funding of accumulated and current financial losses, if any, through clearance of part or whole of regulatory assets and state funding. The Action Plans of DISCOMs were approved (04.03.2022) by the Monitoring Committee for RDSS constituted under chairmanship of Secretary (Power), GoI, which, among others, provided for taking over of 60 per cent of financial losses of the DISCOMs for the previous financial year (F.Y.) i.e. 2021-22 by the GoUP in F.Y. 2022-23.

UPPCL, on behalf of the DISCOMs, claimed from the GoUP, and received the subsidy of ₹8007.72 crore

The RDSS Scheme of Government of India was implemented from FY 2022-23 and as a part of the UDAY, the Govt. of U.P has committed to the Central Government (Which is funding 60% central assistance for the scheme) to provide loss funding support to Discoms / UPPCL in a graded manner.

The methodology of calculating the support required & to be funded by the Govt. of U.P is the same as per the UDAY MoU i.e. based on OFR. This requirement is being approved in the State Budget after due verification by the GoUP and the amount released through Government Orders and accounted for appropriately in line with the requirements of IND AS- 20 by the Discoms.

The methodology for working out the Operational funding requirement of ₹ 8007.72 crore is briefed as follows-

during the year 2022-23 on account of the financial losses of the DISCOMs for the year 2021-22. The DISCOMs accounted for the above subsidy as allocated by the UPPCL as Other Income in their accounts, against the eligible amount of ₹ 3895.47 crore<sup>3</sup> as per the actual financial losses incurred by them in the year 2021-22. Thus, excess subsidy of ₹ 4112.25 crore (₹ 8007.72 crore -₹ 3895.47 crore) was booked by the DISCOMs as Other Income during the year 2022-23. The excess subsidy booked by the DISCOMs should have been shown as recoverable from them as well as payable to the GoUP in the Company accounts, as all money related to RDSS was routed to DISCOMs through the Company.

This resulted in understatement of 'Other Financial Liabilities' and 'Financial Assets-Other (Current)' by ₹ 4112.25 crore. (zincoard)

S. No.	Particulars	MVVNL	PaVVNL	PVVNL	DVVNL	KESC <sub>0</sub>	TOTAL.
1	Revenue (excluding Cash Support & ED Retention)	13050.20	12424.70	18201,00	10417.22	2,740.51	56,833.63
2	Other	290.82	627.86	419.54	220.64	43.26	1,602.12
3	Expenditure	20098.14	20048.51	24385.51	17537.76	3133.14	85,203.06
4	Book Loss(+) / Profit(-)	-6757.12	-6995.95	-5764.97	-6899.90	-349.37	-26,767.31
5	Add: Depreciation	672.42	847.75	643.23	630.24	54.31	2,847.95
6	Add: Provision & bad debts	2436.36	2504.30	439.79	2210,80	-100.55	7,490.70
7	Cash Loss (+)/Profit (-)	-3648,34	-3643.90	-4681.95	-4058.86	-395.61	-16,428.66
8	Add: Increase In Debtors	4022.46	4602.34	1270.46	1306,48	231.46	11,433.20
9	Add Decrease in Long Term Liabilities	0.00	0.00	0,00	0.00	0.00	0.00
10	Oross Operational Funding Required (OFR) (Without Government Support)0-0	-7670.80	-8246 24	-5952.41	-5365.34	-627.07	-27,861.86
11	Support From State Govt.	0.00	0.00	0.00	0.00	0.00	0.00
12	Cash Support from State Govt. incl. ED retention (Subsidy)	3663.54	3777.71	3304.14	3770,27	0.00	14,515,66

<sup>&</sup>lt;sup>3</sup>60 per cent of ₹6492.45 crore being total losses of DISCOMs (MVVNL: ₹ 2042.20 crore + PuVVNL: ₹ 577.99 crore + PVVNL: ₹ 699.29 crore + DVVNL: ₹2957.52 crore + KESCO: ₹ 215.45 crore) for the year 2021-22.

13.	Total Support From State Govt.	3663.54	3777.71	3304.14	3770.27	0.00	14,515.66
14	Operational Funding Required (OFR) (After Government Support)	-4007.26	-446£53	-2648.27	-1595.07	-627.07	-13,346.20
15	Amount of Losses as per Action Plan & State Govt. Commitment (60% of OFR)	-2404.36	-2681.12	-1588.96	-957.04	-376.24	-H,007.72

In view of the above, it can be said that no amount is payable towards GoUP and recoverable from Discoms, resulting no understatement of 'Other Financial Liabilities' and 'Financial Assets-Other (Current)'.

Further, in this reference it is pertinent to mention here that UPPCL has taken up the matter with Principal Accountant General, Lucknow under intimation to C&AG, New Delhi for review/ reconsideration vide letter no-954/PCL/CA-BS/209/AG dated 21.03.2024.

3. The Company being the Holding Company, on behalf of the DISCOMs, unwarrantedly claimed an amount of ₹ 5,372.50 crore from the GoUP during the year 2021-22 for funding of operational losses under UDAY, which was incorrectly sanctioned and released by GoUP under UDAY. As the admissibility period for funding of operational losses under UDAY had already expired on 31 March 20212021 and there was no scheme of Gol/GoUP for funding of such operational losses during the year 2021-22, the unwarranted claim and release of subsidy under UDAY was refundable to the

It is submitted that amount of Rs. 5372.50 Crore does not pertain to the UDAY scheme, which was issued by the MoP, GoI vide notification dated 20-11-2015. The said amount was actually received towards subsidy by GoUP against operational losses of the DISCOMs for the FY 2020-21. The GoUP has clarified the factual position in respect of the above release of funds vide letter no. 1772/24-01-2023-03/2023.

GoUP. The GoUP clarified (July 2023) that ₹ 5,372.50 crore was released for funding of losses of DISCOMs under Action Plan/Revamped Distribution Sector (RDS) Scheme, however, the same was treated as UDAY loss subsidy due to mistake. The reply is not tenable as the loss subsidy was not approved under Action Plan by GoUP and RDS scheme of GoI was not applicable for loss subsidy during the year 2021-22.

This resulted in understatement of 'Other Financial Liabilities' and 'Financial Assets-Other (Current)' by ₹ 5372.50 crore.

Despite similar comment of the CAG on the Accounts for the year 2021-22, no corrective action was taken by the Management.

Further, it is important to mention here that this was on account of an inadvertent clerical error and not on account of mistake as pointed out by the audit.

#### Other Financial Liabilities (Note-19)-₹ 4281.55 crore

4. The above does not include ₹ 28.65 crore being interest payable on account of delayed deposit/non-deposit of General Provident Fund (GPF) and Pension contribution (₹ 28.08 crore) and Gratuity contribution (₹ 0.57 crore) as worked out and accounted in the accounts of Uttar Pradesh Power Sector Employees Trust for the year 2014-15. This resulted in understatement of Current Liabilities and Other Equity (negative balance) by ₹ 28.65 crore.

Despite similar comment of the CAG on the Accounts for the years 2012-13 to 2021-22, no corrective action was taken by the Management. As per audited accounts of the company for the financial year 2012-13 to 2021-22, liability towards GPF contribution is showing debit balance. Since there has always been a debit balance during the period 2012-13 to 21-22, no provision of interest has been made. As regards accounting of interest on liability towards pension and gratuity, it is stated that regular interest is not payable to employee on pension and gratuity as in case of GPF hence provision of interest on pension & gratuity is not required. The company is also in process of reconciliation with the GPF trust.

#### C. Comments on Disclosure

5. As per Note 6 (Loans and Other Financial Assets-Non-Current), share application money of ₹ 180.72 crore was pending for allotment in UPPTCL. However, UPPTCL has wrongly allotted shares of the same amount to the GoUP instead of UPPCL, for which, the matter is pending before the GoUP. This being a material fact, should have been disclosed in the Notes to Accounts.

Thus, Notes to Accounts are deficient to the above extent.

It is stated that share application money of Rs.180.72 crores is pending with the UPPTCL for share allotment, for which UPPTCL is regularly being followed up for allotment of shares. Later on it has come to our notice that instead of allotting shares to UPPCL the same has been wrongly allotted to UP Government by UPPTCL.

Further, the matter has been taken up by UPPTCL with the GoUP for the resolution.

Also, as suggested by the audit, the necessary disclosure shall be made in the accounts of FY 2023-24.

6. The Company, during the year 2022-23, made a provision of ₹ 14530.50 crore against impairment in investments in its subsidiary companies i.e. the DISCOMs. This provision has been worked out by the Company based on net worth of the DISCOMs as per annual accounts for the year 2022-23. Considering the impact of the CAG comments on the treatment of additional revenue subsidy of ₹ 39,743 crore, acceded to by the GoUP (March 2021) and allocated to DISCOMs by UPPCL in October 2021, the provision for impairment in investments worked out to ₹ 97166.84 crore against ₹ 75707.29 crore already provided in the Accounts as on 31 March 2023. However, this important fact has not been quantifiably disclosed in the Notes to Accounts.

The necessary disclosure has already been made in Notes to account Point no.20 (d) & (g). It is worthwhile to mention here that the matter related to accounting of additional revenue subsidy of ₹ 39,743 crore has been referred to Expert Advisory Committee of ICAI and opinion from EAC is still awaited. Necessary accounting entries by the concerned DISCOM shall be made upon receipt of the same. The impact on impairment of investment will be revised/ accounted for accordingly.

Despite similar comment of the CAG on the Accounts for the year 2020-21 and 2021-22, no corrective action was taken by the Management.

Nitin Nijhawan (Dy. General Manager & CFO)

Nidhi Kumar Narang Director (Finance) DIN-03473420

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MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 3I MARCH 2023.

S.No	Audit Comment	Management Reply
	The preparation of Consolidated Financial Statements of Uttar	
	Pradesh Power Corporation Limited (Company), for the year	
	ended 31 March 2023 in accordance with the financial	
	reporting framework prescribed under the Companies Act,	
	2013 (Act) is the responsibility of the Management of the	
	Company. The Statutory Auditors appointed by the	
	Comptroller and Auditor General of India under Section 139	
	(5) read with Section 129 (4) of the Act are responsible for	
	expressing opinion on the Financial Statements under section	No Comments
	143 read with Section 129 (4) of the Act based on independent	
	audit in accordance with the standards on auditing prescribed	
	under Section 143 (10) of the Act. This is stated to have been	
	done by them vide their Audit Report dated 15 September	
	2023.	
	I, on behalf of the Comptroller and Auditor General of India	
	(CAG), have conducted a supplementary audit of the	
	Consolidated Financial Statements of Uttar Pradesh Power	
	Corporation Limited, for the year ended 31 March 2023, under	

MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023.

Section 143 (6) (a) read with Section 129 (4) of the Act. We conducted a supplementary audit of the Financial Statements of parent Company UPPCL, subsidiary companies- Purvanchal Vidyut Vitran Nigam Limited (PuVVNL). Paschimanchal Vidyut Vitran Nigam Limited (PVVNL), Madhyanchal Vidyut Vitran Nigam Limited (MVVNL), Dakshinanchal Vidyut Vitran Nigam Limited (MVVNL) and Kanpur Electricity Supply Company Limited (KESCO) for the year ended 31 March 2023. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) read with Section 129 (4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 3I MARCH 2023.

### A. Comments on Consolidated Profitability

Consolidated Statement of Profit and Loss Income Other Income (Note-23)

Subsidy for Operational Losses: ₹8,007.72 crore

1.

The above pertains to subsidy against the previous year's financial losses of the subsidiary distribution companies (DISCOMs) taken over by the GoUP under the Revamped Distribution Sector Scheme (RDSS) launched (July 2021) by MoP, GoI. Clause IV of Annexure-II of the RDSS provided for preparation of and adherence to a roadmap for funding of accumulated and current financial losses, if any, through clearance of part or whole of regulatory assets and state funding. The Action Plans of the DISCOMs were approved (04.03.2022) by the Monitoring Committee for RDSS constituted under the chairmanship of Secretary (Power), GoI, which, among others, provided for taking over of 60 per cent of financial losses of the DISCOMs of the previous financial year (F.Y.) i.e. 2021-22 by the GoUP in F.Y. 2022-23.

The RDSS Scheme of Government of India was implemented from FY 2022-23 and as a part of the UDAY, the Govt. of U.P has committed to the Central Government (Which is funding 60% central assistance for the scheme) to provide loss funding support to Discoms / UPPCL in a graded manner.

The methodology of calculating the support required & to be funded by the Govt. of U.P is the same as per the UDAY MoU i.e. based on OFR, This requirement is being approved in the State Budget after due verification by the GoUP and the amount released through Government Orders and accounted for appropriately in line with the requirements of IND AS- 20.

The methodology for working out the Operational funding requirement of ₹ 8007.72 crore is briefed as follows-

MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 3I MARCH 2023.

The Company accounted for an amount of ₹ 8007.72 crore as subsidy for operational loss as per RDSS in the Consolidated Statement of Profit and Loss for the year 2022-23 against the receivable amount of ₹ 3895.47 crore (being 60 per cent of losses of the DISCOMs of the previous year i.e. ₹ 6492.45 crore). Thus, the Company has accounted for the excess subsidy of ₹ 4112.25 crore (₹ 8007.72 crore -₹ 3895.47 crore).

This resulted in overstatement of 'Other Income' and understatement of 'Current Liabilities' by ₹ 4112.25 crore with consequent understatement of Loss for the year to the same extent.

S. No.	Particulars	MVVNL	PuVVNL	PVVNL	DVVNL.	KESCo	TOTAL
1	Revenue (excluding Cash Support & ED Retention)	13050.20	12424.70	18201.00	10417.22	2,740.51	56,833.63
2	Other Incomes	290.82	627.86	419.54	220.64	43.26	1,602.12
3	Expenditure	20098.14	20048.51	24385.51	17537.76	3133.14	85,203.06
4	Book Loss(+) / Profit(-)	-6757.12	-6995,95	-5764.97	-6899.90	-349.37	-26,767.31
5	Add: Depreciation	672.42	847.75	643.23	630.24	54.31	2,847.95
6	Add: Provision & bad debts	2436.36	2504.30	439.79	2210.80	-100.55	7,490.70
7	Cash Loss (+)/Profit (-)	-3648.34	-3643.90	-4681.95	-4058.86	-395.61	-16,428.66
8	Add: Increase In Debtors	4022.46	4602.34	1270.46	1306.48	231.46	11,433.20
9	Add: Decrease in Long Term Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
10	Gross Operational Funding Required (OFR) (Without Government Support)0-0	-7670.80	-8246.24	-5952.41	-5365.34	-627.07	-27,861.86
11	Support From State Govt.	0.00	0.00	0.00	0.00	0.00	0.00
12	Cash Support from State Govt. incl.	3663.54	3777.71	3304,14	3770.27	0.00	14,515.66

MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023.

	ED retention (Subsidy)						
13	Total Support From State Govt.	3663.54	3777.71	3304.14	3770.27	0.00	14,515.66
14	Operational Funding Required (OFR) (After Government Support)	-4007.26	-4468.53	-2648.27	-1595.07	-627,07	-13,346.20
15	Amount of Losses as per Action Plan & State Govt. Commitment (60% of OFR)	-2404.36	-2681.12	-1588.96	-957.04	-376.24	-8,007.72

In view of the above, it is clear that there is no excess booking of loss subsidy as the correct amount in accordance with the OFR has been received from GoUP and accounted for by UPPCL accordingly. Hence, there is no overstatement of 'Other Income' and understatement of 'Current Liabilities'.

Further, in this reference it is pertinent to mention here that UPPCL has taken up the matter with Principal Accountant General, Lucknow under intimation to C&AG, New Delhi for review/ reconsideration vide letter no-954/PCL/CA-BS/209/AG dated 21.03.2024.

MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023.

### Revenue Subsidy from GoUP: ₹ 13469.21 crore

2. The above includes an amount of ₹ 2831.01 pertaining to Revenue Subsidy released to PuVVNL during the year 2022-23, which has been worked out after adjustment of an excess subsidy of ₹ 345.57 crore received by the PuVVNL during 2020-21 as mentioned at Para No. 22 (f) of the Notes to Accounts.

Uttar Pradesh Electricity Regulatory Commission (UPERC), while approving the ARR and Tariff for State DISCOMs for the year 2022-23, ARR for 2021-22 and True-up for the year 2020-21, has computed the DISCOM wise subsidy (RE and Revenue subsidy) against the subsidy claimed by the respective DISCOMs on the basis of their audited accounts for the year 2020-21. While computing the same, the UPERC found that the PuVVNL (Company) has claimed and received excess subsidy (RE and Revenue subsidy) of ₹ 404.58 crore during 2020-21 while overall there was shortfall of ₹ 1170.75 crore in the consolidated figures of all DISCOMs at the level of UPPCL. Accordingly, the UPPCL directed (August 2022) the PuVVNL

It is stated that in the approved ARR and Tariff for State DISCOMs for FY 2022-23, ARR of FY 2021-22 and True-up of FY 2020-21, the UPERC has observed that there is a consolidated shortfall in subsidy amounting to Rs. 1170.75 Crore which includes negative subsidy of Rs. 404.58 Crore also. Further, UPERC has also directed to approach the government of U.P for the aforesaid shortfall in Subsidy. Hence, as per accounting policy of the Company, the same has been adjusted/accounted for after getting proper assurance/sanction from the Government of U.P. in FY 2022-23 in which GoUP has approved Rs.1000 crores for all DISCOMs (including Rs. (-) 345.57 crores of PuVVNL) against the shortfall subsidy of Rs.1170.76 crores. This treatment is in accordance with the IND AS-20 "Accounting for Government Grants and Disclosure of Government Assistance" which says that "Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that: the entity will comply with the conditions attaching to them; and the grants will be received". In view of the above it can be concluded that this is not an error which requires prior period adjustment.

Further, the relevant disclosures have also been given in point 22(f) of Note-

MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 3I MARCH 2023.

for making necessary entries in the books of accounts for the year 2021-22. However, the PuVVNL merely disclosed the facts in Para No. 41 of the "Notes to Accounts" in the year 2021-22. As the PuVVNL had received an excess subsidy, the same should have been shown as Current Liability as per the directives of UPPCL.

Further, against the aforesaid shortfall of ₹ 1170.75 crore, the GoUP admitted the claim of ₹ 1000 crore which includes PuVVNL's share of (-) ₹ 345.57 crore. This amount was adjusted from the Revenue Subsidy released to the PuVVNL during the year 2022-23, instead of restatement of prior period amount.

This resulted in understatement of Other Income by ₹ 345.57 crore, Current Liabilities by ₹ 59.01 crore and Other Equity (negative balance) by ₹ 404.58 crore. Consequently, Loss for the year was also overstated by ₹ 345.57 crore.

Despite similar comment of the CAG on the accounts for the year 2021-22, no corrective action was taken by the Management.

31 of Notes to Account.

Also, there is no impact of allocation of subsidy or grant to Discoms at CFS level as the figures of all the Discoms are clubbed centrally, this results nullify of all the impact of any discrepancy in allocation of amount.

MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023.

### Employee Benefit Expenses (Note-25): ₹ 2410.00 crore

3. The above includes an amount of ₹ 81.06 crore (PuVVNL: ₹ 52.96 crore and PVVNL: ₹ 28.10 crore) being provision for accrued liability on account of Pension and Gratuity pertaining to the GPF employees. Para no. 15 (a) of Notes to Accounts provides that based on actuarial valuation report dated 09.11.2000 submitted by M/s PWC to UPPCL (the Holding Company), provision for accrued liability on account of Pension and Gratuity has been made @16.70% and 2.38% respectively of the amount of Basic pay, Grade pay, and DA paid to GPF employees. The provision for accrued liability on account of Pension and Gratuity of the GPF employees as on 31 March 2023 was worked out to ₹ 96.19 crore (PuVVNL: ₹ 65.69 crore and PVVNL: ₹ 30.50 crore) by the Audit. Thus, the Company has booked the aforesaid liability, short by ₹ 15.13 crore (₹ 96.19 crore-₹ 81.06 crore).

This resulted in understatement of Employee Benefit Expenses as well as Other Financial Liabilities by ₹ 15.13 crore each. Consequently, Loss for the year was also understated to the same extent.

The necessary correction has been made by the PVVNL in the current FY 2023-24,

The Provision for pension of the employees in PuVVNL is being calculated through ERP software on the basis of specified percentage (16.70%) of basic pay + Grade pay + DA for GPF employees only and accounted for accordingly.

On the other hand, the calculation of provision as pointed out by the audit has been done on the basis of amount shown under AG 75.110 and 75.310 which includes basic + DA includes both GPF and CPF employees. While, the provision is to be calculated at 16.70% and 2.38% respectively of the amount of Basic pay, Grade pay, and DA paid to GPF employees.

Therefore, the amount shown by the auditor is greater than the amount booked in accounts. Thus there is no excess provision made for pension by the company.

MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 3I MARCH 2023.

	Depreciation and Amortization expense (Note-27): ₹ 3577.75 c	rore
4.	The above includes an amount of ₹ 7.63 crore related to amortisation of ERP software for the period from 2020-21 to 2021-22 by PuVVNL. The ERP system was completed on 15.02.2021, however, the same was capitalized during FY 2022-23. The amortisation of ₹ 7.63 crore for the period from 2020-21 to 2021-22 was also charged during the current year instead of restatement of comparative amounts as required under the provisions of Ind AS 8.  This resulted in overstatement of Depreciation and amortisation expenses and understatement of Other Equity (being negative) by ₹ 7.63 crore, each. Consequently, the Loss for the year was also overstated to the above extent.	Out of 7.63 Cr., 0.84 Cr. Relates to FY 2020-21 which should have been disclosed in Reserves & Surplus under Other equity. Amount of 6.79 Cr. Relates to FY 2021-22 which should have been adjusted against previous year depreciation/amortization expenditure. It is to submit that prior period adjustment is just a disclosure in the financial statement and it does not affect the method of accounting. Further it does not require any correction in financial year 2023-24 since the amortization amount will automatically be transferred to Reserves & Surplus in FY 2023-24.
5.	UPPCL awarded the work of supply and installation of ERP licenses including ATS in its five subsidiary DISCOMs. Operations committee of UPPCL has approved the Roll out & Stabilization (Go-Live) phase of ERP- Project in all the DISCOMs on 28.12.2021. As the ERP system was rolled out and put to use during the year 2021-22, the ERP software and all	Necessary rectification entry has been passed by the MVVNL during the financial year 2023-24.

MANAGEMENT REPLY ON FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UTTAR PRADESH POWER CORPORATION LIMITED FOR THE YEAR ENDED 3I MARCH 2023.

associated hardware should have been capitalized during the same year. However, MVVNL (a subsidiary of UPPCL) capitalized the ERP Software amounting to ₹27.98 crore during the year 2022-23.

Further, significant accounting policy of the Company regarding Intangible Assets inter alia states that 'The amortization has been charged over its useful life in accordance with Ind AS-38.' As per provisions of IndAS-38, the amortisation shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In view of above, amortization of ERP software should have been started from December 2021. However, no amortization was charged on the said asset during the financial years 2021-22 and 2022-23 by the MVVNL.

This has resulted in understatement of 'depreciation and amortization expenditure' as well as 'loss for the year' by ₹4.13 crore. This has also resulted in understatement of prior period expenditure by ₹1.00 crore, overstatement of Intangible Assets

В.	by ₹5.13 crore and understatement of Other Equity by the same amount.  B. Comments on Consolidated Financial Position  Assets  Non-current assets	
	Property, Plant and Equipment (Note-2): ₹ 67945.59	
6.	The above does not include expenditure of ₹3.03 crore on account of Project Management Unit and advertisement expenditure for SAUBHAGYA incurred by PuVVNL and paid by UPPCL in the year 2019-20. As the expenditure incurred under SAUBHAGYA was of capital nature, hence, the same should have been capitalised. However, same has been charged as expenditure in the Statement of Profit & Loss of PuVVNL for the year 2019-20. Further, PuVVNL has not made corrective entries upto the current year. This has resulted into understatement of Non-Current Assets-Property, Plant and Equipment and overstatement of Other Equity (being negative) by ₹3.03 crore, each.  Despite comment of the CAG on the accounts for the year 2021-	The expenditure of 3.03 erore has been booked on account of allocation of overhead expenses received from UPPCL. This has been accounted for in books of accounts as revenue expenditure since such expenditure is of revenue and recurring in nature and was done regularly which was intended to bring awareness of Government program amongst general public. This expenditure is not part of SAUBHAGYA Scheme. This expenditure is not creating any additional capacity/capital asset and incurred during running of scheme. Therefore accounting of the above expenditure in P&L is correct.

	22, no corrective action was taken by the Management.	
7.	The above does not include an amount of ₹ 27.60 crore pertaining to depreciation on the assets created under DDUGJY (New) and SAUBHGYA for the prior periods. As per the Completion certificates, the works of the aforesaid assets were completed in December 2020, however, these assets were incorrectly capitalised in the current financial year, instead of the year of completion i.e. 2020-21.  This resulted in understatement of Other Equity (being negative) and overstatement of the Property, Plant and Equipment by ₹ 27.60 crore, each.	
	Current Assets Inventory (Note-9): ₹2419.15	
8.	Above includes ₹ 2.53 crore of DVVNL pertaining to LED bulbs procured during October 2015 to February 2016 under a guarantee period of two years from the date of supply. These LED bulbs have been lying in the stores for more than seven years and the aforesaid guarantee period elapsed in the year 2018. Further, the above material became obsolete/irreparable and non-replaceable due to lapse of guarantee period.	It has been noted and necessary provision & correction for obsolete stock for LED bulbs has been made in the accounts of FY 2023-24.

	Therefore, the same should have been provided for in the books of accounts.  This resulted in overstatement of Inventories and understatement of Provision for Unserviceable Stores by ₹ 2.53 crore each. Consequently, Loss for the year was also understated to the above extent.	13
	Financial Assets- Trade Receivables (Current) (Note-10): ₹78,	493.53 crore
9.	The above includes an amount of (-) ₹ 19.83 crore {MVVNL: (-) ₹ 9.75 crore and KESCO: (-)₹ 10.08 crore} as on 31 March 2023, being unutilized balance of the energy charges prepaid by the consumers, having prepaid meters. This should have been shown under 'Other Financial Liabilities (Current)' instead of crediting it to the Trade Receivables.  This resulted in understatement of 'Financial Assets-Trade Receivables' and 'Other Financial Liabilities (Current)' by ₹ 19.83 crore.	Audit comment has been noted for compliance. Further, appropriate accounting policy, in respect of Prepaid consumers' unutilized balance at the end of the accounting year, shall be adopted from current Financial Year 2023-24.

	Other Current Assets (Note-13): ₹3,641.25	
10.	The above does not include an amount of ₹1.65 crore receivable from District Administration with respect to a temporary connection given to the Chief Medical Superintendent (CMS), Pandit Deen Dayal Rajkiya Chikitsalay, Varanasi for modular hospital in BHU premises during the period from May 2021 to May 2022 for Covid-19.  This has resulted in understatement of Other Current Assets overstatement of Other Equity (being negative balance) by ₹ 1.65 crore each.	accounting of line charges receivable against construction & disconnection and sale of power to the specified consumer has been done as per the
	Equity and Liabilities  Equity Share Capital (Note - 14) - ₹ 118467.77 crore	
11.	Above includes ₹22.03 crore on account of excess equity received under DDUGJY (New) scheme in DVVNL. Under the DDUGJY New scheme, 60 per cent of the sanctioned cost was	DVVNL has reported a state contribution of Rs. 197.99 crore as equity, according to the approved project cost. However, the actual executed cost has reduced the state's contribution to Rs. 175.96 crore, resulting in an excess of

Above includes ₹22.03 crore on account of excess equity received under DDUGJY (New) scheme in DVVNL. Under the DDUGJY New scheme, 60 per cent of the sanctioned cost was provided by GoI in the form of capital subsidy/grant, 30 per cent of the cost was met by DISCOMs through loan and remaining 10 per cent was from State contribution. In this connection, against the sanctioned cost of 1979.92 crore,

DVVNL has reported a state contribution of Rs. 197.99 crore as equity, according to the approved project cost. However, the actual executed cost has reduced the state's contribution to Rs. 175.96 crore, resulting in an excess of Rs. 22.03 crore currently held by the Discom for which we have already issued equity to UPPCL corresponding to the excess contributions received for the DDUGJY Scheme due to reduction in project cost. This matter is under discussion with State Government via UPPCL (the holding company) and a

DVVNL received an equity of ₹197.99 crore (10% of sanctioned cost of scheme 1979.92 crore) whereas the approved closure cost by REC was ₹1759.63 crore. Thus, excess equity of ₹22.03 crore (197.99 minus 10% of ₹1759.63 crore of closure) was received by the DVVNL. Therefore, the excess amount of ₹22.03 crore was refundable to the State Government and the same should have been shown as Payable to the State Government. Thus, incorrect treatment resulted into overstatement of 'Other Equity' and understatement of Current Liability by ₹ 22.03 crore each.

request had been made to adjust the surplus funds to another scheme or budget category.

### Other Equity (Note- 15): (-) ₹ 79698.92 crore

12. The above includes ₹ 5372.50 crore pertaining to the subsidy for operational losses claimed unwarrantedly and released under Ujwal DISCOMs Assurance Yojana (UDAY).

The UPPCL being the Holding Company, on behalf of the DISCOMs, unwarrantedly claimed an amount of ₹ 5,372.50 crore from the GoUP during the year 2021-22 for funding of operational losses under UDAY, which was incorrectly sanctioned and released by GoUP under UDAY. As the

It is submitted that amount of Rs. 5372.50 Crore does not pertain to the UDAY scheme, which was issued by the MoP, GoI vide notification dated 20-11-2015. The said amount was actually received towards subsidy by GoUP against operational losses of the DISCOMs for the FY 2020-21. The GoUP has clarified the factual position in respect of the above release of funds vide letter no. 1772/24-01-2023-03/2023.

Further, it is important to mention here that this was on account of an inadvertent clerical error and not on account of mistake as pointed out

admissibility period for funding of operational losses under UDAY had already expired on 31 March 2021 and there was no scheme of GoI/GoUP for funding of such operational losses during the year 2021-22, the subsidy released under UDAY was refundable to GoUP. The GoUP clarified (July 2023) that ₹ 5,372.50 crore was released for funding of losses of DISCOMs under Action Plan/Revamped Distribution Sector (RDS) Scheme, however, the same was treated as UDAY loss subsidy due to mistake. The reply is not tenable as the loss subsidy was not approved under Action Plan by GoUP and RDS scheme of GoI was not applicable for loss subsidy in the FY 2021-22.

This resulted in understatement of Other Equity (being negative) and Current Liabilities by ₹ 5372.50 crore, each.

Despite similar comment of CAG on the accounts for the year 2021-22, no corrective action has been taken by the management.

by the audit.

As per clause 1.2 (i) of the tripartite MOU executed under 13. Ujjwal DISCOM Assurance Yojana (UDAY) between Ministry of Power, GOI, GoUP and UPPCL, 'the GoUP would take over the future losses of the DISCOMs in a graded manner. Accordingly, 5 per cent loss of 2016-17, 10 per cent loss of 2017-18, 25 per cent loss of 2018-19 and 50 per cent loss of 2019-20 were to be taken over by the GoUP in the years 2017-18, 2018-19, 2019-20 and 2020-21 respectively. As per the above provision, ₹ 4,920.99 crore1 was eligible to be funded by GoUP in UDAY scheme for the period from 2017-18 to 2020-21. However, the DISCOMs accounted other income of ₹7,289.33 crore2 and thus, excess income of ₹2,368.34 crore was booked on account of Government grant for operational losses during the period from 2017-18 to 2020-21. This resulted in understatement of 'Other Financial Liabilities' and Other Equity (negative balance) by ₹2,368.34 crore. Despite similar comments of CAG on the accounts for the year

The Govt. of U.P had committed to extend the loss funding support under the UDAY Scheme where a Tripartite MoU was signed (amongst Central Govt., Govt. of UP & UPPCL) detailing the modality based on which the Discoms / UPPCL would compute the loss funding required based on the previous year audited financials. The methodology is as per the Operational Funding Requirement (OFR) and was valid for the period of the MoU ending on 31.03.2021 (With respect to the audited financials of FY 2019-20).

The methodology of calculating the support is being approved in the State Budget after due verification by the GoUP and the amount released through Government Orders and accounted for appropriately and in line with the requirements of IND AS- 20. The methodology for working out the Operational funding requirement of ₹8007.72 crore is briefed as follows-

S. No.	Particulars	MVVNL	PuVVNL	PVVNI.	DVVNL	KESC <sub>0</sub>	TOTAL
1	Revenue (excluding Cash Support	13050.20	12424,70	18201.00	10417.22	2,740.51	56,833.63

¹₹182.00 crore +₹506.57 crore +₹1596.15crore +₹ 2636,27crore

<sup>&</sup>lt;sup>2</sup>₹ 409.93 crore + ₹761.09 crore+₹ 2399.99 crore+3718.32 crore

	2018-19 and onwards, no corrective action has been taken by the Management.		& ED Retention)						- 3
	- Management	2	Other Incomes	290.82	627.86	419.54	220.64	43.26	1,602.12
	35	3	Expenditure	20098.14	20048.51	24385.51	17537.76	3133.14	85,203.06
		.4	Book Loss(+) / Profit(-)	-6757.12	-6995.95	-5764.97	-6899.90	-349.37	-26,767.31
		5	Add: Depreciation	672.42	847.75	643.23	630.24	54.31	2,847.95
		6	Add: Provision & bad debts	2436.36	2504.30	439.79	2210.80	-100.55	7,490.70
		7	Cash Loss (+)/Profit (-)	-3648.34	-3643.90	-4681.95	-4058.86	-395.61	-16,428.66
		8	Add: Increase In Debtors	4022.46	4602.34	1270.46	1306.48	231.46	11,433.20
		9	Add: Decrease in Long Tenn Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
		10	Gross Operational Funding Required (OFR) (Without Government Support)0-0	-7670,80	-8246.24	-5952.41	-5365.34	-627.07	-27,861.86
		11	Support From State Govt.	0.00	0.00	0.00	0.00	0.00	0.00
		12	Cash Support from State Govt. incl. ED retention (Subsidy)	3663.54	3777.71	3304.14	3770.27	0.00	14,515.66
		13	Total Support From State Govt.	3663.54	3777.71	3304.14	3770.27	0.00	14,515.66

14	Operational Funding Required (OFR) (After Government Support)	-4007.26	-4468.53	-2648.27	-1595.07	-627.07	-13,346.20
15	Amount of Losses as per Action Plan & State Govt. Commitment (60% of OFR)	-2404.36	-2681.12	-1588.96	-957.04	-376.24	-8,007.72

In view of the above, it is clear that there is no excess booking of loss subsidy as the correct amount in accordance with the OFR has been received from GoUP and accounted for by UPPCL accordingly. Hence, there is no understatement of 'Other Financial Liabilities' and Other Equity (negative balance).

Further, in this reference it is pertinent to mention here that UPPCL has taken up the matter with Principal Accountant General, Lucknow under intimation to C&AG, New Delhi for review/ reconsideration vide letter no-954/PCL/CA-BS/209/AG dated 21.03.2024.

14. The above includes ₹ 6278.46 crore being claim of UDAY Loss subsidy made by the UPPCL in addition to the admissible amount as per the actual loss incurred by it in previous years and allocated to subsidiary DISCOMs vide UPPCL letter dated 26.10.2021. Since the admissible period for claim of UDAY loss subsidy had expired in 2020-21, accountal for UDAY loss subsidy receivable from GoUP in its accounts for the year ending up to 2020-21 was in violation to the guidelines issued in this behalf. Thus, incorrect accounting of additional UDAY loss subsidy resulted in understatement of Other Equity (Negative Balance) and overstatement of Receivables from GoUP by ₹ 6278.46 crore.

Despite similar comment of CAG on the accounts for the year 2021-22, no corrective action was taken by the Management. There is a provision in the Tripartite Memorandum of Understanding dated 30-1-2016 executed amongst Ministry of Power, Govt. of India, Govt. of Uttar Pradesh and UPPCL on behalf of the UP DISCOMs that GoUP shall take over the future losses of the DISCOMs in graded manner and shall fund the losses as follows:

Year	Percentage		
2015-16	0% of 2014-15		
2016-17	0% of 2015-16		
2017-18	5% of 2016-17		
2018-19	10% of 2017-18		
2019-20	25% of 2018-19		
2020-21	50% of 2019-20		

In respect of above, it is submitted that the amount of ₹6278.47 crore relates to the balance/arrear amount of loss subsidy claimed under UDAY scheme for the period 2017-18 to 2019-20 at UPPCL's (Holding Company) level for all the DISCOMs as whole, the same has already been accepted by the GoUP and also committed to release the fund in the next 10 years, vide order no. 445/24-1-21-731(ctV)/2020 dated 05-03-2021 of GoUP.

Thus, it is perfectly and transparently clear that the above UDAY loss subsidy is admissible as per the aforesaid GO.

15. The above includes ₹ 14,661.54 crore (PuVVNL: ₹ 6,401.50 crore and PVVNL: ₹ 8,260.04 crore) during the year 2020-21 being additional revenue subsidy receivable from GoUP in the next ten years, commencing from 2021-22 in terms of GO dated 05 March 2021 issued by GoUP.

As per provision contained in Ind AS-1, the grant should have been shown as 'Deferred Income' and the same should have been amortized over the period of ten years by transferring an equal amount to the Statement of Profit and Loss commencing from financial year 2021-22 instead of booking the grant on accrual basis.

Further, an amount of ₹1,466.15 crore (being 10 per cent of ₹ 14,661.54 crore) {PuVVNL: ₹ 640.15 crore (6,401.50/10) + PVVNL: ₹ 826.00 crore (8,260.04/10)} should have been transferred to 'Other Income' during the year 2021-22 and 2022-23. However, both DISCOMs transferred the actual received amount of ₹ 1,648.71 crore {PuVVNL: ₹ 775.12 crore + PVVNL: ₹ 873.59 crore} to 'Other Income' by adjusting the same from 'General Reserve'/Retained Earnings during the

It is stated that deferred income/revenue or income received in advance is commonly known as 'unearned revenue'. According to Generally Accepted Accounting Principles, Deferred Income/Revenue or income received in advance refers to the payments received in advance for product/goods or services that are to be delivered or performed in the future and the same is treated as 'liability' in the financial statements since revenue recognition are incomplete. Whereas in this case i.e. receivables from GoUP towards subsidy against which the payment is to be received in next 10 years, is completely different and a quite reverse from deferred income on the following grounds:

(i) The above subsidy of Rs. 14661.54 crore relates to the period from 2007-08 to 2019-20, which has been settled by the GoUP in the F.Y. 2020-21 and the GoUP has committed to pay the said subsidy in next 10 years (vide letter no. 445/24-1-21-731(ctV)/2020 dated 05-03-2021 from GoUP) and that's why it has been treated as earned. Thus, the same has become receivable from GoUP.

No advance payment against the above accrued income/revenue has been received. Instead, the aforesaid subsidy will be received in 10 years.

year 2021-22 and 2022-23 each on receipt basis, which is against the Fundamental Accounting Principal of Accrual.

This resulted in overstatement of 'Other Income' and understatement of General Reserve/Retained Earnings by ₹ 182.56 crore (₹ 1,648.71 crore less ₹ 1,466.15 crore). Consequently, Loss for the year was also understated to the same extent.

Incorrect depiction of remaining grant has resulted in understatement of 'Deferred income' by ₹11,364.12 crore (₹14,661.54 crore less ₹3,297.42 crore³) and overstatement of General Reserve by ₹6,512.86 crore (₹8,260.04 crore less ₹1,747.18 crore⁴) and understatement of Retained Earnings (being negative balance) by ₹4,851.26 crore (₹6,401.50 crore less ₹1,550.24 crore⁵).

Despite similar comment of CAG on the accounts for the year

It is worthwhile to mention here, this matter has been referred Expert Advisory Committee of ICAI and opinion from EAC is still awaited. Necessary accounting shall be done as per the opinion received.

<sup>3</sup> Total of (FY 2021-22: ₹ 1648.71 crore and 2022-23: ₹ 1648.71 crore)

<sup>4</sup> Total of (FY 2021-22: ₹ 873.59 crore and 2022-23: ₹ 873.59 crore )

<sup>5</sup> Total of (FY 2021-22: ₹ 775.12 crore and 2022-23₹ 775.12 crore)

	2021-22, no corrective action was taken by the Management.	
	Other Financial Liabilities (Note-20): ₹28,212.14 crore	
16.	The above includes an amount of ₹ 16.20 crore being provision made in the accounts for arrears pertaining to 6 <sup>th</sup> Pay Commission. As the provision is very old and details of employees to whom it was payable, are not available with the Company, this provision should have been reversed.  Non-reversal of the unrequired provision resulted in overstatement of the 'Other Financial Liabilities' and 'Other Equity' (being negative balance) by ₹ 16.20 crore, each.	The instruction has been issued to Kesco to review the matter and take the necessary action in FY 2023-24.
17.	Above includes ₹110.00 crore on account of staff related liabilities in PVVNL. On detailed scrutiny, it was noticed that out of above-mentioned amount, ₹57.73 crore (AG code-44.356) was shown as 'provision for 7th Pay commission" which was created in the year 2016-17. Payment of dues with respect to 7th Pay Commission should have been adjusted against this provision which was not done due to which the provision remained unadjusted.  This resulted in overstatement of 'Other Financial Liabilities' as	The correction entry has been passed by the PVVNL in its accounts during F 2023-24.

	well as 'Other Equity' (Negative Balance) by ₹57.73 crore each.	
18.	The above does not include ₹ 28.65 crore being interest payable by UPPCL on account of delayed deposit/non-deposit of General Provident Fund (GPF) and Pension contribution(₹28.08 crore) and Gratuity contribution (₹0.57 crore) as worked out and accounted in the accounts of Uttar Pradesh Power Sector Employees Trust for the year 2014-15. This resulted in understatement of Current Liabilities and Other Equity (negative balance) by ₹28.65 crore, each.  Despite comment of the CAG on the Accounts for the years 2012-13 onwards, no corrective action was taken by the Management.  Comments on Disclosure	As per audited accounts of the company for the financial year 2012-13 to 2021-22, liability towards GPF contribution is showing debit balance. Since there has always been a debit balance during the period 2012-13 to 21-22, no provision of interest has been made. As regards accounting of interest or liability towards pension and gratuity, it is stated that regular interest is no payable to employee on pension and gratuity as in case of GPF hence provision of interest on pension & gratuity is not required. The company is also in process of reconciliation with the GPF trust.
C.	Comments on Disclosure	
19.	A provision of ₹ 78.09 crore for obsolete stores was made in the year 2016-17 when value of Inventory was ₹1,019.67 crore. The value of inventory increased to ₹ 1232.78 crore as on 31 March 2022 and further decreased to ₹ 511.70 crore as on 31 March 2023. However, provision for obsolete stores remained	The identification of obsolete stores is conducted in accordance with UPPCL OM No-289—कार्य / चौदह / पाकालि / 2000—3के / 2000 Dated 29.03.2000, along with the orders of the former UPSEB. Consequently, the accounting for obsolete stores is carried out correctly (as per IND AS 02), adhering to the internal direction and guidelines periodically issued by the management. To

	unchanged at ₹ 78.09 crore as on 31 March 2022 and increased to ₹ 84.08 crore as on 31 March 2023 in the absence of any accounting policy in this regard.  Despite the comment of the CAG of India on the accounts for the year 2018-19, 2019-20, 2020-21 and 2021-22, no corrective action has been taken by the Management.	further strengthen the process, a detailed Standard Operating Procedure (SOP) will be issued.				
20.	As per Note 8 (Other Financial Assets-Non-Current), share application money of ₹ 180.72 crore was pending for allotment in UPPTCL. However, UPPTCL has wrongly allotted shares of the same amount to the GoUP instead of UPPCL, for which, the matter is pending before the GoUP. This being a material fact, should have been disclosed in the Notes to Accounts.  Thus, Notes to Accounts are deficient to the above extent.	the UPPTCL for share allotment, for which UPPTCL is regularly be followed up for allotment of shares. Later on it has come to our notice instead of allotting shares to UPPCL the same has been wrongly allotted to Government by UPPTCL.				
21.	Considering the net impact of the comment No. 1, 2, 3, 4 and 5 on Consolidated Profitability, the loss for the period worked out to ₹ 19636.86 crore instead of loss of ₹ 15858.53 crore depicted in the Consolidated Statement of Profit and Loss of	The management strongly believes that the financial statements present a True & Fair view of the state of affairs of the company on the following grounds:  1) There is no deliberate misstatement of any fact or figure so as to manipulate the actual position of the state of affairs of the Company. The Audit				

the Company. The impact of comments is ₹ 3778.33 crore i.e. 23.83 per cent of reported Loss shown in the Consolidated Statement of Profit and Loss. Hence, the consolidated accounts of the Company do not present a 'true and fair view', and it was not proper on the part of the Statutory Auditors to have provided an assurance that these Accounts presented a 'true and fair view'.

observations under consideration is due to difference of opinion between the Audit and the Company.

- 2) The profit and loss of any financial year is a resultant figure depicting the net amount of Income and Expenditure of the Year. The fact that an amount (i.e. ₹ 3778.33 crore) involved in Audit observation is more than a specific percentage of Profit/(Loss) i.e. 23.83 per cent should not be considered sole determinant factor to challenge the True & Fair view of the Accounts of the Company as there is no such Law or Regulation which prescribe such Rule.
- 3) SA 705 "Modifications to the Opinion in the Independent Auditor's Report" provides the determination of both materiality and pervasiveness while making of the Audit Opinion. It is to be noted that adverse opinion arises when the Financial Statements of the Company do not accurately represent the Company's Financial Condition and when the accounts contains gross material misstatements which are pervasive in nature. This would only be in case if there are significant problems with the Company's Financial Reporting which is not applicable in our case.
- 4) The phrase True & Fair signifies that the Auditor assess whether the state of affairs and results of the entity, as ascertain during the Audit, are Truly and Fairly represented in the Accounts under Audit which has been duly complied by our Company and thus the Statutory Auditors have correctly given their

opinion that the Financial Statements represents True & Fair View.

Thus the Management strongly uphold the fact that the Accounts of the Company depict a True & Fair View of the State of Affairs of the Company. Further, in this reference it is pertinent to mention here that UPPCL has taken up the matter with Principal Accountant General, Lucknow under intimation to C&AG, New Delhi for review/ reconsideration vide letter no-954/PCL/CA-BS/209/AG dated 21.03.2024.

Nitin Nijhawan (Dy. General Manager & CFO)

Nidhi Kumar Narang (Director-Finance)

### 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 2023

### Part A:- Subsidiaries

SI. 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	15.01.200
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)	23391.02	25885.58	19004.09	23988.47	2431.2
6	Reserves and surplus	(16511.58)	(16216.98)	(3838.40)	(23364.77)	(3786.4
7	Total assets	43106.23	57091.18	37088.24	37057.57	5048.0
8	Total Liabilities	36226.79	47422.58	21922.55	36433.87	6403.22
9	Investments			- 4	- 5	-
10	Turnover	13707.75	13660.98	21483.30	12447.81	3161.48
11	Profit/(Loss) before taxation	(4819.92)	(6610.27)	991.67	(5073.77)	0.51
12	Provision for taxation	17.	+	1 4		
13	Profit/(Loss) after taxation	(4819.92)	(6610.27)	991.67	(5073.77)	0.51
14	Proposed Dividend			332.01	(30/3.77)	0.51
15	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%

For and on behalf of Board of Directors

Date:

Place:Lucknow

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

Pankaj Kumar Managing Director (DIN: 08095154)

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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 icint ventures as at 31st March.

# Part B:- Associates and Joint Ventures

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

For and on behalf of Board of Directors

Date:

Place:Lucknew

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

Pankaj Kumar Managing Director (DIN: 08095154)

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#### 1. RELATED PARTY DISCLOSURE:

#### Part-I

- 1. Names of the Related Parties and Description of Relationship:
  - A. Related Parties where control exists:
    - Subsidiaries (DISCOMs)
      - Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL)
      - ii. Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL)
      - iii. Dukshinanchal Vidyut Vitran Nigam Ltd. (DVVNL)

      - Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL)
         Kanpur Electricity Supply Company Ltd. (KESCO)
    - b. Employment Benefit Funds

      - U.P. Power Sector Employees Trust (GPF)
         U.P. Power Corporation Employees Contributory Provident Fund Trust (CPF)
  - B. Other Related Parties

(Where Transactions have been taken place during the year or previous year/balances outstanding)

- a. Associates and Related Entities Nil
- b. Joint Venture Corporation Nil
- C. GoUP-Related Power Sector Entities (under the same government):

  - i. U.P. Rajya Vidyut Utpadan Nigara Ltd. (UPRVUNL) ii. U.P. Jul Vidyut Nigara Ltd. (UPJVNL) iii. U.P. Power Transmission Corporation Ltd. (UPPTCL)
  - iv. U.P. State Load Dispatch Center Limited (UPSLDC)
- 2. Disclosure as per Ind AS 27 (Separate Financial Statements):
  - A. Investment in Subsidiary Companies:

S. No.	Name of Company	Country of Incorporation	Place of Registered Office	Proportion of Ownership Interest		
		Service Constitution		As at 31.03.2023	As at 31,03,2022	
(1)	Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL) CIN-U31200UP2003SGC027461	India	Varanasi, UP	100%	100%	
(ii)	Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL) CIN-U31200UP2003SGC027459	India	Lucknow, UP	100%	100%	
(iii)	Diskshinanchal Vidyut Vitran Nigam Ltd. (DVVNL) CIN-U31200UP2003SGC027460	India	Agra, UP	100%	100%	
(IV)	Paschimunchai Vidyut Vitran Nigam Ltd. (PVVNL) CIN-U31200UP2003SGC027458	India	Meerus, UP	100%	100%	
(v)	Kampur Electricity Supply Company Ltd. (KESCO) CIN-U40105UP1999SGC024626	India	Kanpur, UP	100%	100%	

### B. Key Management Personnel: -

Name	Designation	Period
Shri M. Devaraj	Chairman	From 02.02.2021 till date
Shri Pankaj Kumar	Managing Director	From 10.03 2021 till date
Shri Nidhi Kumar Narang	Director (Finance)	Form 01 06 2022 till date
Shri Amit Kumar Srivasiava	Director (Commercial)	From 24.05.2022 till date
Shri Kamalesh Bahadur Singh	Director (Corporate Planning)	From 18 06 2022 till date
Shri Soumjit Ghosh	Director (I.T.)	From 18.06 2022 till date
Shri Mrugank Shekhar Dash Bhattamishra	Director (Personnel and Administration)	From 12 07 2022 till date
Shri Ajay Kumar Purwar	Director (P & A)	From 10.07.2019 to 09.07.2022
Shri Ashwani Kumar Srivastava	Director (Distribution)	From 19.01.2021 to 23.07.2022
Shri Anii Kumar Awasthi	Chief Finance Officer	From 05.03.2020 to 30.11.2022
	Shri M. Devaraj Shri Pankaj Kumar Shri Nidhi Kumar Narang Shri Amit Kumar Srivastava Shri Kamalesh Bahadar Singh Shri Sourajit Ghosh Shri Mrugank Shekhar Dash Bhattamishra Shri Ajay Kumar Purwar Shri Ashwani Kumar Srivastava	Shri M. Devaraj Chairman  Shri Pankaj Kumar Marang Director  Shri Nidhi Kumar Narang Director (Finance)  Shri Amit Kumar Srivasiava Director (Commercial)  Shri Kamalesh Bahadur Singh Director (Corporate Planning)  Shri Sourajit Ghosh Director (LT.)  Shri Mrugank Shekhar Dash Director (Personnel and Administration)  Shri Ajay Kumar Purwar Director (P & A)  Shri Ashwani Kumar Srivastava Director (Distribution)

S.No.	Name	Designation	Period
11	Shri Nitin Nijhawan	Chief Finance Officer	From 01.12 2022 till date
12	Smt Jyoti Arora	Company Secretary	From 30.07.2021 to
13	Shri Jitesh Grover	Company Secretary (additional charge)	16:07:2022 From 22:08:2022 till date

### C. Nomince Directors:

S.No.	Name	Designation	Period
1	Shri Guru Prasad Porala	Nominee Directors	From 23.07.2021 till date
2	Shri Arupum Shukla	Nominee Directors	From 10.08.2022 till date
3	Sax. Neha Sharma	Nominee Directors	From 02.09.2022 till date
4	Shri Neel Ratan Kumar	Nominee Directors	From 16.04.2013 till date
5	Shri Jawed Aslam	Nomince Directors	From 17.07,2020 to 06.06.2022
6	Shri Kanhaiya Lal Verma	Nominee Directors	From 06.06.2022 till date
7	Shri Ranjan Kumar Srivastava	Nomince Directors	From 17.07.2021 to 01.06.2022
8	Shri Anil Kumar	Nominee Directors	From 13.01.2022 to 30.06.2022
9.	Shri Sanjai Kumar Singh	Nominee Directors	From 14.02.2023 till date

### D. Relative of Key Managerial Personnel (if any) (Where transaction have taken place during the year or previous year/balances outstanding) -Hit.

#### Part-II

Details of Related Party Transactions:

A. Transactions with Subsidiaries and Employee Benefit Funds

S. No.	Particulars		CHOICE STREAMS	enefit Funds
-		Subsidiaries	CPF Trust	GPF Trust
t.	Sale of Power (excluding adjustments)	68,665.52	,	
2.	Allocation of Common Expenditure	153.99	-	
3.	Investment of Equity	9,625.31	-	
4.	Share Application Money	3883.42		
5.	Receivables on account of Loan/Bonds taken on behalf of DISCOMs (Note 6 & 11)	(2,426.12)	-	-
6.	Trade Receivables (Note 8)	611.49		
7.	Other Receivables (Note 11)	85.08		
8.	Payables against Loan (Note 16)	(2,845.91)		
9.	Payables against Capital Grant/Loan (Note 19)	185.50		
10.	Other Payables (other than Loan) (Note 19)	2,219.90		
11.	CPF Contribution made to Trust (Employers & Employees) (Note 19)	1	1.91	
12.	GPF Contribution made to Trust (Employers & Employees) (Note 06)			
13.	GPF Contribution made to Trust (Employers & Employees) (Note 19)		3	7.10
14.	Employer Contribution on account of Persion & Gratuity (Note 19)			(1.26)
		80,158.18	1.91	5.84

### B. Transactions with GoUP Related Power Sector Entities

S.No	Particulars	GoUP Relate (Under 5	d Power Sect ame Govern		Key Management
	Market Market Company	UPRVUNL	UPIVNL	UPPTCL	Personnel
1	Purchase of Power	12,400.61	95.03	+	
2	Allocation of Common Expenditure	0.81	0.31	18.42	
.3.	Investment in Equity	-	(8)		
4.	Share Application Money		16		
5.	Other Receivables	0.74	-	16.79	



		11,516.62	155.68	35.21	3.48
11.	Others not specified above		14	4	0.18
0.			- 4		0.16
9.	A CONTRACTOR OF THE PROPERTY O	ű.e		-	
8.	Traveling and Other Allowance	-	+	91	0.08
.7.	Salary (Gross)	+	-		3.00
6	Other Payables	(885.54)	60.34		

Part-III

### Details of DISCOM wise Related Party Transactions

During the year ended 31.03.2023 Crore)

(Amount

la.

- 4					Na	ture of Transaction			1000	
S. No	Name of DISCOM	Sale of Power (Note 20)	Allocation of Common Expenditure (Note 23, 26 & 27)	Investment in Equity (Note S)	Store Aptication Money (Note 6)	Loan/Bonds taken on behalf of DISCOMS (Receivables) (Note 8 & 13)	Trade Receivable s (Note 8)	Other Receivables (Note 33)	Other Psyables (Note 16 & 25)	Total
1	PUVVNL	15,319.77	37.81	3,958.79	693,99	(964,94)	1,930.42	14.04	(644.97)	20342.91
3	MYVNL	15,763.64	34.46	2,432.22	606.56	205.37	(56.72)	15.27	(296.35)	18705.45
3	DVVNI.	14,572.40	33.84	2,018.22	526.73	(1,456.90)	3,134.16	17.77	(471.49)	18374.73
4	PVVWL	20,638.13	42,06	951.53	1876.17	[450.58]	(3,382.92)	27.32	966.88	20656.59
5	KESCo.	2,371.58	6.82	264.55	181.97	248.93	(1,013.45)	10.68	5.42	2076.50
	Total	68,665.52	153.99	9,625.31	3,883.42	(2,426.12)	611.49	85.08	(040.51)	80,158.1 R

### Part-IV

### Balances outstanding (Closing Balances)

(Amount in Crore)

5.No.	Name of Related Party	Balances as at 31.03.2023	Balances as at 31.03.2022
A	Subsidiaries (Note 5+6+8+11-16-19)		
1	Purvanchal Vidyut Vitran Nigam Ltd.	60,257,29	56,852.31
2	Madhyanchel Vidyut Vitran Nigam Ltd.	47,252,58	44,909.96
3	Dakshinanchal Vidyut Vitran Nigam Ltd.	50,407.19	46,688.76
4	Paschimenchel Vidyut Vitran Nigam Ltd.	24,970.15	28,386.68
5	Kanpur Electricity Supply Company Ltd.	6,372.90	6,950.19
8	Employee Benafit Funds		
1	UP Power Sector Employees (Trust) (Note 06 - 19)	46.75	52.59
2	UP Fower Corporation Employees Contributing Provident Fund (Trust) (Note 19)	(27.53)	(25.62)
c	GoUP-Related Power Sector Entities:		155-55-9
1	UP Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) (Note 11- Balances under AG Code 41 112 & 41 212)	(7,800.18)	(6,915.38)
2	UP Jal Vidyut Nigam Ltd. (UPJVUNL) (Note 19- Balances under AS Code 41 117 & 41 217)	(724.41)	(784.75)
3	UP Power Transmission Corporation Ltd. [UPPTCL] (Nota 11+5+6+AG Code 28 80 Balanca of ₹ 1.92 crore)	2,609.57*	2,592.78*

<sup>\*</sup>It includes investment in equity of 2213,34 Crore.

For and on behalf of Board of Directors

Date:

Place: Lucknow

Nidhi Kumar Narang Director (Finance)

(DIN: 03473420)

Pankaj Kumar Managing Director

(DIN: 08095154)

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# Manish Mishra & Associates

# Company Secretaries in Practice

Office Address: Flat No. G-2, B 1/65, Classic Mansloo Apartment, Sector-K, Aliganj, Luchnow, U.P. - 224024 Contact: +91-7084645555 | E-mail: numechocknow/sigmail.com | Website: www.csmars.com

### CERTIFICATE ON CORPORATE GOVERNANCE

To, U. P. POWER CORPORATION LIMITED SHAKTI BHAWAN, ASHOK MARG LUCKNOW UTTAR PRADESH -226001

We have examined the compliance of the conditions of Corporate Governance by U. P. Power Corporation Limited ['the Company'] for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (a) to (i) of sub-regulation (1A) of Regulation of 2 and para U. D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The comphance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation (hereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023. However as informed to us Compliance of Regulation 62(1A) is under process and will be updated within due course of time. Further, due to non-appointment of Independent Director the Composition of various committee falling under Regulations 17 to 27 are not in consonance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is in search for appointment of Independent Directors and once appointed the aforesaid committees will be reconstituted in alignment with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affaits of the Company.

URA 84

For Manish Mishra & Associates Practicing Company Secretaries

Sukhmendra Kumar

Partner

ACS No: 37552 CP No: 2170

Lucknow, 28.03.2024

UDIN- A037552E003643396



# Manish Mishra & Associates

Company Secretaries in Practice

Office Address: Flat No. G-2, B 1/65, Classic Mansson Apartment, Sector K, Aliganj, Luckmow, U.P. - 226024 Contact: +91-7064645555 | E-mail: gumacalucknow@gmaal.com | Website: www.conars.com

### CERTIFICATE

To, U. P. POWER CORPORATION LIMITED SHAKTI BHAWAN, ASHOK MARG LUCKNOW UTTAR PRADESH -226001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of U, P, POWER CORPORATION LIMITED having CIN U32201UP1999SGC024928 and having registered office at Shakti Bhawan, Ashok Marg Lucknow Uttar Pradesh UP 226001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and according to the verification of the status of Directors Identification Number (DIN) of each director done by us at the portal wave made on the basis of information available with us as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No	Name	DIN/PAN	Date of appointment
1	Shri Madasamy Devaraj	08677754	02.02.2021
2	Shri Guru Prasad Porala	07979258	23.07.2021
3	Shri Sanjay Kumar Singh	AJTPS5680G	14.02.2023



4	Shri Pankaj Kumar	08095154	10.03.2021
5	Shri Neel Ratan Kumar	03616458	(6.04.2013
6	Shri Anupam Shukla	09659225	10.08.2022
7	Shri Nidhi Kumar Narang	03473420	01.06.2022
8	Shri Amit Kumar Stivastava	09617008	24,05,2022
9	Shri Kamalesh Bahadur Singh	09642954	18.06.2022
10	Shri Sourajit Ghush	09642955	18.06.2022
11	Shri Mrugank Shekar Dash Bhattamishra	09671246	12.07.2022
1.2	Smt Neha Sharma	BPTPS8628M	02 09.2022

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Manish Mishra & Associates Practicing Company Secretaries

Sukhmendra Kumar

Slamar

Partner

ACS No: 37552 CP No: 21707

Lucknow, 28.03.2024

UDIN: A037552E003643341



### U. P. Power Corporation Ltd.

(A Government of UP undertaking) CIN:U32201UP1999SGC024928

Registered address: Shakti Bhawan, 14 Ashok Marg, Lucknow-226001 Phone No. 0522-2286618, Email: csunit.uppcl@gmail.com

### CEO & CFO Certification

To

The Board of Directors

# U. P. POWER CORPORATION LIMITED

We, the undersigned, in our respective capacities as Chief Financial Officer of U. P. POWER CORPORATION LIMITED ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March 2023 and to the best of our knowledge and belief, we state that:
  - These statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - Significant changes, if any, in the internal control over financial reporting during the year,
  - Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of Board of Directors

Date:

Place: Lucknow

Nitin Nijhawan Chief Financial Officer

Pankaj Kumar Managing Director DIN: 08095154

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# उ०प्र0 पावर कारपोरेशन लिमिटेड प्रमुख उपलब्धियाँ

# विद्युत आपूर्ति में सुधार

वर्तमान में जिला मुख्यालय पर 24 घन्टे तहसील मुख्यालय पर 21:30 घन्टे और गांवों को 18 घन्टे बिजली दिये जाने का रोस्टर निर्धारित हैं।

○1.04.2017 से पूर्व ग्रामीण क्षेत्र में 14:38 घण्टे, तहसील क्षेत्र में 16:58 घण्टे तथा शहरी क्षेत्र में 21:08 घण्टे आपूर्ति के सापेक्ष वर्ष 2023-24 में माह अप्रैल, 2023 से दिसम्बर, 2023 तक ग्रामीण क्षेत्र में 18:09 घण्टे, तहसील क्षेत्र में 21:34 घण्टे तथा शहरी क्षेत्र में 24:00 घण्टे विद्युत आपूर्ति की गई।

ग्रामीण क्षेत्रों में गाँव/मजरों का विद्युतीकरण तथा अविद्युतीकृत घरों का विद्युतीकरण

वर्ष 2016-17 में 23,541 मजरों का विद्युतीकरण हुआ। इसके पश्चात् 2017-18 तथा
 2018-19 में कुल 1,21,324 मजरें विद्युतीकृत किये जा चुके हैं।

वर्ष 2016-17 में 8,44,741 विद्युत संयोजन निर्गत हुये। इसके पश्चात वर्ष 2017-18 से मार्च, 2022 तक कुल 143,36 लाख विद्युत संयोजन दिये गये। वर्ष 2022-23 से अब तक लगभग 22.33 लाख विद्युत संयोजन निर्गत किये गये। इस प्रकार वर्ष 2017 से अब तक लगभग 165 लाख विद्युत संयोजन निर्गत किये गये।

प्रधानमंत्री सहज बिजली हर घर योजना (सीभाग्य) के तहत गरीब परिवारों को नि:शुलक और अन्य ग्रामीण परिवारों को 50 रूपये की 10 मासिक किश्तों में बिजली कनेक्शन देने की सुविधा दी गयी। इस योजना में कुल 62,18 लाख इच्छुक घरों को विद्युत संयोजन निर्मत किए गए।

 विद्युतीकरण के परिप्रेक्ष्य में अनवरत विद्युत आपूर्ति हेतु वितरण क्षेत्र में विद्युत तंत्र का सुद्दिकरण

- प्रदेश में मिर्बाप बिजली आपूर्ति मुनिश्चित करने हेतु वितीय वर्ष 2017-18 से वर्ष 2021-22 (माह मार्च, 2022) तक कुल 705 नये 33/11 केवी विद्युत उपकेन्द्र ऊर्जीकृत किये जा चुके हैं एवं 1413 विद्युत उपकेन्द्रों की क्षमता बढ़ायी जा चुकी हैं। वर्ष 2022-23 ते अब तक कुल 35 नये 33/11 केव्यीव विद्युत उपकेन्द्र ऊर्जीकृत किये गये एवं 176 विद्युत उपकेन्द्रों की क्षमतावृद्धि की गयी।
- उपभोक्ताओं के हित में दी गयी सुविधाओं का विवरण

(अ) कृषकों के निजी नलक्षों के सम्बन्ध में लिये गये निर्णय एवं लागू व्यवस्था

 नवीन व्यवस्था के अन्तर्गत निजी नलकूप के किसानी द्वारा पूर्व की व्यवस्थानुसार स्वयं परिवर्तक उतार कर वर्कशाप लाने के स्थान पर उनके विव्युत देशक ब्रकाया नहीं होने की दशा में, विभागीय वाहन से ही उनका क्षतिग्रस्त परिवर्तक निर्धारित 48 घण्टे में बदलने की व्यवस्था की गई है।

- पूर्व में डार्क जोन में नये निजी नलकूप कनेक्शन देने पर लगे प्रतिबन्ध को हटा लिया गया है, जिससे लगभग एक लाख किसानों को सीधा फायदा हुआ। डार्क जोन में वर्ष 2017-18 में 1,000, वर्ष 2018-19 में 19415 एवं वर्ष 2019-20 में 5388 (दिनांक 31.03.2020 तक) कुल 25,803 निजी नलकूपों का ऊर्जीकरण किया गया।
- दिनांक 01.04.2017 से दिनांक 31.03.2022 तक कुल 2,42,982 निजी नलक्प संयोजन निर्गत किये गये। दिनांक 01.04.2022 से दिनांक 31.12.2023 तक कुल 1,09,847 निजी नलक्प संयोजन निर्गत किये गये। इस प्रकार वर्ष 2017 से अब तक कुल 3,52,829 निजी नलक्प संयोजन निर्गत किये गये।

# रिवैम्प्ड रिफार्स-बेस्ड एण्ड रिजल्ट-लिंक्ड, डिस्ट्रीब्य्शन सेक्टर स्कीम

भारत सरकार द्वारा संघालित रिवैम्प्ड डिस्ट्रीब्यूशन सेक्टर स्कीम (Revamped Distribution Sector Scheme-RDSS) की स्वीकृति दिनांक 28 मार्च, 2022 को प्राप्त हुई। इस योजना का मुख्य उद्देश्य उत्तर प्रदेश के डिस्कॉमों को वितीय रूप से सक्षम एवं परिचालन के इंग्टिकोण से कुशल वितरण तंत्र द्वारा विद्युत उपभोक्ताओं को कम मूल्य पर गुणवतापूर्ण निबंध विद्युत आपूर्ति किया जाना एवं वर्ष 2024-25 तक ए0टी0 एण्ड सींंग हानियों को अखिल भारतीय स्तर पर 12 से 15 प्रतिशत तक कम करना एवं वर्ष 2024-25 तक ए0सी0एस0-ए0आर0आर0 (ACS-ARR) के अन्तर को शून्य करना है। इस योजना के निम्न घटक हैं-

- (क) स्मार्ट मीटरिंग- इस योजना के स्मार्ट मीटरिंग घटक के अन्तर्गत उत्तर प्रदेश पायर कारपोरेशन लिए की सहयोगी वितरण निगमों द्वारा रूप 18,885.48 करोड़ की लागत से लगभग 2.59 करोड़ कन्ज्यूमर मीटर, लगभग 15.26 लाख डीएटीए मीटर एवं लगभग 20 हजार फीडर मीटर के स्थापना का कार्य मार्च, 2025 तक कराया जाना लक्षित है।
- (ख) लॉस रिडक्शन- इस घटक के अन्तर्गत उत्तर प्रदेश पावर कारपोरेशन लिए के सभी डिस्कॉमों में रू0 16,498.61 करोड़ की लागत से कार्य स्वीकृत हैं इन कार्यों के सम्पादन के लिए निविदा प्रक्रिया पूर्ण करते हुए कार्यदायी संस्थाओं का चयन किया जा चुका है। जिनके द्वारा सर्वे का कार्य पूर्ण कराते हुए कार्यों के निष्पादन का कार्य प्रगति पर है।

# लॉस रिडक्शन के अन्तर्गत निष्पादित कार्यों की अद्यतन प्रगति निम्नवत् हैं:-

- > एल0टी0 लाइन में खुले तारों/क्षतिग्रस्त केवल को ए0बी0 केविल से बदलने के लक्ष्य 1,40,415.21 सर्किट कि0मी0 के लक्ष्य के सापेक्ष प्रगति 35,175.41 सर्किट कि0मी0।
- > 33 के0वी0 एवं 11 के0वी0 फीडर विभक्तिकरण के कार्य हेतु 12,597.00 सर्किट कि0मी0 के लक्ष्य के सापेक्ष प्रगति 1,237.00 सर्किट कि0मी0।
- > एच0टींंंंं लाइन के कन्डक्टर प्रतिस्थापना के कार्य हेतु 41,141.27 सर्किट कि0मींंंंं के लक्ष्य के सापेक्ष प्रगति 7,724.20 सर्किट कि0मींंं।

- > 11 के0वी0 फीडर पृथक्कीकरण के कार्य हेतु 20,421.50 सर्किट कि0मी0 के लक्ष्य के सापेक्ष प्रगति 3,147.10 सर्किट कि0मी01
- > एल0टी0 लाइन में कन्डक्टर्स के एक्स.एल.पी.ई. आर्मर्ड केबल से बदलने के लक्ष्य 9,349.00 सर्किट कि0मी0 के लक्ष्य के सापेक्ष प्रगति 2,112.51 सर्किट कि0मी0।

# (ग) आधुनिकीकरण-

योजना के अन्तर्गत प्रदेश में विद्युत तंत्र के आधुनिकीकरण हेतु कार्यों का प्राथमिक प्रस्ताव माह अक्टूबर, 2023 में नोडल एजेन्सी आर0ई0सी0, नई दिल्ली को परीक्षण हेतु प्रेषित किया गया है, जिसमें प्रस्तावित धनराशि का 60 प्रतिशत भारत सरकार से अनुदान स्वरूप तथा शेष 40 प्रतिशत का वित पोषण राज्य सरकार एवं वितरण निगम द्वारा किया जायेगा। आधुनिकीकरण के प्रस्तावित मुख्य कार्यों में नये 33/11 के0वी0 उपकेन्द्रों का निर्माण, 33/11 के0वी0 उपकेन्द्रों की क्षमता वृद्धि, नई 33 के0वी0 लाइन का निर्माण, वितरण परिवर्तकों की स्थापना, 11 के0वी0 लाइन का निर्माण, एल0टी0 लाइन का निर्माण, वितरण परिवर्तकों की क्षमतावृद्धि का कार्य तथा चिन्हित बड़े शहरों में स्काडा का कार्य प्रस्तावित हैं।

# राज्य सरकार एवं विभागीय बजट से कराये जाने वाले प्रणाली सुद्धीकरण के कार्य प्रस्तावित कार्य-

- 33 के0वी0, 11 के0वी0 एवं एल0टी0 लाइन का सुरढ़ीकरण
- पावर ट्रान्सफार्मर एवं वितरण ट्रान्सफार्मर की क्षमतावृद्धि
- निर्बाध विद्युत आपूर्ति हेतु 33/11 के0वी0 उपकेन्द्रों पर कराये जाने वाले आवश्यक कार्य यथा स्विचिगियर, केबिल, प्रोटेक्शन सिस्टम आदि से सम्बन्धित कार्य

### कार्य की लागत-

- बिजनेस प्लान 2023-24 के अन्तर्गत धनराशि रु. 1,163.09 करोड से प्रणाली सुरदीकरण के कार्य कराये जा रहे हैं। अतिरिक्त बिजनेस प्लान के अन्तर्गत धनराशि रु. 1,395.56 करोड़ से प्रणाली सुरदीकरण के कार्य कराये जा रहे हैं। विभिन्न जनपदों में धनराशि रु. 1,497.13 करोड़ से प्रणाली सुरदीकरण के कार्य कराये जा रहे हैं।
- नविमित/विस्तारित नगर निकायों में धनराशि रु.996.00 करोड़ से प्रणाली सुद्दीकरण के कार्य कराये जा रहे हैं।
- नोएडा एवं मऊ सहित प्रदेश के अन्य नगर निगमों में धनराशि रू. 1,028.86 करोड़ सें प्रणाली सुद्दीकरण के कार्य कराये जा रहे हैं।

# विद्युत वितरण तन्त्र में सुधार हेतु एशियन इंवलपमेन्द बैंक वित्त पोषित 'उत्तर प्रदेश पावर डिस्टीब्यशन नेटवर्क रिहैबिलीटेशन प्रोजेक्ट'

योजना का वित्त पोषण एशियन डेवलपमेन्ट बैंक से प्राप्त होने वाले यू0एस0 \$ 430 मिलियन (रू0 3,179.9 करोड़) के ऋण की धनराशि से कराया जा रहा है।

- एशियन डेवलपमेन्ट बँक ऋण वित पोषित 'उत्तर प्रदेश पावर डिस्ट्रीब्य्शन नेटवर्क रिहैबिलीटेशन प्रोजेक्ट के अन्तर्गत प्रदेश के पूर्वाचंल विद्युत वितरण निगम लिए-वाराणसी व मध्यांचल विद्युत वितरण निगम लिए-लखनऊ में चयनित 20,067 मजरों में पूर्व में खुले तारों वाली एलएटीए विद्युत लाईनों को एलएटीए एरियल बन्च केबिल से प्रतिस्थापना का कार्य कराया जा चुका है।
- इसी योजना में प्रदेश के पश्चिमाचंत्र विद्युत वितरण निगम ति0-मेरठ एवं दक्षिणाचंत्र विद्युत वितरण निगम ति0-आगरा में 562 ग्रामीण 11 केवी पोषकों को नतकूप एवं बती-पंखा के पृथक-पृथक पोषकों में पृथक्कीकरण के तक्ष्य के सापेक्ष 554 नये कृषि पोषकों का निर्माण कार्य कराया जा चुका है। योजना में कार्य प्रगति पर है।

### 8. वाणिज्य क्षेत्र में किये गये कार्य

- दिनांक 08.11.2023 से 16.01.2024 तक समस्त विद्युत भार के एल0एम0वी0-1 (घरेल्), एल0एम0वी0-2 (वाणिज्यिक), एल0एम0वी0-4बी (निजी संस्थान), एल0एम0वी0-5 (निजी नलक्प) एवं एल0एम0वी0-6 (औद्योगिक) श्रेणी के विद्युत उपलभोक्ताओं के लिए विलम्बित भुगतान अधिभार में छूट हेतु "एकमुश्त समाधान योजना (ओ0टी0एस0)" एवं घोरी के प्रकरणों में राजस्व निर्धारण में छूट हेतु योजना लागू की गयी।
- बुन्देलखण्ड क्षेत्र के ग्रामीण निजी नलकूप विद्युत उपभोक्ताओं को एकल रबी फराल की सिंचाई हेतु सीजनल टैरिफ का लाभ एवं अस्थाई विद्युत संयोजन की सुविधा भी प्रदान की गयी है।
- उपभोक्ताओं की बिल सम्बन्धित, मीटर सम्बन्धित, ट्रांसफार्मर सम्बन्धित एवं आपूर्ति सम्बन्धित शिकायतों के त्वरित निस्तारण हेतु ट्रांल फ्री हेल्पलाइन 1912 शुरू की गई, जिसमें दिनांक 12.04.2017 से दिनांक 07.01.2024 तक की कुल 1,73,04,056 शिकायतें प्राप्त हुई। जिनमें से 1,72,76,090 अर्थात् 99.84 प्रतिशत् शिकायतें निस्तारित हो गयी है।
- औद्योगिक एवं वाणिज्यिक श्रेणी के उपभोक्ताओं को नये संयोजन ऑनलाइन निवेश मित्र पोर्टल पर निर्गत करने की व्यवस्था की गयी है।
- उपभोक्ताओं को सुविधा प्रदान करने हेतु उनके परिसर पर ही रीडिंग के पश्चात बिल उपलब्ध कराने एवं मीटर रीडर के माध्यम से ही बिल की धनराशि प्राप्त करने की व्यवस्था की गई है।
- विद्युत उपभोक्ताओं के बिल जमा करने हैतु ग्रामीण क्षेत्रों में स्थित, उपभोक्ता सेवा केन्द्रों व जनसेवा केन्द्रों द्वारा विद्युत बिल जमा करने की व्यवस्था की गई है। इसके अतिरिक्त स्वयं सहायता समूह एवं राशन की दुकानों, विद्युत सखियों, मीटर रीडर के माध्यम से भी बिल जमा किये जा सकते हैं।
- सम्भव पोर्टल पर दिनांक 18.05.2022 से 03.01.2024 के मध्य कुल 4,98,315
   शिकायते प्राप्त हुई, जिनमें से 4,74,019 निस्तारित हुई।

- उपओक्ताओं के घर बैठे नये संयोजन लेने एवं बिल जमा करने की सुविधा ऑनलाइन उपलब्ध करा दी गयी।
- सभी उपभोक्ताओं के के0वाई0सी0 के अन्तर्गत टेलीफोन नं0 प्राप्त कर सिस्टम द्वारा बिल एवं अन्य योजनाओं की सूचना दी जा रही है।
- बकाया राशि को आंशिक रूप से जमा करने की सुविधा दी गयी है।
- > उपभोक्ता स्वयं अपना बिल घर बैठे ऑनलाइन सिस्टम द्वारा रीडिंग डालकर बना सकता है।
- निगम में ईआरपी प्रणाली प्री तरह से लागू कर दी गयी है।



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### INDEPENDENT AUDITOR'S REPORT

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

### 1. Report on Standalone Figureial Statements

### (A) Qualified Opinion:

We have audited the accompanying Standalone Financial Statements of Uttar Pradesh Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31°March, 2023, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements") in which are incorporated accounts of Material Management Zone (Location code = 300, 330, 640) and 970 and its units) ("Zone") thereof which have been audited by other auditor.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Standalore 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 (Iralian Accounting Standards) Rules. 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the Net Loss, including other comprehensive income, its each flows and statement of change in Equity changes in equity for the year ended on that date.

### (B) Basis for Qualified Opinion:

We draw attention to the matters described in 'Annexure I', the effect of which, individually or in aggregate, are material but not pervasive to the financial statement and matters where we are unable to abtain sufficient and appropriate audit evidence. Our opinion is qualified in respect of these matters.

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DEHRADUN - + Maitri Vihar, Haridwar by pass Road, Dehradun - 248001.

**BENGL**URU • flat no-20156, Prestige Shantiniketan, white field near IPPL affice Bengloru-560048 **RAEBARES**I • Prakush Nagar Road, in Front of Canal Office, Gare No • 01, Ruebareti-229001. We conducted our audit of the Standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Fithies issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Fithes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### (C) Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, Except for the matters described in the basis of qualified opinion including Annexure 1 to the audit report, we have determined that there are no other Key Audit Mauers to communicate in our report.

### (D) Emphasis of Matter:

- 1 fax deducted at source Rs 92.64 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 have not been adjusted till the close of the financial year.
- a. As per information provided to us Reegivable from generators includes Rs. 707.68.
   Crore debit balance pertaining to M/s Rosa Power Company Ltd towards debit notes rused 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. 30 of Notes to Accounts relating to M/s Lalitpur Power Generation Company.
  - h Note 6- Lamits & Others Financial Assets (Non-Current) includes Rs.118.21 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 apt out of these projects due to closure of the projects and requested Nodal Agency (PFC) for status of return of money. Being old advances, Management should take necessary action for recovery/adjustments of this Advance.
- 3. As per Note not-14 to the Notes to Accounts, average billing rate methodology has been used as per decision of higher management of UPPCL instead of Differential Bulk Supply Turiff (DBST) adopted in the previous years. Reasons of such change have not been disclosed in the Notes to Accounts although it has impact on cost allocation to individual DISCOMS.
- Accounting Policy No. VIII of the Company regarding power purchases had not envisaged the method for accounting of power purchases where final approvation the lattiff by the Regulatory Commission has not been granted.

5. As per Note oo. 11 (Financial Assets-Other (Current), Company has made provision for doubtful receivables w/10% on Rs.2159.12 Crore which includes Rs 1239.21 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-

### Placement of Fixed deposit:

Total fixed deposit of Rs 2869.84 erore include Rs 2185.96 erore placed with ICICI hank only. Company has disclosed the same as a risk factor Para No. 33(V) in the Notes to Accounts. Proper monitoring of same needs to be done by the Management

7. The Annual Accounts of F.Y 2021-22 are yet to be adopted in Annual General Meeting (Refer Para 32 of Note - 30 "Notes on Accounts").

### 2. Information other than the Standalone Financial Statements and Auditor's Report theceons

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standahme 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 Standalone 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 Standalone Financial Statements, our responsibility is to rend the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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.

### 3. Responsibilities of Management and those charged with governance for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(8) of the Act with respect to the preparation of these Standahme Financial Statements that give a true and thir view of the financial position, financial performance, cash flows and changes in equity of the Company 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 (n India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Comptany and for preventing and detecting frauds and other irregularities; selection and application of 1/41 appropriate accounting policies; making judgments and estimates that are reasonable and prodent; and design, implementation and maintenance of adequate internal financial controls. that were operating effectively for ensuring the accordey 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 thee from material misstatement, whether due to fraud or error.

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

Phose charged with Governance are also responsible for overseeing the Company's financial reporting process.

# 4. Auditor's Responsibility for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the linancial statements as a whole are free from material misstatement, whether due to fraid 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 infinence the economic decisions of users taken on the basis of these Standalone 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 Standalone Financial Statements, whether due to fraud or error design and perform addit 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 hand may involve collusion, forgery, intentional emissions, misrepresentations or the overnde 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 Comparties 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 everns or conditions that may east significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 healtton's report. However, future events or conditions may cause the Company to yease to continue as a come concern.

 Evaluate the overall presentation, structure and coment of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of mismatements in the Standalone 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 to the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant addit 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 Standalone 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 encurrestance, 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.

### 5. Other Matters:

We did not audit the hooks of accounts / information of Zone included in the Standalone Financial Statements of the Company which include assets of Rs 27468,49 erore and Revenue form operation of Rs 68653.93 erore. The books of accounts / information of the Zone (except disclosure in notes to accounts) has been audited by the Zone auditor who had audited only final balances of the zone only and whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of Zone, is based solely on the report of such auditor.

### 6. Report on Other Legal and Regulatory Requirements:

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms or sub-section (11) of Section 143 of the Act, we give in "Annexure-II", a statement on the matters specified in the paragraphs 3 and 6 of the said Order, to the extent applicable.
- 2. As required by directions issued by the Comptroller & Auditor General of India under section 143(5) of the Act, we give in "Annexure III (a) and III (b)", a statement on the matters specified in the directions and sub-directions.
- As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs. Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.

- 4. As required by section 143(3) of the Act, based on our audit, we report that:
  - (a) Except for the matters described in the "Basis for Qualified Opinion" section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion and except for the matters described in "Basis for Qualified Opinion" section, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Zone of the Company not visited and not audited by us.
  - (c) The reports on the accounts of the Zone of the Company, audited under Section 143(8) of the Act by Zone auditor have been sent to us and have been properly dealt with by as in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Lass, the Statement of Cash Flaw and the Statement of Changes in Liquity dealt with by this Report are in agreement with the books of account and with the returns received from the Zone not visited and not audited by us.
  - (e) Except for the matters described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.
  - (i) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affoirs, Government of India, provisions of sub-section (2) of section 164 of the Act, regarding disqualification of the directors are not applicable to the Company.
  - (g) With respect to the adequacy of the internal financial controls system in place with reference to Standalone Linancial Statements of the Company and the operating effectiveness of such controls, refer to our report in "Annexure IV".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i Except for the effects of the matters described in the "Basis for Qualified Opinion" section, the Company has disclosed the impact of pending litigations on its financial position in its financial statement. Refer Note 30 to the Financial Statements.
    - As per information and explanation furnished to us. Company has not envisaged any foreseeable losses on any long term commets except mentioned by us in the 'Basis of qualified opinion'.
    - (ii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - te. (a) The miningement has represented that, to the best of its knowledge and

belief, other than as disclosed in the notes to the accounts, no finals have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of lunds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from personts) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that company shall, whether, directly, lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the Funding Pan("Ditimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (e) Based on audit procedures performed that were considered reasonable and apprepriate in the circumstances, nothing has come to our notice that caused us to believe that the representation referred under clause (iv)(a) and (b) contain any material mis-statement.
- (d) The Company has not declared or paid any dividend during the year, therefore compliance with section 123 of the Companies Act, 2013 was not applicable.
- v. Proviso to Rule 3(1) of the companies (Accounts) Rules 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the linancial year ended March 31, 2023.

For D. Pathak & Co Chartered Accountable

FRN: \$0143PC

(A K Daivedi)

Partner M. Nov. 0218

IDIN: 23071584BGWZLE9927

Place: Luckmaw Date: 15/09/2023

# Annexure I.

As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31° March, 2023.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that

- 1 Notes in Other (Current Assets) Rs.1567.90 Crore include Rs.431.68 crore Receivable from Generators as mentioned in Para 24 of Notes to Accounts-30 for which no confirmation and reconcinations are available. Same has been reported in last year Audit for making suitable Provision.
  - We are of the opinion that Provision for Rs 431.68 erore "Receivable from Generators", should be made in accounts.
- 2 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° March, 2023 (Refer Para 29 of Note = 30 "Notes on Accounts"), which is not in accordance with Ind AS 36 Impairment of Assets.
- 3 Loans and Other Financial Assets (Note 6). Trade Receivables-Others (Note-8). Financial Assets-Others (Note-11). Other Current Assets (Note-12). Financial Liability Trade Payables (Note-18). Other Financial Liabilities (Current)-except Current manufiles of long term horrowings and Interest accrued but not due on horrowings (Note-19) includes certain old balances under various heads of assets and liabilities which are earlying 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. Similar issues a so were brought to the notice of management in previous audit report but no corrective actions seem to have been taken in the financial year 2022-23. Major Ba ances include at Rs 15.55 Crore (Note No. 6)- Loans & other financial Assets (Non-Current) including Rs. 5.19. Crore (Security Deposits) and Overlay Charges Rs. 10.36 Crore and b) Soudry Receivable (Rs 685.13 Crore)-Financial Assets - Other (Current), Note No-11 including Rs. 408.24 Crore relating to Unscheduled Interchanges Charges Pool a/e. Reactive Energy Charges Rs. 123.79 Crore, and Mise deposits/balances Rs. 29.26 Crore respectively. In absence of complete details and balance confirmation, we are of the view that provision should be made in the accounts to the extent of Rs. 576.84 Crore, for old balances as reflected in Note-11 financial Assets-Other (Current Assets) and Note No. 6, Loans & other financial Assets (Non-Current), Loss of the company is understated and other receivable is overstated to that extent.

4 Purchases as per Note No-22 for Rs.68653.93 Crore, includes Sales to Indian Energy Eschange for Rs 2581.77 Crore, which has resulted into reduction/understatement of Purchases and consequent understatement of Sales of Energy (Note No-20, Revenue for Operation).

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# a) Restructuring Reserve:

A Credit balance of Rs. 540.31 Crore is included in "Other Equity Note-14 as Restructuring Reserve. As confirmed to us, the balances are old and has been transferred through transfer scheme. No detail was available for aforesaid Reserves.

# b) Capital Reserve:

No details have been provided to us regarding capital reserve Rs 195.95 Crope.

- Note-19 Other Financial Liabilities- Current includes Deposits and Retentions from Suppliers & Others Rs 264.65 erore for which no detail is available
- Details of charges filed with ROC against borrowing from Bank and few Generators have not been disclosed in the respective Notes to Accounts.

On examination of search report lumished to us, it was known. that part passu charges has been registered on receivables /Current assets of the company against borrowings satisfactioned by the hankers, while. Debenture I mist deed executed with the trustees of the bonds shows that there is an exclusive charge on Current assets/ receivables of the company including book-debts which is in contravention of the terms of the hypothecation deed executed with the hankers. Company has to take up the matter suitably with the Lenders Appropriate disclosure for the same has not been given in the Notes to Accounts.

# Non-Compliances of Intl-A8

- 8. The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended):
  - a Financial Assets- Financial Assets-Other (current) (Note-11). Other Current Assets (Note-12). Financial Liabilities-Trade payable (Note-18) and Other Financial Liabilities (Note-19) have been classified as corrent 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/ confirmation of balances for such amounts within (welve months after the year end, classification of same as current assets/liabilities is inconsistent with Ind AS I Presentation of Financial Statements. This has resulted in over statement of respective current assets/liabilities and understatement of the corresponding non-current assets/liabilities. Few specific instances include thresholded interchanges Charges Pool a/e is Rs 514.86 Cr and Reactive Energy Charges Rs 123.79 Cr as on 31st march 2023 included in "Corrent Assets-Other" Note-11.
  - b Recognition of Insurance and other claims, refunds of Income Lax. Interest on Income Fax & Frade Lax (GST) interest on loans to staff and other items of income covered by Significant Accounting Policy No. 3 (c) of Note. I has been done on each basis. This is not in accordance with the provisions of Ind AST Presentation of Financial Statements.
  - 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 C (1) (d). Such employee cost to the extent not directly attributable to the acquisition and/or installation of Property. Plant and Equipment is inconsistent with 1nd AS 16 Property, Plant and Equipment. This has resulted in overstatement of fixed assets and depreciation and understatement of employee cost. However, impact is not quantifiable at this stage.

- d. Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost (Refer accounting policy no.(VI) of (Note-1). Valuation of stores and spares for O & M and others is not consistent with Ind AS 2 Inventories i.e., valuation at lower of cost and net realizable value, burther, the stores and spares for capital work should be classified as part of Property. Plant and Equipment and recognised, measured and disclosed in accordance with Ind AS 16 Property, Plant and Equipment Further, the company has not formulated any accounting policy in respect of provision for unserviceable stores & spares and slow moving stores.
- c. Accounting for Employee Benefits: Actuarial Valuation of grateity liability of the employees covered under GPF scheme has not been obtained. (Refer Para 5 (a) Note 30 "Notes on Accounts"). This is inconsistent with Ind AS 19 Employee Benefits.
- The Financial Assets (Note-6, 8 and 11) have not been measured at fair value as required by 1nd AS 109 Financial Instruments and proper disclosures as required in 1nd AS 107 Financial Instruments. Disclosures, have not been done for the same.
- g. Further Company has not disclosed the reasons for non-compliance of various Ind ASas required by IND AS-I Presentation of Financial Statements
- Inter-unit transactions amounting Rs.148.17 Cr. are subject to reconciliation and consequential adjustments. (Refer Para 8 Note: 30°Notes on Accounts?).
- Note-16 "Financial Liabilities Others (NON-CURRENT)" includes Rs 804.87 Crore Liabilities against Loan, the nature of loan and its terms and conditions are not disclosed.
- 11. C&AG Auditors during audit of financial year 2020-21 have commented up on understatement of provision of impairment on investment in DISCOMS since company had credited recoverable amount from Govt, of U.P. under Atmar Nirbhar Bharat Subsidy Scheme to "other equity" instead of "Deferred become" which was consequently included in the Net worth of the DISCOMs and considered for making provision towards investment in DISCOMs. Company has neither made any admissment in the books of account nor disclosed properly the reasons for non-rectification of such material error—in the notes to Accounts. This is having impact on the provision for impairment/consequential losses and state of affairs of the company to the extent of Rs 16940.00 crore as reflected in Receivable from GOF in CFS as on 31.03.2023. It is learnt from Management Representation Letter that Company is referring the issue for the opinion of Expert Advisory Committee, of ICAL Pending receipt of such opinion, its impact on accounts cannot be ascertained at this stage.

# 12. Non-compliance of Accounting Policies:

Company has to review certain accounting policies which are in contradiction with accounting treatment given in the financial statements. Major instances are given below.)

 a) INVESTMENTS: Provision for impairment is not being made at its Fair Value as per IND AS-109 as mentioned in the respective accounting policy

b) FINANCIAL ASSETS: Financial assets on subsequent measurement are not recorded at amortized cost as per IND AS- 109, as mentioned in respective accounting policy.

Impairment on financial assets are not being made based on Experied Loss.

 e) FINANCIAL LIABILITH'S: Borrowings are not measured at Fair Value using effective rate of Interest as mentioned in the accounting policy.

# 13. Maintenance of Proper Books of Accounts:

The company has systems of maintaining various sectional journals wherein vouchers relating to day-to-day transactions are recorded in these Sectional Journals. The existing systems of balancing each book on the monthly basis and posting in different sectional journals to summaries and from summaries to monthly trial balances 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.

14. Employee benefit expenses (Note- 23). Administrative, General & Other Expenses (Note- 26), and Repair & Maintenance Expenses (Note- 37) have been allocated among Subsidiaries and other power sector companies owned by the Go UP (i.e., UPPTCL, UPRVDNI & UPDVNI) 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 2021-22, instead of financial year 2022-23. (Para 28 of Note- 30 "Notes on Accounts")

# 15. Non-Disclosures in Notes to Accounts:

Following disclosures have not been made in accounts.

- Disclosure regarding amount of subsidy not accounted for in case of disputed solar power cases.
- Allotment date for Share application money placed with DISCOMS.
- Risk Management factor do not include Matrix of Age Wise Borrowings and Liabilities due.

# 16. Major Non-Compliances of Law

- Company has not appointed any Company Secretary as required ass 203 of Company Act 2013.
- As per section 177 of the companies acts 2013, following major compliances: issues were not placed before Audit committee as also delegated by the Board of Directors:
  - Approval or any subsequent modification of transactions of the company with related parties.
  - Scrutiny of inter-corporate loans and invesiments.
  - c. Evaluation of internal financial controls and risk management systems.
  - d. Monitoring the end use saised through public offers and related matters.
- (ii) Company has not held meeting of Risk Management committee. Stakeholder committee etc. during the year under review.

# 17 Major Audit observations in Material Management Zone Audit Report:

# A. Property Plant and Equipment: -

a) Branch Auditors trial balance is showing Buildings under the head AG Code 10.208 "Building CONTA DISTINST" amounting to Rs. 48,34,196.68 and under AG Code 10.211 Office building amounting to Rs. 11.65,227,05, but information regarding the I and of corresponding assets not provided to us. #Units645 - Elec-Civil Const Div - I

- b) Branch Auditors trial balance is showing Buildings under the head AG Code 10.211 "Office Building" amounting to Rs. 42.08.722 10 but information regarding the Land of corresponding assets not provided to us. #Units641 – Civil.
- An amount of Rs 36566.76 is shown under the head Scrap Materials Arc (A/c Code 22,770), on review of the said account we were explained that these are group of assets which has been fully depreciated and are being carried at its residual value. Further, since fixed assets register is not being maintained these assets cannot be identified. Furthermore, no report of any committee who identified the above assets as scrap was provided to us. Further, as per Ind AS 16 (Property, Plant and Equipment) which requires measurement of such kind of assets at its net realizable value which has not been worked out. Therefore, we cannot comment upon the value at which these assets are carried. #Units330 = EIE&PC
- the zone is not evaluating the Property Plants and Equipment (PPF) for impartment as required under INDAS 36, as explained to us revaluation of PPE is not permitted by the Electricity (Supply) (Annual Accounts) Rules. 1985, the exception may be because the PPE cost is built in the Fixed Cost of the tariff but as explained to us the cost of PPE of the Company is not approved under the tariff approved by the regulator neither Depreciation is allocated to the Distribution companies.

  The company has not sought any clarification from relevant regulatory authorities regarding the same.

# B. Payment of Lease

I mit #972 (UP Vigilance Cell) and #unit 327 (Electricity Store Procurement Circle) are being maintained at rental promises. As explained to us the rent of Unit 972 is being deposited to Court as the ownership of the premises is sub-judice. Further latest lease agreement and the rent receipt were not being provided to us for premises with Unit 327. Further Compiances of Ind AS 116 is not done at zone level.

# C. Investments

The company has entered in to arrangement with MPPMCT for 18.15 MW share in the project of Rajgha; HPP at an equity contribution of Rs 66.74 erore which works out to 40.32% share in the total cost of capital of Rs 165.50 erore, however the unit is unaware of the existence of the equity contribution paid to MPPMCL as explained to us the amount of Equity contribution is not identified in books of accounts further necessary detail on the same is required from Fund section of the company by the Effected which remained unclarified till date, therefore in absence of information and adequate explanation we cannot comment upon it.

D. The balances in account of party, contractors, Governments Departments, etc., including those balances appearing under loan and advances & other receivables are subject to confirmation and reconciliation. The impact of adjustment if any, which may arise out of the confirmation and reconciliation process cannot be commented upon

E. Branch Auditors observed kick of proper system of review for identifying doubtful dues. especially those arising out of disputes pending before respective judicial forums and absence of regular follow ups with the respective parties for recoverability of outstanding balances In the absence of which we are unable to quantily the amount of provision which is required for irrecoverable or doubtful dues and its consequential impact on the financial. statements: #Units330 - ETE&PC

# F. TDS Receivables-

- The unit has accounting TDS receivable of Rs 749029895,47 pertaining to Poweri) sale to Distributing companies (DISCOMS)however as per 26 AS Rs. 739563769.47 is TDS receivable being reflected against the sale of power to the DISCOM as explained the necessary adjustment will be done at HQ Level. (UNIT-CODE3301
- As observed the zone has following balances as TDS receivable appearing in the πik books of the zone, in the absence of year wise breakup and status of completion of the assessment, we cannot comment upon the genuineness of the same. Branch Auditors following halances were outstanding on 31.03.2023.

S. nu	Unit Code	Unit Name	AG Cude	Amount Outstanding : (Rs.)
· 1	982		27,425	19,47,440.00
. Z	9/3	Service Commission	27,425	-12,04,953,00
3	1646	Maintenance	27.425	5.730.00
ا	645	Civil Const. Aliganj	27,475	11.98,908.00
- 5	641	Civit	27,421	-3.38.872.00
6	641	Civil	27.425	1,79.519.00
7	330	Import and Export	27.433	76,99,77,097,64
8	0.00	Import and Export	27,405	9,61,37.377.20
· <u>4</u> .	327	ESPC	27,425	13,848 00
Total	TDS Rece	ivables		86,79,16,094,84 j

# G. Trade payables

Trade payable baving debit balances for power purchase of following parties, in several cases excess payment of Rs.3912614447.47 has been made to the parties namely NHPC. RS.(+)3432723674.00, TEESTA URJA 1.TD, Rs. (+)3722.00, NOAR-Rs. (+)3633710.00, POWERGRID RAMPUR SAMBHAL TRANSMISSION LTD Rs 4-j16432986.00. M/S SIMBHAULI SUGAR MILLS Rs. (-)76155192.24. M/S DWARIKESH SUGAR/MILLS: LTD. Rs. 7-)2216562.75. TRIVENI LINGAS INDILID DEOBAND Rs (-)74915817.07. TRIVENE ENGINEERING LID. MILAK NARADAN RK.(-169228689.56. BAJAJ 🥙 HINDUSTAN LTD. UTRAPIA Rs. (\*)10440643.57. BAJAJ HINDUSTAN LTD.: (GANGAULI) Rs. (-)%387%409.42. BAJAJ HINDUSTAN LIMITED, BARKIU Rs. (-)

(147117485.74) and other includes old balances which are under reconciliation, year of advance if any is not provided to us neither was available with the unit, neither current status was explained to us forther it should be emphasized that the advances and excess payments are not interest bearing therefore loss to the corporation if any cannot be determined in the advances of clarification and adequate details. Bearing lack of documentation and adequate information, the recoverability or provision for doubtful amount cannot be commented upon at this stage (Unu#330 EIE&PC).

—	OLD BALANCES		-
AG Code	Name of The Generator	į	Total Balance
41.106	MADHYA PRADESH		-255974601.81
41 110	BHAXRA PROJECT MARAGEMENT BOARD	_ !	-16575376.60
41 128	KARNATAKA P.C.L.		2088110.00
41 134	MSLDCI		-15502004.00
41.405	LANKO I,U LIMITI,D		-9705040.12
41.411	G.M.R. I.NORGY PVT. LTD.		-60719.00
41,420	MANIKARAN	į	-1534738.00
41.422	M/S A.C C. LTD		-775440.00
41.427	MITTAL PROCIPYTILTD GNAZ ABAD		465 11 195 00
41.432	TECH ASSOCIATES	!	6931463,93
41.743	WAVE INDUSTRIES PVT, LTD: (ERS		1660526.78
41,205	HIMACHAI, PRADESH	_	-1688774 CO
L	Total	_ !	-359007989.24

# H. Staff and Other Liabilities

The Zone has not provided relocant details of the following outstanding balances, tabove more than Rs 1 00 Czore) which are quit old and details of same could not furnished to Branch Auditors...

: UNIT CODE	касове	1 HEAD OF ACCOUNT	Dr	Amount (INR)
1 983	14 620	CPT TMP Recovery	77	(156]8278 OD
971	i4.Tf2	Lealthy to Madbyars rale, LCLD	Ur.	(8227)68 67)
·—	-1610	Lab by to rost he LMP + GPC	Cr. "	(208) 15068 53 -
Ι.	14.620	CTT Fundings Show	G.	(16982312.00)
· · · · · · · · · · · · · · · · · · ·	14.621	CPF Employer Stark Parint horon	('r	(11031894.00)
330	1 26 936	LANT PAYBLECTOLK LINES		(AOH, M) 228 (6)
:	16 936[] 16 98 16 98	GOVE THE CLEAN AND PROPERTY OF THE PROPERTY OF		781,812e (7, 6,00) (18,15, 98,10) (8,00) (1, 928,17)

# 1. Power Purchase

- i) There is no effective system in place to verify power purchase for completeness, no system in place for quantitative reconciliation of the power actually purchased vis-a-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 recoivable in not quantitiable, this may consequently impact the profitability of the DISCOMs.
- During our audit we were explained that the reconciliation with Power Generator Companies from F y 2018-19 (I) FY 2022-23 is being carried out by M/S Mercidos Marketing Energy Private Limited comfacted in January 2021, at a fees of Rs 2,39,48,100,06 adjustment if any upon recongiliation will be done upon submission of final report by the contractor, Furthermore, the reconciliation for balances pertaining to financial years before 2018-19 will be handled by additional staff, but no cost comparison between the two reconciliation methods was provided to us, which created a gap in understanding the efficiency and effectiveness of each approach between the contractor-led reconciliation and the additional staff led reconciliation.
- (iii) Generation based Incertives (GBI) receivable from IREDA amounting to INR9,66,31,925-88 (Previous Year - Rs 9.77,33,211,20) and a sum of Rs (265,13,53,853,51) (Previous Year - Rs (85,62,65,550,77) from UPNEDA are subject to confirmation and reconclustion and Consequential adjustment. (Unit#330.1-IE&PC)
- The zone has received interest amounting to Rs. 38.17.77.874 and TDS receivable of Rs. 38177789.20 thereon, the amount of interest has been netted off from the purchase cost in the books. Purchase cost and interest income, therefore are understated to the extent of Rs 38.17.77.874 (Unit/330 EHE&PC).

# J. Provision for Late Payment Surcharge

Unit has accounted total late payment surcharge Rs.5695614955.00 out of which art amount of Rs1123754841.00 is for bills remained unverified. Accounting system adopted by the unit is in diversion of accounting policy on accounting on accounting basis where the LPS should be accounted after the specified time period of unpaid bills as specified in their PPA, whereas only bills are accounted which is received by EEePC unit. No system was observed where bill wise LPS pending overdue for payment is accounted and accounted. It is further observed there is no system in place which LPS need to be accounted and whether the account has been accounted against over which LPS need to be accounted and whether the account has been accounted against the second problem. Therefore, we cannot comment upon on the amount of overstated problemdessizated loss of the zone for the financial year 2022-2023 on account of provision of late payment surcharge.

# K. Bank Reconciliation Statement: -

On review of the bank reconciliation statements we observed that old Un-reconciled balance of Rs Rs. 138164-34 for which no adjustment -reversal has been made in the books of accounts. # Unit983 – DG Vigitance

# L. Pending legal cases at different forums

On our query during test check audit of liabilities on pending legal cases at different forums, we were explained that the status of court cases received from PPA unit, Planning unit Power Management Cell and SPAT unit has been considered by the Zone and the same has been disclosed as contingent liability. However, no details were provided to us during our audit and as explained to us the zone has no information relating to the cases and the same is dealt at HQ level. Therefore, we cannot comment upon the status of the cases and its financial implication on the books of accounts.

# M. Provision for Power Purchase and Unverified LPS and Power Purchase cost: -

The Zone has booked an amount of Rs. 807,32 crore, as unbilled and invertified power purchase cost and Rs. 112.37 crore, as LPS Charges (unvertified), on our examination and explanation provide to us, we observed that these charges are unverified and booked under expenditure on reasonable estimate, further as explained necessary deviation on their verification will be accounted at the time of verification. Therefore, impact if any on account of verification cannot be commented upon at this stage. However, Management has confirmed total amount of unbilled and unverified. Power Purchase cost for Rs 9437 crore as on 319 March 2023.

# N. Rental from Contractor

The unit has accounted Rental Income from Contractor M'S Prayagraj Power Generation Corporation Limited of Rs 2,29,927,000 further as exploited to us the said amount is on account of Lease of Land to the contractor. Fewever unit did not had any information of Load is being recorded in the backs of which unit

# O. Sale of Scrap.

The Zinie has sold old/unserviceable asset for Rs. 1734359 00 during the Financial Year, however as explained the assets sold were very old and gross value was ascertained on the basis of committee report, therefore the correctness of the Profit on sale of Asset of Rs. 927298.00 cannot be commented upon due to tack of details

For D Pathak & Co. Chartered Accountants

FRN: 001439C

(A K Dwivedi)

Partner

M No.: 071584 \\
1 DIN: 23071584BGWZLE9927

Place: Lucknow Date: 15/09/2023

# Annexure II

As referred to in and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31°March, 2023.

- a. i. The company has not maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
  - The company has not maintained proper records of lutingible Assets (Software) for Rs.2.44 crore (gross).
  - b The company has not carried out physical verification of the Fixed Assets hence we are unable to Comment whether any material discrepancy was noticed as such or not.
  - c. As reported by branch Auditors, title deed of Immovable Property (land) for Rs.47.24 lakhs was not available on record. Further as reported by branch Auditors, no details were provided to them with regard to the title deed of the immoveable property leased to KESCO nor were it explained in which unit the said asset is capitalized.

Details of which are furnished below: BUILDING and other givil construction be considered for reporting

1	ZONE	VISË LAND DET	ans" "[]	
- " -   <sup>"</sup>	Cost of			i
	Land as per Trial Balance (RS. in ;	**Tittle Deed Available (RS, in	Tittle Deed Not Available (RS	
Zone Code	Crore)	Crore)	Crore)	
970	0.05			0.05
640	4.65	4.23		0.42
Total land	4.70 (	4.23		0.47

- \*\*meloding property held in the name of erstwhile CPSEB. Segregated amount was not provided to us.
- d. As per information provided to us, company has not revalued its Property. Plant and equipment during the year
- e. As per the information provided, no proceeding have been initiated or are pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 145 of 1988) and rules made thereinder.
- (a) No physical verification report of Stores and Spares for Rs.0.01 Crore as on 31.03.2023 has been provided to us. Hence, we are unable to comment about the coverage, procedure and its discrepancies.
  - (b) As per terms of sanction of credit limits for working capital sanctioned by various hanks, company has to submit age-wise and party-wise Receivable statements on quarterly basis to the bankets. On perusal of the letters submitted to Bank, company has not submitted the necessary Returns properly in desired format, only Trade Receivable amount after clapse of sufficient time have been submitted. Submission

of information in this manner cannot be treated as submission of Return as per requirement of bankers. As mentioned in the Notes to Accounts Trade Receivable amount is Rs. 28579.46 erore (from October 2022 to December 22) while is per amount submitted in Bank. it is Rs. 30599.26 erore which is excess by Rs.2026.80 erore (doubtful debts) Sonilarly, for March 23 Quarter, it is Rs.27055.19 while amount submitted to Bank is Rs.25073-14 erore.

 Company has made investment during the year 2022-23 and the amount given as well as outstanding as on 31 03 2023 are firmished below:

# a) i. Subsidiaries.

Name of Subsidiaries	Investment made during the year	Amount outstanding as on date(before provision for impairment)-(in
KESCO Dakshinanchal VVNI Madhyanchal VVNI Paschimanchal VVNI	264.55 2018.22 2432.22 951.53	2249 31 23461 74 22784 46 17127 92 25193.58
Purvanchal VVNI.  Southern U.P. Power  Transmission Co. Ltd.  Total	. 3958 79 	90819.23

# ii. Other than subsidiaries

Name of Company	Investment during the year(including Share application money	Amount nutstanding as on date(before provision for impairment) (in
	pending allotment) (in perore)	; crure)
Transmission Co. Ltd. 7.75% PFC Bonds		123 00
Total		2336.34

b) During the year company has debited loan to its subsidiaries against transfer of its bond/Loan liabilities details of which are furnished as under:

Name of Subsidiaries	Amount tr to lose during the	account	l .
	(crore)		· ·
	Bond	Loan	i .
Midhyanchol VVNI.	100[2:20]	1468.73	T2.505.34
Paschimanchal VVNI.	508.80	699,46	5.823.35
Dakshinanchal VVNI.	633,90	932,24	14.242.02
Purvanchal VVNI.	1117.00	1507.09	20.629.44
KESCO	216.10	313.10	2,230,33
Total	3488.00	4920.61	55,430,48

- e) No terms and conditions for repayment of loan debited to Substdianes have been specified nor have any agreements for above loans been executed between UP Power-Corporation and respective subsidiaries. It is learnt that interest on Bonds Issued (Loan roised from UP Govt, has been accounted for in the books of subsidiaries. In view of above, Para no.5 (b), (c), (d), (e) and (f) are not applicable.
- 4. As per Section 186 of the Companies Act 2013, threshold limit for grant of Loan is not applicable in respect of Loan transferred to Subsidiaries as mentioned in previous para 5 (b). However, company has not obtained Board approval for Investment made/Loan transferred to its Subsidiaries during the year as envisaged under Section 186 of Companies Act 2013 nor Register for Investment/Loan granted as per requirement of Companies Act have been produced before as. But company has not granted any Loan, security and guarantee in favour of any Officer or any other person to whom Directors are interested; hence compliance of Section 185 of Companies Act, 2013 is not applicable.
- Company has not accepted any deposit deemed deposit during the year, hence compliance of section 73 and 76 of Companies Act, 2013 and relevant rules made there under are not applicable.
- 6. As per information and explanation given to us Company is covered under the provisions of Rule 3 of the Companies (Cost Records & Audit) Rules, 2014, but Company has not maintained proper Cost Accounting Records as envisaged in Companies (Cost Records & Audit) Rules, 2014.
- According to information and explanations given to us and on the basts of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory does including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Costoms, Duty of Excise, and, Coss and any other material statutory does with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable except for the following as reported by branch Auditors:

S.No   1	Head of Account Liability Towards Employer REC EPI	Amount (in INR) (12,878.00)
1/2	LIP DEDUCTAT SOURCE	(3.57,378,31)
1	PROVISION FOR HEING BENELLETAX	(07.64115.03)
i <del>_</del>	IDS(IT)	(6.06.776.00)
j 5	PAYMENT OF SALES TAX	(581.71)
je —	SERVICE LAX	(36.612.00)
<b>→</b> 7 .—	Gratuity	(2,92,24,337,02)
8	CPF Trust (FMPLOYLE + EMPLOYER)	(32,81,366,90)
¦	GPP	(20,39.58,760.66)
1		\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \

- (b) As per information and explanation given to us, there is no amount disputed as on 31,03 2023 against the statutory liabilities mentioned in Para no.7a above.
- According to explanation and information given to us. Company has not surrendered or disclosed any transaction as income during the year in the tay assessment under lucome Tax Act, 1961.
- (a) Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - (b) As per information and explanation given to us. Company is not declared as within defaulter by any bank or financial institution or other lender.
  - (c) As per information and explanation given to us, bond and unsecured loans have been utilized for the purpose for which it is granted.
  - (d) As per information and explanation given to us and on application of appropriate test checks, we observed that funds raised on short term basis have not been utilised for long term purposes.
  - (c) Company has raised funds in form of Bond and Loan for Rs.8408.61 Crore during the year on behalf of its subsidiaries (DISCOMS) and debited the same to various DISCOMS as mentioned in our para no. 3b above.
  - (t) As per information and explanation given to us. Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- 10.(a) As per information and explanation given to us. Company has not raised any fund through initial public offer or further public offer (including debt instruments) during the year.
  - (b) As per information and explanation given to us. Company has not made any preferential afforment or private placement of shores or convertible debentures (fully, partially, or optionally convertible) during the year.
- 11.(a) To the best of our knowledge and according to the information and explanations given to us by the Management, no fraud by the company or no material fraud on the company by its officers or employees have been noticed or reported for the year ended 31st March, 2023.
  - (b) No report under sub-section (12) of section 163 of the Companies Act has been filed by the auditors in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2013 with the Central Government;
  - (c) The company has not established whistle blower mechanism which is mandatory in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR regulation) in this regard as well as under section 177(9) of the Companies Act require the listed company to establish a vigil mechanism for their diffequers and employees to report their genuine concern or greevances.
- 12. (a) The Company is not a Nidhi Company hence clause 3 (Ni) (a) dFithe order is not applicable.

- (b) The Company is not a Nidhi Company hence clause 3 (xii) (b) of the order is not applicable.
- (c) The Company is not a Nidhi Company hence clause 3 (xii) (c) of the order is not applicable.
- In our opinion and according to information and explanation given to us. Company has not placed related party transactions entered into during the year for determination of its Arm's length status by Andit Committee as required under Section 177 of Companies Act, 2013.
- 14.(a) In our opinion company has an internal audit system, which needs more strengthening considering its coverage particularly in the area of internal control system on payment to Generators as well as review of old balances as mentioned in our Annexure-Land Annexure-4 to our audit report and compliance of observations of Audit report, so that it may be commensurate in size and nature of business of the Company.
  - (b) Yes, we have considered reports of the Internal Auditors for the period under audit.
- According to the information and explanations given to us, the Company has not entered into any non-eash transactions with directors or persons connected with them as referred to under section 192 of the Companies Act, 2013.
- 16. (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act. 1934. Accordingly, provision of clause 3(xvi) (a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Linancial or Housing Finance activities therefore no Certificate of Registration (COR) from Reserve Bank of India as per Reserve bank of India Act. 1934 is required. Accordingly, provision of clause 3(xvi) (b) of the Order is not applicable to the Company.
  - (e) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in regulation made by the Reserve Bank of India. Accordingly, provision of clause 3(xvi) (e) of the Order is not applicable to the Company.
  - (d) There is no CIC as part of Group. Accordingly, provision of clause 3(xxi) (d) of the Order is not applicable to the Company.
- There is no eash loss during the year under review. (Previous year Cash Loss Rs 39.39 erore)
- During the year, there is no resignation by Statutory Auditors.
- According to the information and explanations given to us and on the basis of the financial ratios, againg and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on portex examination of the evidence supporting the assumptions, nothing has some to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the

date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. No projected eash flow statement for ensuing financial year 2023-24 has been provided to as. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all habilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- 20. No CSR activity has been undertaken by the company; and no expenditure has been incurred on same during the year 2022-23. Management has explained the reasons in Para-17 of Notes to Accounts.
- Para 3 (xxi) of Companies (Auditor's Report) Order (CARO) is not applicable to standaloue financial statements.

For D Pathak & Co. Chartered Accountants

FRN: 001439C

(A K Dwivedi)

Partner

M No.: 071584 UDIN: 230715848GWZLE9927

Place: Lucknow Date: 15/09/2023

# Annexure III (a)

As referred to in, and farming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31° March, 2023.

Directions of Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013.

ΓS,	Directions	Reply
No.	Whether the Company has system in place to process all the accounting transactions through TT system? If yes, the implications of processing of accounting transactions outside TT system on the integrity of the accounts for with the financial implications, if any, may be stated	The Company has no system in place to process the accounting transactions through IT system except payment transactions are recorded through ERP system. The accounting is done manually and Cash book and Sectional Journals are maintained but ledgers sub-ledgers are not maintained. Presently compilation of accounts are being made under Excel system, it is suggested that compilation of accounts should be made in ungraded software, system to facilitate proper control of accounts as well as smooth compilation.
1.	Whether there is any restructuring of an existing leans or cases of waiver/write off of debts/loans/interest etc. made by lender to the Company due to the company's mability to repay the loan? If yes, the financial implant may stated.  Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	As informed by the Management there are no other eases of restructuring of an existing loan or eases of i warvemente off of debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan.
3.	Whether find (grants/substdy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for utilized as per its term and conditions? List the cases of deviation.	Funds received from State Government for scheme according to budget provisions of related financial year has been released by the Company to Subsidiaries for their milization and accounting. Capital grants Rs. 498.00 Crores released during the year by U.P. Govt, has not been allocated to the DISCOMS fill. 31-03-2023.

For D Pathak & Co. Chartered Accountables

PRN: 001439C

(A K Dwivedi)

Partner

M No.: 071584 UDIN: 23071584BGWZLE9927

Place: Lucknow Date: 15/09/2023

# Annexure III (b)

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31 "March, 2023.

Sub-Directions of Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013.

S.   No.	Sub - Directions	Remarks
1.	Adequacy of steps to prevent eneroachment of idle land owned by Company may be examined. In case land of the company is eneroached, under litigation, not put to use or declared surplus, details may be provided. Report on the efficacy of the system of billing and collection of	As informed by the management, there is no eneronebroent of idle land owned by Company, subject to para I(c) of Annexure II of our report. Report on efficacy of system of hilling and its collection are reported by DISCOMS Auditors in their respective Audit Reports.
- <sub>2</sub>	revenue in the company Whether the Company recovers and accounts, the State Licetricity Regulatory Commussion (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?	As explained to us the U.P. State's Generators (U.P. Rajya Vidyut Utpadan Nigam Ltd. and U.P. Jai Vidyut Nigam Ltd. raise the bills on the U.P. Power Corporation Ltd. towards fuel and Power Purchase. Adjustment. Cost. (FPPCA) in accordance with the procedures land down in the related order issued by the U.P. Electricity Regulatory Commission from time to time. The UPPCL accounts FPPCA and includes in its purchase cost. The UPPCL raises the bills on the subsidiary DISCOMs on the basis of Atm Length Principal and as such the purchase cost and the sale price is the same. The DISCOMs include the purchase cost (which is transferred to the DISCOMs through sale bills) in its Aggregated Revenue Requirement and submit the same before U.P. Tlectricity Regulatory Commission for approval of fariff for sale of power to electricity consumers. As such, the DISCOMs, ultimately recover TPPCA from electricity consumers and account in its books of
13.	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	

the grants from and subsidy Government in the year 2022-23 (ancluding those accrued up to 31 March 2023) for onward affocation to the DISCOMs. If yes, the basis for allocation of aloresaid subsidy and grants to the DISCOMs may be examined and suitably reported to: Whether the Company taken or 5. withdrawn loan on behalf DISCOMs in the year 2022-23 for convard allocation to the DISCOMs. If yes, The basis for affocation of the aforesaid foan may be examined and suitably reported to:

Whether the Company has received Yes, the Corporation has received Subsidy and subsidy and grants from the Grants from Government in the year 2022-23. Government in the year 2022-23. Kindly refer Para No.20 b of Notes to Accounts.

As per information provided by the management in the basis of allocation to DISCOMs is enclosed as per Annexure-A.

During the year Financial Year 2922-25, the Corporation has raised times from the capital market by way of issuance of bonds Rs 3488.00 Crores and availed from under RBPF scheme Rs 4920.61 Crores (i.e.- REC-1911.00 Crores and PTC-3000.61 Crores). The total amount Rs 8408.61 Crores drawn during this tenure were affocated among DISCOMs on the basis of latest available trade receivables of DISCOMs against each respective quarters.

For D Pathak & Co.

Chartered Accountants

FRN: 001439C

(A K Dwivedi)

Partner

Place: Lucknow Date: 15/09/2023

Anhervre A

Discom wise details of Subsidy & Gront received and transfer during all the four Qtr. of Financial Year 2022-23 (Rev.)

								•	
١ -		Grant & Sui	Grant & Subsidy received	Basis of Allocation of	_   	—	TOWNS IN THE PARTY OF	-	
1/1	s.n Particulars	Capital Grant Revenue & Subside Subs	Revenue Grant & Subsidy	Subsidy & Grant to Discoms	HAANI - I KG	PLVVNL -Vns	PyyNi - Melbrill	LVVICE - ASTR	ilduba- nossa
	. Amacul received how GOVT for fall is Repayment to ROOY		182:410796.30	On Accusi Payment Basis	635773910 00	592028356 00	2*Agustáile do	283299222-05	or o
	7 Revolue Subsidy		11011024416200	Taciff Subsidy of Ex-	293599015675 JULY 2380199595 GJ		31493360989 00	27458265660 00	[ 고 -
-	3 Reporture Subside		ra racocoacos.	ADLOUGH BOOK JO	2558437293 30	39343 7831 UD	3524239383 00	3372245454500	DQ C
_	т		210200000000000000000000000000000000000	Pilec Location	49558*22*0 (O)	5508044954 UD	5494 159135.03	5001983590 DQ	<u> </u>
	(Juden Jane menuabie far Power about Janeage Bana)		25000000000	angers, reference of the	422172311 00	00 9509, 11091	407301565.00	56596377 03	CD 88581621
	Received against receivable for Powerloom & Other Govt (Departments (Old Duck)		00.000000000000000000000000000000000000	ayama: II & duás	6711087404 GD	10707254709 00	5228391758 db	0098001144-00	194703985.20
	7 Additional Subsidy for peeral analisas funding of Distorn		SEGT7250000 D	Total Loss Funding Recovered as pair OFF in FY 2022-23	24043567187.33\ 25811122275.02\ n5885581358.00	26811163275.00	1588558 IUUS (U	9670443420.00	3702420000 03
	Amount received from SDVI for Ropsyment of Adress robert ben at 20040 Cr.	 	205000000000000000000000000000000000000	Albitation of Author rehar Loan to Oiscoms	934173833 da	7751222397.00	8735804375 a0	2362741155.00	515658529 30
<u> </u>	9   Fundrece ved to: 50% Probate on Landing PTW Consumers	 	125320300000.00	PTM Consumption (MI); in Discours for FY 2022-23	-356723315 30	2034097059.00	5301834077.50	2595375549 00	00 C
•	Amount received from GCVT for into payment of barns of 1250 or prepared PFC by easitration work.	 	92384505 00	Atocalion of 1250 Crure 1.080 to Discorto	22558555 00	or 5658595	22150847 00	21292151 30	n Ixi
	L. Capital grant received from Naga (Meas, vibbag for l'asironinon justininew UL6s	438000000000000000000000000000000000000	000	As parwork Plan given by Oisinbulion Jrd.	305030501 ns	127000000000	эл апарагия	1485000000000000	0.03

# Annexare IV

As referred to in and forming part of, our audit report of even date to the members of E.P. Power Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31° March, 2023.

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

We have audited the internal financial controls over financial reporting of L.P. Power Corporation Lamited ("the Company") as of 31°March, 2023 in conjunction with our quait of the Standalotte Financial Statements of the Company for the year ended on that date.

# Management's Responsibility for Internal Financial Controls

The management of the company is responsible for establishing and maintaining internal linancial 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 ("RCAL"). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

# Auditors' Responsibility

Our responsibility is to express an opinion on the Company'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") 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 and 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

# Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the presentation of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and thirly reflect the transactions and dispositions of the assets of the company:

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of un-authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

# Inherent Limitations of Internal Financial Controls over Financial Reporting

Beganse of the inherent limitations of internal financial controls over linancial reporting, including the possibility of collection or improper management override of controls, material misstatements due to error or fring may occur and not be detected. Also, projections of any evaluation of the internal financial over tinancial 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.

# Орілюва

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India except for the deficiencies reported by us in Whitepare F and American H to our audit report of even date on the Standalone Financial Statements of the Company for the year ended 31st March, 2023, and as mentioned below.

- 1. Company has no anomal control policies over payment to Generators. Branch Auditors have reported excess payment of Rs. 391.76Cr and old debit balances of Rs. 38.90 er. It is also observed that no subsidiaries ledger is maintained by the company and payment to generators are made without considering outstanding balances in their accounts. Besides, no bill wise details or payment made to generators are available with the company.
- 2 Company has not devised a system for placement of fixed deposit for approval by the competent authority by placing the comparative rates of interest, periodicity of fixed deposits and renewal proposal with revised interest rates in line with the prevailing market trends to ensure accrual of better revenue to the company.
- Internal control system with regard to Cosh transactions, Procurement Works transactions, maintenance of inventory, maintenance of Books of accounts, Fixed visious register, delegation of powers to various employees etc. requires to be further strengtheres. . . . .

- 4. There is no effective system in place to verify power purchase for completeness, only those balls 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 standry payables and receivable cannot be commented upon.
- There is no system for review of old balances relating to various assets and babilities heads which needs to be reviewed, reconciled and require necessary adjustment in the books of account
- 6. 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.
- 7 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.
- 8. 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.

For D Pathak & Co.

Chartered Accountants FRN: 001439C

(A K Dwivedi). Partner

M No.: 071584

UDIN: 23071584BGWZLE9927

Place: Lucknow Date: 15/09/2023

# U.P. POWER CORPORATION LIMITED

# STANDALONE FINANCIAL STATEMENTS for the F.Y. 2022-23

Registered Office :- 14, Ashok Marg, Lucknow - 226001

# UTTAR PRADESH POWER CORPORATION LIMITED

# 14-ASBOR MARG, SHAKTI FIRAWAN, LUCKNOW.

QIV-15/22018/09/0800024928



# BALANCE SHEET AS AT 31st MARCH, 2023.

ASSETS  1. Non-Current Assets 1a) Property. Plant & Equipoleto (b) Capas (Works in propess) [b] Intangalic Assets [d] Intangalic Assets [d] Intangalic Assets (i) Intangalic Assets (i) Interpolates (ii) Interpolates (ii) Interpolates [b] Interpolates [b] Interpolates [b] Interpolates [c] Usas and Cash Equivalents [iii) Stack Induce other from (ii) above [iv) Ither [c] Other Larrent Assets Epartry Ann Classiciases  Equity	Naie No.	As at 31şi March, 2023   59.93   59.93   59.44   59.44   59.830.04   60.880.04   60.01	As at 33x4 March, 2022 65,43 0 30 2.80 69,375.54
1. Non-Current Assets  (a) Property, Plant & Equipment  (b) Capats I Works in-propess  [c) Listang the Assets  [d) Intrangible Assets  (d) Listang Assets  (e) Listang Assets  (i) Listang Assets  (i) Listang Assets  (ii) Listang Assets  [c) Listang Assets  [a) Intransit Assets  [b) From the Assets  (ii) From the Assets  (ii) Crude Receivables  (iii) Suck balance other them (iii) above  [iii) Birker  [iii) Differ Larrent Assets  Eight Assets  Freial Assets	3 4.6 4.3 5 6	0.21 2.44 17.278.36 60.880.04	0.30 2.80 2.135.77
1a) Property, Plant & Equipotent (b) Capata (Works in progress)  [b] Intangable Assets [c] Intangable Assets [d] Intangable Assets under Development (c) Financial Assets [d] Investments [d] Cash and tash bquivalents [d] Cash and tash bquivalents [d] Cash and tash bquivalents [d] University [d] Uther [d] Uther Inventiasses  Tetal Assets  EURITTY AND LIABALITARS	3 4.6 4.3 5 6	0.21 2.44 17.278.36 60.880.04	0.30 2.80 2.135.77
1a) Property, Plant & Equipole (I)  (b) Capata I Work in-progress  [c) Intangable Assets  [d) Imagine Assets  (i) Imagine Assets  (i) Imagine Assets  [ii) Imagine Assets  [iii) Imagine Assets  [iii) Imagine Assets  [iii] Imagine Assets  [iiii] Imagine Assets  [iiii] Imagine Assets  [iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	3 4.6 4.3 5 6	0.21 2.44 17.278.36 60.880.04	0.30 2.80 2.135.77
(b) Capata (Work-in-progress) [1] Intangable Assets [1] Intangable Assets under Bevelopment [2] I manasa Assets [3] Investments [4] Investments [5] Investments [6] Investment	3 4.6 4.3 5 6	0.21 2.44 17.278.36 60.880.04	0.30 2.80 2.135.77
[1] Intangable Assets [1] Imangable Assets under Bevelopment [2] Imanasa Assets [3] Imanasa Assets [4] Imanasa Assets [5] Imanasa Assets [6] Imanasa Assets [7] Imanasa Assets [6] Imanasa Assets [7] Imanasa Assets [8] Imanasa Assets [9] Imanasa Assets [9] Imanasa Assets [10] Imanasa Assets [11] Imanasa Assets [12] Imanasa Assets [13] Imanasa Assets [14] Imanasa Assets [15] Imanasa Assets [15] Imanasa Assets [16] Imanasa Assets [17] Imanasa Assets [18] Imanasa Assets	4,4 4,3 5 6	17.27H.36 60.880.04	2.60 12.135.77
[ii] Imangrate Assets under Development [iii] Imanical Assets [iii] Imanical Assets [iii] Imanical Assets [iii] Imanical Assets [iiii] Imanical Assets [iiii] Imanical Assets [iiii] Crade Receivables [iiii] Crade Receivables [iiii] Stock Indiance other thou [iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	48 0 6	17.279.36 60.880.04	ξ <u>2.135.77</u>
(c) Finances) Assets (i) Investments (ii) Investments (ii) Investments (iii) Inventments (iii) Inventments (iii) Inventments (iii) Crade Recelectables (iii) Crade Recelectables (iii) Shock balance other thou (ii) Jabove (iii) Bither (iii) Bither (iii) Bither agreet Assets  Tetal Assets  ELEMETY AND LIABBLIDARS	0 h	17.279.36 60.880.04	
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[0] Loans & Hilber Succession Assets  2. Eurrent Assets [3] Inventories [6] Francial Assets [6] Cash and Cash Equivalents [6] Cash and Cash Equivalents [6] Sock balance other thou fill above [7] Dither Lazrent Assets  Tetal Assets  Egentry And MABaLindES	h 7	40,83,04	
2. Current Assets [3] Inventories [6] Fractional Assets [6] Cash and Cash Equivalents [6] Cash and Cash Equivalents [6] Book Indiance other thou fill above [6] Dither Lazrent Assets  Tetal Assets  Egentry And MABaLindES	7		0 1,7 304
[3] Inscriptions [6] Financial Assets [7] Crade Recelection [6] Cash and thish Equivalents [6] Cash and thish Equivalents [6] Back Indiance other than (i.) above [7] Title? [5] Other Lazrent Assets  Fetal Assets  EURITY AND LIABSLIBARS	É	0.01	
[ii] Financial Assets [ii] Crade Recognities [iii] Each land (lash Equivalents [iii] Stock ladacte other than (ii] above [iv] Dither Larrent Assets  Tetal Assets  EURITY AND LIABILITIES	É	0,31	
(i) Crade Recognities (ii) Lash and thish Equivalents (iii) Stack Indiance other than (ii) above (iv) Hither (c) Other Larrent Assets  Tetal Assets  ELHITTY AND LIABBLISHES	$\overline{}$		7i.IJ1
(ii) Lash and thish Equivalents (iii) Stack Italiance other than (ii) above (iv) Hither (iii) Other Lazrant Assets  Tetal Assets  ELHITTY AND LIABBLISHES	$\overline{}$		
fin' Stock balance other than fill above [12] Diher Lazrrat Asses  Tetal Assets  ELHITY AND LIABILITIES	0 1	76 779 74	25,814,42
[2] Diher Larrent Asses  Tetal Assets  EUROPY AND LIABBLISHES	_	2,150,30	
Tetal Assets  EUROPY AND CIABILITIES	10	/49.94	401.19
Tetal Assets  EUROTY AND CIABILITIES	11	13.763.15	17,508 39
ELMITTY AND LIABILITIES	12	£,646,66	30955
		125,512,60	133,336 47
L Equity	-		
	+		· · · · · · · · · · · · · · · · · ·
(a) Equity Share Capital	- <u>12</u> -  -	118,467.77	119,47933
(b) Other Bourty	14	(93.245 (1)	{77, (96.55)
il Liablitues	T.		
1. Nun-Current Gabilities	$\overline{}$		
(a) Firgurial lands lities	-		
(L) Bolzowings	15	35,430.47	60.952.33
(ii) Citer Francial Liabilities	18	947.31	3,792.19
(i) and in minimal and investigation			
2. Current Liabilities	L		
(a) Financial walkingey			
(i) Borrowings	12	14,020,62 (	10,724,23
in   Trade Payables	:к	25,610,16	23,364,90
(iii) Other Fenancial Liabilities	· 9'	4,281,55	2.119.9 !
Total Equity & Liabilities		125,512.68	133,336.47

Conspany Information & Significant accounting policies

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Notes on Accounts.

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(Hesh Glovet) Company Secretary (Add annuls sarge)

Chief l'inancial Bifirer

Occurrent (Januaria)

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# UTTAR PRADESH POWER CORPORATION LIMITED

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EXPLACABILITY OF A CHARACTER



# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31M MARCH, 2023

				B
	Particulars	Note No.	For the year emiled 3 to March, 2023	Ponthe year ended 33 st Marris, 2022
1 -	Reservoir from operations	27.	63,653,93	54,879,36
<u>II</u>	alt recommunity	.75	LBOEL	1,47,8:
		1 '		
MI	TOTAL MASSIME (1-11)		. 68.8(0.5)	55.017.2
	ELPENSES			
	Autrouse of Stockson Trade (Pages y Purcha led.)	22	En.5 80.65	54.87±.3
	Employee Searitis express:	23	72.64	-3.5
	Fit annie custs	24	C.05	5.0
	Depreciation on Lautionication extenses	:5	5.42	51
	Other raceners			
	(a) Administrator, general X arbite expenses	75	£7.80	47.0
	The Region & maintenance expenses	27 ;	507	0,9
	. [4] Bad feelds & Programma	2t	14,699,29	6.835.2
ľv	TUT AL EXPENSES	L	83,404,09	64,870.1
Ľ	Profit /(loss) before except unablemos and ray (ill. V)		(14.553.35) <sup>1</sup>	(6,0524
ΥI	Econotiona Items	23	9 8 9	L#37
หแ่	Profit pilopaj telno sakija VIII		114,577,74)	(6,776 4
VJIII	_az expenses		1	1
	(a) Corporation			
	(II) Delegation	—— ¦		
15	Zreft / jussy, for the ground from our among spreadors (9-94)	:	[14 5734]	(8,978)
χ	Fig. 7 (Loss) from discontinued operations	.		
ΧI	Taking proving the paths and oppositions	!	.	
XMI	Profest (Goss) from discontinued as ejurious (error tax) (VIII-IX)			
XIII	Pre5: / (Loss) for the presal ((X+XII))		(14.577.24	(6.997.)
XIT	Other super service acour		· '	,
	all) there that will not be reclassified suprofe or loss		15.271	(5.2
	[1] income has relating to the received will not be represented to brother			
	hos B (c) thems tout rell by no has at and to profit or hos	$\rightarrow$		
	(D) I seems that relating to true that will be really of out to profit or	$\rightarrow$	<del>- i</del>	<u> </u>
	10 account the free congine crime masses in Freitz of Police position			
			· · · · · · · · · · · · · · · · · · ·	
χv	Total Comprehensive Income for the period (XIII+XIV) (Comprising		[14 573.51]	(7,Dul&
.,	profit / [loss] and other compactnessive interest for the period)		114 5.321	11,0012
3VI	Contrigs to requiry space (Fer contart organization)			·
	[figures in actual c]  (figures in actual c)  (figures in actual c)			1660
	(2) Cottol EPS (ACA)	·—·∤•	03980	
		$\rightarrow$	1126.81)	Įšė.v
XVII	E4: mag pir riquity share (Fur disconnence operation)			
	(Figures & Actuals)			
	[1) Basix EPS		-	<u> </u>
	(2) Citated ETS	·  -	-	
ririr:	Directors per Equity Share (Portific ortificed Alementary of operations)		ļ	
	[Higuresia intuals]			
. —	[1] Rade Factoring	$\rightarrow$	·	
	[1] ends kar	$\rightarrow$	(1760)	i (Arri)
_	[2] Dinientral descenses	- 1	[[268:]]	1660

[[2] Ditated this constitution is Significant account that pull the co

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The Alicot Cheying index form an integral part of the financial instruments

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Bate 15/09/20 23 Mar Justine

# U.P. POWER CORPORATION LIMITED

CIN - 1/32201UP19998GC024928

# NOTE NO. 1

# COMPANY INFORMATION & SIGNIFICANT ACCOUNTING POLICIES OF STANDALONE FINANCIAL STATEMENT

### a) REPORTING ENTITY

C.P. Power Corporation Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: 113226]1.P.1999SCC024928). The shares of the Company are held by the Got P and its Nominees on behalf of Govt. of 13.P. The address of the Company is registered office is Shakti Bhavair. Ashok Marg. Lucknow. Upar Pracesh-226001. The Company is primarily involved in the numbase and sale/scapily of power. The hands of the company are publicly inided on BSF.

# STATEMENT OF COMPLIANCE/BASIS OF PREPARATION AND PRESENTATION

- (a) The Figancial State negts comply with the Indian Accounting Standard (IND AS) notified under the Companies (Indian Accounting Standard) Rules. 2015 and subsequent amendments thereto, the Companies Act. 2013 (to the extent notified and applicable) and provisions of the Companies Act. 1956. Further 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. Page been acopted.
- (b) The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Bolicies (GAAP), on going covern basis and historical cost convention on notical basis except as otherwise stated.
- (c) Insurance and Other Claims, Refund of Custom Duty, Interest on Statutory Taxes and Interest on Josus, to staff is accounted for an receipt basis.

These financial statements were authorized for issue by Board of Directors on 15.09.2023.

# (d) Functional and presentation corrency

The tinancial statements are prepared an Indian Rupce ( $\mathfrak{C}$ ), which is the Company's functional currency. All functional information presented in Indian rupces has been rounded to the nearest rupces in Crores (up to two decimals), except as stated otherwise.

### (c) Use of estimates any 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, fiabilities, income, expenses and related disclosures concerning the items involved as well as contingent Assety and Liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factor considered reasonable and prodent in the cincumstances. Actual results may differ from this estimate.

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

# (f) Current and non-current classification.

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

An asset is current when in is:

ê sh

- Expected to be realized an intended to sold or consumed in normal operating cycle;
- Held primarily for the perpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or raish equivalent unless restricted from being exclininged or used to settle a habitity 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 the the purpose of trading:
- · It is due to be settled within twelve months after the reporting periods or
- Dere is no unconditional right to defer settlement of the habitity for at least twelve month after the
  reporting period.

All other liabilities are classified as non-current.

# C) SIGNIFICANT ACCOUNTING POLICIES

# PROPERTY, PLANT AND EQUIPMENT.

- a) Property. Plant and Equipment are shown at his origin cost less accumulated depreciation.
- All costs relating to the acquisition and installation of Property, Plant and Equipment (if) the date of compositioning are capitalized.
- c) In the case of caronissioned assets, where final sentement of bills with the contractor is yet to be affected, capitalization is done, subject to pacessary adjustment in the year of final settlement.
- d) Due to multiplicity of functional units as well as multiplicity of functions at particular unit, Employees cost to capital works are capitalized of 15% on deposit works and or 9.5% on other works on the amount of total expenditure.
- Borrowing cost during construction stage of capital assets are capitalized as per provisions of Ind. AS-23.

# II. <u>CAPITAL WORK-IN-PROGRESS</u>

Property, Plant and Equipment these are not yet ready for their intended use are carried at cost ander Capitol. 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 assued. The material at the year end frying at the work site is treated as part of capital work in progress.

# 10. <u>INTANGIBLE ASSETS</u>

- a) IntengiNe assets are measured on in that reorganition at cost. Subsequently the intengible assets are carried at cost loss accumulated a nonization/accumulated impairment tosses. The amortization has been charged over its useful life in accordance with Ind AS-3B (Intengible Assets).
- An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use;

# IV. DEFRECIATION

 a) In terms of Part-B of schedule-II of the companies act,2013 the company has followed depreciation rate/oscial fife using the straight line method and residual value of Property, plant and



Jt.



equipment as notified by the LIPI(RC Fariff regulations. In case of change in rate discital life and residual value, the effect of change is recognised prospectively.)

b) Depreciation on additions to indeductions from Property. Plant and Equipment during the year is charged on Pro- ata basis.

# V. INVESTMENTS

Financial Assets investments (Non Correct) are carried at east Provision is made for diminution unpartment, wherever required, other than temporary, in the value of such investments to bring () on its fair value in accordance with Ind AS 109(Financia, Instruments).

## VI. STORES & SPARES

- a) Storey and Spares are valued at cost.
- 6) As per practice consistently following by the Company. Serup is accounted for as and when sold
- Any shortings texcess of niaterial found during the year end are shown as "material short/excess pending investigation" to the finalization of investigation.

# VII. REVENUE/EXPENDITURE RECOGNITION

- Revenue from sale of energy is accounted for on ucernal basis.
- b) Late payment surcharge recoverable from subsidiaries and other bulk power purchasers are accounted for on each basis due to uncentainty of real station.
- c) Sale of energy to subsidiary distribution companies is accounted for, on the rotes decided by the Company.

# VIII. POWER PURCHASE

Power perchase 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 (CURC)
- b) In respect of State Sector Generating Units and unscheduled interchange reactive energy, at the rates approved by 31 P. Electricity Regulatory Commission (UPERC)
- for respect of Power Trading Companies, at the mutually agreed fates.

# IX. EMPLOYEE BENEFITS

- a) Liability for Personal Grapphy and Teave Encashment has been accounted for on the basis of actually valuation and has been accounted the unlacedual basis.
- Medical benefits and 1.1% are accounted for on the basis of claims received and approved during the year.
- a) Leave encashment has been accounted for on account basis.

# X. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

 Accounting of the Provisions is made or the basis of estimated expenditures to the extent possible as required to settle the present abligations.



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- Footingent assets and liabilities are disclosed in the Notes on Accounts.
- e). The Contingent assets of unrealisable income are not recognized

# NI. COVERNMENT GRANT, SPESIDIES AND CONSUMER CONTRIBUTIONS

- a) Government Grants (Including Subsidies) are tecophised 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 Leans are received from the State Government by the UPPCL centrally, being the Holding Company and distributed by the Holding Company to the DISCOMS.
- h) Consumer Contributions, Grants and Sobsidies received towards cost of capital assets to represent initially as capital reserve and sobsequently anomized in the proportion in which depreciation on related asset is charged.

# XII. FOREIGN CURRENCY TRANSACTIONS

Fereign 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 habilities are recognized in the Statement of Profit and Losse.

# XIII. DEFERRED TAX LIABILITY

Deferred has liability of freeze flax (reflecting the lax efficies of timing difference between accounting ancome and taxable income for the period) is provided on the profitability of the Company and no prevision is made in case of current loss and past accumulated losses as per Para 34 of Ind AS 12 (Income Taxas).

# XIV. STATEMENT OF CASH FLOW

Statement of Cash Flow is propagal in accordance with the indirect method prescribed to Ind.AS. 7 (Statement of Cash Flow)

# XV. FINANCIAL ASSETS

# initial recognition and measurement:

Financial assets of the Company compuses, Cash & Cash Equivalents, Bark, Balances. Trade Receivable. Advance no Contractors, Assured to Employees, Security Deposits. Claim recoverables etc. The Linancial assets are recognized when the company become a party to the contractual provisions of the instrument.

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

### Subsequent Measurement:

**Debt Instrument:** A debt instrument is measured at the amornized east in accordance with IndiAS 199(Emanicial Instruments).

**Equity Instrument:** All equity investments in entities are measured at fair value narrough P & 1. (FV (PL) as the same is not held for trading.

Impairment on Financial Assets-Expected credit loss or previsions are recognized for all financial assets subsequent to initial recognistion. The impairment resets and reversals are recognised in Spagment of Profit & Loss.

<u> 4</u>\_.

alit



# XVI, FINANCIAL LIABILITIES

# fuitial reorgnition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All the timordial liabilities are reorganised mittally at latiful libe. Use Contracty's timordial liabilities include trade payables, borrowings and other payables.

# Subsequent Measurement:

Botrovings have been measured at thir value using effective interest rate (EIR) method. Effective interest rate (EIR) 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 horrowings has its own separate rate of interest and risk, therefore the rate of interest at which they have been accurred is treated as EIR. Trade and other payables are shown at contractor value/amortized cost.

A financial hability is deriveguised when the obligation specified in the contract is discharged, cancelled to expired.

# XVII. MATERIAL PRIOR PERIOD ERRORS

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

(Additional Charge)

(Natic Nijhawan) Chief Fanancol Officer Nelhi Kuma Narang Director (Finance) DIN 18473420

(Partici) Karatif Managing Director DIN: 08095154

Date - 15/09/2623 Place Luckness Subject to our report of even date

For D. Pathak & Co. Chartered Accelertants FRN: 00443901

(z<del>d.K. Divavedi)</del> Partnar

M. No. 071584



# VITTAR PRADESH POWER CORPORATION LIMITED

14-ASHOK MAING SHARTI BHAWAN EUZKNOW.

CIN 1/02211001+9940012492B



# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023.

AN EXCUSTY SHARE CAPALAC

Part krutges	Ameute  T Leour
Habine was I'' April (02)	104.146.46
Changes in Eq. 17 Share Capital dire to perior perior le 1915	<del></del>
Kristatud palamenasut (1º April 2021	104,17645
Changes during rise period	5,552.70
Uatani e pe ač č" April 2027	109,679.40
Thanger in Boutty Share Capital due to prior period enters	· .
Festars Hulands war 1 ft., nil 2022	L09,679 7B
Change throught per ad	8,788,39
Uslanne as at 31st March 2023	118,467.77

# BIOTRER EQUITY

[Assert In 17 year]

		Fus	the year caded 3 t	ISA March, 2023		
	Share application		Reserves A 5	ա <b>գր</b> իս է		
Purliculars	money pending allothics	Capital Reserve	Heatry couring Reserve	Relained Earning	000	Total
Balance at the beginning of the reporting period	2,5713.01	149.97	\$40.71	[00,558,045	[7.78]	(77,246 53)
Charges in accounting processing process rather						
Re-lated halance at the beginning of the reporting period	7,571.01	Š	11.4 17	[AAJSSEIM]	[7.7E)	[77,346.55]
Total compression income for the year				19.522.74,	0.725	[64.574.56]
j St. re application morn y received	749121	-				1,413,24
shore alloted against application money	d 744.59	-			· · ·	6,788.39
Dalance at the end of the reporting period	I,(57,86	\$45,96	743,31	(95,(16,28)	15.03)	[11,145.11]

An age ( m 4 () mg (

	:	For	the year ended 31	N March, 2022		
1	Share application		Hesepves A 1	iveplus		
Panthuman x	movey pending allocations	Capital Reserve	Resinanting Reserve	Retained Earning	001	Total
Halance at the beginning of the reporting period	383.60	19915	540.31	[73,544,73]	[155]	(72,712,21)
full language vector transpolary of prior person tiers				5.20	'	1.29
Restated balance at the beginning of the reporting period	- 13 HP	r <b>v</b> 14)	5an (4	(71,561.44)	J2 551	478,511.434
Total comprehensive income for the year?			· ·	,L3meb1	17.79.	[2,001,28]
Share application invery receive	1,772,734			l		7,772.14
Startes Mediagness application money	5,550-05					5,557.91
Balance as the end of the reporting period	2,\$7500	19:-91	\$41.71	[80.\$56,04)	(7/79)	(27,250.51)

\* Trustinies pries period related to 2021-22 amounting to 4 (308.65)

(jdes# Grover) Company Szcretary (4 Showed Car ga)

||Milion Kijfrawan| |Chief Filmandali Diffices

(Nidki Kumar Karana) Olivector (Finance) 1814 JUA72424

(Pankal Kumar) Managhar Oli octor Director (2-19818)

PATRICES

Date 15/09/2623 Place Licknew

(A.K. Badoedi)

Subject to nor report of even date For It. Pothak & Co. Chartered Ayutuntable 78N ,00143**f**C

> P#10cr M MM (77) 784

# ILP. POWER CORPORATION LIMITED

L4-ASBUK MARG, SHAKTI BITAWAN, LUCKNOW.



# STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2023

(Amount	Clr.	Lr	ип	11

		Par ticulars	As at 31.03.2023	As at 31,03,2022
A ;CA	SH FL	DW FROM OPERATING ACTIVITIES		"
Ne	t Loss l	pelinre Euceptional Items & Tax	[14,563.35]	(igil), 25/1 j
Ad	ljusame	nt l'oc:		
	3	Depresization	6.32	5.42
	Ь	Inverest & Emancial Oranges	11.65	E.U.U
	c	Pad Debts & Provision	14,639.28	6,635.30
	۵	. interest Imcome	[159,97]	[123 55]
110	iel ating	Profit Betory Working Capital Change	(76.57)	(135.21)
451	justre.	ntfor:	I	
ļ	J	Forentories		001
	l:	Frade Receivable	(1.816 13)	4,94734
		Littler Corrent Assets	(1.552 38)	14757
	·· <u>-</u> ··-	Yinancial assets others	(3.273.43)	[3,517.25]
 	e	Other miancial Linb.	2151 46	11 1 7 9
ļ' /	<del></del>	Trade Egyatde	2,245,20	[3/117.45]
	g	Back balance other than <u>cash</u>	(140.65)	1,687.20
AE.	TEAS	FROM OPERATING ACTIVITIES [A]	(1.669.50)	51 <b>8.5</b> 9
B CA	SH FLO	WE FROM INVESTING ACTIVITIES		
	4	Decrease (Increase) in Property, Plant & Equipment	(1.00)	(311)
	b	(Increase)/Decrease on Lubystmonts	(9.625.30)	(3 R4),733
	Ľ	Detrease/(Intrease) in Loans & Other fragmost Assets (Non-coreent)	8,411,68	(6,127.86)
	Л	Interest Incomes	150.07	123 5.3
- :	•	Derivase [Increase] in Introgride assets	(0.49)	(1.30)
NE	T CASI	GENERATED FROM INVESTING ACTIVITIES (B)	(999.12)	(8.624.14)
_		W FROM FINANCING ACITIVITIES		
-	>	Proceeds from Bourowing	[2,225.16]	195.61
	ь	Proxideds from Share Capital	H,78H.35	5 012.92
	ī	Changes in ctlle, conity	[1,375.15]	2,172.50
	el	Other Long termit philates	[2,844.88]	130.29
-	- <del></del>	Inverest A Financial Charges	(0.05)	
NE	TICASI	I GENERATED FROM FINANCING ACTIVITIES (C)	7,342.85	9,444-3.32
NET INI	REASE	/ [DECREASE] IN CASH & CASH EQUIVALENTS (AFRE)	(325.77)	78.77
		QUIVALENTS AT THE BEGINNING OF THE YEAR	2,476,07	2,500.00
		QULVALENTS AT THE END OF THE YEAR	2,150,30	2 476,07

# Motes for the Cash-Flow Statement:

[6] This Statement has been prepared under indirect method as presented by IndiAS-07

(a) Cash and cash equivalent consists of cash in band, bank halances with scheduled bunks and fixed deposits with banks (iii). Provings year algues a have figure regrouped and reclassified wherever recaside red necessary.

Company Secretary (add (injetrange)

Chief Funancial Diffeer

Director (Pinnace) D.N c3473420

Maraging Director DIN, 08093151

Date 15/69/2613 Photo Larkadow

to dur repair of even date. ajrík Pathak A I n.

files. Dwavedli Parl.wh M-No 071584

# UTTAR PRADESH POWER CORPORATION LIMITED 14-ASHUR MARCISHARTI BIDAWAS, LIUCKUNY ON LIGHT FOR PROSECUENCE



INTERESTRIBLING AND THOSE TRATTON URUSS BLOTE NOTE - TO PROPRIETY, ALA CON EQUIPMENT

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oc.	Deductions							<u></u>				.00
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# UTTAH PRADESH POWER CORPORATION LIMITED IT ASSIGNMENT SIGNIFICANIAN TRANSPORTED TO A 1217 PROPERTY OF A 1217



NOTE - T. Capital Work of Property

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	Deficient			•	•	
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	Adenti					
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	1392,143,64,2921			Ė	à	
	Partollas	Pay al Workin Progress	A the deal of only and the	modernal messel for accompanion of capital south in	Tess Pressor tendentile accurace	

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"His letter time property of the works

NOTE 64': Intageble Acrete

		GROSS BLUCK	.uck	-	DEF	DEPARCIA NON AND ARBOH I SAMBIN	<b>MUNISTRUM</b>	-	SET CARRING VALUE
Famoulas	27177107101010	Adenten	Tedumos, Adjumentos	N. 44.04 7 ( 03.1013	A. # 01.04 zu22	Аффия	Dediction,	6202:6016 th	As at 31.03.2073 Balance as at 31.03.2423
2-Hwarz	7	040	i.		20	340	]. 	÷	147
Total	239	040		·	95.7	4.85		*4*	7.14
İ	į	i	i	•					LANGE GROWING
		CACOSS BLUCE	.uce		10.574	EPRECLATION ASD A	PAURITSAINDE		SET CARRYING PALME
Pathodara	44 #01.04.2021	AddRien	Deduction, Adjustment	31.03.2022	45 27 03:04 2021	Аддяна	Dedaction,	At 20 3 F.B3.2 B/2	Avan 31.63.2 6/3 Balance as 81.0 3.2622
- Chaps	111	071			1	376		<i>‡</i> .	7,
Total	PG +	130		E14	1524	12.0	7	ī.	234

VOTE - 18": Incomplete Assertander Development

( I I I I I I I I I I I I I I I I I I I	Reductions, Capealised hamanonum	6l u		. I PM
	Additions	5		**
	As at 0 8.04.2.022			: 
į	איזוטישנא	Chica physical representation of the physical	Just France Co. 20.3	Ser Carrying Value





#### 14-ASHOK MARG, SHAKTI DHAWAN, LUCKNOW.

CIN U322018P19995GC02492B



#### NOTE - '5': INVESTMENTS (NON-CURRENT)

Pas ulculari s	As at 3 t.m3.3	502.6	Avai 91.09,202	2
. CONG TERM INSTSTMENT IN EQUITY 3K5T RUMENT AT LIXXI (lingualed)				
A) 9 SNIPARIES				
p) byyyn.				
25 (97 5752 Equity shares of T (100) /s each to by print up	26 (9) 60		21.214.79	
[219 157745 Equity Stories of \$1000] = cach Folly pys(up)			!	
lans. Provision for informers it in investment	24400.00	N112.50	11 687 75	5,117
(b) HV2SL				
227-41-577 Eq. (Pyshores of \$ 10 kg/mode) and ap-	22,759.16		53,152.74	
[216522499 Figuity Sturies of #1000] / rach tubly patempt	1			
Lesy 16, 26, on let impôte neut man-ratuer (	29345.91	2,139 42	15,48631	13621
D. PANNI.				
23141734: Equity stance of \$1000/couch to by painting	23,474.74		21,443.52	
(7144/5224 Googly Skirps of A (500)) with Fully prolup)				
Laws Principles for expansional and such of	70,444,74		71,443.57	
EDPSAN.				
17:2757 3 Eq. (b) Sales of E (Bills) care hely paid up-	17 127 02		(617634	
[301749897 Equity States of \$10007 (with only pure oral)				
land Principal Principal marketing on Student	50,770.27	1,557.13	10571 47	Con-
jel (OSC)		ļ	ı	
2249120154 Equity Shares of \$10% each felle gentlep	7,246.21	1	1.904.76	
[198] (760 m9 family Stanson of \$1075 rises Table printing)				
From this 80000, Or shares are alloted for consideration				
ister famisist percuist out SA Zone LD, schrap 2000	I		i	
Ges Peros on lot the are their consestment	8,249.21		1,984.76	
601 ab as 11 1 b as a 7 a m an				
(f) Souther (if 6. between Trailland South Countil 22 (\$300 Equity States of C167) each Fully pending	222		222	
17 \$16 \( \text{Of } \text{if } \eta_{\text{of }} \text{constant plants} \)				
15% Provision for impliminant or synstematic	222		227	
stati ea				
UPITEI			, I	
2/13/052 (query states of COOP) onto only product 1221/13/21 (query states of COOO) such Edwyraidag.	2811.81	!	\$317.00	
From this 104 29761 whates are all abott for consider man				
ichaniaa iskh				
laws driving an Arthugairthe florige-superi;	163.99	2.045 ±4	165.18	2.m28
IIDRUY	!			
7.75% PPC Biolids Series (104/Olaton for date 22.05/2022)		12300		123 (
Taipi  6.0 (50% amount of conjugated providence, or Eprily Noors are ex-		17,278.36		22,185.7

- the grown around the appeted investors, in Eq. by Stores were 11.77 girls of 1916/1916 were Percentagored 1917/1916 and
- & Oppositive activation of resource for importance reads after the tenth of the Soft generalises of special regularity energy and the contract of the second special regularity and the contract of the second special regularity and the contract of the second special regularity and the contract of the second special regularity and the contract of the second special regularity and
- 1. Genelletig the Bethnick observable PSD, possess for experiently become by Long the procedition of the relative suspensely seatest selections.
- 4. Provide activation of the second and the Notices of teach of the second and activated in the second and instance of the second activation of the Notices of the Second activation of the Second activated and the Notices of the Second activated as the Second activated activated as the Second activated activated as the Second activated activated as the Second activated activated as the Second activated a
- 5. Som April (to Minor pointing by Albumor) in the months are the year of consentrational above as smaller realizations of Abertale III some George (e. Act, 2001) and the land Associated to the formula Material.

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14-ASHOR NARS, SHARTI BRAWAN LIFERNOW.

0.5 0.5220 (0.5) (0.9%) (0.24928)



Particulars	As # 31.3.2023		As at 31-032022	
A) LOANS (Unsecored / Considered Doubtful)				
MCCL (Dicescre)	5.59		360	
Interest Advised & Dur	16143		16271	
	199.77		12290	
Less Providen for land & doubtful delits, leage				
& reacti	(199.74)	· ;—	(17290)	
U] SHARE APPLICATION NOVEY PENDING ACCUTMENT IN				
Siltsidians Companies				
rgyvys).	653,99		0,870.80	
WAANT	16(9/20)		1,157/12	
(155/4).	Stn.ls		993 04	
TWAT .	1,376.0		1.452 17 3	
VE559	15197	38H1.12		5,7174
Others CPPTCL		9677		. 1111 -
REZ RIVABLES ON ACCORDING OF COURT HOMES	1	i		
(Instrument and considered good)			1	
PoVVAL.	21 129.11		125(9.5)	
MYCNI.	12,505,24		(3.19.581	
EWKI.	11,242.52		16 062.54	
PAVNI. KB: Cu	5923.25 2232.34	55.4 (0.67 <sup>1</sup>	u u344) : 2.452,55 :	40,952 1
O) DEPOSITS			i	
Departs with Sanks				
la pours boung and in Lympure than the line me months.		:		
4 Farnarkel				
a Duht Sin Vice Beserve Adding his				
[against Berta Issued]		3,055.87		1.015.7
ii. Di Na BA Curpus Fund				44 (
1. Other than Earlich Rec				42.4
Cotton Reposits				
Deposit with BSET / REF		0.24		0.5
OTHERS	;			
eretwilder Groth - EP Power Scritco Employees - Trust JEPSET) *		178.74		1780
Merital (Ausgebred and Geosphere) geod)		1382:		125.4
M 1-22 [Jinser and and gons digget doublid]	12.12	ļ		
ess. Provision for the "Stful Informacy	199.2			
ther Repusits		17111		174
enancies from Suppliers / Contractions		5.1%		5.5
total or film and	I .		I	· · ·

 $<sup>1.3</sup> hr (to coahle) en accourt of (coap Scho) rebury to coar taken and lie advisored no during the ball of simultanes (0.970) <math>M_{\odot}$ 

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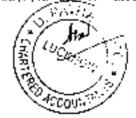
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<sup>2.</sup> The creates faction of Jesonia harme naturally of more than twelve menutoring zone done in the increases year to comply with the requirements of Schridge Languages Act 2011.

d in constance to 3 ICC metal No. 9 (I) PCO/MESIA CRAPTA 15-71//Indige 1 does began thomas, (ng), no constany local posted from see with the backy local region of many local posted from see with the backy local region contains a mile on the see and (ECP).

<sup>4</sup> The Carrol massery of the deposite related constituences in the many year of 2003.54, between these laser decodery shown as never formation as the speciment of the positive partial formation of the constituency of the positive partial formation of the constituency of the positive partial formation of the posi

<sup>\*</sup> The side of TM Difference in a sold-constitution of the control of the side

#### 14-ANHOR MARIE MEAK HIRRIAWAN, EHEKNOW

118 (1722) FEWOY 003493



#### NUCL: 71: INVENTURIES

pressor to to ever

Parikulais	As 4031 03 2 <b>41</b> 3	As at \$1,43,2423
Struktor Sjatery as experta Works	• 11	пр
day Pringen (ar liny) whalle fittes	(311). 301	(0.10) u.st
Total	0.19	0.01

#### MOTE (18 FINANCIAL ASSETS) TRADE AECHICABLES (CURRENT)

(Amount of Stone )

				(America diseas)
Fariculars	As at 31./33.2033 As		Anal Stuis	21111
TROUBLESS TORONTON			1	
<u>Ultrace Unical &amp; comprécere à géord</u> (a) Substitut les			!	
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994	> 6.45.7.1		K0/244 (	
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peest	- I - i - i - i - i - i - i - i - i - i		3,482.92	
REXID	124646		2.7595	
Augustments 1	5 181	i	[40.170]	
Bruti-kosco niversi (**	2847914 (28244) 30,0626		22 Sto 12 [120 23] (7,13 a.27)	
etvision in a Rod & Control Deby	(1.40) 4 %	86,777.74	11.350.571	25,814.40
(b) Orleis	5/2 9+		522 sH	
Place Investor for doublishing started	(522.00)		(5.22.40)	
leat		26 779.74		25,816.42

There is a transfer of Approvide Message of Annual Street

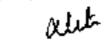
# MOTE IN STRANGAL ASSETS - CASH AND CASH -QUIVALENTS

				[ demonstrates
Particulars	As as \$1,03,2025		As at	11.91.1922
[4] Balance with Barsta	<del>                                     </del>	l	•	
Court of a Obs. Assert	1 0.75 .11		1, 1111 17	
Obstadent, so to the differences are noticely.				'
RANGIAN .				
In Five Uniques: A manusch				
a formator! Grant is	59127		654 (2	
2,191.51	172 MF	2,144,92	35317	2475.05
(b) Cash en Hand			'	·
Cuer on Back	4		901.	
Cuenterpriori economia	1151	41.1	. 511.	2 67
Je   Clieque in hand/firett	l	0.50		
Total		7.15u.9u		I.476 07

<sup>\*</sup> The reclassification of deposits the isonatory in the program, and maly normalizate programmers of a const-11 pages American Ser-

#### MOTE TO FEMANCIAL ASSETS, BANK BALLANDS OTHER THAN AUDIO.

				de est   lb   lb   lb   lb   lb   lb   lb   l
Parriculars	Auts	As at \$3.01.21/23 #5 at at 21.09.20		91.09.2022
Constructionage on a virtual other three- results for more than the best be manifes.*				
A formation Halancie  O STELLE Assumpt  O RELOCK Spice Code 8	. 46.07		623	.
Debt State of Review A your st against Bundersequell	531 SI	517,54	452,75	47-11
R. Other Chan Falman Red Refundes		172.30		314.15
Tefal	-	740.04		641.19

Teral 74A44 | 601.89 | 71A44 | 601.89 | 71A44 | 74A44 


Parameteristic association contents in EBSTM particles pending for all provides west of other opinions and

caredy with the engineered or State Life. The hold poster designal.
The malatine dealth the embranism of hank associations as to reside the Recoverable beauty withing among kind.

<sup>#</sup> the finding to the product of the May and to which there is the Lyman to the May to the May the street the street of the May and the May are the May as the street the street of the May are the May as the street the street of the May are the May as the street of the May are the May as the May are the May

14 ASHOR MARG, SHAKTI BRAWAN, LUCKNOW,

GIN 0322010P1997SIX3124928



# NOTE - '11': FINANCIAL ASSETS-OTHER (CHRRENT)

(Amount to Mississ)

Particulars	As at 31.	03.2023	As at 31	1.03.2022
Receivables (Unsecured) -			i	
DPRVUND	940		63.8	
DISTCL	213.59		198.72	
Receivable From INEDA*	11.50		9.16	
3mb 10m3 A	234.49		216.54	
Receivable from Subsidiaries (DISCOMs).				
PROVINE	275.29		261 25	
MUUNI.	299.91		284.65	
DVVNL	298019		240.72	
PVVNL	341.91		314.62	
KESCO	63.50		\$2.90	
Sab Tosal O	1,239.21		1,154.13	
Rendivable from-				
Employees	0.29		0.15	
Others	685.13		611.61	
Sub Total C	685.42		611.76	
Total (A+6+C)	2.159.12		1,982.43	
Less - Provision for Doubtful Receivables	215.91	1.943 21	199.24	1,761,19
Receivables on account of Loan / Rond	ļ			
Unsecured & Consulered Good **	i		I	
PUVVNL	4,479 90		3,540,17	
MVVNL	3,349.92		2,2560,2	
DVVKL	1,37641		0.012 65	
PVVNL	1,901.32		1,637.32	
KESCO	636.99	13,819.94	267.84	10,774.20
Total		15.763.15	·	12,508.39

<sup>\*</sup> Receivables from Indian Represende Emergy Development Agency Etd. (IREDA) (Got Enterprise) related to subsidy against Power Porchase from renovable energy, Receippers

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<sup>\*\*</sup> It foliates to become account of Cameral Maturity of long grow born springs and increase occurred but not due on born swings.

14-ASHOR MARG, SHAKTI UHAWAN, LUCKNOW.

EIN 032200F1999S6G624928



#### NOTE - 112": OTHER CURRENT ASSETS

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(Ameuri a gra				
Particulars	Asat 31	.03.2023	As et 31	.03.2022
ADVANCES				
Unsecured & Considered Good		!		
Suppliers / Contractors		0.07		100
Other Deposits**		2.9 :		
Indian Energy Sachange and (for holding process)		2011:		41.118
Tay deducted at source	97.64		7643	
Tax collected at source	U.4 6:	93.10	41.37	97.98
Lunge Benefit fax (Net)	0.25		0.75	
Less-Provision for dealst'ul madjusted PBT	0.25	. ·		3.25
Secretable from GST Department #		4.65		
Receivables related to Power Purchase (incl. UPPTCL) Pit		i.Se / 90		2.0
Discome Acquired & Dige		504		7.4
Income Anticed but not Dun		6.81		5.77
Prepaid Espenses		0.01		+ 10
Inter Unit Trasactions		198.17		151.71
Total		1,848.66		308.55

<sup>19</sup> The reposit has been noted throughple to choose constitute full flood be Secretic Great in the case of HSFG, and As paper kind those in Virtuals (i.e.,

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 $<sup>\</sup>theta. To explain Implication of the same responding to four Commission to (Append <math display="inline">(C, \delta T_i)$  are now

<sup>88</sup> Bened Miste No. 24 of Kinter to Account.

#### 14-ASHOK MARG, SHANTI BRAWAN, LUCKNOW.

CIN 03230100199995GCC2492B



#### NOTE - 1131: EQUITY SHARE CAPITAL:

| Amoust in Claure |

Particulars	As at 31.03.2023	As at 31.03.2022
[A] AUTHORISED: 175000000 Equity shares or par value of \$1000/-cach ( provious year 1250000000 Equity shares of par value \$1000/leach)	125,000.60	125 figinon
[B] ISSUED SUBSCRIBED AND FULLY PAID UP 1184677704 Equity shares of particular EMODy (each 5) pre-sons year 1096793836 Equity shares of particular T00007 each)	116,467.77	109,679.38
Court of the above shares 361 13400 were alloted as fully paid up pursuant to UP. Power Sector Reform Transfer Scheme 2000 for consideration officinhan right)		
Tetal	118,467.77	109,674

#### a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulats	Number of shares		
L Tarriculary	KIDS:FILEK	0.0,03,2022	
As the beginning of the year	1,096,793,838	1,840,269,852	
add Descent during the year	87,983,866	55,524,296	
esk Doyhask of spares during the year			
Opinioning at the end of the year	1,194,677,704	1.096,793.858	

#### b) Terms and rights attached to equity phoney

The company has may or collass of equity startes a start a partial, e \$1000/s per shore. The highers of the equity stores are emitted to receive dividends as evoluted from time to time and are emitted to voting rights proportionary to their shore stading at the meeting of shareholders.

#### c) Davidends:

Particulars	Paid during the year ended		
	31,03,2023	31.03.2033	
Dividends paid and too geneed during the year			
(N) dividend has been declared by the Sparo pick to	N.I.	NIL	
heavy accumulated losses)			

#### d) Details of shareholders holding more than 5% shares hit he Company:

Particulars	As at 31.	.03.2023	Ac at 31.03.2022		
Government of DP and its Nominees	No, of shares	Mage holding	No. of shares	%age nobling	
a.ve intencorer ancres.vinneses	1169677704	100%	1096793838	100%	

#### c] Details of skaraholding of promoters:

Sharesin	eld by promoters as at 31	.03.2023	
Promoter Name	No. of shares	96 age of rotal states	Vage changes during the year
Covernment of HP	1194677704	100%	MIL

		Shares held by promoters 25 at 31.	03.2022	
	Promoter Name	No. of Scutes	Stage of total shares	Wage change, corning the year
Government of t	JP.	1 096793838	100%i	NIL



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14-ASHUK MARG, SHAKTI BHAWAN, LUCKNOW.

CIM 0322010F1-V19SC0024-920



NOTE - 1141: OTHER EQUITY

(A) Reserve and Spylins

[ Amourt in Efforce |

Partirular <del>s</del>	As at 31.	03.2023	Asat 3	1.03.2022
Capital Reserve		195.95		195 %
Other Reserves Resumeturing Reserve		540.01		543141
Sur Mus 1				
As per last financial statement	(00.565.62)		(73,567.27)	
Charage in Assimuting Policy in Price Period Dems.			3 29	
Restated Balance	(90.565.62)		(7.1,563.98)	1
Add: Profit/[Loss] for the year 18 per	, ,			
statement of Profit & Casy	(14.573.91)	(95,139.33)	(7.001   4)	(80,365,82)
Sub Total (A)	•	(94,403-07)	1	[79,829.56]

Note: Lapital Reserve and Resolutioning Reserve relate to the balances transferred under Final Transfer Scheme issued by the Grif P vide Noteborgoging by, 1529/24-P-2-2015 55(2)B), 2014 dailed November 3,2015. There is no movement in these caseries balance during the year

(H) Share Application Money

[Amuent to (Creek ]

(c) initial to report period - least to		
Particulars	As at 31.03.2023	As at 34 03 2023
Share Application Money		
(Pending for allotment to the Covt. of CP)	1,157,86	2,534.01
51th Total (R)	1,157.86	2,533.01
1otal (A+B)	(93,245.21)	[77.296.55]

Reconciliation of Share Application Money

[ Amount in Efficie ]

Share Application Money as at 01.04.2022	Received during the partial	Allotted duting the period	Share Application money as at 31.03.2023
2.533.01	7413.24	8.786.39	115786

Note: The shares against Share Application Money amounting to ₹ 1157.96 connection below alloted to the GoUP vide Board's

Meeting dured 18th April, 2023.

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14-ASHOR MARG, SHAKTI BHAWAN, LUCKNOW.

GIN 1/32201/JP19995GC024928



# NOTE: 1151: FINANCIAL LIABILITIES- DORROWINGS (NON-CORRENT)

(Aincunt in (Crore )

Partic	alars	As at 31.03.	.2023	As at 31.03,20	)ZZ
	· · · · · · · · · · · · · · · · · · ·	1			
(A) <u>BUNDS ISSUED</u> ON BEH (a) <u>SECURED</u>	CALLE OF DIMLOMS				
Supake (a) <del>Seconer</del>		5.226.38		4.11.4.11	
MANNE.		4,327,46		4,934.91	
DVVN).		4,459.21	1	3,869.94	
PVVSL		1.447.33		3,682.01 1,223.15	
RESCO		943.10	19,293.20	70000	15408%
(b) Unsectioners	i				
POVVNL		1,7911.70		23626003	
MVVNL		1,445.26		1,637.64	
DVVVI		3,009.57		3,410.32	
PWVNL		1,086.27		1,2 (0,79	
EESCO		425.4R	7,757.28	982.10	H,789.H
	Soli Total (A)		24,050.4B	302.10	24.190.7
B) <u>LOANS TAKEN ON BEEL</u>	ALF DE DISCOMS		ļ		
(a) REC-Unsecured					
POVENE	1	6 502 70		729756	
MYVNL		3.254.23		3,661.92	
DVVXL		3,196,931		3,636.95	
PVVNE	ı	1,730,08		2,113.32	
KESCO		367.67	15,603-25	411.5%	17.221.2
(b) PFC-tinsecured	ĺ				
PitYNL	ı	7.110.06		8, 64 57	
MVVNI.	I	4,526,39		4.150.62	
DVVNL	l	3,574,95		4 7 2 2 7 2	
PVVNI,	•	£.55%-où		1.590.66	
KESCO	;—	(04.88	16.376.74	734 93	[9.263 C
(c) LDANS FROM GRUP	ON BEHALF OF	1			
DISCOMS-Dissecured	l			l	
Payyn.,	l	-		93.23	
MWXI.	I	.		70,75	
DVVNI.	1	.	1	113.18	
Peynt.	I	.		62.31	
KESCO		<u> </u>		23 (0	(69.2)
	Sub Total (B)	,	31,379.99		36 753.54
Tota	1		55.430.47	•	60,952.33

Note: (1) Details of rate wise bonds have her claims and wan this note, (Refet Anneaura 1 to Ketr-15).

 ${\it 2.} \ \ \textbf{The recruis of repsymptotic default default and security spherical details have been almost distributed for replication and security spherical default between the superior of the recruit of the security of parameters details above the recruit of the security of the recruit of the recruit of the security of the recruit o$ 

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# UTTAR PRADESH POWER CORPORATION LIMITED 14-ASHOK MARG, SHAICTI BHAWAN, LUCKNOW CIN: U32201UP19998GC024928

# Annequest to Note - 15 DISCLOSURE OF HORROWINGS AS REQUIRED IN REVISED SCHEDULE-III OF COMPANIES ACT 2013.

#### SECURED BONDS

LAmount in € Crore I.

	ı	1	[ Amount in 4 Crore
DISCOM	Bond	A5 011 31.03.2023	As on 31.03.2022
	8.48% Bond	483.72	644.29
	8.97% Bond	789.00	1,052.00
	9,70% Bond	1,277 90	1,277.90
PuVVNL	9.75% Board	697.76	883 84
	9 95% Rond	1,117.00	
	10 15% Band	861.50	1,076 88
	Total	5,216,38	4,934.91
	8 48% Bond	307.68	444 91
	R 97% Band	\$48.57	731.37
	9-70% Brand	1,409.20	1.409.20
MVVNL	9.75% Bond	429.05	543-46
	9.95% Bond	1,012.20	
	10.15% Bookl	624.80	7H\$ Q0
	Total	4,327.46	3,869,94
	8.48% Bond	438.05	58+.06
	5.97% Bond	914.05	1,232.06
	9.70% Bond	898.80	\$98.80
DVVNI.	9.75% Bond	595 14	750.85
	9.95% Bend	633 90	
	0-15% B⊍nd	968,99	1,211.24
	Total	4,458.93	4,680.01
	N 48% Flond	188.24	250 97
	8.97% Hand	359.04	47K 74
	9 75% Hund	262 55	112 56
PVVNI.	9 95% (Bond	508.80	-
	10.15% Birth	12*,70	160 88
	Total	1,447,33	1,223,45
	8.48% Bond	<b>8233</b>	109.77
	8 97% Rond	169,37	225.83
KESCO :	9 70% Bond	365,30	365.30
	9.95% Bond	216.10	
	Tota)	833.10	700.40
	Grand Total	16,293.20	15,408,91

#### UNSECURED BONDS

Amount le 3 Croce 1

			[Autonoted to 4 come 6.5
DISCOM	Rond	As on	Ason
17/30/0	I Printify	31.03.2023	31.03.2022
PaVVNL	9 7IP's Band	1,790,70	2,029 03
MVVNI.	ታ 7ውኩ Bana	1,445.26	1.637.64
DVVNL	₹70% Bunc	3,009,57	3,410,32
PVVNL	9.70% Bond	1,086.27	1,230.79
KESCO	9-70% Band	425.48	462 (0)
	Total	7,757.28	8,789.88

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American to Note - 15

# DISCLOSURE OF BORROWING AS YELUGING IN REVISED STREDLICE III OF COMPANIES ACT 2013

		Feparate Parameter Paramet	Sepapment forms			Merson	Outstanding to on \$1.03.2029	2623				Petaul: as on an ut 20° t	-		
Verpe of Bunk	David Pate	install- archi (Mostell	Repay- hiem Duc Rhi (%) Fram		Guaran teed Dy	Printipal	bakereşt	Total	Cerrent	After Cultent Metunsy	17 Jan 12	Fig. 1947 Per 1941 Per 1947 Per  3 % 2 = 3	Appropried Amount of Gusteht et d	Security	
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		1,75070	1.445.29	7. POR	1 056.27	HF 52+	7,757,28	24,050,48			627.29	32:423	H H	1,734,38	5 69 5	15,009.25
	i i	FIIIXII	1202	11111	14+52	56.61	1.037 63	71,644,44	İ		1,786.92	ColOF:1	Refres	1.37.20	167.67	3,021.79
		202953	1,637.04	341524	e20521	4821	. 16/68/Z'U	189897.2			2.99.23	4.23+23	100001	524962	335.AT	18,935.04
			-					_						·		
-	İ	2,5003	1547.64	341034	1330 %	1124	8789.43				12,6802	42 14 2.5	396903	2367.20	575.24	18925.64
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	01.000.1	148074	1,139.00	885.02	31143	\$627.00	974834	13,345,17	
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14-ASHOK MARG, SHAKTI BHAWAN, LUCKYOW.

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# NOTE • '16' FINANCIAL LIABILITIES- OTHERS [NON-CURRENT]

| Aniaunt in \*Crore |

Particulars	As at 31.03.2	023	As at 31.03.2022		
Provision for Leave Encashment		75.31	İ	80.76	
Servicesion for Gratuity		21.21		1710	
Corpus Fund from UPNEUA*		46.02		44.09	
Laibilities against Loan taken on behalf of					
DISCOMs:					
PoVVNL	268.09		1,005.51		
MYVNL	116.54		707.09		
EVVNL	701.30		858.92		
פַעעאן.	195.71		996.93		
RESCO	3.23	804.67	3.2.5	3,650,78	
Total		947.31		3,792.19	

<sup>\*</sup>Tractates route Forpus fund received from UP New and Renewable Energy Development Agency (UPNEDA) for providing the tacking of Fester of Fredit to solar energy developers.

# NOTE - '17' : FINANCIAL LIABILITIES: BORROWINGS [CHRRENT]

(Atnount in Mrare)

Particulars	As at 31.03.2023	As at 31.03,2022
a. CC/ Overdraft from Banks:		
Punjah National Bank	50.68	0,03
Barik of India	0.01	
b. Working Capital Short Term Loan:		
'nd an Bapk	150/00	. 1
c. Corrent Maturity of Long term Borrowings	13,385 17	10,093.58
d. Interest accounted that not dice on Houseweigs	4/4.77	ь30 62
Total	14,020.63	t0.724.23

Note: Details of correct malarity of long term hor mysings is abnexed with the shore (Refer Annexone to Note 17).

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14-ASHOR MARG, SHAKTI BUAWAN, LOCKNOW.

CIN: 0322010F1999SGC024928



# <u>Annexure to Note - 17</u> Statement of Current Maturity of Long-Term Borrowings

(Amount in Corner)

<del></del>	F.Y. 2022-23								
	Loans taken or Bonds issued on behalf of DISCOMs:								
St. No. of the Blacks		Batte	ds	REC	PFC	Total			
SI, No.   Name of the D	Name of the Discom	Secured	Unsecured		114.				
Γ' ι "	PuVVNL	825.52	238.33	1286.92	1985.16	4,335.93			
2	MVVNI.	554.68	192.38	1030.00	1480.74	3,257.80			
3	DVVNI.	854.98	400.77	800.05	1179.80	3,235. <u>60</u>			
4	PVVNL	284.62	144.52	637.20	865. <u>9</u> 2	1,932.26			
- 5	IKESCO	83.90	56.63	167.62	315.43	623.58			
	Total	2,603,70	1,032.63	3,921.79	5,827.05	13,385.17			

•			F,Y, 2021-22						
	Loans taken or Bonds issued on behalf of DISCOMs:								
SI. No.	Name of the Discom	Bonds	REC	PFC	HP Govt-Other	Total			
ι	PaVVNL	1,063.86	1.205.70	1,044.45	15.54	3,329,55			
2	MYVNL	747.07	754.30	653.19	11.79	2,166.35			
3	DVVNL	1,255.75	678,67	674.91	18.96	2.628.19			
4	PVVNI.	429.14	715.60	492 34	11.50	1.648.58			
5	KESCO .	140.53	56.06	120.47	3.85	320.91			
	Total	3,636 <u>-3</u> 5	3,410.33	2,985 <u>.36</u>	61.54	10,093.58			

# Statement of Interest Accrued but not Due on Borrowings

(Amount in COuty)

	For the period ended 31.03.2023								
	Loans Related to DISCOMs								
51. Na.	5l. No. Name of the Discom Bonds REC PFC Total								
1	PicVVNI.	76.25	0.34	60.78	137.37				
2	MVVNL	56.08	0.38	35.66	92.12				
3	DVVNL	104.86	0.31	35. <u>64</u>	140.81				
4	PVVNI.	26.96	0.45	21.65	4906				
5	RESCU	(3.4.1	0.04	6.96	15.41				
	Total	272.56	1.52	160.69	434.77				

	For the period ended 31,03,2022								
	Loans Related to DISCOMs								
SI. No.	SI. No. Name of the Discom Bonds REC PFC Total								
<del>- [                                   </del>	PoVVNI.	90.35	60 27	67.85	218.4 <u>7</u>				
<del>- 2</del>	MVVNL	66.20	27 07	39.73	133.00				
	DVVNI.	122.60	27. <u>16</u>	42.0D	19176_				
4	PVVNI,	31.64	8 02	27.13	66.79				
5	RESCU	9,80	3.39	7.41	20.60				
	Total	320.59	125.91	184.12	630.62				



solit



#### 14-ASHOR MARG, SHAKTI BRIAWAN, EUCRNOW.

DR (0) 220 QPT 895 (020 20)



#### NOTE 16" - FOVANCIAL LIABILITIES TRADIL PAYAGLE(CORRENT)

( Amountan (Crare )

Particulars	As #4 31.03.2023	A1 44 91.03.2022
sability for Principles, of Driver	27.610.14	e.l, 14a ya
Total	- 25,610 14	21,14496

#### NOTE 13 91 - OTHER FINANCIAL MAINLIFFIC SECURIENTS

(Amenitic (Core))

		<b>.</b>		(Americal for Control)
Particulars	Acat)	1/03/29/23	As at 31.03	9,2022
Highlity to the tal Supplies/ Winks		501		5.91
Dath by Providing Supplies / Works		i ∴h•l		1.59
Proposition Recommendation Suppliers & Others	1	264,65		1.5.4
tailing extremely although in freezy		4.61		0.41
CPP Contains	· i	0.25	: ;	11.1.
A range & Grounty Lighting (Secretal CEPT (1991))	'	F2		7,48
Staff Belaced Intibilities		10.54	: I	' ווויגר
Joans For Aburgi Izabijdek	i	<b>μ</b> ν-7		987,
Numby halnistes		113.41		20.15
PayaNo to UPN 40A**	1	31.17		<b>85</b> m/s
Payable in JPIVNT.		116.76		117117
Pavable to Subsidiazles (DISCHMs)				
(a)()ap.tal Grant/Loan taken on Neholf of UFSCOMs is				
2000 91.	127 ob		84.51	i
MANN.	13055		74.50	
PATH".	, 348.57		72.25	
PVVN:.	02.00	451.110	25.16	342.50
b   Others***				
Province.	14635		3116	- 1
97700.	612.29		29201	
1195 N.	21021		12631	
MTW.	100284		14, 47	
KIDSCO	554.11	3.0520	22-16	895.70
Lighthitus for happings		LHES	· · · ·	49 84
Provisor: for loss incurred by the GPF and GPF trust		174 59		14 570
Total		4,261.55	•	2,119.93

<sup>\*</sup>Hunthioex interest on 774

9

Ulit

<sup>\*\*\*</sup>Amount received to advance from 1.9 Note and Knardy the Bourgy New Appropriate and subscilly against procedure of power from new and non-wealth correspondence.

<sup>\*\*\*\*</sup>Continues to gram or class? If on facility mare thorough excepts from Department of tail? on both for the subsciouses and other macros recognis

<sup>#30</sup> More to Gop Cell Get 17 Journ Caken Condition behalf of the HINDOMs. The repayments against Nan Successing as an 4,101,202, has seep made and new decrease address or behavior of balance of boars as 31 Hz 200, 1 under this bead.

11-ASHUH MANG, SHAKTI BHAWAY, LUCHNUW 19-10/2014 Premiorioanesi



# четту деся дужения оказа спектальной

[4mount in \*Crong]

					- 1000
Parlindara	For the peamended 31,03,2023		d 	For the year ended 31.03.2022	
SALE THE POWERS					
salissiania					
20000.		15,219.75		11.00449	
ANYMI.	i	15,763.64		28 HPO 30	
DVV9I.	- 1	11.572 +1		1000907	
7(7/H-	- 1	22,518 TJ		]8813A4	
KENLL	- 1	2,171.58		239744	
Ad achmenis*		[11/55]	65(154.92	(294.24)	\$4,479,46
Teral			65.6S3.9U		54,979.36

<sup>\*</sup> Safer Nate Na. [1] [6] of the Netes to Accounts

#### NOTE 1211 - OTHER INCOME.

[Accept to Monte]

	Fat the year o	ended :	Enrille year ar	ided
l'esticulars	31 (32 20)	i	33.03.2022	
a. laterest forin				
Luans to staff	0.01	:	·	
[Juans of MPCL) Intertree [	25.82	i	27.46	
Fixed Depusits	135.03	ļ	34.44	
Por Is	952		95.1	
lanes	7.60	158 H7 İ	1.14	179.75
2. Other		i		
Income from Contractors (Stape Trans	p. 14	i	0.72	
Honta' Front Stell	p (6)	i	0.42	
Salaro fre, Kranulmert to ensulem Fre	25.11		10.21	
Modilan vice Recorpts	5.57	77.94	1.11	1433
Tetal		LIIGBL		137-8#

a other



# 14-АЯПОК МАВС, ЯГАКТІ ПИЛУЖН, БИСКНОМ.





#### NOTICEZ - PURCHASE OF POWER

[	For the year mided	For the year ended	
Particulars .	3   1/2 2022	11.03.2022	
Production of the production of the state of	61,60% [16	51 - 11.35	
sum lenger"	593,47	ALCIE	
Jrs. herbied interching: A weather charge of	(47.09)	(515.04)	
Transport of September of the September 1	4,546 %	<u> </u>	
Spb Total	69,167,23	55,199.51	
.a co Huhalu againad Priwin Parchaev	21710	147.18	
Вибе об архиты Римил докупал	275.42 (10.3)	172.75 923.17	
Talai	60,651 <u>.40</u>	\$4,879.36	

<sup>\*\*</sup> In minutes the transaction of receipt his or Coorge College College College or numbers at \$107.170 crossing College for See Section 10 also institutes the burners of \$107.170 crossing College for the discontinuous and \$1.202.170 crossing the following project from the See Section 10 also institutes the burners of \$1.202.170 closes for the section of the See Section 11 and the section of the See Section 11 and the section of the See Section 12 and the section of the See Section 12 and the section of the secti

#### NOTE: 231 ENDISOVER DENTRIC EXPENSES

[ account to furors ]

Postculars	Por the Sear ended	For the year ended 31.03.2022
Salary & Allieson in	279.18	L59.44
© i∏ We Grey Expenses	1.4.1	44
Person & Corting	1157	01.23
stees Or Or Frost		404
Julia: Terminal licecolis	922 1	
Sub Tutal	201.54	214.59
ann Papanous day salised	216	7.0
[cla]	201.38	. 219.16
Less, Fingloye Cost Altorated to MACRAIS A Reserv	; 2H 74	
Total	71.64	<del>9</del> 9.51

#### NOTE 1241 - FINANCE COSTS

present transp

Postkulata		For the year ended 11.01 2023		for the year ended .13.03.203.2	
Flack Charges	_				1/14
Appending Regressings for Working Paperal Fadal	 	—.	0.05		11.001

q\_ ocht



# Levasinuk Marg, Shakti Birawan, Luornow.

C19 (FD20) (IIP) 1995/022443B



AINTELS: - DESCRIPTION OF AMOUNT (VALUE ATTREASES		[ *PSORPT IN ** TKTK ]	
Pat Ocularis	For the year ended 30.03 ZO21	For the year ended 38.01 2021	
buildings	1,74	1.09	
Other God Works	0.27	11.51	
Plant & Machinery	551	0.42	
94(\$16c	0.14	U.Lo	
Para Kare & Pistores	C.14	0.4.4	
Office acaptronis	2 18	2.20	
Supplied Net Veta	0,25	11.75	
Tnial	6.32	5.92	

#### NOTE 24' - ADMINISTRATIVE, GENERAL A DIVIDE IMPENSES

1.4	 	

Particulars	For the year ended 31,63,2033	For the year reduct \$1.49.2022
Rena	0,01	וטו
Jeneralko	111111	607
Caremanicates (Charges	LADY	111
logal Charges	13.51	17.39
Auditors Forming Lorin & Captings - Audit Fee	0.00	బరక
Leron Cincy Clarges	476	625
Silanous Bres & Problemus Charges	17,96	PKE:
Trevel ing ind Conveyance	5.00	= =4
Frincing and Machinery	071	252
Advantsement Expenses	117	127
th stringy Charges	631	574
Polyria umost	בט ט	0.01
Equadition entransis	liin	1.17
Mozri Canerius sprimera	[4k7 ]	2H 4H
Tutal	09.84 \$	95.52
Less, Expenses /Mincared to DISCOMs & OTHERS	5Lb+	14.54
Tecul	27.40	47.00

The product part figure of logal, happy of real part for the formal than you cover means the noncontract of the durable of the formal part means to the contract of the durable of the formal part means to the contract of the durable of the formal part of the fo

14-AMDX MARK, SHAKTERMAWAN, LIICHXDW CIN 1037/06/21/9896/09/21



#### HOTE 1271 - MEPAIR & MAINTIN ARCH EXPENSES

[disside there)

Particulars	For the year			For the year ended		
1-4154-6-7	11.03.	2023	34.03.2022			
Hard & Machinery		14		245		
-midings		3.39		3.5 L		
Pears Cost Works		514				
Yelddo - Pipe alitere	[11.7]		2.57			
Tems-Transferred to different Capital and OSM	'					
Worth / Admirtish at Nellish	10,110	-	(0.67)			
For retain & Zistores				447		
Office Equipments		1.67		2.72		
Tnul		7.21		10.92		
Less: R & M EXP. ALLOCATED TO DISCOM & STURES		2.15		1.97		
loleİ		5.07		H.U.S		

#### мите тит - жер окцуз ж увижаннуз

paradale to conten

Particulars	Yer the year ended 31,03,2623	For the year suded 11.03.2023
PROV <u>2510<del>1</del>1.5</u>	'	
Real-Culturing   Some Power	\$1411	17270
Firstroat Assers Billions (Corrent)	1767	7.27
Peal Caliberts (Cears to I-201)	25.02 ;	22.56
Other Dingen, Assets	Line	[U ±!-]
ingormental ingrament is 800 NAScold (1902)	14,512 / 2	6,978.64
Tetal	14 639.28	6,835,30

- 1. The post to figures and core received a point spins who, a were made in earlier years.
- A bigratterate of cross terms to Misches and CPM (I).
- (3) In comparison to the less was year, there has been an increase or \$2704.05 crear in large ment or executional brainly due to oversive of \$1,000 from the following the confidence of the beautiful freezing the confidence of the following
- (ii) The folia, beofest of all shore application Manay persons. When Correct Finally, Michaels the year the same has not been considered in the completion of the Set worth of the DISCONS and DISCONS and OFFIC accordingly. On a near tot larger more of \$ 9000,000 core wellers shown to the \$37.000 (2) has been restand to \$ 9000,000 core section of Correct and Corporation amounting to \$ 126000 core.
- (ii) Due to the reconstitution of State Arplication Mency pending Abstracts as hon-Current Journal Assets too year, the effect on the imparison of the control of the pear is \$ 946.50 more

#### MOTO 24 - ENCEPTIONAL ITEMS

Camada de Provincio

		1,2000.00.007
Particulars	Fpr like year reide <b>d</b> 31 03:2023	For the year ended 31 03.2022
Loss incorrect by a PF A ( ) PT committing reconstruction to be a full order of the section of t		[05-3 117-0
[etal	H ===+	143.70

Peter Nove Mail 17 of the Verse College America

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# U.P. POWER CORPORATION LIMITED

CIN + 03:2011/P1999SGC024928

#### NOTE NO. 30

Notes On Accounts annexed to and forming part of

Ralance Sheet as at 31" March 2023 and Statement of Profit & Loss for the period ended on that done

#### 1. Brich

- 1.1 Under the PP. Electronicy Reforms Act. 1999 by Cook of Unai Pradeslutt of P). The erabylate Pital Pradeslusions identicity Reand (CPS/R) was automotive into the following time separate entities through the first retirms Transfer Scheme dated capacity 14, 2000.
  - I that Product Proves Corporation Lamited (CPPCLie rested with the Senction of Transmission and Distribution within the State.
  - Plear Pradesh Rajya Volyo; Projekar Nigam Limited (CPRVCSG), vested with the function of Taximal Generation within the State.
  - Prior Predesh Jal Vegynt Signin Lamited (PPIVNI) proceed with the function of Hydro Generation within the State
- 1.2 (1P. Prover Corporation Limited (the "Company") was incorporated under the Companies Act. 1956 (new 2011) on 36, (3), 1999, and coponenced the Europess w.e.f. 15,01 2000 potential of Corporation of L.P. Nichfleation No. 149 P-1/2000/24 cated 14 of 2006.
- (2) Once another rejuster scheme dates farmary 15, 2000 the distribution business of Kumpur Hectricity Supply Authority (KESA) under PPSLB was rejustered in Kampur Hectricity Supply Company Limavel (KESCO), a groupury registered under the companies' act. (956, as a wholly owned subsidiary company of the LPPSL. The assets, habitation and personnel of KESA were numstered to KESCO are Communy 15, 2000, vide Got Photois ation no. 186. XXIV-1-2000 dated, January 15, 2000.
- (.4 Day to division of State of Pitar Pradesh a separate State panted as Pitararichal brow Estaration() came more existence with November (0), 2001 and a separate company as Pitararichal Prover Corporation Etal (now Pitarakhand Power Corporation Etal) (1PCC) had taken over comport all operations in the state of Coastachard as per Cost of India's configuration 42,7700048/k/R dated November 05, 2001. The assets and liabilities and personnel relating to UPLI with November 11, 2001 were transferred vide agreement dated Oceaber 12, 2003 with Pitarakhand Power Coeporation Etal.
- 1.5 After the enactment of the Precision Net, 2003, the further onbendling of the 1999CL (Responsible for business at both reasonission and distribution) was done. Therefore, the following four new distribution companies (DSS OMS) were created as per the United Pracest: Power Sector Reforms (Transfer of Distribution Under Takings) Sciicine. 2003 issued vide (io) Pts Northeaten No. 2 (40 Pt-1-2003-24) (4P 2005 Dated, 12.08 2003).
  - Paskanghai Vidyot Varan Nigam Ltd. (PaVVNL).
  - Madayanchal Vacyor Virtan Nigari Ltd. (MVVNL).
  - Dakshmarichal Vidynt Vitya Nigam Ltd. (DVVNL).
  - Paschimanchal Vicyot Vitran Nigam Ltd. (9VVNI).

I nder this Scheme the role of 1990.1 was specified as Buik Supply Licenses has per the license granted by the commission and as "State" (spisosiss on 1945g)" under sub-section (1) of section 27-13 of the Indian Engagetry Acc. 1916.

1.6 Subsequently, the Uniar Prodesh Power Transmission Corporation 1 oxited (LPP4) In a Transmission Comparis (TRANSCOLL was incorporated pixtor the Lampanies Act, 1956 trusy 2013) by an amendment in the 'Object and Name' clause of the Uttar Prodesh Vidyat Vyapar Nagin; Linned. The Transcollis entrusted with the business of maganissian of electrical energy to versus not they and open access consonners within the Scale of Ottar Prodesh. The timetion was earlier vested with DPPCL Further, Government of Ottar Prodesh (tool Pt), in exercise of power under the Section 30 of the EA 2003, orde neglegation No. 122/UNN.P 24-07 Decentually 18, 2007, modified Prior Prodesh Power Corporation Limited as the "State Transmission Uplay" of Prior Prodesh. Subsequently, on Descender 23 2010, the Government of Prior Prodesh modified the Ulter Prodesh Electricity Religious (Transfer of Transmission and Related Acts thes Including the Assets, Liabilities and Related Proceedings) Scheme. 2010, which provided for the

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alit



transfer of assets and fighth es fits of PPPCL to EPPTCL with effect from April 01, 2007

- 1.7 Thereafter, on January 21, 2010, as the successor Distribution companies of CiPPCL to deemed Meansest, the Distribution Companies, which were essaged through the not heatron of the LP-Power Sector Reforms (Prillister of Distribution Undertakings) Scheme, 2003 were issued fresh Distribution. Licenses, which replaced the UP-Power Corporation Ltd. (LPPCL) Distribution. Retail & Bulk Supply License, 2006.
- LR Av per Fisal Pransfer Schemes of OFSCOVIs and Fransco issued vide politication on 1528/24-P2/2015-SA(218)-2014 Dated Nuverilier 40, 2015, and politication no. 1529/24-P-2-2015-SA(218)-2014 dated November 03, 2015 respectively, the final balances of assets and least respectively the final balances of assets and least respectively as on 11.08/2003 (TRANSCO) as on 03.04 2007 and to the UPPCT as an 04.04 2007 as against the balances earlier antifies by Provisional Transfer Schemes of DISCOMS and TRANSCO which were referred to in point 1.5 and 1.6 observer.

Consequent upon the above unidiration the necessary adjustments in this regard were done in the abusal accounts of the company for UN (2004) 15.

- In compliance of section 31 of the Ulcompity Act. 2001, the GoTP vide its Natification NO. 108/24. A fin-fo-iz-/22-525/2008 Vish dated 22<sup>th</sup> July, 2022 and under the FPSL FC Regulations 2000 and relevant statute has decided to separate the state Local Disposal Centre from EPPLCL. Under section 134 (4) of the Electrony Act. 2003 and the 10.9 Electrony Refamo Act. 1999, the transfer scheme for FPSLDC 4 moved has been notified by the Go. P side as Notification No. BOXNIV-13.N.P-23-925-2008 dated 24<sup>th</sup> May. 2023. The effective date of incorporation of FPSLDC Limited is 22<sup>th</sup> August, 2022.
- 3. The receivable from Furachand Power Corpes attor Ltd. amounting to ₹ 192.61 Crore as on 31.63.2019 has been routually scaled 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 ₹ 160.58 Crore payable to Furakhand Power Corporation Ltd. by L.P. Power Sector Employees Trust on account of COF congribution has been adjusted against the above receivable amounting to ₹ 192.61 Crore and the same has been accounted for by the company in the ensuing accounts in hand to, F.Y. (30.00 to as receivable from F.P. Power Sector Employees Flost (Ref. Note 12) and the balance amount of ₹ 32.63 Crore in (₹ 32.64 Crore ₹ 460.58 Crore) has finally been written of and decounted for as But Debts in the L.Y. 2018-19.
- Equity received from Gal P for distribution works is invested in each 105COM based on physical 6 and all targets and is shown as investment in respective DISCIPMs.

#### 5. Employee Benedits

- a. Based on action of vigliagion report dated 09.11.2800 independ by Board of Directors), prevision for its fined hability an account of Pension and Circular for the employees recruited prior to obtain of the LTPCT, i.e. for GPF employees has been made or 16.70% and 2.38% respectively on the employees.
- b. As regal 8J by End AS 19 (Employee Benefits), the company has measured its liabilities among from Citability for the employees covered mater CPT Scheme on the basis of Actuarial Volcation Region, dated 18.05,2023 for the P.A. 2022-21.
- The provision for Earned Leave Encasting of Terminal Banetits for all coupleyees the GPI & CPI employees has been made as ger Actuarial Valuation Report & 40 05 2023 for the F.Y. 2022-23.
- d. The Disclosure with respect to the above point no 5(b) & 5(c) is as below.

N. No	Defined benefit places. [Agroupt & in Court]	•	Councily Leave Ete			
	i i i i i i i i i i i i i i i i i i i	A4 00 31/40/2405	44.09 Januar2022	As on Hould 1023	35-00 1146/2463	
I Ssump					<u> </u>	
Pascom.	(Rute	2,325	7 J6*s	749.	9 48, 1	
Rale of t	паталясти Семприговори есть х	1076	710074	7.000	7 (9/5	
Rate of r	etum on Plana rect	. Nu [	Not Applicable	N,c	No.	
		Applicable		ripphial-le	App cable	
Average	latare service (in 1/5/14)	24 89 Venns	N 70 Years	17 KV Years	n (1) Misser	
2 Service	í rai	<u>-</u> i ·			<del></del>	
	Strake Can.	: 20	15.	181	j. <u>111</u> 23	
Paol Ser	need the projecting sunaitment forms involve		580	3151	(14)	
	Long van Son Rentur, walkingers	900	** 9K)	3110		
5 Set Inte	real Losc	<del></del> 1				



all

9,86	Refined hearfit plans:- (Amount 2 in Creer)	l	Graduir <u>a</u>	Laure Encoshteen:		
:	[-IIII]	A - 66 56/03/2023	Asian Study Mills	A4 400 A840(02)02.)	As on 34-03/2022	
!	Twees Cost on Decime Hende Chapman	17.24	11.00	6.78	L 22	
!	nggy thoughout Kan Assos	0.565	H+40	0.6	1.111	
!	Ver Incress Cust (Income)	1,50	1E70	6.25	4,12	
1	Change in present value of abliquitions					
	Opening or James Henry Tabligations	1142	11. 23	27- 25	A45.8	
	morel cost	154	h 70	<u> </u>	4.42	
	Service Cited	1.0		١ۥ٠١	173	
'	Hencous Paid	70025	10.27	(11.73)	- 12 Arc	
	Actional quantitass on total caboil or	1,27	5.23	0,50	(77.42)	
	disc to a hongs on fronte oil government	60.58	1 •11	73,000	: 7.88	
	the Michings in demography to complete.	11:41	3 4.	10,47	1000	
•	phy to expect, the Configure	01.65	343	4 101	1: 14	
	( Busing of defined hence) obligation	21.35	17.12	66.51	# <u>9.80</u>	
- 5	Change in the fair caller of pten accels					
	Denning Foot value of plan site of	11 - 11	.1.4	1000	1000	
	Setual return or plan assets	11.1,	2040	' "·•ī ]	5.11	
	Litighto at Contributor	0.72	72)	174	12.46	
• • • • • • • • • • • • • • • • • • • •	House gaid	0.50.		1125	(1) 9/1	
	Chaing heir value of plan averts	11 (4)	lolu	11/11	31.0	
٠. د	Actuation (Carny) on on Flori Asset					
	. spring 1 Higgs I in time	20.1	J (1.	11.01	3000	
		500	3131	110:11	1:111	
	Acteur Barone on Plan Accept	- 11611		1030	318	
	Actuarial gain (1669) on Assets Other Comprehensive Income	1				
: <u> </u>	Opening amount incorporation Of Telatade (Mr. augusti.	2000	,1:4:	- 54	3/4	
<b>—</b>		11 3	1870	3.5	5.4	
	Actualia gamil 988-101 liabilities	1 11611		- 1 A	N.5	
	Actes (2) gain 1,055 for a sets Closing amount seeing seed in OCI autside P&L accordit	11.271	(5.23)	· · · · · · · · · · · · · · · · · · ·		
К	The amounts to be exceptional in the Balance Sheet Statement	21.15	1745		*~ <del>!&gt; .</del>	
	Arguert value of cologations	213	10.42	700	: 1:11	
1	Laryanen planasets	21.75	17.4	*5 s1	87.89	
	No Originary			9181		
<u> </u>	Amount net recognized the relative tend	ι .	17.42	86,51	HV MI	
1	Net defened tienefit liability/tassets) recognered in Culatite	21.3%	11.41	31(5)	nv,m1	
h	shees			<del></del>	— i	
<u> </u>	Lapanses crengitival in Statement of Profit & less	1.59	1.48	191	71	
$\vdash$	Service cot	108	1 Fe 70 (7)	- <del>174</del>	4.47	
1	Set incressions.	0.00		·		
1	No actually from their			- k45	93.67	
<u> </u>	Expenses recognised in statement of Profit & Law	2.98	2.08	_ <del></del>	3211.	
P11	t hange an Net Defined Obligations		16.51	80.90	- N 934	
<u> </u>	Opening of Net dat oest bevolu habitus	17.47	10.27		: 77	
	Service CoM	17.0	- 1 18	9.		
	No Inject Cod	- Th		625	4 42	
<u></u>	- 4generaling	27	421	—- (1.36) —- (1.36)	. 27:1	
<u> </u>	Centrlutions (2), 10 land	-0.1%	0.321	110.05	12 Ab.	
<u> </u>	Clesping in Net selfmed beam killulating	21.35	17 42	ML51	19,66	
- 11	Nedactions analysis		<u> </u>	1	 Iniliett	
1	Nem	As on	Lmjieci	A> 04	Indiaco	
ļ	* H . I . E	\$0.0(\$020 <b>2</b> )		AIMAZ <u>DIZZ</u>	·	
<u> </u>	Base Labore	2.75		W :	13.17	
<u> </u>	neigned in Districted rate by 0.50%	[5-14k]	.148	6140 86 a		
<u> </u>	Deplease in Discourt rate by 1.5%	20.00	167		- 1 × 11 × 11 × 11 × 11 × 11 × 11 × 11	
1	histories in society inclation by 1%	. 2138	1 +1	W 24		
1 .	Decrease in satury inflation with 5	16.27		- NO 186	18.441	
<u> </u>	noteason (Pyrawn) rate by 0.18%	31 -4	4 74	- No. 78	0.27	
	"Accesses withiling all rate by to \$20	3.90	10.4	ho 22	(1) 291	

#### 6. Property, Plant & Equipment:

- The Company is making offers to recognize and identify the location or land along with its bit of cool as well as
  of other Property. Plant & Equipment, transfer ed outlor various financiar Schemes for the purpose of
  maintaining fixed assets registers.
- to. Where historical cost of a discarded/active/labsolete Property. Plant & Equipment is not available, the estimated value of such asset and depreciation therein has been adjusted and accorded for.

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alt



e. In terms of powers conferred by the Notification as, GSR 627(L) dated 29 August 2014 at Ministry of Corporate Affairs, Governor India, the degree atsorbinoutization on Property, Plant & Equipment Intengible Assets have been calculated taking into consideration the rate/users! file of assets as approved by the regulator in the regulators of CPERC (Malti Year tariff he Distribution and Fransaussian) Regulator, 2019.

#### 7. Provisions:

- The provision for Bad and Doubtful Does against sate of power has been made in 5% on incremental centers
  during the year.
- In The details of progressin for doubtful loans & advances are os malet is
  - Provision to the extention 10% on the halances of suppliers contractors has been made under Note to 12
    (Office Curron Assets).
  - Provision for 100% on page est accroed and one during the year on Man of NPCT, has been made under the Note No. 95 (Logis & Other Grund assets-Non Corteo);

A procession for doubtful receivables to the extent of 10% on the balances appearing tooler the different heads of "Fourocial Assets Other-Current". Note on 11 (excluding Receivable on Secretary of John has been made.

- R. Reconciliation of palagons of light Pain Transactions (A. Usano) outing to 3-148.17 Cross is under progress (refer Note No. 10 of the Financial Statements).
- 9. Exability towards and training expenses, medical expenses and LTC has been provided to the extent established.
- 10. Some balances appearing under the heads Tomas & Other dimoscial Assets (Non-Current) (meloding LP Power Sector Employees Triest) Note 61. Timaneral Assets-Other (Current) Note 111. Thinascial Final Historian Francial Labilities. (Current) Note 19 and other Financial Labilities. (Current) Note 19 are subject to continuation? (contentiation and subsequent adjustments as may be required.)

On an overall basis the ascets other than Property. Plant & Espaignment-Note 2 ... and I binancial Assers-investments. (Note current) Note 5, have a value or operation in the ordinary course of bisoless or least equal to the amounts at which they are stated in the Patamor Sheet.

11. In accordance with the procession of Ind AS 38 [Accounting Politics changes in Accounting 55(instes and Errors) prior period(s) errors ones so have been corrected retrospectively by restating the comparative amounts of profit & loss and Bulgace Shoot for the prior period be, F.Y. 2021-22 in the extent practicable along with changes in basic and Jiloted carnings per share. If the croots on soins relates to a period prior to the comparative figure at 1950 or F.Y. 2021-22, the equity, present and liabilities of the comparative period has been restated. Further, the provious year's figures which have been regrouped reclassified have also been restated retrospectively by starting the comparative domoins of the Balance Shoot and the Statement of Profit & Loss. The despits of restated Balance Shoot and the Statement of Profit & Loss. It was are as under.

h. Halamas blood	program di particola

				,		<b>.</b> .
	Particulars	None	Amilien	Edjust recot	Revision	Rimarks
30.			Ukline? w		विद्वासाधिक नेप्र	
			1111	į.	1111	
i			31.103.2022		31,003,2022	
$\overline{}$	ASSETS					
$\overline{}$	No conjugacije spis					
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	Ligardeficiii					
	contigrity walk ar-projects	1	0.00	11161	11 Y ·	
<u>'</u>	egy hidyngrafic assays		2.80	11:361		
	of Changing Assets					
	<del></del>		ı · —			Philipshianti-1268 No.
	At The country		20815-16	73859,425	22145.77	
	111 1845 2011 2014					Replication Recipied for the
				:		76904 (Roto Note 5)
	<del></del>					Reporting Residentification
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	out Leans at Citize Literatural			64,700	WAYS Q	5 (28/20 ftcm %4e 5/10 ft)
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	l					1. 55 62 pen Nag 50
] 2	Current sesses		·	. —— .		
	1.1.415-1777-7		·. '			

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\$ \$60.	Particulars	Netr	A educid figures as ce 31,03,2022	Ádjusimeos	Regarded Ogures ps on \$3.05.2012	llenu rks
<b>├</b>		<del>  -</del> -	1:11		(10)	
	ta; his empries Tel Buracoal Assets	+	<del></del>			
	to frade recordices	١,	20402 78	(62K Jb)	2581442	1991 Admidianuti (115-15) and (30), 20 to prosperty from Nation (2
	1. 10 Jan and rash promatons	1.	1735.72	7/7/35	2416 (-)	Regruip =p 517 18 fam: Оде 10
	1 Isany Palances internitation of above	:	2495 20	:1861:0[1	nIII  v	232.32 to Stop v
	payments.	j''	12599 78	pH 221	12%M Fr	197 Advisional (1973) Regionaling Real (1973) 12 57 to Sensitiv (1794) Sensitiv (1794) Sensitiv (1894) Inc.— Natz 19 (1954) to Sensitiv (1795) to Sensitiv
	fer Office Current Assets	2	611.25	(,91 <del>1</del> 14 )	SH4 S	PLE Actustional Cliff  Reginizing Realizableautra  5.50 from Social LeG Section Social Cliff  in Social Clif
	l'apit Angla		1937 <u>78.28</u>	\$61,19	(3)336.85	
Ш	RQUITY AND ITABLE ITES Rquity	<del> </del>	-			
	om Figure Share Capytal	111	11% 75.55	0.00	1091671 38	
l	charitar Egyp	i 14	(78908 °F)	 	(27285-98)	[PP] Agaistoca [1911-986
	LIABILITIES					
$\vdash$	Nari-pipipis abilipis					<del></del>
<u> </u>	pril congral lightnings				117.63	<del></del>
	iff dop corgs	-15	(485 <u>2.31</u>	0.10	(1992.).1 3792.19	
	The Other filtrancial habitities	Ta	1772 5	9.060	3.42 4	
<del>_</del>	Caren labilities on Leawar labilities					-
	cic fluorwings	17	1072 ( 23	Hel.	10724.23	
	one linde paraliles	18	20202 M	(152.93)	25/64 vii	PPE Acquisiment (\$5.2.80) Recursor/full (mod. (**))
	amp Oter Cinana al Cili II ss	19	2517 42	- פא יפון	2 1953	PPI Adjustment of the Regionality 77 M 404 of to Note 1. (128 men Note 1), 3 to 20 st Note 08
	· Pocal Equity and 6 (#64nles	:	132775.28	561.19	133336,47	

# B. Profit & Loss Attaigns:

Appropriation Corner

				ent of Prior i <u>ro'Regroup</u> y				
S No.	Parneulos	Figures The year ender 31,93-21	Andstell Figures for The year ended 310/3-20/22	Metarcel an the Year under 31,052022	Related to the Year ended 11,03,20 21 and before	Fogal	Resigned digpress for the Vear eaded 3 (34), 2022	Equity (Herethic & Surplace respond for the period raded (0.04.202) and hefore
	Revenue -com			·				
	Lycraling	20	55152 3	1272.77	120.471	. 332.211	54879.36	179.474
· : <sub>1</sub>	Other Income	214		1, 14,	(9.14)	9 141	17.184	0.40
- jı	Just agong 15.05		5429KIII	(27 <u>2.77</u> )	12.6	7352,341	5,9117.24	(\$9.NL)
W.	ENPINSES							
	Prochestes of Stocks instante if Sewer Prochestes	22	· ·	1272.771	1944	(2)2.21(	24874,95	1,21,21,

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		- <b>-</b> :		.kdjuslmi Frm	red of Pinai' i ro'Regrouped	Vermen		
S No.	Particulars	Vme	A cellend tiggers for the year ended 31.40420\$2	Referred to the hear garded \$8,03,463	Refered : do the Again caded (1.0),20 21 and before	1etal	Residing Intuits for the Tear yeated J1.63 2022	Equity (Reserve & Yorphie) restated for the period ended ()(30),2024 and before
$\vdash$	Lingleyer benefits		94 17	11:4	318	(:,)	0.1 51	17.60
$\vdash$	, r <u>econse</u>	-::	9.01	1,194	930	104	1.111	:+
∟ -	Oggestration and			—· · —				
	Administration	26	551	- <u>-</u>	934	293	5 <u>90</u>	<sup>1154</sup> :
Γ—	Other expresses	<del>-</del> ·			ı :			<b>−</b> - 1
	General & Othor	ļ 26 l	4718	7 11	11.00	1156.	47.66	0.04
$\vdash$	Report 20d				— ī	il (*)	_ ×~	<u> </u>
	Mantetinus Raduchts &	! !!	<u>×·</u>	100	<u> </u>		681570	
	Imeraeus	- 29	A) 24 %	: Hierac		J C 1/01j		
-	Tong expenses (19)	⊢	6,451.51	(159) 429	(\$2.90)	([68-132]	- SPHEALIS	
. —	Profit: swellers		. —					
V.	an <u>las (LEP)</u>	_	04 <u>85_</u> 50_	170 <u>5.65</u>	3.29	1711.44	(6X32 J )	: <sup>;</sup> ;"-
<u> 51 .</u>	Elscophion <u>al forms</u>	$oxed{igspace}$	<u> </u>	700	<u>'</u>		— — · · ! ±1 7 <u>'1</u>	
<u></u>	Profit (Love) School (as ( <u>Mark (MI)</u>	<b>⊢</b> -	pt).i2 %i	1700/65	174	<u>1311-91</u>	(eetik.n))	1:4
NIII.	12s expense 71 (funeration 2) (Xeternel tay	¦ — :		—	—: (674.) (100.)		1101	1 ::
, IX	Foil 10 over to the providence of the contraction o	· <u> </u>		<u>  1500 Pr.</u>	! 2~ ]	<u> </u>	<u> </u>	 
<u>x</u>	Peacity cost four discost number of the cost of the co	<u>-</u> <u> </u>  -  -	   				! —— !	 
NI <u>II</u>		<u>                                     </u>	(8705/26)	1895	T	13110=	-\$46.6[+	-   224
v-	I impactors we locone:  A ( ) heresthet without he scheeped of prefer entower (afficient) Benedit of the scheeped of the schee	    -		i syah	: — —	p co	:4211	
	sulf of the include find top of the original original origi	\ W	 ut	6		<u>L</u> .	( Contraction of the contraction	

	. — —	-	"		Adjustment of Poor Petroff FrancoRegiouples			
.S.	Particulars	Nute	Audited figures for the year caded JL03 2022	Heinled to the Year ended 31 03/2022	Hetatril , at the Year would 31 05 20 21 and before	1 ntal	Research Figures for the Year profest 34,03,2032	Equity (Reserve & Supplies) restaint for the period ander! 50.05.2101 and before
	9 'm hears that will be need profine to position less							
-	car literate are relating to nonvicture will be reclassified or grafit or love			·—-				
	Tela Compositions of foreign for the peting (ASI (ASIV)			:				
	- Compressing Professional and Distriction Compressional		!		 			
vv	pried)  Jysi FPS  D Lice FPS	-· <u> </u>	18 8 (0.29) 178 Jahr 1 178 Jahr 1	109.95		1- <u>94</u>	77001841) (84.02) (84.03)	· · · · ·

12. Basic and diluted carnings per share have been shown in the Statement of Profa & Loss in accordance with Ind-AS 31. Carnings per Share? Basic Eurology per Share have been computed by discoughed loss after tax by the weighted average number of equity shares outstanding during the year. Number used for calculating disord carnings per cently share inclines the amount of share application money (pending for allottness).

5l. ¥r	Enrologs per share:	31.00.2023	31.03.2022
163	See Profit classification by claim? Zugan	(1497) 30;	(2001.84)
	regimenates used for calculation)		
da	Workhise average number of Lauris Shores*	[[18]30000	1080535025
'	regrummato for calculating (Geografie)		
1 60 3	We shied assume number of Liquity Shiness	11:00035016	[1897/914/7]
Ι.	(determinated by 75 coloring Differed 1955)		
:41	Has contrary perstane at \$1000, each of \$100.	:126311	56,001
	Othics, camings per share of 3 (0.00) court in \$	:126 <u>81</u>	195115:

<sup>\*</sup> Calculated as murthly basis

(3) Nothing adverse has been reported by the uninstance concerned regarding non-compliance of the provisions in respect of unpaid liabilities and interest diction under the MSMI-(1 Act 2005).

#### 14. Sale/ Purchase of Power:

Differential Bulk Supply Tard1 (DBST) methodology was used in previous year for allocation of power purchase cost to [IJSCOMs (as sales to DISCOMs) and in current year U.Y. 2022-25. Average Billing Rate (ABR) methodology is used as per decision of higher management of U.PPCT. The effect on Sale to DISCOMs in FY 2021-22 date to change in methodology of allocation of Power Purchase Cost (as Sales to DISCOMs) is as follows:

			, 5:00 <u>-0</u>	ni Elin Crarei
8, 80	past rivi	Allocation as per new steelard (ABR) (E.A. 292)-22)	\$80rston as per old method (BBST) (8.5, 2021-22)	Difference
-:	Parkin	11,941-2	10.204 (1	1 14n X
2	MANN	1710/6/45	19.171.17	[101 <u>2,152.7</u> 01]
· · · · · · ·	05380	12001084	11 277 77	1.5H 'n
1	PVVN	12 704 PH	13.122.62	
—;· ·	RESCO 1	218/3	144.014	7-( 258 <u>98  </u>
'-i	lum	56.215.03	54,215.93	

 Amount shown as "Adjustments" in Note No. 08 and 20 of the Figureial Statements results to the adjustment of cost of power purchases not folled to DISC ON's.







t. Opportion ve Dentils of Finergy purchased and solds-

\$, 50.	Relatis	Agram 3 (.03.2023)	Avort 51.03.2022
	Intal number of their purespeed.	17289 97 (MI)	(23406 85 MJ)
101	(artist content of artists and	3003871 MB	11588511 100
- i:	Sweet and	5.27	5.24

- 15. Payment in foreign outrency during the year 2022-23 is NO (previous year-No).
- 16. Capital Commitments and Contingent Liabilities! Assets:

A. Capital Commitments:

S. No.	Despite	2025-23 √5 = 4 mgsL	2021-21 (Fia Crare)
11	Capital Centrolicinos	Ve	8.7

B. Capringent Liabilities:

S. No.	Detnik	2023-25 (Fin Crane)	2021-23 chia Cruccy
	D. Wee Porchage	948K (1	10-83-93
+.11	Ofter Costingueses	14,000	i <u>a 200</u> °

Canting into tale, they have been downsted to the every executability

C. Cantingent Assets:

S. Nic	Details	2402-23 48 m 1 corej	2021-22 48 = 4 cert)
	Jamilegraf Assets*	·	

<sup>\*</sup> in 1.5. [2018-05] K. CNIIIO, Kell preservability Selocited and deposited 1105 of \$108.0 for other by interest problem around the \$4.50 Contract JPPCT which was further below to a 2015-19. It has the periodic selected of 2005-10 along the 2015-19. It has been the host down to along the 2015-19. So that I is 2015-19. The selected of 2005-19 would around a stocked by objection billed by NIIIA condensition for the books of accounts.

- 17. As per requirement of Section 135 and School de VIII of the Cameranies Act, 2010 read with Computines (Corporate Social Responsibility Policy) Rules 2011, every company to which the provisions of Section 135 apply shall spend at least 2% of average net profits made during the three immediately preceding functed years, in pursuance of its Corporate Social Responsibility Policy. But as per Section 190 of Companies Act 2013, company has incorred losses on my the three immediately preceding function years. Hence, by provision has been made and no CSR activity has been malertaken by the company in this regard.
- 18. Since the Company is principally empaged in the business of Tlearneity and there is no other reportable segment as per Ind. AS-108 on segment reportable segment as per Ind. AS-108 on segment reporting is not required.
- 19. RELATED PARTY DISCLOSURE:

Part-I

- 1. Names of the Related Parties and Description of Relationship.
  - A. Related Parties where control exists.
    - a. Subsolianus (DISCOMs)
      - Proceeded Vidyot Vidyon Nigoro Ltd. (PaVVML)
      - or Madhyancha Vidyar Votex Sigato Dsl (VVVNI)
      - ar Daksmininchar Vidyur Virrar Neaur, I td. (DVVN) I
      - Pyrchymanchiil Vadou; Vitran Nigam Lid. (PVVXI.);
      - Karopin I tochacky Supply Company Ltd. (KLSCO).
    - his impliyment Denetik habits
      - DTP Prover Sector Couplingers Trust (GPF)
      - L. P. Pincer Carparziani Finployees Connitinory Provident Lune Trust (CPI)
  - B. Hither Related Parties

. 1976 г., Гарад Інтена, под такта рана дъжа въз ран, в расност разговат за компония да

- Associates and Refried Latines Vol.
- John Vernore Corporation Val

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Thy lamach in Chipperson groups under converse observas can H. V. 202 (2.20); 7.465 (2.2) corporate spect results in C.1–20 uses as the arthrepic and not of 2.15 670 characteristics about manufacturing and of 15 670 characteristics. A 20 per about menudad in the arthrepic observation beginning against for about Proposition of 3.00 characteristics.

- C. Gol. P-Relater Power Sector Forties finder the same povernments:
  - L.P. Rajya Vidyin Opadan Nijami Fid. (IPPCVOST);
     L.P. Jal Vidyin Signor Fid. (LPDVSE).

  - 11 to P. Pover, Gassinissini Corporation Ltd. (CTPTC).)
  - In P. State Lond Disparch Conject, emited (UPSLOC).
- Disc ovoic as per half AS 23 (Separate Financial Statements)
  - A. Tovestment in Subsectory Companies:

50	Name of Company	Country of	Phare of Registered	Proportion of the	nership Interest
Nit	•	Incorporation	(Milice	4 c ur	April 10
	I .			54.03.2023	J1 03 2012
11)	Parvanchal Vulvet Vitem Sugmelt.31 (96/VVN)   CIN-113 (2001) (2003) 67 (2004)	liala I	Variousi 149	tr d'e	1.5%
1111	Machyanchal Vidyat Vitrai Niga+ Edi (MVVN) Cliss1031000000000000000000	li::lia	Laukowa 129	utr.	1500%
1.111	Paksh randid V dvat V tran Nipan I.id (1997/91) (18-11) 200.00008(2007/h)	lı:L:ı	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	ion.	lfar*.
1.41	Paschirunchi, Videa; Vittan Segun (1d. (15 VSI), y IN-19, 200 (0200 (Segun 248))	lista '	Modul 1.11	97.	ikr.
l+i	Kanpar filestricity Supply Cumbary (14 rk bSC) at City (400 per 5) 9498 (c.) 42628	Inc ::	Kanpur 1, 1	10.4%	.074
	I / Dec. similarly, ad seating 0.70/25	I	1	. 1	

B. Key Management Personnel: -

S.No.		Designation	Period
	Shri M Dografi	Chart.nan	Long 17 for a 2 life days
: : ···	Seniopulg Krimye	Maragon Process	Linux 1000 (0.2 https://
1	Shri Nidh Kamai Namp	Director (Industria	French, via 5°20 fill data
. 1	Shri Net : Rumai Selvadava	Buseke (Commercial)	Finns 24/95/2022 till (Litz)
	Slim kumatsh Bukoto Bings	Days for (f) impersor Planning)	Prints 18 cm (1.22 fill state
_ ^_	Nin Salart Ozek	Parceton (1777)	From 1876 2022 off 468
lγ	No. Stogans Stiples: Dash Bhahanish a	Director (Forwood and Administration)	Finer 10 C7 2002 fill date
×	Shire Aguy Kaimar Concar	Onecon618 At	1560 1717 2004 (504) C 5622
4	Nije Astronovičinai Se častava	Office Na (First of utilis)	3769 (901 200) (827 07 2002
. 10	Shite Arti, Kumat Assastr	Clust's many Officer	Fire- 68 03 2000 20 11 2020
[ 11	Shirt Not 1 Milhaway	Chai Fillatte Orteet	- netr 01 10 2 (02 t II d <b>a</b> te
17	April yoli Alory	Company Sectorally	-content 2021 to 16:07 X 22
	Shir Ipasa carran	Company Nestiday (2001) 2017 (1924)	rram 27 84 (022 t 8 day)

C. Monnine Directors:

S.No. Name	Divignation	Proof
Shirt Guita Piesad Porela	Notained Directors	From 23 ( 7.2901 off case
<ol> <li>Sam Anapam Senkin</li> </ol>	Number Districts	From 11, 101 NON dilegge
1 8-9 %// Shar-a	Nonneez Dingeries	From 2009 2022 Hildary
<ol> <li>Nin Neel Ratar Kumun</li> </ol>	Number Design	From to 10 00131 II 2415
S Stockwed Aslan	Norther Deadley	Treat 17/10/2020 (x-0) 05/2022
6 Nari Kannasia I ali Verna	Note the Discours	110m (6 % 0122 : 1 date
* Samutanjan klamat Sukasawa	Naming Jacquary	Turpe 1799 (4021 or 0.1992) 92
8 Sur Ard Kama	Aurupt: Proper	Emps (300-2022 in 5006-2022)
n San Sarja Kanan Sage	Sorme Distant	Tonje (402-2021 a 1996

D. Relative of Key Managerial Personnel of any t-

Albert, franciscom have asking use daring the corner previous conclusion, a constituting

# Part-II

Details of Related Party 4 ansactions

A. Transactions with Sabsolaries and Employee Benefit Foods

	<del></del> :		[Section 6]	-14 recry
S. No.	Parteniers	Subsidia rira	Emploses Benefit Family	
			CHT Trues	L. P. Trust
L	Birk of Africa (esc. siding adjustments)	Object 52	-	
	A factor of Company Apondors	175.00		
	Investigation Liquity	4651.5		
	Share Application Money	7857.42		
١,,	Here suches on account of twee flands rather an hebatf of ft NO PM	0.0425170	Γ΄ .	·
	, Sale tr & 111		· ·	. '
^	Trigg Recy sables Suty to	5.139	l	
7	Office Recognition Note 11:	65.14		

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Г	Particulars	Subspirarers	Elephone Bereits Funds		
S. Na.	Parueali45		CVFTeest	tiffe Arget	
_ • -	Parintiply against linear (Nation 16)	17,815 (4.)	:		
	Popular against Capital Organ Lions Flow 199	85 Fr. 7 71 P.90	$\vdash -$	– Ч	
— 150	City Pagabes concentration to the Lorentz Stage 189 (19.1) northern made 15.1 mg, Lorentz Stage 8 Fm. Joseph		— :	+	
11	(NX) VI	<u>-</u>	l '*'.	٠.	
-	1. "9" Conde Entect is add to Trust "Copplaints & Copplaints)				
'-	(Rote / M)				
17	Pre Cantel attention made a Transit replaces to be applicated	-	l •.	710	
- ⊢	(Note Per imposy) Contribution on account or Person & Tourists		⊢· '·	01280	
1-	(Note 19:	_	Li .		
	Tulal	AULAS PALIA	h <u>.71</u>	4.84	

B. Transactions with GoUP Related Power Sector Limities

					138-41	<u> </u>
5.96	Perticulars		Could Related Power Sector Facilities. [1] addressioner Generalities.			
		UPRESTUNI	DESERVE	UPPT CL.	!	
	r, hase or Power	12,412.00	75.00]			
	organism of a remove Paperdot, is	1.8.	T	1842		
	estimant in Equity					
	л з Арры <u>ант Мечек</u>	<del>-</del> -		_ ·		<u>.</u>
	her Rate vables	0.74	-	.6 10	i	
	her l'ayables	- KK5 (4)	99.0			
	langus cusse	-		-		1.14
	populary and Other Alking odd	-		. <u> </u>		
	chent in Perenn Carrency (1941);	-			Γ	_ :
	T Tease Salary Commburgo	I—.	·		l	1.16
	hais pre specified about			<del></del> .		_ / .5
	Forei	11,516.60	: 155.68	35.21		1.48

Part-III

# Definity of DISCOM wise Related Party Transactions

Dining the sympreded \$1,03,2023

Design tin Coro

1 "	г — I			_		er <u>e af l</u> resauctria				==
∴ Na	Super of DISC SPSI	Select Paper (See 20)	Advances of Common Expensions (No. 22, 20 d) (20)	Reviewer M Equation (Nuc 5)	State Apil Carie In Mirecy (March)	apriferate taken on hobili al first taken   first taken	Trade Receivebl 41 (New Pr	Orkei Reconsides (Nor III)	4Mor Par eNes (Nos 16 S (%)	[ .asl
H .	PAVVSI.	pa. *	- ,., +	1976	271, PF	PRH 4.0	195.47	1414	<u> </u>	3,00%
1 7-	MISSISSI	15,767.51	<b>–</b> դ <del>,,,</del>	2,62,77	1410 %	2 - 11	(98.7%)	13.5	<u></u>	15*****
H: 1	707/SI	14 5 2 45	· ·	7 to 10 22	1 (2)	0.49 50	1111		(11 5)	147 4 1
Ι.	PC5.51	N 16 - 1	14- i		1879	602999	0.042920	· — : <u>: : - :                                 </u>	A-1.99	27.879
3 5	K-900	2.371.00		1.137	16 41	70.00	777 J 174	193	^ ! <u>'-</u>	700000
	Total	48.46557	184.00	5.635.11	3,440,42	(2,428.12)	411.19	H5 04	1334,581	ALISE IA

Part-IV

Ratances outstanding (officeing Halances)

(Surprise of ever)

	·		
S.No.	Name of Related Parts	Rutanors as 24 (1.663.2023	Balancis av at 31 04.2022
Α.	Subsidiaries (Note 516) 8-11 (1-19)		
<del></del>	Pursanekal Videor Virgin Nigor Hill	9.25029	56 M2 H
1	Ktachyarehal Volya: Var.o Ngy n Lid	17 252 88	
J.	Diskshmary to Melyot Villam Nigelin U.	\$4(\$0.10	
ı	Payrhumanded Videot Vitras Viceot 16	24,930 15 7,372.90	- 25,340.64 A 200.10
	Kanput Fjections Supply Company 1 til	7. 1(7.40)	
3	Employee Hestelly Fe=35		
1	107 Paiser Search orghosocial riskla Sale 56 (19)	18.75	
:	119 Pouge Corporation Employers Contributing Previount Contribution (Nate 19)	127 540 1	2562
Ü.	Got P-Reboyd Power Sector Facility		
:	Cirifogo Villan, Presdat Nigara (am 1991) IPR VIDA ( (Nego 11 - Daunges, ander AC Cinac 41 112 & 11 212)	:5 990141	ηδ √1 ≤ 1λ τ

3- all

\$,80.	Name of Related Party	ligitations as \$1 11.10.2023	((p)) access as at 11 <u>10 10 22</u>
:	1. Har wityur Nicare 1.3 (1999/18) ( 1916-19 Opensoner 180 Code (1111-6-4) 717.	(72-4)	page 94
3	(2000)   rancerson Corporator (5)   (2007)   (8) (2007)	2,439,575	7740 J. Aks
1 ′	*I) includes investment to equity of \$1211.54 Conv	I	. —

#### 20. Government Grants and Subsidies:

- Greats: Subvicies received under different schemes for DISCIPMs are treated mitially as payable to IIISCOMs and subsequently are transferred to OISCOMs asnormed.
- b. Harring the period Capital Grant ₹ 298 00 Crore. Revenue Grant/Subady of ₹ 21867,37 Crore and Additional Subady for Operational Loss funding (RHSS) of ₹ 8037,72 Crore bave been received from Gove of U.P. finehading other departments on behalf of the DISCOMs and have also been distributed to the DISCOMs. Necessary entries are accounted for in the books of DISCOMs in the respective functional beads. The DISCOMS was dear boar itemished below.

FV 2622-23					Likemper d	in Cenery
Perskulars	Punni.	112.3 NI	DVV St.	PI VIVI	RESOLUTION (	Total
Capital Grant Subsidy	152.00	710 50	146 50	67.00		499 (8)
Records times Nabside*	870.08	475177	4475 10	9553.28		2.4/5 23
Additional Subsidence Operational Line Circling	T 008 07	10.4 fe	457 (4	[32K 96	456.34	506 07 72
(#I)SS;					l	
Telal	R909.8II	7285.89	500,0004	7734.24	447.54	310000.09
" he midde Pilded on a reconsider partie." the				~		

FV 2031-22			_		<u>i Amerikan F</u>	in Une <u>er</u>
l'articeters	PONANE.	MYYSL	DVVNI.	PAYNE	KEMPO	limal
Ciped State Adisab	-		n I.II	_ ·	· . <u> · ·</u>	6.30
Recente Court Sufords	5769-15	48.4021,	3, 24,50	38/2 %	48.7%	13(18.95)
Additional Sureids for Operating Class tordate	17ain 75	14.75	1 (2017)	216 11	)7K 7:	5 970 50
Jacob Plan						
Lord	7079.20	5,583,16	4250.81	5414.89	17174	22195.45

e. If his been startified by the Got P, orderits essentiation, 1772/24-1-2020-05/2073 detect of July, 2023, that the provision of \$ 3372.50 Crops and \$ 8007.72 Crops made in the Budget for the year 7071-77 and 2022-23 are not related to CDAY. Scheme Son are related towards fooding against lusses as per ACLION PLAN and Revamped Distribution Sector Scheme (ROSS). The details of Subsidy Fund received from CoOP under the above schemes and distributed the same to the subsidiance (DISCOMS) are as under .

		` `	rd and Distributed
N.No.	Name of DESC OMs	Ven 2022-25 RDSS	Near \$021-\$2 Act=on <b>Fl</b> an
۲ <sub>۱</sub>	193.981	26KL 13	1.700 76
7	MVVN:	50.00	417 (0
3	TOVANI.	957,01	1931
	1977NI	188.00	945.03
	XBSCO	"_ (%A)	27k/41
Futel at	Muunt etten to fram Gol F	H0H17.72	5072,50

- d.
  i. As per GO no. 445-1-21-771 (Budget (2020) doted (05/0), 2071. God P has accepted to provide additional revenue subsidy of \$39,743 Cross to the DISCOMs (subsidiaries) for the period 2007-08 to 2019-20 as appreced by the LPERC through its Tariff Tracsup orders issued from time to time.
  - ii. The above GO also provided that, out of total adoptional revenue subsidy of ₹ 39,541 Crore. ₹ 25,081,46 Crore shall be deemed to be paid from the grants provided to the DISCOMS by the Lint Plander LDAY in reality years. The halance amount of ₹ 14,661,544 three shall be paid to the DISCOMS by GoUP in the next 10 years, commoneing from 2021-22. The company allocated the above additional revenue subsidy to DISCOMS as below:

N.Vii.	Name of DISCOM	Samual (Sia Crarry
:	providi	12.767 (8)
- 2	NVW	i, (set 4i







1 0VV M.	9.215.0
4" 9556	14.675 (4)
S PRINCO	1.545
Tistal	39,743.00

in. As per the above GO, the sobsidies of \$209,000 Clone (\$14661.5) Crore of execute subsidy and \$6258.46 Close of POAY loss) is receivable from the Got P in favour of DISCOMs through the company (UPPCI) and the same are to be eard by the Got P in 10 years beginning from 2021-22. DISCOM wise details are as under:

(N)m	Name of DISCOM	Amejel (Fis Core)
$\overline{}$	PuVVN	K115 54
· <u>;                                    </u>	87885	S 28,10K
$\overline{}$	DVVNI	275464
· .ı—	PVVNI	#145-45
3	X12630	549 24
1 7	Letal	20,540,001

iv. The details of the amount received against the sob-id aries of ₹ 20040,00 Crore are as under.

					(Amasa	<u>itun Brai</u> rj
Varticulara	Pass VI.	1/1 t VI.	DAVAL	PVVNI	MESCAL	fintal
Tonauca acum 31 01 2001	8115.54	478 °F	2154169	Q1 04 44	पःअ	20040.00
Received during 2021/22	775 (2)	93,12		471.35	9.99	2080/06/
Balance as on 10 00 2023	714045	\$4.1An	1951 42	*77.535	-184 (c)	Tièn± (16)
Recoved curry 3023-23	175 2	43.12	205.27	473.50		giRa Visi
Balance as of 5137 2025	5205.00	701.25	170 / 14	779727	317.73	184(200)
	· · — ·					

- Grams Salisidies received under different schemes for DISCOMs (sobsidiaries) are treated initially as payable to DISCOMs and subsequently are transferred to hadjusted against DISCOMs.
- f. As per approved ARR and Tarrill for State Of SCIPAIs for PY-2022-23. ARR for PY-2021-22 and true up for 2020-21, the UPFRC has observed that there is shortful in subsidy of \$1170.75. Core that is required by DVVN1, MVVN1, and PVVN1, whereas in PaVVN1, there is simplies as detailed be exce-

Name of DIS	OMB   Deficit Surplus Subsidy
MVVVI	30 62 30 62
DVVNI.	421 00 620 72
NESCO	
Total	1170 <u>76</u>

In respect of the above, UPERC has directed to approach the GoUP for the aloresaid subvicy. Accordingly, UPPCL, approached the GoUP and the GoUP has approved ₹ 1000 Crore in its Fudget to the year 2072-73 against the shortfull in supsuly of ₹ 1176.76 Crore, The 1 PPCL has proportionalely allocated ₹ 1000 Crore amongst the DISCOVIs as under □.

Name stratscosts	Amount (fin Court
PLVVNI.	-,145 57
MVVM.	456.08
DVANI.	ilo W
PENN	55 (19)
Lural	1600000

- g. The DISCOMA (standidanes) have accommed for \$19745.08 Crore, and \$6278.00 Crore towards revenue subsidy and \$1.074 loss Grant respectively, as stated above, in their account for the year 2020-21,2nd, therefore, due to impact on the net worth of the DISCOMS for the EV-2020-21, the company (CPPCT) has reverted the provision for impainment in investment of DISCOMS accounting to \$170.947 Crore in the year 2020-21 from the accommended practision of \$17580.12 Crore created up to 2019-20, for the same.
- h. In compliance of the Supreme Court order, provisions have been made in accounts to respect of J (Verevial Lanff Coirc of two Solar Power Generators (M.) Adam Circon Energy (I.P.) (a), and M.'s Salatsradiana Lucigy Pyl Lidy, Further, the accounting for sunsing a partion receivable from CPNEDA against object attentions.

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alit

has not been done as compliance of Prodepas Principle of accounting.

21. I quity share capital i joindex 3 1975 55 Crore received I on Got P moler the a stat Prodost Power Distribution Network Project (CPPDNP) against which con party has already invested 3 1258 19 Crore with DISCOMs. [118COM] wise break up of successment is given below:

					S al 4 : B: FI	
Sr No.	Name of pastrost	Equity precised from Gost as paral 43.23 against 4.9PDNP	Fund released as which we can be country of DESCORDS (F.A., 2022-2023)	Fund released as incomment in equity of BHSCNOM (F.A., 2001-72)	Fund retensed as insulation of Squal) of HISC ONL (FA. 2006-21)	'l cast
	153 V RII	18 qi	0.740	1612.	IA A A	47.004
1	MA CKI.		5-10	79.27	App. A	111 nF
<u> </u>	DVAMI.	142.44	292.07	(A 7)	Ja 12	165.7%
	05.55	77.64	1 K : P:	20 47		78.72
	Ialil	1975.55	10145	ZH5.36	[1114]	1250.1V

The balance among of ₹ 187.64 Cross (₹ 1838-19 Cross (₹ 1055.55 Cross) is to be reimbursed by the Covernment of U.P. and shown as Liquidy Investment in DISCOVS.

# 22. Earmarked Bank Bulances, ESCROW Accounts, and Bank Credits (working capital):

a. The details of banks accounts carounked for reply original flund at original and are as under-

				_16 1
Bank Name	Accessed Name	lienk fotaniv	FIRM Reliance	Accressed Interest
	TOSBA SEKILS CALC		21390	,1 A±
HOP.1	Jeskitishkit Scistow (A.C.)	-	/1 × 16	174
Personal	TGOND STREES CROWLEAD	-	:1 45	1117
	DSPAN-RUSZIAC		110.14	1 l÷
TA L	HISTORY, IS CONTRACTOR FOR LIPE BY ORDER OF A BORY.			
	TESTRIADINOS NEOVORK PELIABILITATION AT	- "		
	DIMACO AZISTAS IRAJETAKA SEKILAN I AC		180.73	: 49
	TIPOLUJIEM I SERVICE RESERVE CA C		19111	
	1041'C 40ND SERVICIAG SERIES CAUC		140.14	1,37
H ( I	D991'C DF91' SERVICE RESERVAL LIACT	<del></del>	48148	
Reacon:	poper, second standard for the scholars		842	
	TOTAL CHILDRANG CHANGE RESIDENCE AND BOOKER SHIPS A PROCESS		:91 71	
	PSPO BOND SERVICE A COSTRUENCIO DICE	-	9.50	<u></u>
	PERCEOPER STRVICER, SERVE A CHORDENER LY-TH- 2020		171.2K	
Nopus Pard		<del>-</del> .	In r'2	
	Topi	-	2324.64	4.79

b. Bank Isolopaes a CESCROW Accounts for Power Purchases:

			is <u>Crosvi</u>
Rank namer	Account neek	A4: •0.	<b>Hawn</b> te
Sit. Acrok Mark	PORVANCHAL VIDYUT MORANING AND	[5]0[685011	
	DAKSHINANCHAL MIDYCOMF ROLD	[9] n [8K7724	99.
	PORVANCIJAL V IPTIG ATERARAN AM	714 (1664)	
	MALYANCHAL YEAVER VIDAN MIGAMERITES CROWN C	QuiC())yaqs	
	PASCHIMARCHAL MIDSPORTERAN NIGAMERIC INCREMEND A C	74 (1294)2	l
	PURMANUHAL VIDER MERANING AMILINES CROWN C	Zers (JWe/Co	
	DASSIDNANCE ALA DASTEA DRANGRO AN LIDA SCROW A CO	\$30,514,6025	l _:
	C PTYON R CORPORATION OF THE PAYANT	7 m2 value 5/51	·
	PARCE TM ARCHAE A DOMESTA DRANING AM L <u>EID CARL ASCROACA C</u>	9 (100400) (1004)	l. ·
	TOPPOWER CORPORATION LTD MAYNE.	99125473511	ľ . <u>.</u>
	TURKEL ESCHOOL A CHOKA	V465661606	- 645
	DHY LESCRON A C BALAF	/347750-be/7	: 64
	CHACC SCREW AT LAUTHAR	1-11us   - 5:1-7	
PSQLHazaagani	I NORGONI ACCITEDICADO NO PRESENTA DE PRETO POCI.	20000210 (74879	
	KINDELYANICI NE MEDYET MORAN SIGNALETDE I ŞO <u>ROMAN RÜDE (Y</u>	29 au/21 (*io23/2	
	EXCERNANCIAL VIDEO CAPIBAN NICAM CHEAGRAC SURGA ACTUTTESS.	291052110552336	
	PASCHIMARCHAL VIDYOL CHRANISHIAM	79090 <u>2</u> 1009 <u>2772</u>	<u> </u>
	MILIPORY ANCHAU, Y HARAN NICAM LAD	CHIDS DON'H St	
	PROCEEDING VIOLET VIOLE	goment mode in	
	PPRVANCHAL VIDATELYCIRAN S <u>IGAM (L.H.)</u>	27/00/21/09/41 16	: 73
	MATRICANCINAL VIDYCE VIBRAN NIGAMELU	28/0021/0004/81	
	DAKSHINANCIIA., VIOYUT VIDBAN NICAM LUD	2740021 PoC4067	
	HOS <u>AIN NACHA COMBUNICACIONES COMB</u>	24/00/90/00/00/11	12,00
	BA AT ANDROM DELABOR ELECTION	200 (2) (6) 7907	



Xlit



flank same	According matter	A-r nn	Balance 3
	DRPCLLADIPLE CS. ROWA C	2466-21 00048-25	h 11
i 14 Harratgani	PASCHIMARA RALLYDDY DERBARAN, HD	144093392	$\overline{}$
	PURVANCHAL VIDY OF YORAN NIGAM (E.ID)		
!	CUPSOVER FERMORALION (SD SINVS)	1444799099	1.74
:	TOTAL CONTRACTOR OF CONTRACTOR OF THE CONTRACTOR	19195 K	
	CONTRACTOR DE LA PROPERTIE DE LA CONTRACTOR DE LA CONTRAC	1 144 (72) 17	· ·
i	JOSKIWER CORPORATION LIDE DANISH.	1141144-15	
	1995(WHG) (SIRPORATION LID (BLADAD)	32902800	111
	UPPOWER CORPORATION (F) CANDO	725 (40024)	
	jú 1939 (Neigh aigtrach 1937 (d.). jú Á a 1808)	31729/8900	(0)44
Black of Banda	UPPCLESCROW DVVSI	51/12/06/00/251	1.45
	LPIX F PSCHOW FACUSE.		· ·
	PURVASCITAL VIDYUT VITARĀŅ SKIAM LID	\$130,000,000	
	ESCRIOVAÇID <u>YYNI.</u>	Statement le	2.2%
	MADYARUJA, VIRVII, VIJRĀS SICAMĪ III	5/7/90000000	147
C K I [Jyne	TERN TO A TIPLE BY DWENG SENERALISM COLUMN SCROWN A C.	200009-20037	<u>≤ 85</u>
	UPIC LIROSA POWER SUPPLY PAYMENT ESCA	V)R 0303 P033	E ()
	O SPCT LASC O INSTAULT PSCROW AC	NS 69 77364	
	USVCLBANAL (SSERCY DIES OF LLSCROW A C)	+251050 30032	2.37
GDIC Black	089A 1. ROSA DEL AULT EN ORGAN A.C.	12/7224069 (1)	2.78
	11-5V Chakes Lot Roll Ve	9/20/00/11/2000	·
	TIERA, PRONTESCH MICHS & PSCHOW A 1	v20c0a(H57842)	
	HISSO TRANSPORTER AND A GRANDER OF A TRANSPORT	20000017399911	
4 X IS (5ans	THE CONTROL OF SOME OF SOME OF THE SOURCE ASSOCIATION	912029049752298	11.11.
		I	65,32

c. UPPCL has availed working capital facilities automoting to \$19,00.00 Crore from various banks. As per the squerious terms and conditions PNB has sanctioned \$150,00 Using as \$30 fpost and the remaining banks set indican Bank (\$30.00 Grove), 0.7c° Bank (\$40.00 Grove). Central Bank Of India (\$405,00 Grove), 0.00 C bank (\$30.00 Grove) and Bank of India (\$50.00) Crore) and PND (\$15.00 Grove), nare sanctioned residual function \$1,000.00 Grove as (\$10.00 Grove) and Bank of India (\$50.00 Grove).

As on \$1,03 2023, I-PPC1, availed \$200.69 Or from below mentioned banks-

		(Arakurz 7 in Lirane)
Bank Yame	wei	ONCC
Indian Bank (30)	i y de	· .
PS(#1 C)		40.72
PKB OO:	<u></u>	9.70
300000		0.00
folial	15nuit	34,08

23. The prarameter should by Gol P in layor of various Banks. The and to steep of bonds issued by company as a security should at £ 96.212.99 United as so 31.65.2023 against £ 95.936.65 Unite as on \$1.03.2022.

#### 24. Receivables related to Power Purchase (7 1567.9) Crorel

The above includes the toilowing towards the delsi harances repord to power parchases from generators as detailed below

		i toració int may
St No.	Balances	Hentarks :
	20 nk	Residues to complete sound in Mark Cost Privat Limitary likeling the month of April 2015 bounds the recovery as as 250 100-RCC; Costo for the recovery against the above sound notes as still stand to be APTEL'S under disease 1976 October 18
"		in relates in unschede of interchange changes reconsilite from year atom (Northern Radows, NPC), and Change Concert Factor and 1, he 10 always may be provable to receivable Agreeming upon deviation from the settential and obeyong upon deviation from the settential and obeyong upon the final condition at that page 1010 feet
п.	4 k i	<ol> <li>Object to the regardise outsignees by the UPPPCT. Proveted discovery Sanotal and 1.688/07 for Cl.</li> </ol>
[ <sub>3</sub>	2M 64	it solutes to the erical balances, against child not constation and the same the under technic states
- 1	75.76	It relates to the around receivable from facial binary by change I of against our bow and rates florable.
Total	1967.90	· ·

 Disclosure pursuant to Regulation \$4(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

У The status of Bonds, saied by the Company for the DiSCOMs, as on 11 01,2024 г-рад из under:



alit

					T -	r .—	<del>.</del>
Outstanding As al S1.10.2021 Pie Coner	•	K hyd	E	- E	38 (MC)	4:34	18,012.80
Cultimiting As if 31,00,2023	r getty	ñ e4	12 20 10 10 10 10 10 10 10 10 10 10 10 10 10	F 5	30 host	un (STR	00,74,001
Security	Asson (re	His profusion (ta) ing Storen ables, as per lettirs of 1905	on ya Uyerga JESCHOW, az Jest especiiwa	d Cort Sub rounner	aro.	···	
Principal Amount Payable on test fluc that; If m freed	<u> </u>	<u> </u>	<u>=</u>			- E	RG.40
Next dec date of permerical physical	And Calum	Mich 2025	FAC HILL	887 m 68	08.4.0	1368.80	
Amount of ingrest Payable on neal dur dare	÷	ž ž	Ī.	er y	2	-	447,19
Vest date of Interest psynker	100 day	 4 4 7	SE SE	50 H 302	50 W W 51	1514.347)	
Fredhir Pa	746	<u> </u>	<u> </u>	Z	- · ·	3 -	
Presions des date of internet passivent	Cocon	A STATE OF THE STA	2001 2023	0.00	900 D. N	P10 203	
Have ed internal	` *****		<u>\$.</u> .:	Š	5	γ <u>.</u>	· ]
Face Value Para	≗	: - :		-—	≤	2	: .
Mair of Ivelet	766 oran - 767 (677	. 12 15 15 16 16 17	23.62014	8 22 23 24 24	10,2,017		
Meluniş dan	707 W.K	, TRIVER	Alle Pille		. —	87 my -	
Nu of Brock	laki,	1951.3	ž	다 라	- Vell -	<u> </u>	1040
Administration of Benedic No. 16 or	5 4 7		Sachot		- SE	- Afond	27427.90
Nembol Remin	a PRC1 Num Cost Serviced Build series	FPN 1. State Cox 1 Serviced front series 1,2022	( PIN 1. Band Series Hgail 5-10.	UPPRO Bend Series Ichil 7-18	Perfect. Bend Serves IS:2016-17	CPPC   Bred Series III.2016-17	I I I
4.9							Ľ



othe

#### Ik Credit Ruting:

The position of Credit Rating obtained from various agencies is given below-

Current Rating (as on \$1.03,202) it

Particulars		Ratings	-
[kmd 4 mount	4498 20 Crone &	6510 00 Crord &	3951-28 Cross &
	5491,00 Crord	3489/50 Crore	34k8 Crare
CRIMI, Rasing	A U(CE) Nable	-	A+(CT)-Stable
Ladia Hating	IND A (Closstable	IND AACCLUSinh #	IND A+(Cl <sub>2</sub> ) Sable
Brickwork Rating	BWB AAHCLINoble	BWR AARCE (Stable)	

Previous Rasing (as on 3) (0),2022 c.

Paralculars		Ratings	l
Jismil Amesen	1998-20 Choice 20	6510000 Core &	3951 20 Cinta
	5491300 Crore	1489 91 Com	:
CRUSH Range	An(ClueStable	- ' - '	A UCE (Stubie
India Rating	ND A=0.1; #Stable	IND AAICLYStable	IND A : (CLTStable)
1978 swork Rating	BWR AARCHINGHIZ	BWR AACCTPStable	<u>-</u> . ;

These to no change in Credit Rating as compared to previous year

C. The following Bonds joseed by the company are secured to per the details:-

ISIN	ISIN Script ode Maturity Secured By way of		Amoust (fin Cross)	Present Outstanding (8 in Crury)	Date of createm of ectority	
81 \$40997 <u>228</u> 181 \$40997236 (80500967242 (8154096725) (81540967269	967/06 967/09 967/09 967/08 967/08	20 (0.2021	Hypothecation on coroni assessed engages values of CPPC1 and Circle Conscience.	4201-201	2513.91	98-10-2017 
[NI:3409:7119] [NI:3409:7127] [NI:3409:7118] [NI:3409:7143] [NI:3409:7]39	957806 957807 957804 957806 957810	20-01-2025	Opportugues or emporture to confident receivables of UPISM and Confidential	514 (0).	15)11/60	24-05-2008
181 543(9) 0.08 181 543(9) 0.75 181 543(9) 0.79 181 543(9) 0.30 181 543(9) 0.30 181 543(9) 0.31 181 543(9) 0.33 181 543(9) 0.33	1775877 17758177 1775867 1775867 1775874 1775874 177588 197588	21 03 2017	Appriheeation on carrier, possible including secentables of OPPCL and Cost Hine entry	, any - 2m	305-30	284.000
INSISSION-7442 INSISSION-7450 INSISSION-7451 INSISSION-7451 INSISSION-7451 INSISSION-7510 INSISSION-7510 INSISSION-7510	974294 971292 971293 971294 97164 974296 974296	23:403-2002	Thipsospeciation into an ornitate the including receivables of OPPC Land Gost Charanter	A48.01	44 84 Ib.I	05-4-2.22
INC \$104 7057 INC \$104 7067 INC \$104 7065 THI \$40197701	953770 953770 953770 957772	Hisuc previ	Hypothis alasmin current assets including rees waster of OPPC Land Grey Grey greys	231(24)	\$720 no	In-62-2005
INVALIDATE AS ENTSAUPER 62 INVALIDATE (4 INVALIDATE (4)	95/141 95/14X 95/14X 95/140	1)40)41077	Hypothecal en on current sescis awhering reservoirles of (IPP)(1, and host. Cularance	1439 %.	[994 (s)	.00 n3 2917
		TOTAL		27427.90	133946-90	<u> </u>

The assets of the company growide coverage of the interest and principal amount, as geneiled below which is of accordance with terms of asset/generators reast could for Severed debusecuraties:

Particulars	Security Constant
Hearni Tristere p. M. (Delender Truster for Binary)	1 Lithous
VictorIECE India I M. d'arbert de Truster Se Bouler	1.13 times
Other Seringal Deets and inter Seringal Physicist	5 97 times

<u> \$</u>-

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D. The market value of Bonds shown under the good forest oil 4ps, re-income as eVen-Colorian in Nate National On Financial Statements is as under a

(Alexand Fun Central (կուցոլ) Read pat D15151004 Seinkmen Valuation No. af Vield as on 31,03,2023 Security Muter ity Priese ∎#Aum/ mélands Date date bu**ed**s de le dran price .. SPAF 7.75% PLCTflords 25 (6.1) 27 (2.20) 7 31/63/2003 20/03/2027 100.73 271 1 Name of 164 (20)(4)(2003) 1 75%, 10% Honds Source 64 27.15 31/07/2023 21/07/2007 ı 2--2017/2027 110.73 167 1,200,2027) 2.75% of a Cilliands. 25 (8) 250 .14 : 71 29. 27-02-07 0.0008 2210/2020 -1 Sense of (02/01/2/07 2 - 8 2.78% (PMCD) and c 196.75 27/03/2017 9.0000 22/04/2027 7.47 240 56028 (61) (02/01/00/9) 7 USA POT BONDS 7.47 2317 1105707 Scool-161 11/03/2020 22000000 3 00.71210 (22/0) 0023) 123.89 שענו Entel

E. Disclosure pursuant to regulation 52 (7) & 52 (7A) of SI/HI (LODR). Regulations, 2015 with respect to tiph/attourid Issue Process.

Nume of the Issued	ININ	Mode of Found Halbing (Poldir (yapry- Persate Placement)	Fepe of metruminal	Unit of raining lunds	Amogor Raised	P part uldide d	Any decode on 13 495	If a ic. I see then specify the purpose of for which the family were of direct	Mattar ks. of any
1 2 pages to readout through dupted a companient by corrects to Commenced of the	2 reparentee; en serentee; es serentee; reparentee; reparentee; reparentee; reparentee; reparentee; reparentee; reparentee;	h sat. Excelen	A Section Rates (Justice), Federarches, Teacher Government (M. Jillian Physics (Justice), Federarches (Justice), August 200 (Justice	? - 60 (6.202)	6 5980e 5)	7 (34) 41	<u> </u>		111
Dipoles		1	Renoval I. a. (%) filters and have contraried as posterior in 1998 discoper, propriet vari			:	:		

26. Details of Logis (skew Onlymming Palance on behalf of DISCOMs:

_								<u>i kerouend in</u>	fines,
Louis So	Hase at Interest	Occurs Date	Retenro evell 31.05.23	PUVVVI	175.5 57	pressi	PAANI.	KESCO	Total
			Power	Finance Curp	erather PFC	'n			
8528000	10.37%	21/09/2007	1298.71 ,	10.09	921.43	121.42	121-13	OF	262.5
8979901	1/2 25.5	FIZE OF SKILL	[102] 36	1250.0	200000	25000	12,5100	Harter	0,0 (1
\$475000	Prime.	67-07-7639	1,000.00	44(q.a)	27,000	816) 17 1	2000	< 0.0	2,614
K579.03	10. E.C.	23-17-25-19	413.13	60.10	×9:1;7	Server .	, 49 H×	———: i i i i . '	4003
457 9301	0.00%	25 TM 000M	290 %	1007	89.70	:WX	600	4 JF (	28.0
442980i		28-11-2009	,4448	0.635	2735,	7937	\$1.05	9.00	290.5
KTTJIEM	6.75%	20/12/2019	1000	44.6%	37.99	/ 1 M5	50.45	11 !=	271.00
NACTION .	10,000%	15 06,046	: 1)1.14	14.7.1	14.35	. 5 167	27.44	29.2	321.1
\$59000	039.	V4 6-2000	8817.0	4137.65	891.00	1381.74	1/1/06	231.54	46793
255mm	45%	V-/40-0001	5517-45	29,51,43	118175	1190 34	0, 0,	1891	9990
3374001	4000	Neps2022	Ment 1	9n <sup>3</sup> .7K	87138	3(7.8)	400 114	lkn ÷2 j	1146
	Lolal		22203.79	9095.72	50000,100	4754.86	2415.55	91,650	222NJ 2
			Hurst E.E.	rteificatein Ci	rperation (R	FC			

all

PACCO STATE

Lone No.	Natrad Jacobsu	Drawl Dair	Batance as on 31.63.23	Palani.	MVVNI.	DVVNI.	PVVNI.	KESCO !	Tetal
47 (27/4)	10.40%	00.03/2/17	45014	[ [Working	78 II	200.23	277.54	38.60	457.15
4709/2105 (47125K)	104864		·* 10	5070	15.65	21.65	2X 90	791	9145
(47)46()386 (47) ()364)	looke.		Maryan	58.51	62 No	1: <del>¢</del> 7	AV 50	0.000	20000
120405	h12***	141745-15	9.3 [3	F-7-27	71,99	7 84	251.47 3	71161	91747
\$70,8.25%; c4.0144 /c	10.055	-	.1649		2.16	238	מי X		1849
1211202	[0.51fm	[18-01-2018]	1/14/29	9148	407.14	140 %	Val. 29	7(9)	7(4.5)
1714472	ver.	#02003031	Mills of	3017391	774 (6)	1761 4	408 3	223.72	9256.13
4.4124.5.43	e sine	26-00-2621	30548	256580	a) 97	11900	12.46	144351	5905-19
471500		2000/01/22	1020020	170/20	(22.71	2017/04/3	1% 40 .	7797	14414
1707227	. 411.11	TE PIEST . 7	, KIJO	21411	277.64	177.44	574.04	±k.75	×1] (0
	[atj]		THASE OF	7789.20	1771777	3999.04	2363,2H	555.29	18/05/04

- One to heavy accumulated losses are £951,9133 forete as on VL63 7023 and uncertainties to recover such losses in near timps, the deferred tax assets have not been recognized in accessance with Para 34 of first AS-12 (through Taxes) issued by ICAL.
- 28. The Compron expendinges and common the bay costs towards the l'implayer Cost. Administrative, General & Other Expense and Repair & Maintenance expenses amounting to ₹ 170.53 Crore have been allocated and prinsferred to administration companies. And other related companies during the period ender 33.03.2023 as compared to ₹ ₹36,06 Crore during the year coded 31.01.2022 based on ratio of financial year 2021-22. (Note to 23, 26 & 27)

Details of the affacation of common expenses are as under:

:	Emphatics Cost (Note 15)		Adenes, Cost (Note 26)		RAN I Note		<b>1</b> + 11	
Particulars	7027-77	740Z I ZZ	2092-23	2491-22	2022-23	20/11-12	2022-23	2021-22
	· · ·	il	ill		٠		maiii as J	rii+is-si
PoWVN:	27.17	25.77	07.15	1.7×7	0.00		17 KI	37.2
MVVM	24.54	24.38	8 96 69 B	1000	0.02		16.66	150
DVVSI	24.53	<u> </u>		1 (3)	471	1100	13.84	)∸.
PVV VI.	TT 0830 T	27.52	13.15	ll a	9.9	11-1-	History	41:
kl SCa	4-1+	6.21	1.15	. 4k _	97.	070	6 (2)	•
Sule Antat (a)	111.46	107.51	11.45	47.05	<u>_1.</u> 04	0.32	189,99	1543
meVOSI	9.30	: 34	0.0	961	n le	0.72	e Mill	
upye vi	0.20	4.72		0.00	4000	3.2	10 N	
OPPORT.	1771	11.58	3.76	0.16	3155	a 51	1×42 .	187
Span dalah Jing	[K26	IKIA	0.19	1.39	.1.04	1.65	1954	21.
Tutal (a∗h)	129.14	£25.65 T	41.64	48.43	2.15	1,97	170,53	156,06

- 29. In the opinion of management, there is no specific indication of impointment of assets except investment in Substitution & Associates as on balance sheet date as enviraged by Ind AS-30 threpairment of Assets further, the assets of the company have been accorded for at their bisocient cost and most of the assets are very old where the impairment of assets or very unitacly. The Impairment in thosethoods in Subsidiaries and Associates is calculated on the base of Net worth of Subsidiaries & associates since consistent basis.
- 30. In view of OPERC order data! 10.03.2022 in petition no. 1431-2019, through which capital eyes of M s habitors. Power Congration Company 1 of had been revised, two debit notes amounting to ₹ (2225.76) Circle & ₹ (553.45). Circle have been worked and exceed to M s ha isput Power Generation Company. Let However, as per APTLS, order dated 01.04.2822 (A. No. 45) of 2022 at D1 R. No. 113 of 2022 & LV. No. 450 of 2022) the debit notes equien issued amounting to ₹ (2225.76) Circle № ₹ (353.45) Circle has to be kept in abeyence till final decision. Therefore, in view of APTL1, order, the subjected debit potes arrount has been reversed in accounts till final decision by the Hoginte APTL1, a part UPERC.
- Obselosure in respective processors for Ball & Doubtful Jobis, ansets resolve stores and impairment in investment as per Ind AS-37 (Processors, Coronger) Labolities and Confugery Assets is as under-

9,,

[ [ Amound 2 in 4 merch ]

		Movement of Provisions							
S. NO	Particulars	Abgraing Salance as On 191,04,2022	Provision made during the year	Wightfread/ Adjustment of Provision dering the year	Classing Balance 45 on 31 03.2023				
:	Provision for impointed in an estimate	61.744.50	(4.85/7)	50.00	(4,77,8)				
	Processing for Doubtful delete on Southy Deleters (Sale of power)	1,881 61	13.02	3 30	1,95) 14				
š	Processing for Basil & detailed aldebras Orbin content a SVIs	11 11 21	12.75	0.00	17.73				
	Procession for Bild A assistant debasel maneral Assert - Louise (Nisu- Cuttent)	17190	29.82	8.89	19K 72				
,	Precision for Bod & control de debte la mercul. Asserts other (Current)	Iva 24	1767	0,05	215 91				
".	Production for Bad & contact Lidebis Advance to capital supplier	P 02	11 210	n nd	0.02				
<del>"</del> -	Praemon (ka unservisable) stores	10.13	स ॥६	15 1731	H 13				
$\vdash$	Total	63.597.45	1+,637.28	19 19 11	78,236 71				

32 Annual Accounts of 2021-22 me yet to be accepted in Annual General Meeting

#### 33. Financial Risk Management

The file inputsy's principal future at liabilities comprise loans and berrowings, trade payables and other payables. The main purpose of these future fall habilities is to finance the Company's operations. The Company's proceed financial assets metudes be to eigendances, trade & other receivables and easilithat derive directly from its operations. The Company absolutely diversiment.

The Company is exposed to the following cisks from its use of financia, enstruments:

- Credit Riske Costic risk is the risk of financial loss to the Company at a sustringer or counter pages to a disappoint instrument tails to meet its congruental obtigation resolving in a financial loss to the Company. Costic risk arises principally firsts cash equivalents and deposits with banks and disappoint inspirations. In order to marriage the risk, company accepts of silling tailed bankd is.
- Market Risk-Fureign Currency Risk: Market risk is the risk that changes or market prices, such as foreign exchange rates and interest rates will attach the Company's income loss. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, whole optimizing the return. The Company has no insternal foreign exposure y transportion hence there is no Market Risk years foreign currency translation.
- iii. Market Risk- Interest Rate Risk: The Company is exposed to interest rate risk arising from tosmocope with floating times because the east those associated with floating rate bottom ages will fluctuate with elegages in interest rates. The Company quanages the interest rate risks by emerging time deflerent kind of loan arrangements with varied terms (eg. Rate of interest, tenure etc.)

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments are according.

		im akmi fin 5 rara)
Particulars .	31/03/2023	31,83 2022
Fingagial Assess	<u> </u>	<u> </u>
Freed Interest Rate Instruments Deposits with Hank	39M9 R4	24 (0.77
Manightz Imprest Rate Instruments - Joposius with Bank	-	
Local	2869.84	2*39,52



selet



Financial Llabilities		
Tacad Interest. Our instruments Foundated Instrument Journ	68815.65	71045 <u>91</u>
Variable interest Rote Instruments (Cash Clede, from Bardes)	200.70	11 (13
	69016.35	71045.44

in, tales Shift Tenn Loan Overdrip, and Cash Lightle

- Fair value constitutes analysis for facet-case instruments: The company's fixed tase instruments are carried at amortized cost. They are therefore not subject to inverse rate risk, since recition the carrying amount on the financials flows will floetnate because of a charge in market interest trace.
- C. Liquidity Risk: Lugadity (isk is the risk than the Campany will encounter difficulty in moeting the obligations associated with its financial licitifities that are settled by delivering each or other financial assert. The Company's approach to otheraping liquidity is to distribute the financial assert. The Company's approach to otheraping liquidity is to distribute when due, under both normal and stressed condition, without incurring unacceptable losses or risking dangge to the company's reputation. Further fixed deposit in Note-6.9 and 10, of 42869.84 erose nucledes 42185.96 erose placed with ICCCI bank out of which CI665.39 erose are interns of Debt Service Reserve Account (ISSRA) as per longly isotange to unslaggerneeds executed with the debonage trustees M s. Beacon Insteading Ltd. Mrs. Visita TTC Ind. for various usuas of Boods by (IPCC). However, there is a risk factor associated with placement of out or portion of deposits with any or e book.

The Company manages (iquidity risk by maintaining adequate FDBank (keilities and reserve horrowing thei ities by confinewesty monitoring threeast the setual cash flows and marching the parameter profile of financial casets and flabilities.

#### 34. Capital Management

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

The Contiany is wholly proped by the Get. P and the decision of injecting the equity in the company has safely with the Get P. The company acts on the distriction and orders of the Get P to comply with the statistics requirements.

The debt partiant of capital structure is funded by the via our banks. Els and other institutions is per the requirement of the companies.

35. Southern U.P. Pewer Transmission Company Limited was incorporated on 08-08-2013 as a Government Company of Duar Pradesh. The main Obsertives of the Company consists evacuation transmission of Power from Latingar TPS to Agra and adjusting districts through 265/101 KV AIS-GIS substation and 765 & 400 KV transmission lines.

The Besed of Directors of Southern U.P. Power Transmission Company Limited must 6th meeting held on 20th September, 2016 has decided that necessary school for the closure of the Company striking off at the name of the Company as per the provisions of the Companes Act, 2013 may be taken up. Since Southern U.P. Power Transmission Company Limited is a whelly covied subsidiary company of the Company, the Beard of Directors of the Company runts 1,9th Meeting field 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 date of the Company as per the provisions or Company as Act. 2010 has been approved by the Share Holders of the Pongany of its Every Urd may Contend Meet by held on 10th June, 2018.

Subsequently, this matter has been seen to the Energy Task Force (E.F.) on 26th time, 2619 for its acceptance approval Resulting to the Southern UP Power Transmission Company Limited has 6500d its Equity Shares in the name of the Company for the amount of £ 2.22 Unite in consideration of convening borrow age. The Board of the company, in its meeting – Jacel (1).00.20 k. has accorded to apply under section 248 of the Companies Act 2011, read with rule 4(1) of the companies (Removal of Name of Companies from Register of Companies) Bule, 20.6 in stuke off its name from Register maintained by the Register of Companies, that Product Tourspondingly the Company has shown this equity shares under the head of Investments and full impairment has been provided. Further, the Southern 4, P. Power Transmission Company Lymited has been struck off in the records of the register of the companies in the mounth of May 1022.





36. UP Power Corporation Limited has upted for the notion of Lower rate of corporate income tax referred to in subsection (5) of section 115BAA of the locome Tax-Act, 1961 for the Previous Year 2019/20 and subsequent years, it is also mentioned that there was no corpositional MAT credit in the brooks of Octoor seration; bence exercise of the option has resulted not zero has of MAT credit for the Company.

#### 37. Exceptional Items:

The company presents the information excluding exceptional nears which clows a better understanding of underlying perturnance of the company. Exceptional items are identified by virtue of outain so as to facilitate, the comparison with perior period and to assess underlying trends in thracking performance of the company. Aggreedingly, the company has shown the amount of loss recorded by the Trusts (CPF & GPT) on insestment in DMH as these priors at the profit and loss accounts as detailed below:

Principal*	
CFF trust	
CX. 434 (no CPM FROS) Julio Tellih Saharal Inc. 2022 — Principal	- i i i i i i i i i i i i i i i i i i i
pry 2002 103 CP 8005 DHT, FDR Nongood base 2022   Toke est	17× n41
GPI Trust	
C 5 - 837 12 0.052507 (ptg = 2009) Principal	
104-787 (2esps) (10-10.5.19	7 i 28.32 8.89 (44.50
laisi	1000

- 38. The figures as shown in the Balance Sheet, Statement of Profit & Loss, and Notes shown in the 11 denote acquire figures.
- 39 Previous year's Egures have 5gan regrouped reanunyed reclassified wherever necessary to take their companies better presentation with the current year figures.
- Other Statutory information in terms of Notification dated 24.93,2021 i sated by IMCA in terms of section 467 or the Companies Acc 2015
  - 1. The company decision have any Berumi property.
  - $\mu = \text{The company has not traded or invested in cospul currency of virtual currency during the financial year.}$
  - iii The primpany has not advanced or loaned or coossed faces to any other personist or entry fiest, rue noting fossign emitties (Intermedicates) with the indensity of that the intermediary shall.
    - a. Directly or indirectly lend or invest in other persons or contrestidentified in any pages whatauever by or on behalf of the company full make beneficiaries) or
    - b. Provide any guarantee, security or the like to or on behalf of the oblimate Seneticianes
  - The company has not received any fund from any person(s) or entity (i.e.), including toreign entities (funding parties) with the understanding (whether recorded in writing or otherwise) that the company shall.
    - ii. Directly or indirectly lend or most in other persons or entities identified in any manaer vehicls over log or on behalf of the company (characterories) except to the following equity received from GoTP invested in the authoritory (DISCOMs) as per its requirement and foams are taken and bonds are issued on behalf of the Subsidiaries(DISCOMs) or
    - h. Provide any guarantee, security on the like to or an behalf of the infunito beneficiaries
  - 5 The company does not have any such transaction which is not recorded or the peaks of accounts that has been surrendered or disclosed as meone during the year in the law assessment under the Income Law Act. [96] (such as search or survey or any other relevant provision of the Income Law Act. 1961).
  - The company has invested in equity of its wholly owned subsidiance and other companies as mentioned in Nate in 15 of the Linguistal Statements
  - The company is not being declared willful defaulter by the bank or financial institution or ferder during the year.

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- The company does not back any charges or satisfaction which is yet to be registered with ROF beyond the summary period.
- The computy has obtained fund/based/non-forst based credit finits from utalliple names aggregating to \$ 1930 Crore against security of orientables. Accordingly, as per the terms of satation. Quantity of half yearly statements for the basis of unaudited practisional balance sheet) in respect of gross made receivables. Each been submitted to respective banks which stood as below in different quarters of 5 Y 2022-2023.

Q1. Aprilo Jun 2022 Trade Recomplies - ₹ 27930 44 Cr.
 Q2. Julius Sep2022 Trade Recomplies - ₹ 31188 86 Cr.
 Q3. Uct to Dec 2022 Trade Recomplies - ₹ 31699 26 Cr.
 Q4. Jen to Mar 2023 Trade Recomplies - ₹ 25070,04 Cr.

 i and based and Non-tund based diffication as on \$1,03,2023 is as under the quarter wise status of limits utilized is as helows:

Chinesia I-lac Macara				, program & i <u>n C'1919 (</u>
; Feed I	Based & Non Fund	besed Indication a	30 no 2012	
Hank Natur	Namethin Lients	Non-Food Boord	Frimit Braced	
Congal Bank of India		9X 93	943	- 424
Paggit National Back	405(4)	110 60	31.74	201.45
Eductions		950,00	1.023	7 7 303 007,
" grjundark	4 6, 16;	744 No	11.45	114KW214
Hank of holy	500 H)	75 (41	4.6	
(IBFC lunt		25.60	4.00	23.60
TOTAL	115,000	797,64	296.74	[ [ [44]]

(Amount for Coor) Fund Based & New Fund hasself tillisates as an Manta 2022 Sanction Latter - Non-Helid Beson Fund Base# lawt Sruikd Back Name ирин .ир 29 47 W Ceptral Bark of high 103 00 Terail 2015 4-3 CH Jaman Salamal Bark A(6) 40 29098 .50.36 14:04 Trahan Bans 77.in 945.40 285 90 ( ाका जा TOTAL DEPARTMENT TÜK 87 Hack of local Hight Nas 3,9070 rea e i 31-31 25 (6) 71: Is: 75 <u>X</u> 11.40 35(<u>),5</u>( #164.**#**9 #<u>1≤,īu⊤</u> 140900 TOTAL

ا دعيءَ ا	Jasell & Non-Fund	Dased Collegeire as		negeraje (v.)
Rank Name	Sanctina Limit	Non-Fund Revel	Fund Base	Jatal Angika :
Inn. of National Upink	[63](41	(427%	4 11 !	[47 10 ]
Control Oark of India	10:- 121	43.73	0.00	5171
10000 Japan	400000	227.08	() (III	<u> </u>
Indisci Bans	17(1)(1)	1,51(1,6)	2611.041	10.00
Mark of InJa	731.40	100 K3	(1),40	106.82
Hill L. Jenne	101:46	25.40	31(31	25.00
101AL	1930.00	77/E-71	28440	1004.53
				_

(Amount Statement) Famil Raved & Van 1 pag based I tribitation as on 31.01.2023 Nun-Fund Based 1 and Hased Total Assisted Sunctive Lamp Bank Name 14) 74 34547 and no Perpate Samund Bank 9372 93.72 45 00 Dynamitank of John 117jh 237 1X Ic CI Bank <u> 467.0K</u>Î 3/46 (**9**1 <del>4,15</del> (2) Dane 13aHz linhan lan 503000 7401 JIII. Lim Ad Itank et india 25001 555,54 J : 6 al ीन जा HOTE Bank 956.15 10141 193<u>0.00</u>

Fig. those includes both Land Fased and Non-Ulod based utilization of cooking capital lonits

- The company has not made at y transactions during the year with companies smack off under Section 248 of the Companies Act, 2011 or Section 560 of Companies Act, 1956
- on .... The company does not have any investment properly.
- viol. The company has not residued any Preporty. Plant and Equipment fine hiding Right (1995)

<u>a</u>.\_

alit

- and The company has not over field its loton) Ele Assets
- The company does not have any immercable properties tother than properties where the company is the lessee and the lease agreements are only executed in factor of the lesses where title fleeds are two held in the name of the company/envirable UPSER. However, the fifth dead of the food assessming to \$ 0.05. Use o is not total assessming to \$ 0.05.
- 30 The company has not been emered into any Scheme of Arrangements (sections 250 to 217 of the Companies Act, 21 d) during the founciar year.
- The company has not granted any boso or advances in the nature of loans to its promoters, directors, SMPs and related parties (except as disclosed in Poort 19 of this rotal either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period or repayable.

### 2011 Ageing Settedules:

As per Int. Als Schoolule III of the companies Act, 2013, the ageing schodule of thrade Receivables. Trade Paysole and work-in progress (capital expenditure) is given below

#### s. Capital Work-in-progress

A Miller of the beautiful of the state			( Separation Count	
	1000001	a l'Wifile a person cadal	GRUNDSREA	Total
CWIP	Complete Loren		Marie riban J years	
Process to programs	<del></del>	<del>_</del> -	<del></del>	
Project to provide outpoided	<u></u>		1112	<u> 164</u>
Moreov Discognic (Set)		†i		0.17
contact through the enterprise residence of the Addition	161	·	- 1:1:1	—iii
	CALAD GOT U			

·	America ("WIF for a pencel series	1   1   1   1   1   1   1   1   1     1
(MF	Leve channel year to joyce 2-5 year	Mare than 1 (stars
Program program Program de los product		100
Advance in Company (Net )	GRAND INTAL	, 4 (1) 6/0

## to | Littangible Assets Under Development

	<u>_</u>		Derived Profited
	Amoustie	CWIP has a germatical	ed 31741.2803
RAUTE.	Layer commit year	101 year   50 owar	Mare than 1 years
Processor per	-	<u> </u>	
Providing manipulation	×:		·——
	GRAND M	<u> </u>	

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#### 41. Recent propositionents! Amendments!

Monstry of Corporate Affairs ("MCA") notities new standard or arrendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (pallar Accounting Standards) Amendment, Rules, 2023, explicable from April 1, 2023, as helped.

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#### Ind AS 1 - Presentation of Hijanoid Statements

The amendonests require companies to disclose their material accounting policies rather than their applificant accounting policies. Assistating policy information, together with other information, is material together teasonably be expected to influence decisions of primary users or general purpose hadronal statements. The Company does not expect fais uncommon to have any significant impact in its financial statements.

### Ind AS 12 - Income Taxes

The amendments elarity how companies account for deferred toy on transactions such as looses and decommissioning of figurants. The arrest diments narrowed the scape of the resign from exemption or paragraphs 15 and 24 of 1 of 38.12 (recognition exempts on so that it no longer applies to transactions that, on initial recognition, give rise to equal trivible and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its linearity successors.

# Ind AS 8 - Accounting Policies, Changes in Accounting Fatimates and Errors

The amendments will help entities to distinguish between according policies and accounting estables. The definition of a change in accounting estables has been replaced with a colinition of accounting estables. Under the new colinition, accounting estables are "monetary amounts in financial stationards that are subject to measurement intertainty". Entities develop accounting estimates it according polyetes require items in financial statements to be necessared in a way that involves measurement uncertainty. The Company does not expect this absendment to have any significant impact in its financial statements.

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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 Litar Pradesh Power Corporation Limited (UPPCL) (hereinafter referred to as the "Holding Company"), and its live Subsidiaties, namely Madhyanchal Vidynt Vitian Nigam Limited, Lincknow, (MVVNL), Purvanehal Vidynt Vitran Nigam Limited, Vidynt Vitran Nigam Limited, Meernt, (PVVNL), Dakshiranchal Vidynt Vitran Nigam Limited, Meernt, (PVVNL), Dakshiranchal Vidynt Vitran Nigam Limited, Agra. (DVVNL) and Kampur Electricity Supply Company Limited, Kampur (KI SCO (the Holding Company and its Subsidianes Ingether referred to as "the Group"), which comprise the consultdated halance sheet as at 31st March, 2073, 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 (heremafter referred to as "the consolidated financial statements")

In our robinion 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) Roles. 2015 as amended ("Ind AS") and other accounting ormerples generally accepted in India

- a) In the case of consolidated balance sheet, of the state of affairs (Financial Position) of the Group
  as at March 31, 2023.
- b) In the case of consolidated statement or Profit and Loss, of the consolidated **Net Loss** (financial performance including other comprehensive income) of the Group for the year coded on that date:
- In the case of consulidated cash Peres and changes in equity of the Group for the year ended on that date.



# Basis for Qualified Opinion:

We draw attention to the matters described in "Basis for Qualified Opinion" paragraph of the audit report on standalone financial statements of Holding company, audited by as and the Subsidiaries namely MVVNL. PoVVNL. PVVNL. DVVNL and KESCO audited by other auditors. These matters in so far, as it refers to the amounts and disclosures included in respect of Holding and its Sabsidiaries, 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 desembed in the Auditor's Responsibilities for the audit of the consolidated financial statements section or not 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:

# A. L.P Power Corporation Ltd. Holding Company

- 1 Tax deducted at source Rs 92,64 Crote (Note 12- Other Current Assets) includes Rs. 7,69 Crote refunds pending with Income Tax Department relating to financial year 2007-08 to 2019-20 which have not been adjusted till the close of the financial year.
- 2. a. As per information provided to as Receivable from generators includes Rs, 407.68. Crare debit balance perfaming 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. 30 of Notes to Accounts relating to M's Lalitpur Power Generation Company.
  - h Note 6- Loans & Others Linancial Assets (Non-Current) includes Rs.118.21 Crore a commitment advance for share in generation in Oltra 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. Geing old advances, Management should take necessary action for recovery/adjustments of this Advances.
- 3 As per Note no. 14 to the Notes to Accounts, average billing rate mythology has been used asper decision of higher management of CPPCL instead of Differential Bulk Supply Tariff (DBST) adopted in the previous years. Reasons of such change has not been disclosed in the Notes to Accounts although it has impact on cost allocation to individual DISCOMS.
- Accounting Policy No. VIII of the Company regarding power purchases had not envisaged the method for accounting of power purchases where final approval of the tariff by the Regulatory Commission has not been granted

### Placement of Fixed deposit:

Total fixed deposit of Rs 2869-84 erore include Rs 2185,96 erore placed with ICICI bank only.

Company has disclosed the same as a risk factor Para No. 24(v) in the Notes to

Accounts. Proper monitoring of same needs to be done by the management.

 The Annual Accounts of F.Y 2021-22 are yet to be adopted in Annual General Meeting (Refer Para 32 of Note - 30 "Notes on Accounts").

# <u>Specific Observations given by Discoms Statutory Auditors given below:</u>

## A. Pashchimanchal Vidut Vitran Nigam Ltd.

- 1 There is no accounting policy regarding method of accounting of unbilled revenue of Rs.735.36. Crore, which has been done on estimated basis and relied upon by us. (Refer Note no. 8 of financial spacement).
- IND AS-8: In the current financial year, management has made several adjustments/enricetions relating to prior period errors/omission. Rs. 2668.33 crores have been adjusted with surplus in the statement of Profit and loss as disclosed in Note 13 of Financial Statements in accordance with IND AS-8.
- 3. As referred to in Point No. 10 of Notes to accounts a sum of Rs. 4510.73 Crores and Rs. 18.20 Crores as payable as electricity duty and compounding charges respectively to UP State Government. No provision has been made for interest and penalty for late payments. It has been explained to us by the company that no interest and penalty is levted for such late payments in past years and we have relied on the same.
  - It is observed that the payment of Electricity Duty is hooked on the basis of Debt/Credit Nose raised by Ottar Pracesh Power Corporation Ltd and compounding charges is collected at division level and sent directly to the U.P. Treastry, However, the Company has no scientific method of its measurement for accounting and making provision thereof. Hence, we are not in a position to composit on the possible impact thereof on the financial statements of the company.
- 4. Tax Collected at Source (Asset) amounting to Rs. \$.13 erores and Tax Deducted at Source (Asset) amounting to Rs. 6.98 Crores are showing as on 31 0.) 2023 not reconciled with amount Rs. 4.75 Crore as shown in 26AS of the company for current financial year. Management has informed that the balances shown in the books of accounts reflect pending refund amount of TDS/TCS. We have relied upon the same, (Refer to Note No. 11"Other Current Assets' of the financial statements)

# B. Kanpur Electricity Supply Company Ltd.

- Replies of the management / ecoupliance report of various observations pointed out by the Internal Auditor in their Internal Audit Report dated 16th June, 2023 for the "F.Y." 2022-23 has not been made available to us so far, hence, we are unable to comment upon the impact. if any, arising in the "Ind AS-FS" of the company to that extent
- The Government of UP has, vide its order has, 3188 dated 24 10,2003 and 1077 dated 17,04,2008 decided that the electricity duty and interest payable fish the period from

15.01.2000 to 31.03.2003 and from 01.04.2003 to 31.03.2008 respectively would be adjusted against the balance subsidy payable to UPPCI, by the State Government. Accordingly, the amount of electricity duty and interest thereon payable due to pending adjustment by the State Government has been shown under the head "Electricity Duty and Other Levies Payable to Government" grouped under "Other Current Liabilities" (Refernote no.17 of Ind AS FS).

- 3. As per MCA data the Company is an <u>active non-compliant company</u>. Further, the master data of the company revealed following:
  - Charges column disclosed in the Company Master Data includes old satisfied charges
  - b. The Company has not complied with the Order di 22,01,2019 issued under section 405 of the Act, in respect to filling of MSMI( Form 1. The Company has calculated Interest on Security Deposit (Consumer) 464-25% on the outstanding halance of Total Ledger Balance as per the books. However, the said interest is not reconciled with actual Interest allowed/adjusted by MPower (software used for recording sale of energy) in the Customer bills raised during the "F.Y." 2022-23.

In the case of commissioned assets, where final settlement of bills with the contractor is yer—to be affected, capita/ization is done, subject to necessary adjustment in the year of final settlement. However, the financial impact of the same on PND AS "F.S." is not ascertainable (Refer Para No.3 I (d)) of Note No. 1A of "IND AS-FS").

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 thereou:

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 gover 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 missiated.

When we read the above identified reports, if we conclude that there is a material prisstatement therein, we are required to communicate the matter to these 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 consulidated 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 amouded and other accounting principles generally accepted in India. The respective Board of Hirectors 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 prodent; 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 for 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 found 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 milluence 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.
- Invaluate 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 asserof 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 in 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 linancial statements ur. if such disclosures are inadequate, to modify our opinion. On 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.
- Livaluate 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 sefficient apprepriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion or the consolidated financial statements. We are responsible for the direction, supervision and performance of the madit 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 contain safely 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 plactical 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 throught to bear on our independence, and where applicable, related salegoards.

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 procludes 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 notive igh the public interest benefits of such communication.

#### Other Matters:

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 ossets as at 3 ist March, 2023, 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 Phaneial 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, an so far as it relates to the autounts and disclosures included in respect of these Subsidiaries, and our report in terms of sub-sections (3)

and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, is based solely on the reports of the other auditors.

			{Rs. in Lacs	i)
Name of the Companies  Subsidiaries:	Total Assets as at 31.03.2023	Not Assets i.e., Total Assets minus Total Liubilities as at 31.03.2023	at 31.03.2023	Net Cash In Flows/ (outflows) as at 31.03.2023
Madiyanchal Vidyat Vitran	1			]
Nigam Limited, Lucknow, [	43106.23	3045 97	(4824,57)	(361.86)
Purvanelial Vidyut Vitran Nigam Limited, Varanasi, (PuVVNL)	57091.78	6804.65	(6602 49)	(420.60)
Paschimanehal Vidyut Vigan Nigam Limited, Mecrut, (PVVNL)	37088.24	8433.92	985.64	(101.50)
; Dakshinanchal Vidyut Vitrasi Nigam Limited, Agra. (DVVNI.)	37057.57	(4314.36)	(5078,78)	(505,28)
Kanpur Electricity Supply Company Limited, Kanpur, (KESCO)	5048.0	(1755.65)	(1.50)	(36.28)
Total		12214,53	(1552 [70]	-(142 <u>5</u> 5 <u>2)</u> -
CFS Adjustment		j	(364.34)	

Our opinion on the consulidated finareral 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:

- As required by Paragraph 3(xxi) of the companies Act. (Auditor's report) order 2020 ("the order") issued by the Central Government of India in terms of section 1.43(11) of the act, we have given the Qualification/ Adverse remarks in Annexore II as reported by respective Statutory Auditors of Subsidiaries.
- As required by section 145(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 Opinson" 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 in appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Partit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the

- Consolidated Statement of Changes in Equity, deaft 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(h) dated 5° 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 tinancial reporting and the operating effectiveness of such controls; refer to our separate report in "Annexure—III", 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 Opiason" paragraph, the consolidated financial statements disclose the impact of pending litigations except fin MVVNI, and PVVNI (kindty 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 Group.
  - (a) Hased on the representation made by management of GPP(1) and as reported by Discours Statutory Auditors and to the oest of its knowledge and helief, other than as disclosed in the rotes to the accounts, no funds have been advanced or loaned or invested (either from hormwed funds or share premium or any other sources or kind of funds) by the Group to or it any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether, directly ar indirectly lend or invest in other persons or entities, identified in any manner wholsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, scerring or the like an behalf of the Ultimate Beneficiaries.
    - (b) Based on the representation made by management of OPPCL and as reported by Discoms Statutory Auditors and to the best of its knowledge and cellet, other than as disclosed in the notes to the accounts, no funds have been received by the Group from person(s) or entity(ie+), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that Group shall, whether, directly, lead or invest in other persons or entities identified in any manner whatsoever by or behalf of the A funding

Had

Part("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ("himate Beneficiaries.")

- (e) Based on audit precedures performed that were considered (casonable and appropriate in the circumstances, nothing has come to our notice that caused us to believe that the representation referred under clause (iv)(a) and (b) contain any material mis statement.
- (d) The Group has not declared or pend any dividend during the year, therefore compliance with section 173 of the Companies Act, 2013 was not applicable.
- (e) Provise to Rule 3(1) of the Group (Accounts) Rules 2014 for maintaining books of account using accounting software which has a feature of recording audit trail fedit log) facility is applicable to the Group with effect from April 1, 2025, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financiar year ended March 31, 2033.

For D Pathak & Co. Chartered Accountants

FRN: 001439C

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

UDIN: 23071584RGWZLF2793

Place: Lucknow Date: (5/09/2023)

# 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" March, 2023)

Based on our audit on the consideration of our report of the Holding Company and the report of the other auditors no separate financial statements and the other financial information of Subsidiaries, as noted in the 'other matter' paragraph to the extent applicable, we report that:

# 1. Uttar Pradesh Power Corporation Limited (LPPCL)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that

- 1 Note- 12 Other (Current Assets) Rs.1567.90 Urore include Rs 431.68 core Receivable from Generators as mentioned in Para 24 of Notes to Accounts-30 for which no confirmation and reconciliations are available. Same has been reported in fast year Audit for making suitable Provision.
  - We are of the opinion that Provision for Rs 431.68 come "Receivable from Generators" should be made in accounts.
- Company has made a provision for respairment 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° March, 2023 (Refer Para 29 of Note 20 "Notes on Accounts"), which is not in
  accordance with Ind AS 36 Impairment of Assets
- 3. Leans and Other Financial Assets (Note-6). Trade Receivables Others (Note-8), Financial Assets-Others (Note-11). Other Current Assets (Note-12). Financial Liability-Trade Payables (Note-18). Other Financial Liabilities (Current)-except Current maturities of long-term horrowings and leterest 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. Similar issues also were brought to the intice of management in previous audit report but in corrective actions seem to have been taken in the financial year 2022-23. Major Balances include a) Rs 15-55 Crore (Note No. 6)-Luans & other financial Assets (Non-Current) including Rs. 5-19 Crore (Seemity Deposits) and Overlay Charges Rs 10.26 Crore and b) Sandry Receivable (Rs.685-13 Crore)-Financial Assets (their (Current), Note No. 1 including Rs. 408.24 Crore relating to Unscheduled Interchanges Charges Poul aic, Reactive Energy Charges Rs. 123.79 Crore, and Misc, deposits/balances Rs. 29.26 Crore respectively. In absence of complete details and balance confirmation, we are of the view that provision should be made in the accounts to the extent of Rs.576.84cr, for old balances as reflected in Note-11 financial Assets-Other (Current Assets) and Note No. 6, Loans & other fluancial Assets (Non-Current). Loss of the company is understated and other receivable is overstated to that extent.

Purchases as per Note No-22 for Rs.6865) 93 Crore, includes Sales to Indian Energy Exchange for Rs. 258i 27 Ci. which has resulted into reduction/understatement of Purchases and consequent understatement of Sales of Energy (Note No-20, Revenue for Operation).

## 5. a ) Restructuring Reserve:

A Credit balance of Rs. 540 31 Crore is included in "Other Equity Note-14 as restructuring reserve. As confirmed to us, the balances are old and has been transferred through transfer scheme. No detail was available for alore said Reserves.

## b.) Capital Reserve:

No details have been provided to us regarding capital reserve Rs 195.95 Crore

- Note 19 Other Financial Fiabilities- Circumt includes Deposits and Retentions from Suppliers & Others Rs 264.65 erore for which no detail is available.
- Details of charges filed with ROC against borrowing from bank and few generators have not been disclosed in the respective Notes to Accounts

On examination of search report furnished to us, it was known—that pari passu charges has been registered on receivables /Current assets of the company against horrowings sanctioned by the bankers, while. Debenture Trust deed executed with the trustees of the hands shows that there is an exclusive charge on Current assets/ receivables of the company including book-debts which is in contravention of the terms of the hypothecation deed executed with the bankers. Company has to take up the matter sortably with the Lenders. Appropriate disclosure for the same has not been given in the Notes to accounts.

## Non-Compliances of Ind-AS

- 8. The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Role 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended):
  - (a) Financial Assets Financial Assets-Other (current) (Note-11), Other Current Assets (Note-12), Financial Liabilities (Trade payable (Note-18) and Other Financial Liabilities (Note-19) have been classified as cerrent 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/confirmation of balances for such amounts within twelve months after the year end, classification of same as current assets/liabilities is inconsistent with Ind AS I Presentation of Financial Statements. This has resulted in over statement of respective current assets/habilities and understatement of the corresponding non-current assets/habilities. Tow specific instances include Unscheduled Interchanges Charges Pool a/c is Rs \$14.86 Cr and Reactive Energy Charges Rs 123.79 Cr as on 31° march 2023 included in "Current Assets-Other" Note-11.
  - (b) Recognition of Insurance and other claims, refunds of Income Tax, Interest on Income Tax & Frade Tax/GST, interest on Inans to staff and other items of income covered by Significant Accounting Policy No. B (c) of Note- I has been done on each basis. This is not in accordance with the provisions of Ind AS I 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 C (I) (d). Such employee cost to the extent not directly attributable to the acquisition and/or installation of Property. Plant and Equipment is

inconsistent with Ind AS 16 Property, Plant and Equipment. This has resulted in overstatement of fixed assets and depreciation and understatement of employee cost. However, impact is not quantifiable at this stage.

- (d) Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost (Refer accounting policy no (VI) of (Note-1). Valuation of stores and spares for O & M and others is not consistent with Ind AS 2 Inventories i.e., valuation at lower of cost and net realizable value. Further the stores and spares for capital work should be classified as part of Property. Plant and Equipment and recognised, measured and disclosed in accordance with Ind AS 16 Property, Plant and Equipment. Further, the company has not formulated any accounting policy in respect of provision for unserviceable stores & spaces and slow moving stores.
- (e) Accounting for Employee Benefits: Actuarial Valuation of grainity liability of the employees covered under GPT selfeme has not been obtained. (Refer Para 5 (a) Note 30 "Notes on Accounts"). This is inconsistent with Ind AS 19 Employee Benefits.
- (f) The Financial Assets (Note-6, 8 and 11) 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: Disclosures, have not been deate for the same.
- (g) Further Company has not disclosed the reasons for non-compliance of various Ind AS as required by IND AS-1 Presentation of Financial Statements.
- Inter unit transactions amounting Rs.248.17 Cr. are subject to reconciliation and consequential adjustments, (Refer Para & Note - 30"Notes on Accounts").
- Note-16 "FINANCIAL LIABILITIES OTHERS (NON-CURRENT)" includes Rv 804.87.
   Crore Liabilities against Louis, the nature of Inan and its terms and conditions are not disclosed.

# 11. Non- compliance of Accounting Policies:

Cosupany has to review certain accounting policies which are in contradaction with accounting treatment given in the financial statements. Major instances are given below.:-

- a) INVESTMENTS: Provision for impairment is not being made at its Fair Value as per IND AS-109 as mentioned in the respective accounting policy.
- b) FINANCIAL ASSETS: Linancial assets on subsequent measurement are not recorded as amostized cost as per IND AS- 109, as mentioned in respective accounting policy. Impairment on linancial assets are not being made based on Expected loss.
- e) FINANCIAL LIABILITIES: Borrowings are not measured at Fair value using effective r are of loterest as mentioned in the accounting policy.

# 12. Maintenance of Proper Books of Accounts:

The company has systems of maintaining various sectional journals wherein vouchers relating to day-to-day transactions are recorded in these Sectional Journals. The existing systems of balancing each book on the monthly basis and posting in different sectional journals to summaries and from summaries to monthly trial balances is not adequate enough to give farancial 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 proportant effective.

# 13. Non-Disclosures in Notes to Accounts; -

Following disclosures have not been made in accounts: -

- Disclosure regarding amount of subsidy not accounted for in case of disputed solar power cases
- b. Allotment date for Share application money placed with DISCOMS
- Risk Management factor do not include Matrix of Age Wise Borrowings and Liabilities due.

## 14 Major Non-Compliances of Law

- Company has not appointed any Company Secretary as required u/s 203 of Company Acr 2013.
- (i) As per section 177 of the companies acts 2013, following major compliances/ issues were not placed before Audit committee as also delegated by the Board of Directors:
  - Approval or any subsequent modification of transactions of the company with related parties.
  - b. Scrutiny of inter-corporate loans and investments
  - c. Evaluation of internal financial controls and (isk management systems,
  - d. Monitoring the end use raised through public offers and related matters.
- (iii) Company has not held meeting of Risk Management committee. Stakeholder committee etc. during the year under review.

# 15 Major Audit observations in Material Management Zone Audit Report: -

## A. Property Plant and Equipment: -

- Branch Auditors trial balance is showing Buildings under the head AG Code 10.208 "Building CONTA DIST INST" amounting to Rs. 48,34,196.68 and under AG Code 10.211 Office building amounting to Rs. 11.65.227.05, but information regarding the Land of corresponding assets not provided to us #Units645. Elec Civil ConstDiv 1
- Branch Auditors trial balance is showing Buildings under the head AG Code 10.211 "Office Building" amounting to Rs. 42.08.722.10 bit information regarding the Land of corresponding assets not provided to us. #Units641 Civil
- An amount of Rs 36506.76 is shown under the head Scrap Materials A/c 1A/c Code 22 770), on review of the said account we were explained that these are group of assets which has been fully depreciated and are being carried at its residual value. Further, since fixed assets register is not being maintained these assets cannot be identified. Furthermore, no report of any committee who identified the above assets as scrap was provided to us. Further, as per Ind AS 16 (Property, Plant and Equipment) which requires measurement of such kind of assets at its not realizable value which has not been worked out. Therefore, we cannot comment upon the value at which these assets are carried. #Units330 EIF&PC
- The zone is not evaluating the Property Plants and Equipment (PPE) for impairment as required under INDAS 36, as explained to us revaluation of PPE is not permitted by the Electricity (Supply) (Annual Accounts) Rules, 1985, the exception may be because the PPE cost is built in the Lixed Cost of the tariff but as explained to us the cost of PPE of the Company is not approved under the fariff approved by the regulator neither Depreciation is allocated to the Distribution companies.

The company has not sought any clarification from relevant regulatory authorities regarding the same.

# Payment of Lease

i) Unit #972 (UP Vigilance Cell) and #unit 327 (Flectricity Store Procurement Circle) are being maintained at rental premises. As explained to us the rent of Unit 972 is being deposited to Court as the ownership of the premises is sub-judice. Further latest lease agreement and the rent receipt were not being provided to us for premises with Unit 327, further Compliances of Ind AS 116 is not done at zone level.

### C. Investments

The company has entered in to arrangement with MPPMC1, for 18.15 MW share in the project of Rajghat HPP at an equity contribution of Rs 66.74 erore which works out to 40.32% share in the total cost of capital of Rs 165.50 etore, however the unit is unaware of the existence of the equity contribution paid to MPPMC1, as explained to us the amount of Equity contribution is not identified in books of accounts further necessary detail on the same is required from Fund section of the company by the EJE&PC which remained unclarified till date, therefore in absence of information and adequate explanation we cannot comment upon it.

- D. The halances in account of party, contractors. Governments Departments, etc., including those balances appearing under loss and advances & other receivables are subject to confirmation and reconcilitation. The impact of adjustment if any, which may arise out of the confirmation and reconcilitation process cannot be commented upon.
- F Branch Auditors observed lack of proper system of review for identifying doubtful dues, especially those ansing out of disputes pending before respective judicial forums and absence of regular follow-ups with the respective parties for recoverability of mustranding balances in the absence of which we are quable to quantify the amount of provision which is required for inconverable or doubtful dues and its consequential impact on the financial statements. #Units330 = KIE&PC

# 17. TDS Receivables-

As observed the zone has following balances as 1108 receivable appearing in the books of the zone, in the absence of year wise breakup and status of completion of the assessment, we cannot comment upon the genuineness of the same. Branch Auditors following balances were outstanding on 31,03,2023

S. ou Unit Code	Unit Name	AG Code	Amount Outstanding
$\frac{1}{2}$ $\frac{982}{973}$	<u>.                                    </u>	27.425	( <u>Rs.)</u> [9,47,440 00
3 646	Service Commission Maintenance	27. <u>425</u> .27.4 <u>25</u>	5.730.00
14 645 1 5 641 1	<u>Civil Const.</u> Ali <u>ganj</u> <u>C</u> ivil	27.425 27.421	11,98,908.00 -3,38,872.00
$\begin{bmatrix} \frac{6}{7} & -\frac{641}{330} \\ \end{bmatrix}$	Civil Import and Export	27,425 27,422	1.79,519,00 = = = = = = = = = = = = = = = = = =
$\frac{8}{19} = \frac{1330}{1327} = \frac{1}{11}$	Import and Export	27.425 1 27.425	9.61,17.377.20 13.848.00
_Fotal TDS Receivabl	es	1	86.79,16,094,84

# G. Trade payables.

11 Trade payable having debit balances for power purchase of following parties, in several cases excess payment of Rs.3917614447.47 has been made to the parties namely NTPC-Rs. (-)3432723674.00. TEESTA DRJA 1.TD, Rs. (-)3727.00. NOAR-Rs. (-)3633710.00. POWERGRID RAMPUR SAMBUAL TRANSMISSION LTD, Rs. (\*)16432986.00, M/S SIMBIJAULI SUGAR MILLS Rs. (-)76155192.24, M/S DWARIKESH SUGAR MILLS LTD. Rs. ( )2216562,75, TRIVENI ENG & IND.LTD DEGRAND Rs.(-)74915812.07. TRIVENT ENGINEERING LTD., MILAK NARAIYAN Rs.(-)69228689.50, BAJAJ HINDESTAN LTD UTRAULA Rs. (-)104406-B.57, BAJAJ HINDESTAN LTD, (GANGAULI) Rs. (-)34873409.42, BAJAJ HINDUSTAN LIMITED, BARKIJ Rs. (-(1662752.45) BAJAJ SUGAR LIMITED, BARKHERA, Rs. (-)36495325.42, BAJAJ HINDJ, KUNDARKIII Rs.(-)11714482.31, & BAJAJ HINDJ, "PALJAKALAN, LAK Rs. (-)147117485.74 and other includes old balances which are under reconciliation, year of advance if any is not provided to us neither was available with the unit, neither current status was explained to us further it should be emphasized that the advances and excess payments are not interest hearing therefore loss to the corporation if any cannot be determined in the absence of clarification and adequate details. Bearing lack of documentation and adequate information, the recoverability or provision for doubtful amount cannot be commented upon at this stage (Unit#330 EHE&PC).

OLD BALANCES	
AC   Name of The Generator	Total Balance
41 106 MADRYA PRADESII	-253974601.81
41.120 BHAKRA PROJECT MANAGEMENT BOARD 41.128 KARNATAKA P.C.I.	16375376.60 -2088110,00
41_04MSD0C1	- 15502004.00 - 9705040.12
_4L4L1	
41/422 M/S A C.C. LTD 11/41/422 MITTAL PROCPVELTD.GHAZIABAD 1	-775440 00 -16514195.00
41.243 TECH, ASSOCIATES 41.243 WAVE INDUSTRIES PVI LLTD (ERS	-693[463.93 -1660526.7 <b>8</b> ]
41.205   HIMACHALPRADESH	-1688774,00   -359067989.24

And .

# I. Staff and Other Liabilities

The Zone has not provided relevant details of the following outstanding balances, (above more than Rs 1.00 Crore) which are quit old and details of same could not furnished to Branch Auditors.:

BNIT AC	F TEAD OF	FACCOENT	$=$ $-\frac{1}{1}$ Dr. $-\frac{1}{1}$	
	ODE		1 1	(INR)
I	<u> 620 _ '_CPF EMP</u>	Recovery	Cr	(35618278.00)
- <sup>1</sup> 971 - <sub>1</sub> 44.	412 Liability	to Madhyancha		(8227668.67)
	LECTED 1			`
·		Trust For EMP -	GET   Cr ]	(2081) 5768.53)
	: - : - :	oyee Share		(16982312.00)
44,4		oyer Share Contrib		(11031894 00)
1330 1461		MBC-OTHER Tel	EST OF T	(6.01.50.278.05.)
1	GOV <u>I</u> ZIJA			
r — — —	_ :	BEEGPJVNL	Cr.	(90.81,65,774,00)
$ -  : ^{46.9}$		DLEACCOUNT	i ci.	(48.15.483.00)
L 46 !	MARTIC LIPERTIC	!	Lev	(62.00,56.928.11)

## 1 Power Purchase

- fibere is no effective system in place to verify power purchase for completeness, no system in place for quantitative reconciliation of the power actually purchased vis-å-vis power purchase accounted in the books of accounts, reconciliation of power purchased with suppliers are not done neither provided to us. Balance configuration and reconciliation with the suppliers was not carried our 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.
- During our audit we were explained that the reconciliation with Power Generator Companies from E.Y 2018-19 till LY 2022-23 is being carried out by M/S Mercados Marketing Linergy Private Limited contracted in January 2021, at a fees of Rs 2,39,48,100,00 adjustment if any upon reconciliration will be done upon submission of final report by the contractor, Furthermore, the reconciliation for balances pertaining to financial years before 2018-19 will be handled by additional staff, but no cost comparison between the two reconciliation methods was provided to us, which created a gap in understanding the efficiency and effectiveness of each approach between the contractor-led reconciliation and the additional staff-led reconciliation.
- Generation based Incentives (GBI) receivable from IREDA amounting to INR9.66.31,925.88 (Previous Year = Rs 9,77.33,211.20) and a sum of Rs (265,13,53,853,51) (Previous Year Rs (85.62,65,550.77) from UPNEDA are subject to confirmation and reconciliation and Consequential adjustment. (Unit4330 L(E&PC)
- 10) The zone has received interest amounting to Rs. 38.17.77.874 and TDS receivable of Rs. 38177789 20 thereon, the amount of interest has been neited off from the purchase cost in the books. Purchase cost and interest meane, therefore are understated to the extent of Rs., 38.17.77.874 (Unit/330 EIE&PC)

# K Provision for Late Payment Surcharge

Unit has accounted total late payment surcharge Rs.5695614955 00 out of which an amount of Rs1123754841 00 is for bills repained unverified. Accounting system adopted by the unit is in diversion of accepted accounting policy on accounting on accrual basis where the LPS should be accrued after the specified time period of unpaid bills as specified in their PPA, whereas only bills are accounted which is received by EI&PC unit. No system was observed where bill wise LPS pending overdue for payment is accrued and accounted. It is finisher observed there is no system in place which could provide information regarding outstanding and overdue bills details over which LPS need to be accrued and whether the account has been accounted or not. Therefore, we cannot comment upon on the amount of overstated profit understated loss of the zone for the financial year 2022-2023 on account of provision of late payment surcharge.

## I.. Bank Reconciliation Statement: -

On review of the bank reconciliation statements we observed that old Un-reconciled balance of INR Rs. 138164.34 for which an adjustment /reversal has been made in the banks of accounts # Unit983 – DG Vigilance

## M. Pending legal cases at different forums.

On our query during test check audit of liabilities on pending legal cases at different forains, we were explained that the status of error cases received from PPA unit. Planning unit Prover Management Cell and SPAT unit has been considered by the Zone and the same has been disclosed as contingent liability. However, no details were provided to as during our audit and as explained to us the zone has no information relating to the cases and the same is dealt at HQ level. Therefore, we cannot comment upon the status of the cases and its financial implication on the books of accounts.

# N Provision for Power Purchase and Unverified LPS and Power Purchase cost: -

The Zone has booked an amount of Rs. 807.32 crore, as (whitled and unverified power purchase cost and Rs. 112.37 crore, as LPS Charges (unverified), on our examination and explanation provide to us, we observed that these charges are unverified and booked under expenditure on reasonable estimate, further as explained necessary deviation on their verification will be accounted at the time of verification. Therefore, impact if any on account of verification cannot be commented upon at this stage. However, Management has confirmed total amount of unbilled and unverified. Power Purchase cost for Rs. 9437 crore as on 34° March 2023.

# O. Rental from Contractor

The unit has accounted Rental Income from Contractor M/S PrayagRaj Power Generalism Corporation Limited of Rs 3,39,927,00 further as explained to us the said amount is on account of Lease of Land to the contractor, however unit did not had any information of Land is being recorded in the books of which unit.

#### P. Sple of Scrap.

The Zone has sold old/unserviceable asset for Rs. 1734359.00 during the Financial Year, however as explained the assets sold were very old and gross value was ascertained on the basis of committee report, therefore the correctness of the Profit on sale of Asset of Rs. 927298 00 cannot be commented upon due to lack of details.

# 2. Common observations in Audit Report of Subsidiaries

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

As per Para No. 9 of Notes to Accounts, Company has changed its policy for provisioning of bad and doubtful debts against trade receivable considering the simplified approach as envisaged as per Ind AS-109 pertaining to expected tosses method quantifying its consequential impact for Rs 12658.27 Cr., but it has followed graded provisioning over the period of four years commencing 40% in Financial Year 2022-23 with incremental provisioning of 20% each successive year which have resulted in deficient provisioning of had and doubtful debts. Discoms Auditors were of the view that deferment of graded provision behind 31,03,2023 is the violation of Ind- As 109, Auditors of DVVNI, has quantified the impact of short provision for Rs 5111.34 er but other Auditors have not quantified the impact of deficient provisions.

However as per Age wise analysis given in the notes to accounts, a sum of Rs. 70398.95 Cr is outstanding from Non-Government Consumers for more than three years pertaining to group which constitute 65 % of total Trude Receivable. There is difference of Rs 1635.77 cr between amount of trade Receivable shown in Note No. 10 and as per Para 43(a) of Notes to Accounts.

Company needs to review its policy for provisioning considering the comments of statutory Auditors of Discours, age-wise analysis of Non-Government consumers and other relevant factors mentioned in Ind As 109 relating to expected losses. However, in absence of complete details, rotal deficient provision of the group is not quantifiable at this stage.

# 2. Subsidiaries wise brief observations on above issue are furnished below-

# Madhvanghal Vidyut Vitran Nigam Ltd.

- i. There are differences in southly debtors as per billing ledger and amount shown in trial balance as the sales is booked on assessment hasis and amount credited to soudry debtors on the hasis—of actual receipts. Further, credit balances of Rs Rs.27.27 Crores were reflected in 4 divisions of Ayodhya. Zone due to wrong classification of accoming entries in MTB.
- iii. We draw attention to Note 10 and para 42 of Note 11 to Notes to financial Statements relating to disclosures of trade receivables wherein the company has not ascertained and classified the Trade Receivables into "Disputed/Undisputed", "significant increase in credit risk" and "credit impaired", as required by amended Schedide III to the Companies Act, 2013.
- The segregation of 'Trade Receivable (Current)' into Government/ Non-Government and ageing into different age buckets as per para 36(B) of note 1B have been made only on the basis of nature billing data provided to the zonal auditors 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, the total trade receivables as per the data provided by the commercial section as on 31° March 2023 did not match with the total trade receivables as shown in the books of accounts of the company and the same has been reduced under the category of 'Non Government consumers' under 'Receivables outstanding for more than 3 years' while categorizing the age bookeds.

The data used while calculating the rates of provisions like "collection of receivables" and determining the unpaid amount against the "assessment made in the base persod" by the age backets etc., were not verified by the concerned

zonal auditors and hence have been relied upon by us based on management's certification.

# b. Purvanchal Vidyut Vitran Nigam Lid

- The age-wise classification done by the management is not appropriate. As per explanation and information given to us, the age-wise classification of debtors has been done on the basis of last payment date of the consumer and not on the basis of actual date or bills.
  - 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. 11660.98 Crore, total entstanding trade receivable for 1 year and less is Rs. 7790.83 erores, which shows that the realization of trade receivables is very poor. Further, total Trade Receivable outstanding at the yearend is Rs. 38634.44 Crore which is higher than consulative figure of fast 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.
- On direction of Hun'ble High Court, the UPPCL has directed the Company to get the special audit conducted at Distribution Division level of revision done in consumer's bills and accounting of its recovery in the eash book during the linangua year 2021-22 and 2022-2023. As per information provided to us by the management, total No. of 36.02,611 bills and 11,92.487 bills have been revised during the financial year 2021-22 and 2022-23 respectively. However, the management has failed to provide the quantum of total amount involved. Since, the matter is at preliminary stage, the ultimate outcome of the some and its impact on the financial statement could not be ascertained.

# c. Pasheimanehal Vidyat Vitran Nigam 1.td.

- i. No revaluation loss has been recognized during the reporting petiod in respect of Trade Receivables based on security deposit equivalent to 45 days bulling to cover the outstanding dues. In absence of adequate security deposit cover for costomers under Government sponsored schemes, no provision for likely impairment loss has been provided against such receivables by the company. Under the circumstances, we are not in a position in comment on the possible impact thereof on the financial statements of the company (Refer to Note Not. 8 of Notes to Accounts).
- ii. The company has not furnished the details of advance deposit received from consumers against temporary connection and the entire security deposits from them has been shown as non-current liabilities. In absence of such details, quantification of current and non-current liabilities therefrom is not possible and ascertained.
- During the course of audit, we observed that a large amount is lying as debtors, which has been classified into secured/unsecured and good/doubtful/ Govt./Non-Govt. Age wise analysis of autstanding is done in Note No. 8 of Financial statements, however, details thereof is not provided to us for the audit. Mineover, the classification into disputed and undisputed debtors are not done at all in Note No. 8 of Financial statements, which is not in necordance with amended Schedule III to the Companies Act 2013. Time harring/non-recoverable cases are not identified, in absence of any such classification, we are unable to comment there upon

# d. Dakshinanchal Vidyut Vitran Nigam Ltd.

- i. In our opinion, substantial our-reconciled amount of Rs. 4.508.08 Crores (Total Debtors as per Balance Sheet + 27,701.94 Crores (excluding K1/SCO 203.77 Crores, Trurent Power Limited 57.70 Crores, Prov. Of Unhilled Revenue 526.71 Crores & Theft of Power 0.69 Crores) less Total Debtor as per Brilling Software + 18.193.86 Crores), of trade receivable as on 31.03.2023, as per bulling software and Dooks of account, should be eligible for 100% written off as unidentified debts.
- There is substantial un-reconciled difference of Rs. 1.109.83 Crores between revenue assessment of billing software and revenue booked in financial statements, for which inappropriate explanations were offered, the company should have identified reconciliation and recognised correct revenue in Profit & Luss account. Even Horible Allahabad High Court has taken enginzance of such variances in some other cases for which information was not made available to us.

## 3. Comments on 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:

# a. Dakshinanchal Vidyut Vitran Nigam Ltd.

 There is no reasonable certainty for the recovery/payment of following amounts outstanding since lang, period of time without any balancing/reconciliation, hence should be reconciled and dealt accordingly:

S. No.	AG Code and Name	Amount (in Crores)
1,	46 302 Other Levies	Rs. 28.19
þ.	46.330 Other State Levies Payable	Rs. 1.32
e.	44 Staff Related Liabilities (Dehia Balance)	Rs. 3.06
1.	11 Starf Related Liabilities (Credit Halance)	Rs. 0.77
$q_{(i)}$	U.P Rajya Vidyut Etpadan Nigam Limitof	Rs. 0.95
Ξ.	U.P. Power, Transmission Corporation Limited	Rs. 7 34
g.	AG Code-28 (4 ransfer scheme balances)	Rs 17.02
ħ.	AF Code 25.5 Advance Interest Free (Capital)	Rs. 9.38
	(Under EL Admin)	
:.	AG Code 44.350A 7th Pay Commission	Rs. 16 35



 Details of transfer scheme balances for more the Rs. I takks as reported by statutory Auditors id furnished below.

	solution And	AOES IO Intriblied below	
ZONES	AG	TNAME	TAMOUNT (In Rs.)
: .	_ cones_	J	·
<b>  </b>	. '		
AUGARE	1 [23,703]	Pub Light Maintenance	15.28.406.5017
1		Charges	1
	25 (	TAdvance to Suppliers -	∃ <sub>1,13,6</sub> 9 <sub>6,00 Dr</sub> ∃
1	25.6	Ad pay to Stores	† (7.13,773,75 Dr
	28.741	Then of Cash	16.55.861.15 Dr
1	28.1.777	TOTAL	3.86[349.00 Dr = = =
	44.310	Net salary payable sundry	4,30,782,927()
I		habilities and prevision	
İ	53672	Rural Deposit Scheme	\$2,88,176.05 (br
	53.620	Financial Part Cox	1,33,589,74 (5)
KANPUR	T23 (70 = =	Railway Fraction	9.16.04.948.73 ()
	23.1 (0A	Cess Lucknow	1 3.03,000.75 Tor
	23.00C	Kesco	81.71.24.383.56 DT = 1
	23,707K	Other Receivery From	122,96,09,198,57 (5)
	28.10]	Consumer Sundry Debtor For Sale of	68.95.705.94 Dr
I		Lucrgy	İ
	46.567	IUT Cash Within Zone	10.83.716.75 Dr
JHANST	23.3	Others	87.72.08.850 07 CF
	J		



# b. Purvanchal Vidyut Vitran Nigam Ltd.

Details of major odd balances as reported by statutory Auditors is furnished below:

DD CLOSING BALANCES IN AG CODES

	ASSETS OR BALANCE			LIABILITE	S DR BALANCE
Ĺ <u>.</u>	AG	Balances (Rs. )		AG	Balances (Rs. )
14	64	2,61,72,455,12	42	Ī	7.56,78,238.11
14	85A	54.60,208.34	44	220	1,29,77,048,00
14	85Y	1.87.75.087.56	44	020	63,67,640,04
22	760	30,48.98,186,00	44	410	2.14.39.000.26
23	112	7,52,95,528,72	44	504	97.26,879.)8
23	2	2.06,00.141 (8)	4.1	505	92,85,430,90
23	214	71.18.256.00	-1-J	507	3,80,71,518,03
23	705	2,83,17,850,00	45	58	2,48,16,58,995,44
24	308	65.03.605.38	46	101	99,95,67,262,50
24	4093	05,79,26,602.71	16	123	88,33,412,52
28	610	3.74,10,04,794.00	46	2	1.08,63,96.130.84
. 31		7.03.25.49.602.28	46	3	1,04,85,720.00
33		7.72.85,10,430.30	46	922	1.31.42.44.856.20
34		71,09,06,173.38	46	94101	2,72,09,862,75
36		10,87,27,166,69	46	94102	2,51,63,221.65

## 6. Mudhyanchal Vidyut Vitran Nigam I.td.

i. In many cases at zones and head office, party wise breakup, agoing 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 Crures)
Deposit & Retention from suppliers	476.48
Advances to Suppliers	117-16
Sundry Liabilities	188.17
Sundry Receivables	25.32

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

Account Head	Amount (Rs. in Crores)
--------------	------------------------

Other Liabilities and Provisions	8.54
Provision for depreciation	669.33
Stock Related Accounts (ref)	11.30
Deposit for Electrification	35.21
Capital Work in Progress	(3.79)

Jan .

### d. Pasheimanchol Vidyut Vitran Nigam Utd.

- i.Balances of trade receivables, trade Payables, Suppliers, Contractors, loans and advances, staff related liabilities & advances and other various debit/credit balances, dues from government and reconciliation or respect of certain Bank balances are subject to respective confirmations, reconciliation and consequential adjustments thereof in absence of proper reconstitution and settlement of old dues, possible loss' profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities. Various debit and credit opening balances are lying unadjusted, including the account received under transfer scheme. Under these circumstances, we are not in a position to comment on the possible impact thereof on the financial statements of the company.
- ii As referred in Note 10 to the financial statements receivables from Datar Pradesh Jal. Vidyut Nigam amounting Rs 0.832 erere and Rs. 35.03 erore from Datar Pradesh Power Transmission Corporation Limited are shown under Current Assets, which are outstanding for more than 12 months. As results of this other current assets are overstated and other Non-Current assets are understated by Rs.35.86crere.
- ni.As referred to in Note 18 to the financial statements. Payables to Uttar Pradesh Rajkiya Vidyot Utpadas Nigam Lud.amounting Rs.33080.00, Uttarakhand Power Corporation Ltd. Rs.0.17crore, are shown under Current liabilities. However, these balances are mustanding for more than 12 months. As a result of this, current liabilities (Other financial babilities) are overstated and non-current fiabilities (Other financial liabilities) are understated by Rs.0.17 Crores.

# iv.Non Provision of Dues from entities matters of which are pending in NCLT:-

- a. Matter relating Trimurti Concast Private Limited in this case notstanding in the rune of INR, 9.24 erore, the present status is the resolution plan has seen been approved. And no further proceeding is pending. It is therefore suggested that the outstanding claim of Rs, 9.24 erore should be written off.
- b. It has been observed that Rs.4.04 grore are does from M/S. Chaudhary Ingot Private Limited whose matter is pending in NCLT. According to the sequence of payment, the electricity dues do not get preference over bank and other dues. As such recoverability of these dues is in jeopardy and Provision for doubtful debts must be made at 100% i.e., 4.04 Crore. In this case the Pushchimanchal has adjusted Rs. 1.04 crore from security deposit from due as such the balance of Rs. 4.04 crore needs to be provided for.
- e. Interest accrued and due Rs.7.37 Crores under Other Current Assets (AG 28.240 & 28.250), which is pending for reconciliation for more than a year, impact of the same is not ascertainable on the financial statements.(Refer to Note, 11 of Financial Statement.)
- d. AG Code 26.7 represent Cont. Mat. Control A/C having balance as on 31.03.2023 is INR 1,13,84.537.54 belongs to material advanced to contractor Mr. Shailesh Kumar Since 2010. This material is required to be recovered from the contractor immediately otherwise provision is required to be roake in the books of the accounts.
- 6. Subsidy Receivable from Government shows anadjusted negative Balance of Rs. 4.90 Cr (Previous Year 4.17 Cr). The book entry to adjust/set off these balances has not been made.

## 4. Cash and Cash equivalents

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

# a. Dakshinanchal Vidyut Vitran Nigom Ltd.

In our opinion following long pending un-reconciled differences between bank balances as per bank passbook/statements vs. bank balance, as declared in AC 24, should be reconciled and dealt accordingly.

(Rs. In Crorgs)

No.	Name of Zone	Balance as per Balan bank passbook + easbl		Difference
<u> </u>	Agra Zone	9.19	10,03	
· 2 · 1	Aligarh Zone	. — — 1.37 '—	14.13	12.76
3.	Kanpur Zone	12.00	6.74	5,26
4.	Jbansi & Banda Zone	18.73	-5.28	24.02
[	Total	41.29	25.62	15,67

AG 28 919 Other Deposits of Rs. 1 34 Crores included in Deposits & Reteation from Suppliers & other of Rs. 1.211 66 Crores in Note 18, is on account of FDR deposited with appellate authorities, in our epinton it should be classified under Cash & Cash Equivalent Note 9-B.

## b. Madhyanchal Vidvut Vitran Nigam Ltd.

Bank reconciliation statements at some of the divisions/ units have not been prepared and various old un-reconciled entries are appearing in the bank reconciliation statements in various units at zones/ head office since long periods which require adjustments and appropriate accounting in the hooks of account. Similarly, the copies of bank statements were available but proper balance confirmation certificates/ statements, duly authenticated by the bank were not available in many cases.

Further, in Ayodhya zone, the divisions have bank balance of Rs. 119.95 Crures, while balances as per Bank Statements is Rs. 15.77 Crures. Simularly, IRS at the divisions of LESA Ciss zone tellect taildentified debit carries amounting to Rs. 129 Crures and credit entries amounting to Rs. 87.94. Crores outstanding for long period which require adjustments and appropriate accounting in the books of account.

# c. Purvanchal Vidyut Vitran Nigam Ltd

(a) As reported by the Zonal Auditors, though BRS has been prepared, a long fist of outstanding entries are being carried forward from last many years and even the uncashed/ state elequest and other entries pertaining to revenue accounts have been shown outstanding and not accounted for in the cash book. 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) It has also been observed by us that in hank reconciliation statement of ICICI Bank maintained for establishment related payments at Central Payment Office, Headquarter, an animult of Rs. 79 26 Lacs pertaining to state cheques has occurshown mustanding and not reversed.

# d. Pashimanchal Vidyut Vitran Nigam Ltd.

Bank Reconciliation Statement (BRS) in respect to bank accounts in some divisions, containoutstanding of earlier years entries, which includes stale cheques, in easlied cheques, other debits and credit, which requires special attention of the management for necessary adjustments and impact thereof is not ascertainable on the financial statements. Zone Wise details are furnished below:-

## Merryt zone

# Bank Reconciliation Statement (BRS)

i. The BRS includes Bank Charges and the amount withdrawn directly by authority against court cases, reflected under other debits but not accounted for in the books of account. The amount of Bank Charges and other debits has been substantial but still not finning part of the books of account and continues to be reported in BRS.

Particulars	Other Debits (Tutal)	(Rs. in lac Bank Charges (included in the
Less Than I year	· <del>3.91</del> ·	Total)   3.91
1 to 3 years More than 3 years	12.59 168.01 [	(14 jö )
Total	184.51	18.04

In our opinion suitable provision need to be made in accounts for debits as mentioned above.

- ii. Reconciliation statements available in of divisions earry uncashed cheques, dishonoured cheques and other credits given by bank in previous years but not recorded in books of divisions. In few cases Time barred/state uneashed/dishonoured cheques not reversed and are shown in bank reconciliation statements.
- iii. Accrued Interest on Fixed Deposits has not been accounted for in the Bonks.
- iv. In few Cases, the Bank statements are not provided to confirm the substantial balances appearing in the Books and subsequently in the Bank Reconciliation Statements. As informed, the bank accounts are no more operational. In the absence of the Bank Statements, the updated status of these balances could not be confirmed.

#### <u>Hulandsha</u>har Zone

Bank reconciliation statements (BRS) in respect to Bank accounts of mostly divisions of Bulandshahr zone contains outstanding ald entries which includes state cheques, uneashed cheques, other debuts and credits more than three month which requires reversal after proper & exact reconciliation and may have impact on trial balance.

### <u>Ghaziabad Zone</u>

In the Bank Reconciliation statement, the bank accounts were reconciled subject to following items.

- uncashed cheques of Rs 24,39 Cm
- Old difference Rs 28.35 Cr.

Other credits not traced Rs 47.77 energy

No details, age and explanations could be provided to us hence we are smable to comment on its unpact on the accounts

## Shabranpur Zone

Bank Reconciliation Statement (BRS) in respect to bank accounts in case of few divisions of Saharanpur Zone contains outstanding of previous years entries (even some entries are more than 10 years old) which are seizure by various authorities in respect to Court and other cases.

## 5. Capital Work in Progress

- i. Capital work in progress includes Rs 1389 filer (refer notes-3) being "Advances to suppliers and contractors" to be reflected as Advance against capital expenditure as per provision of "the solectule fil to the companies Act 2013" as Non-Current Assets, Consequently, capital work in progress is overstated and "Advance against capital expenditure" is understated to that extent.
- ii Group Company has not disclosed age-wise details of the Capital work in progress including projects in progress/projects temporary suspended as per requirement of Schedule III to the companies Act 2013.

# Subsidiaries wise observation as reported by the Auditors as given below:

## Madhyauchai Vidvut Vitran Nigam Ltd.

At Ayothya Zone, a sum Ry 337.61 Crores and revenue expenses of Rs.40.25 Crores has been capitalized during the year but the details of material & labour consumed, assets created and completion certificates of capital works completed were not available. Further, Details of projects under 'Capital Work in Progress' amounting to Ry 11.55 Crores does not contain item-wise details of consumption.

## b. Purvanchal Vidyut Vitran Nigam Ltd.

- As repeated by the Zonal Auditors, the status, situation and condition of Capital Work in Progress is not available for verification.
- d Capital work in progress includes advance to Suppliers. Contractors (Capital) amounting to Rs. 825.24 Crores. As reported by the zonal auditors, name and age-wise break-up of the same is not available, hence we are not able to comment upon the same.
- The time period of ABD funded LPPDNRP Project has expired on September, 2022. The approval of time extension not available on record for verification. However, as per UPPCL Letter dated 06/02/2020, the Company has been imposing liquidated damages on vendors wie f. 0.7/01/2023.

# Pashimanchal Vidyut Vitran Nigam Ltd.

The 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 i.i 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 mate 3 of financial statements and point no 43 of notes on accounts)

### Moradabad Zong:

#### WIP

Autount Outstanding Rs. 3.52 Crores - Contract awarded to M/s Ishan Earthing Ltd. on 25.08.2018. Not yet Capitalized and still stated in WIP If the asset is commissioned to business operations, no depreciation is being charged. No explanation was offered at ZO level.

## d Kanpur Electricity Supply Company Ltd.

Capital work in progress Rs 29.14 crare

The disclosure requirement as envisaged by para I. (vi)(b) under "Additional Regulatory information of Schedule III of the Act has not been complied with.

### 6. 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 fad AS 2 Inventories i.e., valuation at lower of cost and net realizable value. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.

# Major comments observed by Subsidiaries Auditors are reproduced below:

## a. Dakshinancha! Vidynt Vitran Nigam Ltd.

layentoxies of the Company of Rs. 427.62 Crores as at 31.3.2023, are erroneous considering our opinion expressed in Point No. (ii) of Annexure 1 to our audit report (In absence of physical verification) read with followings:

- i. Fixed Assets identified as not fit for use, are de recognised from AG 10 & 12 and are recognised under AG 22 at Written Down Value. New ametial produced/issued for repair is debuted to AG 22, while labour charges are recognised as revenue expenditure under AG 74. After repair the repaired asset is recognised by debiting AG 10 and credited AG 22 at selfly estimated valuation of brand new asset, instead of historic cost of repaired asset. This results into incorrect presentation of inventory wherein, exaggerated imaginary credit (new asset value (WDV + Repair Material)) remains parked in inventories. This may have been resulted as aggregate impact of multiple crores of undervaluation of inventories. Company needs to stop this practice immediately and identified it's consolidated impact on inventory valuation to arrive all correct valuation.
- Otherwise also, if the assets de-recognised is not repairable, it is further debited to AG 22,770 "Scrop Material" at realisable value, instead of book value and declaring loss on sale of asset to Profit & Loss account. This practice resulted loss on sale of scrap in AG 22 (other than AG 32,770).

# Madhyanchal Vidyut Vitran Nigam Ltd.

- i. Againg of inventory was not done and obsolete items were also not identified and adjusted in the books of account in some cases, burther, in respect of inventories of Rs 272.37 Crores in Ayodhya zone, inventory records, item wise details of inventory and its valuation (except inventory worth 102.74 Crores pertaining to (Workshop and Store divisions) as at the year and we're not available.
- Provision for Unserviceable stone of Rs. 41.76 Chords as appearing in Note 7haveatories continues since 2012-13 despite substantial increase in fevel of inventory to Rs. 723.11 Curves in 2022-23 as against Rs. 230 Crores in 2012-13. In absence δf.

complete details, we are unable to comment on the adequacy of provision on this account and its impact on financial statements.

# c. Purvanchal Vidyot Vitran Nigam Ltd.

- The Company has carried out valuation of stores as on 31/03/2023 by an independent Firm. As per Zonal Auditors' Report, the physical verification of stores and its valuation is pending at Varanasi Zone and some of the Units of Gorekhpur Zone.
- Stock shortage/ excess pending investigation amounting to Rs. 72.40 Lacs as outstanding as on 31/03/2023. In absence of proper information, we are unable to comment upon its nature and proper accountal.
- No movement analysis is available to categorize fast making, slow moving, non-moving and dead stock froms.
- iv. No provision for obsolete, unserviceable stores and spaces has been made. An old provision amounting Rs. 62.97 Crores is lying against obsolete stores since 2003 under Final Transfer Scheme.
- There is no system for identification of scrap and its valuation at fair value.

## Pashimancha) Vidyut Vitran Nigam Ltd.

- Inventory consists of stock items, which are used interchangeably for capital expenditure or for regular repairs and maintenance purposes. Since ultimate use of such stock arms is indeterminate at initial recognition, the Company classifies such items as inventory. These items are classified subsequently either in property, plant and equipment through capital work in progress or expense in the Statement of Profit and Loss as and when it is so used, which is not in accordance with requirement of IND AS-2 "Inventorics" and IND AS-16 "Property, Plant and Equipment". The effect of such non-compliance on PPE, inventorly, depreciation, spares consumption is not ascertainable.
- Liability for Material received on inso by the Company amounting to Rs. 0.73 Crores from Porvenchal Vidyot Vitran Negam Limited (AG 22.730) is finally adjusted with Material Stock Account (AG 22.60), resulting on 4 iability and stock for Rs. 0.73 Crores is shown in the Balance Sheet of the Company as on 31th March. 2020, as on 31th March. 2021; as on 31th March. 2022; and as on 31th March. 2023 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 Purvanehal Vidyot Vitran Nigam Ltd. regarding the same. (Refer in in Note No. 7 of Financial Statements).

#### Merrut Zone

No system for identifying and segregating un-serviceable/slow-moving/non-moving items forming part of the inventories is in place other than ETD- Baghpat, ETD-I Meerut, LTD-II Meerut and EUTD Meerut. However, such items are moved with the regular stock and are valued as normal stock in all units. Empairment in value of inventory is reither computed not accounted.

# e. Kanpur Electricity Supply Company Ltd.

### Inventory Dr.₹ 50.11 Crores

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 \$104.31 Crores grouped under the head Capital Work in Progress'(Also Refer Note No. 3 of "IND AS FS") and 'Advances Recoverable in Cash of in Kind or for value to be received of \$0.67 Crores grouped under the head 'Other Current Assers'(Also Refer Note No. 10 of "IND AS - FS") are accounted for on the pasks of consumption

Jest ...

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' is not ascertainable.

#### 7. Property Plant & Equipment

General Comments given by the Discoms statutory Auditors on Property Plant and Equipment are given below;-

i. We draw attention to para ii(e) of Company Information and Significant accounting policies stating that employee cost to capital works are capitalized @ 15% on deposit works. 13,50% on distribution works and 9.5% on other works. Further, it was noted that a sum of Rs. 1040-30 Crore of Employee benefit expenses has been capitalized to fixed assets out of total establishment expenditure of Rs. 1580.04 Crore meaned during the year.

In our opinion, capitalizing Employee benefit expenses on fixed percentages of 'direct costs' instead of Employee benefit expenses directly attributable for such construction, is neither in accordance with generally accepted accounting practices not as per Ind AS 16. The impact of over capitalization of Employee benefit expenses to fixed assets, as above, on the financial statements is not ascertainable at this stage in absence of complete details.

ii. Group has not disclosed accounting policy for Assets not in passession for Rs 128.04 Cr as per Note No 4 to the financial statements. Statutory Auditors of PVVNL have made following comments the same.-

"Assets amounting to Rs.51.55 Crore, being expenses on construction of Bay are shown as "Assets not in possession of Pashehimanchal Vidyor Vitran Nigam Ltd.". The agreement with Transco is not available with the company. It is informed to us that the company has a right to use these assets."

Specific observation given by the Discoms statutory Auditors on Property Plant and Equipment are given below:-

#### Pasheimanchal Vidvut Vitran Nigam Ltd.

- Due to non-availability of proper and complete records of Work Completion Reports, there have been instances of non-capitalization and ' or delayed capitalization of Property. Plant and Equipment, resulting delay in capitalization with corresponding impact on depreciation for the delayed period. In the absence of sufficient and appropriate audit evidences, we are not in a position to comment on the correctness of the same (Refer to 2(II) and IV(b) of 'Significant Accounting Policies' to the Financial Statements).
- ii. In case of withdrawal of an asset, its gross value and accumulated depreciation is written off on estimated basis. In the absence of sufficient and appropriate attdit evidence thereof, we are not in a position to ascertain impact of the same on the financial statements.

#### Merrut Zone:-

Confirmation for Assets of Rs. 11.97 Cr. (Previous year 11.97 Cr.) shown under the head AG in as on 31-03, 2020 are reported as under the possession of Mrs. U.P. Power Transmission Corporation Limited as not available on records.

#### <u>Dakshi nanchal Vidvut Vitrau Nigam J.id.</u>

Sale of Scrap Rs. 50.59 Crores generated from unrepaired fixed assets should be recognised as Revenue in Profit & Loss account, in place of present practice of crediting to AG22 770

#### e. Purvancha) Vidyut Vitran Nigam Ltd.

- As reported by the Zanial Auditors, the Fixed Assets Register staring nature of assets, date of addition, its location, actual cost etc. is not up to date except for Mirzapur and Azamgath Zuoc.
- ii As reported by the zonal auditors, physical verification has not been done at Azamgarh, Gorakhpur, Prayagraj, Mirzapur and Varanasi zones during the year under consideration.
- As reported by the Zonal Auditors, completion cortificate has not been produced for verification for transfer of Capital Work in Progress to Fixed Assets by some of the units.

#### d. Kanpur Electricity Supply Company Ltd.

#### Property, Plant And Equipment Dr. 71026.57 crores

The land of the Company is no lease from UPPCL at \$1.00 per month as per the transfer scheme (Also Refer point no. 10(c) of Note no. 1-R to "IND AS-PS"). As informed the value of such land is yet to be ascertained by LPPCL. However, we have not been furnished with the lease agreement and other related records permissing 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 "Ind AS F.S." of the aforesaid is not ascertainable.

#### c. Madhyanchal Vidyat Vltpan Nigam Ltd.

- i. In case of fixed assers, which are decommissioned, the corresponding accumulated depreciation is reversed on estimated basis, which has no relation with their carrying cost in MTBs. As a result, the cost and accumulated depreciation of assets in use are not correctly reflected in MTBs in several cases. Such practice of determination of carrying cost on estimated basis and charging depreciation thereon is not in accordance with IND AS 16. In the absence of complete details, effect of the said deviation, from Ind AS, on financial statement could not be ascertained.
- ii. A sum of Rs. 28.07 Crores were capitalized as fixed assets (Computer & Printers) by transferring amounts from 'Capital WtP' on contralized basis at head office level. It was noted that these amounts comprised of various type of computers/bardware/Accessories etc. purchased in earlier years and delivered/ being used at various zones/ field units and hence capitalizing the same on centralized basis was not proper. Further, item/ location wise entries of these assets were not made in the Fixed Assets register.
  - Similarly, payments of 27.98 Crores made for ERP software during 19-20 and 20-21 were capitalized as 'Intangible Assets' during the year. However, the completion report, date of completion, useful life etc. were not available for verification. Further, no amortization of these intangible assets has been done during the year.
- iii. During the year, 'GOI Leans' under 'RAPDRP' of Rs 230.25 Crores were converted into 'Capital Grants'. The on provided interest liability on 'Leans converted into grant' amounting to Rs 19187. Crores (Including Rs 102.26 Crores up to the period 30.09.2017 and Rs 92.61 Crores up to 31.3.2017), have been transferred to 'Capital Grants' and 'Interest pending capitalization' head by treating the same as 'borrowing cost'. Accordingly, an amount of Rs 170 Crores pertaining to 'interest pending capitalization' (Including Rs 25.14 Crores of interest for the period 1.10.2017 to 31.3.2019) has been transferred to field units through 'Inter Unit Transactions' as on 31.3.23.

However, due to non-acceptance of these dehit advices by the concerned units the capitalization of this amount in "Property Plant & Equipment's" and

corresponding 'Provision for depreciation' for the period from F.Y. 2017-18 to 2022-23 has not been dear resulting in overstatement of 'Inter Unit Transactions' and understatement of 'Fried assets' and 'Depreciation'. The resultant anipact of not charging depreciation on the profits for the year could not be ascertained in absonce of complete details.

#### 8. Non Provision of Expenditure/Losses

Group has not provided for Expenditure/Losses as reproduced below

#### a. Madhyanchal Vidyut Vitran Nigam Ltd.

Advances to suppliers amounting to Rs (1) 10 Crores at the HO level are outstanding since more than 7-8 years. It also included Rs 40.61 Crores for which even party wise/ dare wise details were not available with the concerned unit. No documentary evidence or explanations were made available to as 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-provisioning of these amounts has resulted in overstatement of advances and understatement of hisses for the year by Rs 413, 10 Crores.

#### b. Pashgimanchal Vidvut Vitran Nigato Ltd.

- i. As per UPERC (MYT) Reputation 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 @ ! 25% per month shall be levied by the transmission licensee. However, the company has not made any provision for fiability for late payment surcharge on account of non-payment of does in compliance of above regulation. Consequential impact of the same on the financial statement is not ascertained.
- PVVNI, has disclosed prior period adjustment in its paramo, 34 to the notes to the account for Rs 94.57 or restating the loss to Rs 793 86 or from Rs 699.29 or But, restated amount of pervious year 2021-22 has not been reflected in financial statements.

## 9. Subsidies Received under Atmnirbhar Rharat Scheme.

Group has shown Rs. 14940.00 Crore Subsidy Receivable from I. P. Government as Non-Current Assets Note No.8 Towards Atmairbhar Bharat Scheme which is receivable in 10 years as per G. O. no. 445-4-21-731 (Budgety/2020 dated 05.03.2021 of Govt, of U.P. The corresponding amount is credited in 19 ther 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 Utar Pradesh. In view of above, subsidy receivable as mentioned in Non-Current assets is overstated and Other Equity (negative) is understated to that extent. It is learnt from management Representation Letter that company is referring the issue for the opinion of I xpert Advisory Committee, of ICAL Pending receipt of such opinion its impact on accounts cannot be ascertained at this stage.

#### 10. Non-Reconciliation of Inter Unit transactions.

Inter unit transactions amounting Rs.1366.49 erore (Note No. 13- Other Corrent Assets), has not been reconciled Oil closed of the financial year.

# 11. Non-Compliances of Ind AS/Schedule-III And Other Provisions Of The Companies Act-2013 (other than those mentioned above)

Following accounting policies of the Group are not in compliance with had AS/Companies Act 2013:

- f. "Other Equity"-Note-15 includes Rs 18767 69 Cr as consumer contribution Inwards capital. Assets/Capital Grants which are to be reflected as "Deferred income" under "Non-Current Liabilities, "as per list As 20. In view of above "Deferred income" is understated and "Other Equity" (negative) is also understated to that extent.
- Policy no. VIII(B) reparding accounting of late payment charges on cash basis and (viii) regarding penal interest over dues, interest etc. on each basis are against the account concept of accounting.
- Pulicy no, XVI -Financial Assets regarding subsequent measurement on debtinstrument at amortized cost in accordance with Ind as 109.
- Policy no. XVII- Financial Trabilities regarding subsequent measurement of borrowings using effective interest rate method.
- Subsidiaries have not identified the Accounts relating to Micro Small and Medium Scale Enterprises (MSME) and not disclused 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 MSMID Act, 2006.
- vi. Unbilled revenue Receivable has not been disclosed in the Notes to Accounts except DVVNI, and MVVNI. Similarly, unbilled Trade Payable has not been disclosed except OPPCI. (Holding Company) as required by Schedule-III of Companies Act. 2015.
- eii. Group has not conducted actuarial valuation relating for pension and Gratnity penaiting to craployees of cratwhile UPSFB during the financial year 2022-23. (para no. 15(a) to the roles to accounts referred).
- viii. Group has not made necessary disclosures and information as required by Ind As 19 pertaining to Actuarial Valuations in respect of KESCO, PoVVNI., DVVNI. and PVVNI. respectively.

# Specific observations given by statutory Auditors of Discoms on the subject are given below: -

#### a Pasheimanchal Vidyut Vitran Nigum Ltd.

- i. As per Para 16 of IND AS 37, the company is required to disclose Court Cases going on at the end of financial year, brief description related to nature of the contingent liabilities and estimate of its financial effects and possibility of reimbursement. The company has not made required disclosure with respect to above. Thus, company has not complied with disclosure requirement of IND AS 37. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable. (Refer to Note No. 18(h) of Notes on Accounts).
- iii. Amount as disclosed in respect of claims/pending count/arbitration/legal/tax cases have not been properly compiled and ascertained as per IND AS-37 "Provisions. Contingent Liabilities and Contingent Assets". No amount of capital commitments in respect of estimated amount of contract remaining to be executed on capital accounts ascertained. In the absence of details thereof, impact of the same upon the financial statements is not ascertained. (Refer Note No. 18(b) of Notes to accounts, regarding contingent liabilities)
- iii. Refer Point No. I(a), 2(VI)(b) and 2(VI)(f) of Significant Accounting Policies, wherein disclosure has been made for certain items which have been accounted for on each basis/cut-off date basis, which is not in consonance with the accounting, the accounting required by the Indian GAAP. Due to cut off date basis of accounting, the accounting for provisions in the books of accounts is not in consonance with IND AS-37 "Provisions. Contingent Liabilities and Contingent Assets" is not verifiable. Accordingly, the impact of non-compfiance of the above IND AS or the financial statements is not ascertamable.

AND.

- iv. As per UPERC (MYT) Regulation 2013. In case the payment of any hills of Transmission charges, wheeling charges is delayed beyond the period of 60 days from the date of hilling, a late payment surcharge (n) 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.
- Audster of Moradahad Zone has reported that Moradahad ZO has not disclosed the impact of pending litigations on its financial positron in its financial statements amounting Rs.1363.57 Laklis
  - IND AS-i: Policies relating to provision made against (i) advances to suppliers/contractors (ii) Slow/non-moving and unserviceable stores. (iii) had and doubtful debts (iv)advance to employees and others are not disclosed under Annexuse "Significant Accounting Policies" annexed with Financial Statements as required in IND AS in Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.
  - IND AS-36: All the assets of the company are recorded at their historical values without arraying at their recoverable amounts and analying at amount of impairment of loss. Company's submission that "their recoverable amount is higher of the assets' net selling price", has not been substantiated. In the absence of fixed assets physical verification, fixed assets register, technoceonomic viability assessment and calculation and determination of Cash Generating Unit, we are unable to comment whether any impairment loss has remained un-assessed or un-provided for in accordance with IND AS-36 "Impairment of Assets". Enpact of non-compliance of the above END AS on the financial statements is not ascertainable.

#### vi Depreciation/Amortisation

We have observed that the depreciation on Property, Plant and Equipment has not been worked out properly as there are discrepancy/ variation in date of put to use of various assets. The depreciation on addition in Property, Plant & Equipment during the year was provided as per the order of UPERC/Secy./ (MYT for distribution and transmission) Regulations, 2019/408. Lucknow, dated: September 23, 2019, our monthly basis instead of actual period of availability of asset for its intended use on addition. This is not as per provisions of Schedule-III of the Companies Acr. 2013 and also against accounting policy of the Company as stated in Para 2(IV)(b) under the head depreciation. In the absence of proper sudit trail, we are unable to quantify the impact of the same on depreciation and consequential impact on the financial statements.

#### b. Kanpur Electricity Supply Company Ltd.

Note no. 13 of the "IND AS-ES".

The Company has not complied with the disclosure requirements envisaged by Schedule-III of the Act except the following:

In respect of non-current borrowings:

- (i) Nature of security in respect of each case of borrowing.
- (ii) Terms of repayment of term leans and other loans.

#### 6. Madhvanchal Vidyot Vitran Nigam Ltd.

a. The 'liabilities for capital works', 'liabilities for O&M works' and 'liability for expenses' etc. have been categorized under 'Other l'inancial Liability(current)' instead of showing them under 'Financial liability (Trade payable)'. I urther, the disclosures/ againg of 'trade payables' as per 'Para 36 of Note 1B', have been

- done without taking into account the amounts shown under the heads "Other Financial Liability" figures certified by the zonal auditors.
- b. Financial Assets-Other Corrent (Note-10) and Other Financial Liabilities-Current (Note 18) have been classified as 'current' but include balances which are outstanding for realization/ seufernest since previous timaneial years and in the absence of adequate information/explanations regarding the realizability /setflement of such amounts within twelve months after the year end, not classifying them as non-current assets/ liabilities is not in accordance with Ind-AS-1 "Presentation of Financial Statements."
- c. Additional Disclosures relating to maturity redemption or conversion date of bonds, repayment of term loan & Other loans, nature of security etc. in respect of various borrowing appearing in Note 14. Trinancial Liability Borrowing and current maturity of Long term borrowing in Note 16 have not been made as required by Companies Act 2013.

#### d Purvanebal Vidyat Vitran Nigam Ltd.

The Company has not complied with the provisions of section 42 of the Companies Act, 2013 as well as The Companies (Acceptance of Deposits) Rules 2014 relating to Share Application Money pending Allotment.

There is no system at Zones and ESDs of the Company to prepare the Balance Sheet and Statement of Profit and Loss. The Zonal and tors have only been provided Trial Balances (MTB) for the purpose of their audit which is non-compliance of Schedule III of the Companies Act, 2013.

Impairment of assets has not been done, which is in contravention of Ind AS 36 of IUAL.

The Company has disclosed contingent habilities to the tune of Rs. 168.77 Crores at para 28(b) of Notes to Account of Balance Sheet. Since, the status of contingent hability has a not been provided to us, we are unable to comment upon the provision required as per Ind AS-37,

#### e <u>Dakshinanebal Vidyut Vitran Nigam Ltd.</u>

- The Company is marked as Active Non-Complaint by the Registrar of Companies, consequence to which the Company is unable to file necessary form with the registrar for Change in Authorised Share Capital (Form SH 7), Change in Paid-up Share Capital (Form PAS 3), Changes in Director (Form DIR 12) etc. The Company may end-up paying heavy late fees for the above non-compliances. This has led to difference in. Authorised Share Capital as per MCA website is Rs. 24,000/- Crores and as per balance sheet is Rs. 20,000/- and Paid up share capital as per MCA website 20,87,73,198 no. of share of Rs. 70,877,22 Crores and as per balance sheet 23,46,17,38° no. of share of Rs. 23,461,74 Crores.
- The Company has failed to produced/maintained statutory registers prescribed under Companies Act, 2013.
- The Company has not filed creation-modification/satisfaction of charges with registrar of companies consistently since past 5 years

#### f. Kanpur Flectricity Supply Company Ltd.

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

Charges column disclosed in the Company Master Data includes old satisfied charges



- There is no full-time company secretary and Chief Financial Officer in accordance with the requirements of Section 2013 of the Companies Act, 2013.
- The Company has not complied with the Order date 32.01.2019 assued under section 405 of the Act, in respect to filling of MSMI: Form I.

# 12. Specific observations in Audit Report of Subsidiaries

# a. Pashebimanebal Vidyut Vitran Nigam Lid.

#### Borrowings

There is no system of identification of qualifying assets and interrupted projects which are being fananced from the borrowed funds in accordance with IND AS-23. During the year under audit, the company has not capitalised any interest on borrowing, while balance stiff persist in CWIP and there are payment of interest by the company. Management has informed us that the allcapital projects under scheme for which fund was borrowed has been closed prior to the FY 2022-23. However, Capital projects, turning other than schemes, are not identified. Hence, by the absence of emaplete details of qualifying assets vis a visuses of interest paid money by the company, we are unable to quantify the impact of the same on the financial statements. (Refer to note 23 of functial statements).

#### Accrual System of Accounting

During the course of our south, we have come across some expenses, which have been accounted for on each basis instead of accrual/mercaptile basis. The same is not in accordance with the basic accounting assumptions and the company's accounting policy. In absence of the complete audit trails, we are not in position to ascertain the Impact of the same on the l'inancial Statements of the company. (Refer to I(b) and 2(VI) of 'Significant Accounting Policies' to the

#### Statutory Compliances

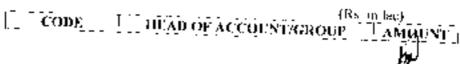
- The company has corrected Interest on RAPDRP Loan previously accounted as Income instead of transfer to Grams amounting to Rs. 110.64 erore, in FY 2022-23, further company also corrected interest on RAPDRP Loan accounted as expenses which is to be capitalized by Rs. 279.06 crore, is absence of complete documents/calculation of conversion into Grant, we are unable to comment upon the correctness of the same
- GST reconciliation with bunks of accounts and tettarn is not made available to us and stated by the management that the same is under process. Hence, we are unable to continent upon the hapaer of same on financial statements

#### Others

- No subsidiary ledgers have been maintained by the company for Consumer Security Deposit, Meter Security Deposit and Advance consumption charges. In absence of same, correctness of the figures appearing in the financial statements under these head could
- As during the course of audit we observe that the late payment surcharge recoverable from customers is accounted for on eash basis due to uncertainty of realization however. the company does not have record related to netual realization of the late payment surcharge actually collected , the amount of late payment surcharge was being accounted for on ad-hoc basis by the divisions thus, late payment surcharge is not accounted for in fine with the accounting policy & due non availability of proper records we are unable to ascertain the effect of the transections on the financial statement.

#### Merrut Zone:-

 Following are very old increeonciled/unexplained outstanding appearing in trial balance. of the zone having substantial amounts, which should be squared apsentled at regular



28.87 31.0288	Receivable from related companies METERUT ZONE	2528/31
16.56	WITHIN ZONE LIABJFOR EUT (UPSFB)	=   23.5 <del>8</del>   31.18.92
46.98 <u>1</u> 46.999	UPP CORPLIDE	1459,29
26,089	TUP POWERTRANS MISSION	-9517.74  1 <u>75.70</u>

- Party wise details of amount constanding under those accounting heads are not available. Bulances outstanding under those heads could not be verified from any record available in unit/ Zone. The age wise analysis for advances and liabilities is not done. In the absence of any analysis of time barring cases and chances of recovery, no provisions are made for non-recoverable cases.
- In absence of complete details i.e. party wise & age wise outstanding, their names, addresses etc. The procedure prescribed under SA 505 for obtaining halance confirmations directly to standing auditors could not be instalted.

#### STATUTORY NON-COMPLIANCES

#### i. Income Tax and Tax Deduction at Source (TDS):

- The previsions for expenses made at the year-end consisting of Interest on Consumer security deposits, Professional Expenses, Contractors etc. are subject to TDS but tax has not been deducted. Also, Tax has been deducted on payments basis whereas as per Income Tax previsions, Tax should be deducted on booking of expenses or on payment, whichever is earlier. The practice should be amended to fall in fine with the provisions of Income Tax Act.
- Pending TDS demand for Rs. 5.48 lacs (Previous Year Rs.22.41 lac) are uppearing
  at TRACES (Income Tax TDS portal). The basis of these demands needs to be
  identified and the same need to be removed or paid on its merit. The Contingent
  Liability arising due to this demand need to be reorganised.

#### Goods & Services Tax (GST):

- In some cases, units have not charged GST on Miscellaneous receipts components
  like RO/DO charges etc which are otherwise covered under the provisions of GST.
  There are other receipts which need to be identified and GST should be charged
  accordingly. We have identified receipts (in the nature of RO/DO charges)
  amounting to Rs. 167,80 kg (Previous Year Rs. 4.37 kg) on which GST have not
  been claimed and deposited.
- Mescellimeous Receipts cover seccipts of different nature. It is advised to identify receipts on the basis of its nature and should be booked under separate heads rather than elubbing as Miscellaneous. We observed that on some receipts. GNT has been claimed such as LD and Tender charges Receipts whereas on some other receipts, GST has not been claimed. In view of the same it is important to classify these receipts to identify and charge GST.

# SECURITY DEPOSIT FROM CONSUMERS AND INTEREST PAVABLE (AG CODE 78)

As per the practice, Imerest on enstomer deposits have been provided on average balance has is and the prevailing Bank Rate is considered for making the provision for Interest. The actual payment of Interest to the enstomers are not reconciled/adjusted with the provision made during the year. The effect of difference between the provision made for Interest and actual Interest pand has not been taken in the Prefit & Loss Account but instead adjusted against the Debtors' recoverable.

AND .

### Security Deposit/EMD/ Retention Amount

We observed that the details of accumulated amount of Scenrity Deposits/EMD/retention money forming part of the trial balance are not available and hence are subject to confirmation and reconciliation. The accumulated amount needs to be reviewed to demarcate the confirmed amount which may be retained and the unidentifiable part needs in be adjusted/setor).

#### Internal Audit Reports

the formal of the Leternal Audit Report access to be reviewed. Most of the Auditors are confining their report to standard formats of the Report given. They should be asked /encouraged to report on other Unit related substantial issues over and above the Standard Format given to thom. The formats should also be reviewed to include relevant clauses and remove clauses which are not applicable at build level

#### Moradabad Zone:

#### i. Ed And Other Levies.

During the year Total ED & Other Cevies Collected 18278.65 Lakhshowever ED & Other Levies Paid- 13114-32 Lakhs. That mean either 5164.32 Lakhs anabuit is excess collected or not paid to the government. It everss collected, it is income and if correctly collected, why not full amount of duty paid to the government? In such a way the hability is accumulated over the years and reached to such alarming level 66670-76 lakhs

#### ii. Accounting System

During the course of auditing we observed that no sub-fedgers of Accounts Receivables and Accounts Payables are prepared Hence party wise receivables and payables cannot he ascertained.

#### Ghaziabad Zone

- The Branch has two estegaries of customers i.e. prepaid customers and posts paid customers. In the case of prepaid customers, the collection goes to HO which in turn inform the branch of the amount collected by their on its behalf. The Zone could not proxince the records related to accounting of unadjusted portion out of prepaid recharge of meter and recognition of revenue out of such prepaid amount for the period upto 31° March, 2023. Also it could not be explained how the accounting is done of the cases of negative balance in the case of prepaid meter. No record could be produced before us to verify the accruat of meome and realization thereof, hence we are unable to comment thereon and quantity its impact on the accounts:
- The Company has not faid down its accounting policy on recognition of moome in the İt. ease of theft of power (dislantest abstraction of power) and the income is recognized based on consumption estimated in report of JE/SDH1 etc. During the year, the Branch has recognized such income of Rs 68,33 Crores (Code AG-61.6) where against only Rs.7.13 Crore (Code-AG-23.8) have been realized and rest has been accounted for a Receivable. Further, such accounting treatment is not in accordance with IndAs-18 which stipulates recognition of income only when the realization thereof is certain Hence, the Zone has and provided for the doubtful amount. However it is informed by the officials that the provision is made at the HO level in their broks, the details and basis thereof, however, could not be explained. In view thereof, its impact on the accounts of the Zinne could not be ascentained and quantified
- The Branch had engaged Primeone Workform Pet 1 td for providing skilled Unskaled Mi. manpower for operation /maintenance of 35/11KV substation and H1/4.1 distribution lines. This party was awarded contract with lingher profit margin of 6% compared to other similar contract with 3-8136%. Similarly it was noticed that the party has claimed excess rate of wages by Rs X3.86 Laklis during the year. iv.
- In yet another case, Mool chand om sai enterprise Pet I nI was awarded contract for 2 years for Rs 21.85 erore for manpower supply for operation/maintenance of 33/11 KV substanton and H17L1 distribution lines wherein the party has excess charged by 16,30,439,64

- No explanation was given to us in respect of the above.
- v. As a policy, the branch does not deduct TDS at the time of making proxision for expense as the same is deducted at the time of payment. This is not accordance with the prevision of Income Tax Act. Similarly, in the case of TCS n/s 206C of the Income Tax Act, tax is not collected at the specified rate.
- vi. The security deposit from customers under code AG 48.1 is Rs. 998.88 erones whereas the same as per customer's master data for all divisions, it is Rs. 1620 erore. No explanation could be offered for such a large difference honce we are mable to comment on its impact on the accounts.
- the the ease of Division IV Noida (Code AG 23.1), the payment received from debtors during the year is Rs 241.68 erores as against the sale of Rs 75.05 erores. No explanation/details were given for excess collection of Rs 166.62 erores bence we are unable to comment on its impact on the accounts. It was explained that in the ease of collection received directly at the head office, the details of such payment pertaining to the Zone is received with an interval even of 2 years inence the figure of debtors as reported in 14al Balance is subject to such collection at HO, consequently, in the absence of information of such collection, the impact on debtors could not be ascertained and quantified.
- viii. During July'20 to November'20, there was a each embezzlement of Rs 5.64 erores under the division EUDD-7. Ghaziabad by Mr. Stout Gupta, Head Cashier Recenter of the division. Similarly, Cashier of EDD Greater Norda Satender Pal Singh TG-II embezzled each of Rs 82.21.9744- during March'21, April'21 and June'21. In yet another case, Cashier of EUDD-IV, Ghaziabad.
- Italinath TG-II during the year 2018-19 embezzled Rs.19.19.767/-(net of recovery of Rs 89.3287). Despite the above cases having been declared fraud in respective years, the same has not been provided fin.

#### Sabaranpur Zone

As explained to us that Fixed Assets ereated out of these deposit works are not depreciated through the profit and loss account instead these assets are depreciated through the consumer contribution liability head.

#### In respect of Receivables (Big Consumers) :-

Report on short security collected from large and heavy consumers: Following is
the detail of the large and heavy consumers from schom due security is not
collected which is to be collected immediately:

Sr. No	Name of Consumer	Scenity Due 1
ı l		(In Rupees)
į ı ſ	M/S RAVI ORGANICS	18.07.160 gg <sup>-1</sup>
1 2	DUS PAPERS PVT	33,06,440.00
1 .	Lr <b>o</b>	
$\cdot \cdot$	· <b>—</b> –	L /

ii. On the basis of data given to us related to the heavy consumers, following ore the cases where either there are payments pending since long or these are irregular payments or partial payments:

' Payre	nent due as on
	1
2017 C Harminder Singh - 6116971000 24-10 L _ 2008	0- 1 40.90,365 no



	3	Dishaet Wireless	3435671000	20-09-	18,83.056.00
	-1	Muspkeem Ahmed	5422204000	2013 Never	34.89,852.00
ĺ	; ·-	Kisaan Dass Rice Mill	139043000	Paid 10-03-	32,76,868.00
				3015	!

Although, the Management of Saharanpur zone has informed that the outstanding dues against Sh. Harminder Singh and Sh. Mostakeent Ahmed has been fully recovered.

- iii The Comprehensive I/RP is under implementation in the Zone. Our Comments are as follows: -
  - The Trial balance of the all divisions are not aligned with FRP.
  - The Due Diligence of Migration of Software not undertaken
  - Partial Migration to new ERP from Old working software (Excel)

It has come to our notice that the zone has since shifted payment module w.e.f. 1 Jan 2022. Under the system the payments are centralized at HQ Meernt UP wherein they are understood to maintain separate ledger Accounts in the New ERP.

Under this arrangement the zone will continue to show liability to the vender whereas the vender has already been paid during the period from 01 Jan 2032 to 31st March 2023. The consolidated Trial Balance presented to us is showing a liability is 3NR 491,54,18,830.67/-. The payments against these liabilities are made by the Head office directly to the Vendors. But effect of these payments are not reflected in the trail balance of the Zone. In the trail balance only balance payments should have been reflected. Therefore, this point has to be taken into the account at the time of finalization of the Company Balance Sheet.

A/a Cude	Account Name	TB Closing Balance as
		an 31,03,2023
42.1	Supply of Material/ Cap.	362,37,44,037,30
43.1	Supply of Material (O&M)	229,16,74,793,37

**Remarks:** Out of this Liability of Rs.491 54 Crore, same payments aboutly made to the vendors by HQ. These payments must be tying at debit balance in these heads in HQ accounts.

#### Observation:

In our opinion these payments must be considered while financialization of the financial statements of the company as a whole.

iv. AG Code 26.7 represent Cont. Mat. Control A/C having balance as of 31.03.2023 is 1NR 1,13.84.537.54 belongs to material advanced to contractor Mr. Shailesh Komar Since 2010. This material is required to be recovered from the contractor immediately otherwise provision is required to be make in the books of the accounts.

#### b. Dakshinanchol Vidyut Vitran Nigam Ltd.

During the year, I can of PFC R-APDRP Part A (Rs. 77.53 Crores and accound interest Rs. 28.38 Crores) and Loar PFC R-APDRP Part B (Rs. 181.70 Crores accound interest Rs. 46.76 Crores) was converted to grant. Total accound interest of Rs. 75.15 Crores, being interest during construction period, has been capitalised to assets during UY 2022-23, which was erroneously omitted to be capitalised during FY 2016-17. The company has erroneously, by imagining capitalisation in 2016-17, charged total

- depreciation Rs. 39.47 Crores, current depreciation to profit and loss and accomplated would be depreciation of preceding 5 years as prior period adjustments and failed to correspondingly amortised Rs. 65.42 Crores and of total Grant of of Rs. 334-18 Chares for the expired life of the corresponding assets in this way Profit of the company is understated by the equivalent amount.
- Balance of Rs. 30.18 Crores under AG 46.501 ED Payable to State Goot. Rs. 2.77 Crores under AG 44.412 EC Payable (Our of Nigam) and Rs. 20.07 Crores under AG 46.922 Adv. Reed. For Sale of Scrap, parked in other tiabilities/ other assers and Rs. 2.56 Crores in BRS-BOB under EL Adman, July acknowledged by the company, should have been transferred to later Unit Transfer (IUT). During the year the Company has capitalised LRP Software of Rs. 29.32 Crores which should have been capitalised on 12.08.2020. On this capitalisation the company has erroneously declared an amount of Rs. 7.18 Crores as previous years amortisation by restating the opening balance of Retained Farmings. In our opinion advoted/audited financial statement of preceding years cannot be restated incorrectly for such against adjustments. Resulting Loss of this year is understated by equivalent amount.
- iii. We have observed, accounting head AG 44.410 (Other Misc. Recovery Payable) balance of Rs. 11.27 Crores (as at 31.03.2023), is increased from 3.73 Crores (as at 31.03.2021), majorly in Jhansi Zone (by Rs. 3.97 Crores in FY 2021-92 and by Rs. 6.00 Crores in FY 2022-23), which is not substantiated to the satisfaction about the nature and reason substantial increase. Appropriate efforts should be made.
- Though the Company has retained an amount of Rs. 15.72 Crores of M/s Pace Computers Services in AG Code 46.124 ander EXECUTIVE ENGINEER (ADMN.) outstanding since April 2022, wherein the Company has not assessed the exact amount of claims against the supplier and credited his Profit and Loss account for the same.

#### Purvanchal Vidyut Vitran Nigam Ltd.

- The Inter unit halance has not been reconciled due to which not amount of 699.87.
   Crores having debut halance has been shown as later unit transfers in the Balance Sheet.
- In case of advances under T.I. and P.I. and adjustment thereof, amount aggregating to Rs. 57 90 I acs is outstanding. It needs serious perusal and timely settlement

#### Azumgarb Zone-

- v. During audit if was resided that in almost every unit huge amount aggregating to Rs. 7.43.36.967 is shown as mustanding against eash and against materials to employees. The amount is quite significant in some of the units. These advances should be recovered and properly accompal for
- As on date there stands a demand of Rs. 1.34,820 for late filing/ late deposit/short deduction of Income Tax TDS. Dis liability should be disposed off either through necessary corrections or through recovery from concerned responsible persons.
- vii. At units, records like Cheque Dishonour Register, Log Books of Vehicles, Receipt Book issued & Received Register. Stamp & Postage Register. TDS Register are not being properly maintained & found incomplete except in few cases.
- Since, the work register being incomplete, the amount debited in capital work in progress is not verifiable.

#### Basti Zone-

TI/PI which is open earlier year/during the year and still pending as on 34st March.
 2023. Some of which are pending from more than 10 years. Hence all pending TJ/PI's

- should be closed as per prevailing circular of the corporation or recovered from the official concerned.
- Out of rotal Capital WIP of Rs, 57.64 Crores appearing in 4 units of the Zone, Rs. 5.60. Crores relates to more than 3 years old.
- iii. Some records like dishonor chaque register, electricity theft register. PD Register, Vigilance Register, log broks of vehicles, receipt brok issue & received register, stamp & postage register are not produced by Same of the units.

#### Gorgkhpur Zone

- i. IT & PI are requested to be closed timely from the date of its issue but the same is not being followed. Some Units are not following proper system for its finely adjustment to avoid its misuppropriation/ misuffization. Also it was observed that adequate internal controls with respect to EEP.I. were weak in some of the units.
- ii. At the time of issuing No Dues Certificate due course has not been followed and proper record for such certificate has not been maintained, in result, unnecessary litigation and financial loss occurred. Management may take notice and strictly implement the due course of issuing no dues certificate.
- iii. Civi! Distribution division has failed to provide Hydel Colony residents occupancy, maintenance and unauthorized occupancy in the campus while some unauthorized enerosebments and occupancy have been noticed. It involves financial less to the Company, which required to be ascentained.
- In most of the Links it is found that M.B. issue register is not properly maintained and direction in this respect not followed. In some cases, it is found MB Book not returned even after retirement or transfer of concerned employees and no serious efforts taken by Division to return back that MB. Further after utilization of M.B in many cases it is not returned to unit/enstudian.
- y. Solar based net metered billing system is not working smootbly and feeding of meter reading (import/export) in solar based net meters are not being done at all. If done only based on consumers awareness and pursuance, thus it shows loss of revenue on regular basis.
- ii. In many tender eases, while checking financial statements certified by CA, CDIN based certificate not found. It creates reasonable doubt on the genueroness of the statement.
- In most of units Log Book of Vehicles either not maintained or not produced before us for elecking.
- viii At some units, camest money deposit/seestify deposit register was not maintained properly hence it is not possible to make any comment on whether camest money deposit/security deposit was taken from any contractor or not and also refund of camest money deposit/security deposit to any contractor was made or not. It is evident from the above that there is charges of twice payment to contractor.
  - The Gorakhpur Zone bave pending Edgetions of involving more than Rs. 504.00 Lacs which would impact its financial position.
  - At many of the unit's records like log books of vehicles and TDS register are either not maintained or not properly updated
  - xi. There is subsequently huge difference between Debtors of Distribution Units that appears in the online data base of the company and that appears in the trial balance of the units. The recordification of the same has not been prepared by the units. As explained, this is because fictitious billing and not accounting of Late Payment Surcharge due in consumers bill as per company policy.
- xii. Remittance of each into bank is not done within the prescribed time at the distribution units. Cash is usually deposited into bank after delay of 2 5 days.

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#### Mirzapur Zone

- A) some of the units, records like dishonor register, log books of vehicles, receipt book, issue & received register, stamp & postage register. IDS register are either not properly maintained or not updated.
- Most of the Bank reconciliation has been prepared with opening differences, which is not correct. In overall, the Bank reconciliation prepared by the Unit is not fully satisfactory & up to the mark and it does not serve main purpose of Bank Reconciliation.
- iii. Some of the units have shown advances to employees as outstanding against materials. The amount is quite significant in some of the units and outstanding is in crures. The employee wise list of such outstanding is not made available to us showing the date since when such outstanding stands. It was also noted that advances against material have been debited to the account of J. B's and they have submitted the details of consumption and halance of stock in the form of J. Stock Accounts in form of 18/28/38/48.
- jv. Some units MB was issued to various JUs since long time but was not deposited back to the units till the date. It was observed that some JUs were transferred from the unit without submitting MB and no does were also issued from the unit. It is strongly recommended to management to identify the JUs who has not submitted the MB and take necessary action for submission of the same.
- This is the corporation practice to accept payment in Cash/Demand Draft only in case where cheque of the consumer was dishonored. But it is observed that again cheque has been received against dishonor cheque from consumer, which is against the corporation norms and the unit must avoid and follow the norms of accepting Cash/DD in case of dishonor of cheque.
- vi. Completion certificate has not been shown for completed job which has been transferred to I ised Assets from Capital Work to Progress except for some of the units.
- vii. Some of the units do not maintain a separate register for \$1-1, \$1-2, \$1-3 & \$1-1. They are directly making entries either in only one or two register. As per corporation points separate register should be maintain. And also, unit is required to prepare manual \$1's register on their own and then it should be tallied with \$1's prepared by the bired accounting agency. This will youch & cross check the accoracy of work done from both the end, but in almost all the case manual \$1's have not been prepared and the computerized \$1's prepared by such external agency is pasted in manual \$1's register.

#### Varanasi Zone-

- The disclosure requirement as envisaged by para 1 (vi)(b) under "Additional Regulatory Information" of Schedule III of the Act has not been complied with
- Total demand of Rs. 28.384 act is pending for TDS defaults in various units of Varanasi Zone.
- Records of Log Bnok of Vehicles, WIP Register, T&P Register. Contractor's Ledger. WMDR/WMCR, MB Movement Register, Additional Security Tools & Plant Register. Incumbency Register etc., nor made available/provided
- Service Books not maintained properly i.e., nontnee details, caste certificate and reattestation not maintained
- v. Bills continued to be raised to Permanent Disconnection Consumers
- ERD/Suspense register not maintained
- vii. Non- Submission of Receipt Book by collecting agent on regular basis. .
- In many cases it is noticed that additional scenity for additional load in case of HV. Consumer category has not been taken.



#### d. Kanpur Electricity Supply Company Ltd.

#### Deposit for Electrification (AG Code 47) Cr. 348.26Crores

Party-wise break-up of the above sum with respect to: -

- i) Amount lying an account of incomplete project &
- Aurount inspent which is refundable to parties against completed projects was not made available to us for our verification.
   Hence, we are unable in verify the above liability as on 31,03,2023.

#### Security Deposit From Consumer Cr. 7181.16Crures

The above sum includes the sum of R16 Crores diverted from the revenue received from the consumers account received against electricity charges. Despite of C&AG comments on the accounts of the company for the F.Y.2020-21 & 2021-22, no corrective measurement taken in the "IND AS-FS" for the F.Y.2022-23.

#### Statement Of Profit And Loss

#### Exceptional Item (AG Code 79.501) Dr. 3.59Crores

The sum represents reversal of ₹2.89 Crores on account of "KESCO's" share in the loss of principal "unrealised interest / notional interest allocated during the F.Y 2021-22 & ₹ 6.48 Crores of notional interest for the F.Y 2022-23 for carlier years invested by the CPF-GPF Trust in the bixed Deposits of a Public Ltd. Company. The documents / information available was not adequate for forming an opinion, (Also Refer Para No. 33 of Note No. 1B of "IND AS- FS")

For D Pathak & Co Chartered Accountants

(A K Dwivedi)

FRN: 001439C

Partner M No.: 071584

UDIN: 23071584BGWZLJ/2793

Place: Lucknow Date: 15/09/2023

#### Annexure II to Independent Audit 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.

- i. Para No. ( Relating to property, Plant & Equipment
- Para No. 2 a & b relating to physical verification of Inventory and submission of quarterly statements to Bank regarding working capital limits.
- jij, Para No. 3e regarding terms & conditions for repayment of loans debited to subsidiaries.
- iv. Para No. 4 Regarding Board approval for investment made / loan granted to subsidiaries.
- v. Para No. 6 Related to Cost Records.
- vi. Para No. 7 Related to Non-Payment of Statutory dues.
- vii. Para No. He Relating to not establishing whistle blower mechanism.
- viii. Para No. 13 Relating to approval of related parties! transaction.
- ix. Para No. 14 Relating to internal audit system.

#### Subsidiaries

- a. Dakshinanchal Vidyot Vitran Nigam Ltd.
- Para No. (i) Relating to property, Plant & Equipment.
- ii. Para No. (ii) a Relating to physical verification of Inventory.
- Para No. (vii) Regarding Statutory dues
- Para No. (x)(b) Regarding private placement of equity shares.
- v. Para No. (xi) Related to Fraud /deficiencies in internal control system.
- Para No. (viii) Related to Non compliances of Section 177 and section 178 of Companies act.

#### b. Madhyanchal Vidyut Vitran Nigam Ltd.

- Para No. (i) Relating to property, Plant & Equipment.
- Para No. (ii) a Relating to physical verification of Inventory.
- Para No. (vii) a Regarding statutory dues.
- Para No. (xi) Relating to embezzlement of cash.
- v. Para (xiv) Regarding deficiencies in Internal Audit system in Ayodhya Zone.

#### c. Porvanchal Vidvut Vitran Nigam Ltd.

- i. Para No. (i) Relating to property, Plant & Equipment.
- ii. Para No. (ii) a) Relating to physical verification of Inventory.
- iii. Para No. (vi) Non-Maintenance of cost records.
- iv. Para No. (vii) Regarding Statutory Dues.
- v. Para No. (xi) a and c Relating to fraud and relating to whistle blower mechanism.
- vi. Para No. (xiv) a Regarding deficient internal audit system.

#### d. Kanpur Electricity Supply Company Ltd.

- i. Para No. (i) Relating to property, Plant & Equipment.
- Para No. (ii) a) Relating to physical verification of Inventory.

- iii. Para No. (vi) Regarding Cost Records.
- iv. Para No. (vii) a) Regarding Statutory Dues.
- v. Para No. (s) h regarding disclaimer of section 42 and section 62 of companies act 2013.
- vi. Para No. (xiv) a Regarding Strengthing of Internal Audit system.

#### e. Pashchimanchal Vidyot Vitran Niggm Ltd.

- i. Pura No. (i) Relating to property, Plant & Equipment.
- ii. Para No. (ii) a) Regarding a Relating to physical verification of Inventory.
- iii. Para No. (vii) a) Regarding Statutory Dues.
- iv. Paru No. (a) b regarding disclaimer of section 42 and section 62 of companies act 2013.
- v. Para No. (xi) a Relating to fraud at Meerut. Ghaziabad and bulandsahar Zone.

For D Pathak & Co Chartered Accountants

FRN: 001439C;

(A K-Dwivedi)

Partner

M No.: 071584

UDIN: 23071584HGWZLF2793

Place: Lucknow Date: 15/09/2023

#### Annexure III to Independent Auditors Report

# 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 1) P. Power Corporation Limited (\*(be Company") as of 3.19 March, 2025, 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 Brand 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 enteria 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 (ICA1)". 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 france and errors, the accounting records, and the timety preparation of rehable financial information, as required order 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. 2010, 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 central based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstarement 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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- 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
- 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 pullicies 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 and ted by us and its Subsidiaries, and ited 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 2023.

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

- 1) Company has no internal control policies over payment to Generators. Branch Auditors have reported excess payment of Rs. 391.76Cr and old debit balances of Rs. 35.90 cr. It is also observed that no subsidiuries ledger is maintained by the company and payment to generators are made without considering outstanding balances in their accounts. Besides, no bill wise details of payment made to generators are available with the company.
- 2) Company has not devised a system for placement of fixed deposit for approval by the competent authority by placing the comparative rates of interest, periodicity of fixed deposits and renewal proposal with revised interest rates in line with the prevailing market trends to ensure accrual of better revenue to the company.
- 3) Internal control system with regard to Cash transactions. Procurement /Works transactions, maintenance of inventory, maintenance of Bonks of accounts. Fixed Assets register, delegation of powers in various employees etc. requires to be further strengthened.
- 4) There is no effective system in place to verify power purchase for completeness, only those balls are accounted in the banks of accounts which are received, no system is in place for quantitative reconciliation of the power actually purchased vis-a-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 continuation and reconciliation with the

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- suppliers was not corried out therefore, the impact on power purchase, power sales and eventually on the position of sundry payables and receivable cannot be commented upon.
- 5) There is no system for review of old balances relating to various assets and habilities heads which needs to be reviewed, reconciled and require necessary adjustment in the broks of account.
- 6) 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 immarched items.
- 7) 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.
- 8) During the course of our Audit, it was observed that payments are being released by Single signatury without fixing any threshold limit. It is suggested that all payments should be released after fixing threshold limit only by joint signatory.

#### II. Subsidiaries

#### The Auditors of DVVNI, have reported that •

- The Company did not have an appropriate internal control system for recording of linaucial transactions into books of accounts commensurate to size and nature of business of the Company. Books of accounts are not maintained on any accounting software rather are manually, which might results posting of entries to wrong accounting heads and any maintained changes subsequently.
- 2 The Company did not have an appropriate internal control system for consolidation of books of accounts of different accounting level hierarchy viz. Divisions, Zones, Government Aided Schemes, Financial Units and Head Office. There is absence of integrity of accounting data between different accounting Fierarchy wherein manual accounts (Trail Balances) of divisions are consolidated manually at Zones, which are further consolidated at Head Office with Head Office. Schemes/Linits accounts. These had resulted in unexplained consolidation suspense in the nature of Inter Unit Transfer (IUT Difference) of Rs. 0.94 Crores, subject to matters reported Basis of Qualified Opinion section of our report, and could patentially result in misstatement in consolidated figures.
- 3. The Company did not have an appropriate internal control system for maintaining accord of audit trait (edit log) for all transactions recorded in the books of accounts, which could potentially result in unauthorized or unwanted changes in the Company's financial figures.
- 4. The Company did not have an appropriate internal control system for integrating billing software data with accounting data, which could potentially result in material mestatement in the Company's revenue from operation, trade receivables and provision for bad debts balances.
- 5 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.
- 6. The Company did not have an appropriate internal control system for recording of dates of additions and deletions of fixed assets. The company has not considered actual dates of additions and deletions to fixed assets for computing depreciation, this could result in misstatement in the Company's depreciation figure.
- The Company did not have an appropriate internal control system for physical verification of fixed asset and identification of disearded assets, which could potentially result in invisitatement in the Company's fixed assets halances.

- 8 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 missiatement in Company's CWIP and Fixed assets balances due to non-capitalization of completed projects.
- The Company did not have an appropriate internal control system for obtaining periodic external balance confirmation, which could potentially result in misstatement in Company's trade receivable, other receivables, and other payables figures.
- 10. The Company did not have an appropriate control for identifying the parties from whom amounts arising out of transfer scheme are teccivables and/or payables. These could result in misstatement in the Company's Financial Assets-Others (Current). Other Current Assets. Other Financial Liabilities (Current).
- The Company did not have an appropriate internal control system for making independent assessment of power purchases and transmission charges. Further such expenses are booked on the basis of advice/invoices received from UPPCL & UPPTCL respectively.
- The Company internal control system over proparation of fixed assers register was not operating
  effectively which could result in misstatement in the Company's fixed assers and depreciation
  balances.
- 13. The Company internal control system over reconciliation of bank accounts was not operating effectively. We have observed substantial difference in balance as per eash book as reported in Basis of Qualified Opinion section of our report.
- 14. The Company internal control syxtem over preparation of accounting vouchers was not operating effectively wherein our test check revealed all the vouchers were not signed by the authorized signatories, which could result Company recording an unauthorized transaction.
- 15. The Company internal control system over provisioning of expenses, capitalisation of assets in El: Admin (HQ Paymon) Unit was not operating effectively, which could potentially result in misstatement of Company's financial statement. Our test check observations in this regard were duly rectified during the coarse of audit.
- 16. The Company internal control system over recording of expense on accrual basis was not operating effectively.

#### 2 The Auditors of PVVNL have reported that :

- a. The Company did not have an appropriate internal control system for reviewing computation and hooking of Capital Work in Progress (CWIP) in accounts. This could potentially result in maccurate CWIP disclosed in the 'works of accounts, due to non-capitalization and/or delayed capitalization of Property, Plant and Expériment.
- b. Internal control in respect of movement of inventories during maintenance and capital works, material issued/ recoved 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 Biometrie System should be installed for keeping the records of attendance of employees and CCTV camera should be placed to protect the assets and records.
- Company do not have an effective system for realizing revenue from customers as the amount of receivables as on 31° March, 2022 is Rs. 10.74,349.09 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 annimize electricity theft and line bases.

- Reconciliation of power received and power sold during year has not been done. Billing is not raised timely and correctly.
- The Company has shown Rs 20,463.80 lacs as Inter Unit Transfer under the head of Other Current Assets and an further details or reconciliation of these amounts are provided to us Special attention of the management is called for periodical reconcilitation of this account and necessary adjustments thereto. Management has informed that the reconciliation of these entries is nader process.
- 3. The auditors of MVVNI, have reported that -
- 1) Company has system of maintaining various Sectional Journals wherein vouchers relating to day to day transactions are recorded. The Existing system of balancing each 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 notstanding at any point of time. The monthly trial balances are compiled from vouchers through an outsourced software/ outsourced agencies, which are not under control of the accounts department. Neither the risk of security of data in accounting system has been assessed not is there any mechanism to check data culries and to ensure correctness and completeness of the accounting reports generated

- System of compilation of Bank Reconciliation statement is weak in as much as various old unreconciled entries are pending in BRS for acjustment and its appropriate accounting in the books of account.
- 3) The company is under the process of reconciliation of inter unit transactions at zones/ head office level. It was noted that large number of un-reconciled IUTs are persisting since previous year which are still under reconciliation.
- 4) Party wise details/sub-fedgers of advances to supplier, contractors, staff, security deposits and other parties, was generally not maintained and hence the system of reconciliation and balance confirmation with the concerned parties is not in vogue.
- 5) It was noted that billing of power is generated through 11 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 agoing analysis of outstanding amount is not available with account department to reconcile trade receivable as per brooks of account with the data of commercial oppartment.

It was also noted that billing for sale of electricity to consumers are accounted for on the basis of report generated through Online Billing System implemented by various outsourced agencies. However, system audit of the said billing system, if any, being dealt at LPPCC, was not made available and as such we are unable to comment on the efficacy of the same.

6) It was noted that various payments for AMCs/ online billing system are done by DPPCt, on helialf of the company and its accounting is done in the banks on the basis of debit notes raised by UPPCt... However, there was no system in the company to ascertain and ensure the provisioning of total expenditures pertaining to the financial year.

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

In our opinion, except for the effects/nrobable effects of the material weaknesses described in the 'Qualified Opinion' paragraph of this report and in 'Annexore 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° March, 2032 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 'Annexore I'.

For D Pathak & Co.,
Chartered Accountants

FRN: 001439C

(A # Dwivedi)

Partner

M No.: 071584

UDIN: 23071584BGWZLF2793

Place: Lucknow Date: 15/09/2023

# U.P. POWER CORPORATION LIMITED

CONSOLIDATED FINANCIAL
STATEMENTS
for the F.Y. 2022-23

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#### U.P.POWER CORPORATION LIMITED

#### 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN:U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET AS AT 31.03.2023

Particulars	Note No.	AS AT 31.03.2023	48 41 11 03 2022
ASSEIS	<del></del>		
Non-current assets		!	
(A) Property, Plant and Eculoment	اندا	\$7946.59	591513
(b) Capital work in -progress	ا ز ا	3812 10	37817
(c) Assess not in Hossess on	4,	178 04	132 5
(II) Intangase Aspelic	58	190 91	82 8
(e) Inlangible Assets Under Devektor will	50	1.20	60 3
(I) A nant at Assets			
(in Invited April 6	l ±	2198.G4	2170 8
(i) Coans	1 2	0.00	0.0
(ii) Cihers	9	1833514	19444 0
2. Gurrent assets	-		
(a) Invertones	و ا	7418 15	3794.9
(e) Financia Asseis	-		
( - Trade recovables	10	78490 53	87744 5
r I Cest and cash equivalents	11-A	4226 29	5977.5
(a) Unite haloring offers than (a) attract	11.8	714 17	647.5
1	14	5097.70	4955-2
(v) Others (c) Other Current Assets	15	3641.25	2731.8
Cycho Care Chases	'	34-1.20	
- Irolai Api	eria .	185174.12	194775.7
B) EUULIY AND LIABILITIES			
Equity			
(a) Equicy Share Capral	14	11346777	109679 3
(by Other Equity	72	779656 921	762298 8
LIABILITIES			
1 Non-current trabilities			
(a) Emand Atthact thes	'		
(in Borrowings	. 🗠	63926 92	711113
(a) Travia payanias			
(iii) Zii er financiai lictiikies (offer inan those specified in nom joi in te	- 1 - 1		
(b) Oner Inancial (Ablifies	2	6575 71	F104 5
Current habilities	- 1 - 1		
(a) Emantial liabatios	- 1 - 1		
() Berowings	_   26	15449 50	11985 0
úil Tr⊯as payables	19	3227148	28992.1
(i) Diher Inancia Tahrines	30	28212.14	20100.0
(ii) Programms	1 2	0.00	C E
Significant recouranty Pois, es of Careot dated Financial Statement	ī		
Nurse year Acquarts of Comparisonal Financial Statement	5.		
Mote 1 to 31 form integral part of Accounts	'		
	!		
Total Equity and Liabili		185174,12	194775.7
r econompanyong notes form an integratipant of the linearcial statements. $A_{\rm col}$	Non	ł	
- 4 4	しょんか シー		

Company Secretary (Additional Charge) Chief Financial Officer

O rector (Finance) QIN-03471470

Managing Director 2014 08095154

Pace tickon Om 15/09/2023

Subject to a margar, of even date For D. Pathali & Go Characea scapensine ERN CO1439C

(A.K. Onivedi)

Pariner . . . . M No 071564

#### U.P.POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN.U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31.03.2023

	Particulare	Note		(f in Crore) For the year ended
		40.	31.03.2023	39.03 2022
•	Heyenue Frem Operations	22	6446) 32	58-845 C2
II	Other Income	<u> </u>	25810 31	23485.63
Ш	Total Income (I+II)		90271 63	80332.67
	EXPENSES			
	Purchases of Stock-in-Trade (Power Purchased)	<u>24</u>	71959 76	58,348,72
	Employee genetits expense	25	7410 GH	2241.60
3	Cirquicy costs	e lu	8062.39	858257
4	Depretion and amorgization expenses	27	3577.75	2862 10
.5	Acministration: Germinal & Other Papense	<u>28</u>	7973 37	7557 11
t	Repair Shd Maintenance	29	2491.13	2417.49
- 7	Bad Dezra & Provisions	10	14561.18	7744.98
8	Cillar expenses			
٧	Total expenses (IV)		106031 48	84289.90
ΥI	Prote@Loss; before exceptional tables and tax (III) V)		[1575 <b>9</b> 85)	[3657,23]
	Exceptional banks		(8a 58)	(1920 04)
	Profit(Loss) before (ax (V) (*) (V)		[15858.53]	[5577.27]
IX.	Tax expense			
	(1) Curvent lax		0.00	0.00
	(2) Deterred tax  Froig (Loss) for the period from communing operations (VIII-VIII)		Jacatic valu	
	Protot transfer to the person transfer and transfer to select the selection of the selectio		(19858.51)	(5577.27)
XIII XIII .	Tax expense fill discontinued operations Protety oss) from discontinued operations (after tax) (\$-Xt)			
	Proteglioss) for the period (IX-XII)		(15858,53)	(5577.27)
	Other Comprehensive Income		(17050.74)	[3311.27]
	A (i) terms that will not be repassified to profit or loss. Remeasurement of			
	Dehnod Benehl Plans (Actural Gain april nss;		(11.20)	139 849
	I if it come tak telephing for terms that withholder reclass field to profit or loss			
	Bity tlend that wit be reclassified to profit or ross			
	In Insume taxine along to items that will be represented to profit or loss			
XVI	Total Comprehensive Income for the bookd (XIREXIV) (Comprising Proliff), ass)		(16889.73)	45617.11)
	and Other Compression Income for the periody		1.0000.101	1-417.011
	Earnings per equity share (continuing operation)			
	(1) Basic		[138.09]	(62.97)
	(2) Olujea		(478.09)	[52.97)
	Farmiga per equity strare (for discontinued operation)			
	(1) Rear. (2) Capted			
	Carnings per equity share you discommant & continuing agerginary)			
	rannings per equity smaller of discontinuities a common by inprogram by		(438.08)	(52,97)
	12) Ciking		(138.09)	(52.97)
- <del>-</del> i	Significant Accounting Policies of Consolidated Financia, Statement	1	4100.00	
	Notes on Accounts of Consolidated Financia, Statement	31		
- 1	Maria 1 a. 1. domo internal and of Associate			

Note 1 to 21 farm integral part of Accounts

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

Ditesh Grover) Company Secretary (Additional Charge)

Nace Lucknew Dale 15/09/2023 (Nitin Nijhawan) Chief Fenancial Officor

(MidMi Kumar Marang) Olrector (Finance) DIN: 03473420 Perikaj Kameri Managrino D-reutor BIN-08095154

Subject to purreport of even date For D. Pathala R.Co.

Chartered Accountable FRN 0014390

> TA K Dwivedik Pertiesi Man (21584)

UDIN: 23-71584 BGWZ.CF 2793

#### U.P.POWER CORPORATION LIMITED

#### 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN:U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(film Crore)

A. EQUITY SHARE CAPITAL AS AT 31.03.2023
--

Balance of the beginning of	Changes in Equity	Change in Equity Share Cepital the to Prior Period Errors	Batange at the
the recording period	Share Cap to standy the year		and of the reporting period
10#679.39	A788 19	5,00	118451 (6

#### B. OTHER EQUITY AS AT 31.03.2023

PankoArt	Share application money prociling alloting of	Capital Resorve	Restructuring Reserve	General Reserve	Retained Earnings	Tolal
Ве инси е . I'm te простор об the герогрод рутор	2570.01	16155 20	554 77		(95545.05)	(63290 66)
Changes in accounting belief, at prior bened eners	C 0.0	116.64	0.00	(2.3914)	2555 (3	-: 1A
Restrict halance at the beginning of the reporting	2570.01	16266.84	554.77		(92876.75)	[63295.86]
percui						
Prohigh days for the Period	0.00	0.00	: JD	9.00	(30449.35)	100448 359
Gifter Comprehensive Income for the Ferniti	0.00,	U GA	0,00	0.00	(11.26)	(11 20)
Reversal of Provisions of Impainment on investment	200	t cc	0.00	900	14699.60	14563 82
Trade here rable & Others through P&L						
Net Tolal Comprehensive IncomeqLoss) for the Year	000	0.60	0.00	000	( <b>15869</b> 73)	(15869.73)
Subsity under Abunyahar Satteme	0.00	C CD	3.00	0,00	O CO	,0 00
Redicon enling the Year	0.00	:и 57 ик	3.00	C 03		145,775
Recorded during the Year	0.00	(759.56)	0.00	(95 6701)	(773.12)	2614600
Strate Appired on Money Received	7410 24	r: 03	9.00	0.05	0.00	7410.04
Shale Altered against Apid Attan Morely	(9788.79)	0.00	200	0.00	C GD	10709.25
Balance at the end of the reporting period	1157/85	16960 fA	554 17		. <u>1168511.65</u> 1	171898 90h
AMI Baladon at the end of the reporting period						(79698 92)

(fun Crase)

#### A. EQUITY SHARE CAPITAL AS AT \$1,03,2022

Batance at the heginders of the reported period	Changes in Equity Share Capital during the year	Change in Equity Share Capital due to Prior Period Errors	Balance at the end of the reportung person
104125 46	5640 -0	0.77	10 <b>9</b> 979 39

#### B. OTHER EQUITY AS AT 31.03.2022

Particulars	Silveré application modey pending approprie	Capital Resorve	Restructuring Reserve	Qureiral Reserve	Salpinell Earnings	Total
Balance at the beginning at the receiving penalt	210 NA	15010 61	554.77	14005 251	(09179.98)	(58912.18)
<u>Charges in accounting policy</u> or gind period share	0.00	25 12	C 60		.15 <u>6:</u> 1.	41.42
Restated balance at the beginning of the reporting	311.80	15748 77	554.77	14085 29	(89152.86)	(58650 27)
penoa		l I				
Profesyl casy for the Pencel	0.00	900	CO 2		.1.155 36)	(12158 28)
Other Comprehensive Income for the Polical	5 (:0	3 (3)	8.00	0.00	.79.84;	139 A4:
Rayorsa, at Provisions of Impairment in investment,	0.00	o ga	600	C OR	€5H1 O*	6551 C1
Trede Receivable 3 Others through P&L						
Net Total Comprehensive Incomb/(Loss) for the Year	4 00		610	a.oo	[5617.11 <u>]</u>	(5517.11)
Subsicy under Arminithal Schiline		G DD	c cu	··· absi	0 60	č na
Addition Hunor; Te Yeşr	0.00	1456.06	c nài	3.50	0.00	1456.38
Reduction guning the Year	0.50	[849 <b>] Ģ</b> .	0.00	(10.1485)	(275.12)	12504 (1)
Share Approalton Morey Beotived	7772 14	0.00	c co	ີ ວິດຖື	0.00	7779.14
Share Alloted against Appositor Money	(9992.91)	0.001	0.00	3.50	C 00	(1857.97)
Gelence at the end of the reporting ported	<u>(6.15.91)</u>	16165.20	534 / 1	10005.42	(99545-09)	64.16.68
Net Balance of the end of the reporting gonod		•				[63295.68]

(M/m M/hawan) Chief Fluorical Officer

(Midfulliguner Netang) Otreptor (Finance) OIN 01473420 (Panagi Řígodr) Wanagiga Director Oga: Öshasnisa

Place Lickrow Dain 15/04/2023

Support to our report or even doto Fav D. Pathak & Ge. Charlese ( Ancougher ) ERN (FDI)phs:

> (A K Dwisegn Partic Mino c71984

UBIN: 23071584BGWZLF21193

#### **U.P. POWER CORPORATION LIMITED**

CIN - U32201UP1999SGC024928

#### NOTE NO. 1

# COMPANY INFORMATION & SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED FINANCIAL STATEMENT

#### 1. Reporting Entity

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

#### 2. GENERAL/BASIS OF PREPARATION

- (a) The consolidated financial statements are prepared in accordance with the applicable provisions of the Companies Act, 2013. However where there is a deviation from the provisions of the Companies Act, 2013 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Annual Accounts Rules 1985 have been adopted.
- (b) The accounts are prepared under historical cost convention, on accrual basis, unless stated otherwise, in pursuance of Ind AS, and on accounting assumption of going concern.
- (c) Insurance and Other Claims, Refund of Custom Duty, Interest on Income Tax & Trade Tax, LPSC 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 15-09-2023

#### (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.

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#### (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.

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#### (b) Principles of consolidation:

The consolidated financial statements have been prepered as per the following principles.

- 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 perprovisions 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

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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 Compnay, 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.

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(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 Corpration 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 acturial 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

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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 recognistion. 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

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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) (Nitin Nijhawan) Chief Financial Officer (Nidhi Kumar Narang) Director (Finance) DIN - 03473420 (Pankaj-Kumar) Managing Director 101N - 08095154

Place Lucknow
Date 1519123

Subject to our report of even date

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

> (A. K. Dwivedi) Pariner M.No. 071584

UDIN:2307/584BGWZLF27.93

# U.P.POWER CORPORATION LIMITED 34-4940# MARG. SHARTIBHANDA LLCKNOW CIN UN2011P1999464024638 CONSCIDENCE FINANCIAL STATEMEN\*

PROPERTY, PLANT & ECUIPMENT

NDTC-3

		Cress Block	tleck			Depositation	nien		Application of the property of	150
Percutan	AS & C 01 04.2072	4ediller	Aspipment) Delenion	65 q1 34.03.2023	A5 A1 01.09 2572	valition	adjustment/ De etlos	45 AT 31.05 2023	AS AT 33.03 A	AS AT 31.03.2022
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Autofather Sone.	2.			72 01	1 62			\$ <del>1</del>	9.77	945
6.41	1,285.80	129 34	370	-	55.55	20.57	ő	**	135.0	55.53
Page 11 Sections	323			260	580			360	0	273
Over the Webs	200			\$0.00		860		1: 62	7011	
er 3 Mercomp	37.50%	4,645,36	2.014.01	28 359 33	X 650.7	8652	200	10,020,01	22 11 76	F
Other Cabe Tables with	35.55	280.02	200	6727348	11.041.16	S6 602 T	90	_	39,768.53	2001 E
20(4)	11.74	97.0	7.0	17.1	516	900	:02	P7 E1	5	.92
Participation of	5965	ž		W.R.	20.7	.,	Ē	20.00	201	
The Equation	25285	P. II.	E 3	11/11	2 61	21.76	E ::	7881	116.81	11871
relai	23.909.53	11,545 51	3,189.05	62.562.89	14,373.61	3,495.22	274 14	17,400.83	65,181,49	11 21/2 22
				A36618 r	Assers not on Possession					hahe.4
A TOMOR OF STANSON STANSON		6		-	-	:	,	20.18	2001	3
		5	•				•	7		
local	114.73	Ma		171.46	3116	£25		[F   F	16.211	24.25
							Č			

#### 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN:U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

Note-3

#### CAPITAL WORKS IN PROGRESS

(Ein Crore)

Particulars	AS AT 01.04.2022	Additions	Deductions/ Adjustments	Capitalised During the Year	A\$ AT 31 03.2023
Capital Work in Progress	2,445,66	9 901 96	.97.89	9 827 26	2,422,49
Advance to Supplier/Contractor	936 02	1 082 12	-628,63		1 38⊋∈1
<u>.</u>	3,381,70	10.984.08	-726.42	-9.827,26	3.812 10

Particulars	AS AT 01.04 2021	Additions	Deductions/ Adjustments	Capitalised Ouring the Year	A\$ AT 31.03.2022
Capital Work in Progress	4,373.08	9,605.27	297 94	-11 920 61	2 445 68
Advance to Supplier/Confiscion	3 154 €1	1,645.47	-2 064 04		935 03
	7,527.69	11,340.74	-3.566.10	-11,920,51	3,381.71

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U.P.POWER CORPORATION UMITED SHARK MARE WARE REALINGUIS. CHAUSZOLIP19995000938 CONSOLIS ROTHWATER VATERIAL

Inteng-ble Assets

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		50.03 8100	3			to the second	1011		<del>j</del>	Vel 4loch
Paul: Cart	AS 67 01.04 3022	Jakien	Rights Imment	120C-P0.00 IA 6A : 1205-60-16 TA 6A	. AS AL 03.09.2023	Andron	Adjacoments	45 01 5::03:3025	\$5.05.00.02.03.20.03 \$4.00.00.03 \$4.00.00.022	AS & T 31 DB. 2022
Course	<sub>¥</sub>	1884			H32	90	-, 	41 Hz	8	-   
Escal	90'98	H.RC.	000	210.72	E .	£0.0#	900	15.5	1995	25.25

Intengible Assets under Davelopment

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		25 of 04 04 bots	9.54	35.04
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Intangible Assets

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11.00 575 0.00 T.11 92.59		19.83	202		1831	7	-   	]···	96	81.55	'
		25.61	T2 05	0.30	93.08	25.0	5.75	000	[	18.00	i

Intengible Assets under Development

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nine ocyclu			Greet Rinds	Andshan		20:1	11.73
				45 67 01 04 2001		48.52	1981
				Perform		Solver	Felal

West:

### 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)

Ngle-6

		,		<u>(है in Crore)</u>
Particulars	AS AT 31.0	3.2023	A\$ AT 31.0	13.2022
A. Investment in UPPTCL	2,213 34		2,213.34	
Provision for Impairment on Investment	-167 70	2.045.64	-165.48	2,047.86
B. Investment in Southern (J.P.Power Transmission Co. Ltd.	2 22		2.22	
Provision for Impairment on Investment	-2 22		-2 22	-
C. Other Investments				
7 75% PFC Bonds		123 00		123.00
Tolal	•	2,158.64		2,170.86

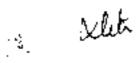
Note provision for the impairment of the investments in UPPTCL is based on the net worth calculated on the basis of unaudited (inanual statements of UPPTCL for the period ending 31.03.2023).

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

Note-7

Particulars	AS AT \$1.03.2	1023	AS AY 31.03.2	022
Capital Advances		·		
NPCL LOAN	5.69		5 69	
Interest Accrued and Due	193.03		167 21	
Provision for Bad & Doubiful Debis Linan & Interest	-195 /2	-	·\$72.90	

<sup>\*</sup> Brilin Point no. 8 (iii) (h) of Note No. 31 Notes to Accounts.





#### 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

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

Nate-8

(Ein Craret

·-··				2
Particulars	AS AT 31.	.03.2023	45 AT 31	.03.2022
Advance paid to State Govt for freehold title of Land		7.44		7.44
Share Apparation Money Pending Allother to UPPTCL		180 72		18a 72
Deposits having maturity more than 12 months: a Contracked:				
Debt Service Reserve Accounts (lagainst bond issued)	1,055.87		5,069.77	
Deposit with BSF In: RFF	0.25		0.25	
UPNEDA Corpus Force			44,05	
bi Other Deposits		3,056,17	47.85	1,156.97
Receivable from Guyl, of U.P. (Aalmnybhar Scheme) Non Corrent		14 540 01		16,940.00
UMPP (Considered Good)**		118.71		176 98
IJMPP (Considered Doubtful)**	12 02			
Tess, Provision for Doubtful Advances L. MPPI	-12 02			

- The reclassification of deposits having maturity of more than twelve mornax has been done in the previous year to comply with the requirements of Scandulo III to the Companies Act, 2013.
- in compliance to SEBI Circular No. SEGI/HD/MIRSO/CRADT/CrR/P/2020/207 dated 27nd Omgoer, 2021, the Company has departed the fund with the Bornary Stock Exchange lowerds contribution to Recovery Expense Fund (RFF)
- 3. The balls of motority of the deposits related to OPN-IIA and Others is in the next year i.e. 2023-24, honce the same have been classified/ishown as numerit financial assets this year in Noth No. 118.
- 4. If In includes commitment advance of 3-120-98 Crorn given to Oltra Mega Power Projects for the drivernament of power projects and interest of \$ 5.25 Crore

Note-9

17 01

5 19

10.36

18,444,62

#### INVENTORIES

·				(f in Crore)
Particulars -	AS AT 31.0	03.2023	AS AT 31.0	03.2022
(a) Stores and Spares				
Strick of Malena's - Capital Works	1,825 90		1,576,30	
Stock of Malerials - (18 M	551 26	2,377.10	1 927 17	3 503 47
b  Others*		20775		519.75
B .		2,654.91		4,017.22
Provision for Unserviceable \$10/98		-245 7G		-232 28
Total		2.419.15		3,784.94

<sup>\*</sup> It include material to fatilicators, surep, transforment sent for repair and store exercity/shortage for investigation

J. Jehle

Giner Depopois

(Iverlay Charges)

Sectifities from Suppliers/Contractors

Total

27.01

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16,335.06

### 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

Note 10

### FINANCIAL ASSETS - TRADE RECEIVABLES (CURRENT)

(f in Crare)

Particulars	A\$ AT 31,	03-2023	A5 AT 31	.03.2022
Trade Receivables outstanding from				
Customers on account of Sale of Power				
Secured & Considered goods	3 755.21		3,514,12	
Unsecured & considered good	67 473,60		75,739.32	
Unsecured & Considered doubtful	27,549.05	98,777.86	14,424.61	93,678 05
<u>Trade Receivables outstanding from</u> <u>Customors on account of Eletricity Duty</u>		_		
Secured & Considered goods	367.48		324,40	
Unsecured & considered good	6,607.24		7,666.76	
Unsecured & Considered doubtful	2 600 90	10 065,62	1,406.86	9,390 02
Others				
Sundry Deckors	_	522 98		522.98
Sub-Total		1,09,366.46		1,03.599.05
Allowance for Bad & Doublful Dobis		-30,872 93		-16 354.46
Total		78.493.53		87,244.59

Note-11-A

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

	T			(₹ in <u>Crore)</u>
Particulars	AS AT 31.0	3.2023	3.EE TA 2A	13.2022
(a) Balence with Banks In Current & Other Account**	3.038 46	I	4 791 67	
In Farmarked Bank A/c	3.030 46 691 25		4 791 67 594 74	
Dept with original majority uple 3 menths # (b) Cash in Ha <u>nd</u>	409.0	4,138.74	434,16	5,920 57
Cash in Hand (Including Stamps in Hands)	83.85		49 48	
Cheque/Drafts in Irland	2 19		6 26	
Cash imprest with Stalf	1 51	87 55 _	1 25	57 C I
Total		4,226-29		5.977.58

<sup>\*</sup> The reclassification of deposits has been done in the previous year to comply with the requirements of Schedule III to the Companies Act. 2013.

belieb

<sup>\*\*</sup> Including earmarked balances amounting ₹ 65 32 Crore in UPPCL SES.

<sup>#10</sup> includes #5: 372.88 Crore FD other than earmarked.

## 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

Note-11-8

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

		(KIN LIBIR)
Particulars	AS AT 31.03.2023	A5 AT 31.03.2022
Deposit with original malurity of more than 3 munits but less than 12 months."	754 97	G47.55
Total	754 97	687.55

This includes RPO Fund Account Balance in grey year Rs. 9.23 Crore, UPNED4 Corpus Fund Rs. 45 02 Crore in ourrent year and Debt Service Reserve Account (against Bonds issued) Rs. 531 51 Crore in current year and Rs. 452 77 crore in previyear

Other than Earmarked Balance is Rs. 172 31 Crore (Prev Year 142 19 Crore)

1) The reclassification of deposits having maturity of more than three months but less than twelve months has been done in the previous year to comply with the requirements of Schedule. If to the Companies Act, 2013,

2) in compliance to DPERC's order separate bank account has been created for Renewable Purchine Oblight on (RPO). di UPNEDA Corpus Fund relates to The Corpus fund received from UP New and Hanewable Energy Development Agency (UPNEDA) for providing the facility of Letter of Credit to so ar energy developers.

#### 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

Nate-12

#### FINANCIAL ASSETS - OTHERS (CURRENT)

_		· —		(Fin Crose)
Particulars	45 AT 31 A	03.2023	AS AT 33.	03.2022
Receivables (unsecured)				
Ultar Pradesh Governmen:		1 405 95		1,407.49
Receivable from Govi, of UP (Aatminisha) Scheme)		2 200 00		2,000,00
Reservable from IREDA.		11.50		9 16
Ut:ar Pradesh jal Vidyut Nigam Lld		3.45		0.65
UPRYUNL				
Recovable TIPEVIIN:	11/00		10/34	
Payable - JFRVQNL	-3.95	10.43	-0.65	9 59
<u>UPPTCL</u>				
Receivable UPFT:"I	557,36		542.34	
Pavabe UPFTCL	-2.71	554 65 _	-2.70	539 64
Receivable from GaUP				
Employees (Receivables)	156 46		145 01	
Provision for Doubtful receivables from Employees	25.69	140 07	3.58	141 03
(Wher Receivables		1,072,74		995.13
Prov. For Doubtful Receivables		-79 69		-148 13
Theft of Flask Assets Panding Investigation	188 21		177 62	
Prov. For estymated Lasses	-188 21		-177.62	
Total		5,097,20	·	4,955 26

#### Note-13

#### OTHER CURRENT ASSETS

(Fin Cone)

Parliculars	D 16 TA 2A	3 2023	45 AT 31.0	3.2022
Advances (Unsecured/Considered Good)				
Supprers/Contractors	441.74		347.85	
Less Provision for Doubtful Advances	-8.40	483 33	-8.45	259 ht
Other Deposits*		2.95		
Lreigy Exchange		70 00		45 Q
Tax Deducted at source		125.18		99.0
Tax Collected at Sporce		4158		88.33
Fringe Benefij Tair Advance Tax	Da 2		0.25	
Provision	-0.25			o 25
Receivable from GST Department if		4 ÷5		
Recervable against Power Purchase ≠		1,567.90		0.93
Misc Recovery				
Unsecured Considered Good	0.26		0.75	
Unsecured Considered Doublful	4.29		3.59	
Provision for Coubtle, Loans & Advances	4 39	0.36	3.99	0.75
locome Accrued & Due		7 32		R 1:
Income Accrued & but not Due		18 45		17.30
Prépaid Civoenses		3.00		1.78
Inter L.ed Transfels		1,366.49		7 131 13
		3,641 25		2,751 82

<sup>\*</sup> The deposit has been made in compliance to the direction of the Horible Subritine Court in the case of UPPCL vs M/s apprahash Power Veolutes Lid

<sup>#</sup> The refund application of the same is bending before Commissioner (Appeal) (1657, Licknow in Refer Adicting, 49 (4) of Note no. 41 "Notes on Acquiris"



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# U.P.POWER CORPORATION LIMITEO 14-ASHOR MARO, BHAKTI BHAWAN LUCKHOW. CIN: DJ2207UPI M95CC024928 CON9OLIDATEO FINANCIAL STATEMENT

#### FOURTY SMARE CAPITAL

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14-ASHOK MARG. SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

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

Note-15

Particulars	AS AT 31.0	3.2023	A\$ AT \$1.0	3.2027
(A) Coans directly availed by subsidiaries (Oscoms)				
(1) SECUREU LOANS				
(i) Rural Electrification Corporation Ltd (REC)				
H-APDRP Pag A (REC)	400.80		480.54	
R APDRP Part-8 (REC)	1 239,88		1,491 52	
Sur Station Loan	11.20		J4.7L	
Saubhagya	1,807 97		2,116,05	
DBLGG7	74 2.10		860 14	
A9 CABLE	479 27		503 49	
(ii) Power Finance Corporation Ltd.(PFC)				
B-APCR2 Pw(-A (PCC)	175 57		277.05	
R-AH(IRP Payl-B (PFC)	444 15		: KOI 50	
IPC5	1 127 17		1,373.42	
CDUCGY	989.09		924 56	
AB CARLE	639.44		665.92	
Jin J Others				
UPSIDC	<u> </u>	a,506.34	0.31	10,158.98
IB) UNSECURED LOANS				
9.70 % UDAY Bond / Bends	7,757.28		8.789.89	
REC (Unsecured Loans)	15,003 25		17.121.28	
PFC (Unsecured Loans)	15.376.74		19,783,00	
UP SCIVERNMENT LOAN (OTHERS)*		19 137 27	969.27	45,540,44
(CI BONDS/ LOANS RELATE 10 DISCONISISSEURED)				
9.70% Non Convertible Honds	3,991.20		3,551.70	
3 97% Rated usied Bond	2,790.00		3,770 90	
10.15% Rated tisted 6 onds	2,584.01		s 230 00	
9 79% Rated Listed Boods	1.984 1/0		251371	
8 44'K Hated Listed Bonds	1,445 50		1 993 99	
3 95% Rated Listed Bunds	3,488.00	16,293.21	1,007.27	15,408.90
Total		6		71 111.00
		67 216 67		71 11 1.00

<sup>\*</sup> The repayments against form from GoUP for behalf of DISCOMs; has pren made and now there is no balance of loan as on 31 03 2023.

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		•	(Age)	Sub	-14				~ <u>\$</u>	) ()		1	-	

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN. US2201UP19995GC024928 CONSOLIDATED FINANCIAL STATEMENT

## FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

<u>Note</u>-17

Particulars	A5 A7 \$1.03.2023	45 AT 31.03.2022
Security Deposits From Consumers Usibility/Provision for cease [intestrinent hability for Gratinly on CPF Employees Cropus Find from UPFDA* Interest accurred but not due on portrowings [Non Custent]	4,120 09 1,422 83 696,69 46 02 246 09	3,640 47 3,940 54 603 68 46,05 306,55
Total  * or relates to the Corous food per cined form 15 Nove and transport	6.535.31	6,104.95

If in relates to the Corpus fund received from UF New and Renewable Energy Development Agency (UFNEDA) for providing the facility of Cettler of Cicitio solar charge, development

# FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

N<u>ote-18</u>

			<u> </u>	B in Croces
Particulars	A\$ AT \$1.0	03.2023	45 AT 31	.03.2022
A. CC/ Overdraft from Banks: Punjah Najional Bank Rana of India	50.5a 50 <u>L</u>	50.69	D-03	001
B. Working Capital Short Term IDan; Jodan Back		190.00		
C. Other  Current Maturity of Long Term Barrowings (Other)  Current Maturity of Long from Borrowings through UPP() Interest accord & due on borrowings Interest Accorded out not Dun on Borrowings	934 86 15,385,19 49 65 275 72	L5,248.64 _	730,98 10,054,39 56,80 1,044,20	10,085 (3)
Total	·	15,da9,52		11,985.66

# FINANCIAL LIABILITIES - TRADE PAYABLE (CURRENT)

<u>Мик-1</u>3

Particulars	A\$ AT 31.03.2023	( <u>(* in C</u> rore) AS AT BL.03,2022
Capility for Purchase of Power Liab Try for Power Purchase from Others Trability for Wheeling Charges	25,610.16 33.75 6.625.57 33,271.48	28 164 96 29 00 <u>6,540 15</u> 29,057 13
Total	32,271,48	29,992.11

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#### 14-ASHOK MARG. SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999\$GC024928 CONSOLIDATED FINANCIAL STATEMENT

OTHER FINANACIAL LIABILITIES (CURRENT)

Note-20

				<u>(₹ in Crare)</u>
Particulars	AS AT 31.	O3.7023	AS AT 31.	<b>0</b> 3 2022
Liability for Capita, Supplies/works	· · ·	4,194.21		5,693,32
Liability for OAM Supplies/works		679 94		712.38
Daposics & Retentions from Suppliers & others		4,G38.78		4,0% 12
Electricity Outly A other lewes payable to gove		12,584.71		11,721 02
Deposit for Electrif cation works	1 031 79	,	1,471,93	71,12722
Deposit Works	48 25	1,080 05	52.54	1,374.47
Liabilities lowards CIPPOL CIPP Trust		49.78	··-	G2 CG
Liabilities for Gratuity on CPF Employees	16 44	15 . 6	26.13	01 LG
I, ability for Leave Encishment	94 33	110.77	82 61	102 74
Staff relater: Crabilities		5':1 16		539.73
Supery Liabilities	1,160.12	V IV	1,150.50	970.73
Liabaties for GST	4 57	1,164 69	1 29	1,151.78
Payable to LPNEDA:		11:7		84 64
Payable to UPJVNL		,		910:
Payabe	85.76		87.03	
Receivable		66.76	0. 0.	67 03
<u>Utjtáranchai PCL</u>	-			5, 03
Receivable - Uttrakhan/I PCL	-0.01		-0.01	
Payable - Uttrakhand PC:	0:7	0.16	017	0.16
Liabilities for Expenses		220.87		215 57
Liabilities towards UP Power Sector Employees Truss		2217.77		210 0.
Provident Fund**	884 12		815.00	
Provision for Interestion GPF Liability	98.40		83.31	
Pension & Gratuity I, ability	472.50	1,395,09	441.29	1 239 50
Provision for Loss incurred by GPF Trust	1,033 48		963 23	120920
Prayition for Loss inturred by CPF Trust	£85 25	1 718 73	656 51	: 620 04
Provision for Interest on CPF Lightly		29.	·- ````````.	230
Interestion Security Cenosits from Consumer		34 / 43		353.33
nter Company Salarices under Reconditation***		209.92		330.53
Total		28,212.14		: 29,199 03

<sup>&</sup>quot;Amount received in advance from UP New and Renowable Energy Development Agency towards substity against ourchase of power from new and renewable energy generators."

PROVISIONS (CURRENT)

Particulars A5 AT 31 03.2029 AS AT 31.03.2022

Legal & Professional Charges Provision for Income Tax

Total

Jul

Note-21

aliti

<sup>15</sup> ft in clinks \$ 100.58 Crore receivable from () Pil-lower ancior Employees Trust on account of settlement of amount payable by CPPset an Office amounting to \$ 17.86 ft on

<sup>1514</sup> This includes reporting official into Company Balances and Rs. 0.20 Cross of Norminge shares of Discoms which has been reconciled during the FY 7077-73. A so includes Rs. 768-94 cross (Prev Yr Rs. 330,25 cross) adjusts ent of unblass Lon Reconnections.

### 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

<u>Note-22</u>

## **REVENUE FROM OPERATIONS (GROSS)**

(K in Crore)

'-	·-·	T	<del></del>	<u>c m</u> ,crorez	
Particulars	For the Year Ended on 31.03.2023		For the Year Ended on 31.03.2022		
Supply in Bulk					
Torrent Power Ltd		1.026 08		935 36	
Adjustment of purchased cost	-11 59		-294-24		
Adjustment as per Point no 37 of Note 31	11.99		294 24		
Large Supply Consumer		_			
'ndustrial	14 368 69		12 637.53		
Traction	90.32		123 21		
Imgation	720 23		604 88		
Public Water Works	1,642 77	16,823 97	1,442.07	14,807.59	
Small & Other Consumers					
Domestic	26 514 41		22 223 51		
Commercial	8,747.08		7 517 42		
Industrial Low & Medium Voltage	2,661 01		2,378.88		
Public Lighting	656.27		713.48		
STW & Pump Canals	1,454.66		2 075 51		
PTW & Sewage Pumping	2 753 25		2 300 49		
Institution	521 89		494 28		
Small Power (LMV VI)	288 <del>9</del> 2		327 37		
Water Work (LMV VII)	122,16		113.37		
Temp Connection (LMV rx)	12.62		8 37		
LWA-XI	0.07		0.85		
Large & Heavy (HVI)	240 94		197 99		
Large & Heavy (HV II)	674.54		605 38		
Miscelleneous Charges form Consumers	650.41		1,106.06		
Energy Internally Consumed	1,190 17		1,036.28		
Electricity Duty	3 459 22	50,047 92	3 272 61	44,371.85	
Other Operating Revenue	•	_	· -		
Extra State Consumer		24 59		3 73	
<del>_</del>		67 920.54		50 118 63	
Less: Electricity <u>D</u> uty		-3 459 22		-3.272 61	
Total		64,461.32		56,846.02	

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14-A5HOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928

CONSOLIDATED FINANCIAL STATEMENT

# OTHER INCOME

<u>Note-23</u>

(₹ in Crore)

		(₹ in <u>Crore</u> )			
Particulars	Particulars For the Year Ended on 31,03,2023		For the Year Ended on 31.03.2022		
From U.P. Gavt.					
RE Subsidy from Govt, of U.P.	1,142.71		1 105 00		
Revenue Subsidy from Gavt of U.P.	13,469 21		1341065		
Subsidy for Operational Losses	8,007.72		5.372.51		
Subsidy Against Loan/Interest			11 35		
Subsidios for Government Guarantee Loan			13.91		
Subsidy for repayment of interest on loan	9 22		12 03		
Cross Subsidy	111 26		105 01		
Subsicy from Gavt	-		122 45		
Subsidy Under Alimhirbhar Bharat Scheme	1,854 95	24,595 12	1 854 98	22,008 89	
(a) Interest from :				22,050 05	
coans to Slaff	0.03				
Loans to NPCL (licencee)	25 82		22.46		
Fixed Deposits	139 36		116.15		
Banks (Other than on Fixed Deposits)	10.77		7 47		
Bands	9 5 3		9 53		
Others	14 55	200.07	16.78	172 39	
(b) Other non operating Income				1/2 33	
Delayed Payment Charges	711.39		1,014.77		
Income from Contractors/Suppliers	104 98		51.54		
Renial from Staff	1.72		3 98		
School fee/ Recruitment Examination Fee	26 1		10.21		
Miscellanous Income/ Receipts	155.57		21165		
Excess found on Verification of Stores			0.05		
Other Recoveries from Consumers	3.56		2.81		
Sale of Scrap	0.42		2 0 I		
Penalty from Centracions	5 34		643 842		
Sale of Tender Forms	2.27		139		
interest on Income Tax Refund	0.73	1 015 12	0.10	1,305 37	
T-1					
Total		25,810.31		23,486.65	

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## 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

Note-24

### PURCHASE OF POWER

(# in Crose)

			( <u>s m Crone</u> )			
Particulars	For the Yea 31.03,		For the Year Ended on 31.03.2022			
Transmission Charges	3 296 26		3 160 97			
PURCHASE FROM OTHERS	5 2 1	3,301.83	7.95	3,169 56		
Power Purchase from:		·				
Generaters & Traders*		61,805,10		51,214,50		
Surcharge**		593 47		-60 08		
Unsheduleri Interchange & Reactive Energy Charges #		67.89		513 94		
Inter-state Transmission & Related Charges		6,846,55		4,559 00		
Sub Total		72,469.06		58,368.89		
Rebate/Subsidy against Power Purchase	-513 30			-320 17		
Total		71,955.76	<u>-</u>	58,048.72		

<sup>\*</sup> It includes the transactions through Indian Energy Exchange Ltd towards the purchases of £1074.73 crore and sale of ₹ 3656.50 crore. It also includes start-up sale of ₹ 11.59 crore to M/s Neyveli littar prodesh Power Ltd.

# Due to nature of transaction under unscheduled interchanges, the figure can be negative or positive.

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<sup>\*\*</sup> Negative figure in F.Y. 2021-22 is due to reversal of excess provision of late payment surcharge made during the F.Y. 2020-21.

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

# EMPLOYEE BENEFIT EXPENSES

<u>Note-25</u>

ſ <del></del>		(f in Crore)
Particulars	For the Year Ended on 31.03.2023	For the Year Ended on 31.03.2022
Salaries & Allowances	2.07€ 43	20254
Dearness Allowances	Ģ85 92	2,025 51 422 49
Other Allowances	111 94	422 49 102 63
Bonuş/€x Grafia	16.86	
Medical Expenses (Reimbursement)	43 73	2 90
Earned Leave Encashment	197 6B	37 01
Compensation	0.31	22Z 99
Slaff Welfore Expenses	1.68	0 33
Pension & Gratuity	19361	119
Other Comprehensive income of Gra(u/y	7.78	244 49
Other Formina Benefits	87 31	-U 51
Interestion GPF (General Provident Fund)	74 33	<b>36.5</b> 9
Interest on CPF (Contributory Pravident Fund)	247	ñ8 22
Gratuity (CPF)		1 70
Other Terminal Benefit (CPF)	2672 162	30.13
Contributions to provident and other funds	·	C 23
Others	70 96	60.0
Others/Compensation	0.58	0.27
• • • •	0.61	n 28
Sub Total	3,580,04	2 448 44
Expense Capitalised	-1,040 30	3,315.61
Employee Cost Allocated to DISCOMs and Others by	UPPCL -129.74	·948 06
Total	2,410.00	-125 65 2,241.90

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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

# FINANCE COST

Note-26

Particulars	For the Year Ended on 31.03.2023		For the Year Ended on 31.03.2022	
(a) Interest on Loans				
Working Capital	0.05		П 24	
Interest expenses on Borrowings	10 29		11.35	
Less. Robate of Timely Paymont of Interest	-0.25	10 09	0 26	11 33
(b) other borrowing costs	_	_	<u> </u>	
Finance Charges/Cost of Raising Fund	76.33		107 95	
Bank Charges	67.82	144 15	42.51	145,46
(c)Interest on Loans	_	_		2.5
Interestion Govt Loan	23.77		32.27	
Interestion Bonds	2,660,52		2,428.50	
PFC .	2,353.09		2,449.02	
R-APDRP	90.96		406.85	
REC	2,303,76		2,500.22	
Interest to Consumers	174.35		149.73	
Provision of Int. on EU/Licosince Fee/GPF	0.32		0.35	
Inlerest on Secured Loan	276.50		293.53	
Interest/Stamp Duly on Bill Discounted for PP	74 <u>7</u> 8	7,908.05	33 17	X 293 64
Sub Total	<del>_</del>	8,062.29		8,450.43
-merast Capitalised		-		-67.86
Total	_	8,062.29		8,382.57

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## 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

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2,862.13

# **DEPRECIATION AND AMORTIZATION EXPENSE**

<del>-</del>				<u>(č in Crore)</u>
Particulars	For the Year Ended on 31.03.2023		For the Year Ended on 31,03,2022	
Depreciation on -				
Buildings	52.35		42.50	
Other Civil Works	5 <b>5</b> 6		1.67	
Plant & Machinary	1,647.41		1,265.65	
Lines Cables Networks etc	2,534.96		2,159.39	
Vehicles	38/		9.37	
Furnitures & Fixtures	3.95		3 21	
Office Equipments	25.91		21.91	
Inlangible Assets	12.85		5.76	
Equivalent amount of depilon assets adulted out of the			.2.71)	
consumer's contribution & GoUP subsidy*	-738.64	3,568.22	647.51	2,853.90
Capital Experiditure Assets not pertains to		_		2,053.50
Corpuration/Nigam		9 53		8 23
Total		3,577.75		2.862.13

<sup>\*</sup> As 21.03 croze of amortization has been adjusted from retained earnings due to Prior Period Errors/Ommissions by PVVNL.

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## 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN: U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

# ADMINISTRATIVE, GENERAL & OTHER EXPENSES

Note-28

	_ <del> </del>	( <u>{ in Crore</u> )
Particulars	For the Year Ended on 31.03,2023	For the Year Ended on 31.03.2022
Interest Expense on Electricity duty	103.97	C4.110
Rent	3 76	94 00
Rales & Taxes	3 54	3.93
Insurance	431	4 54
Communication Charges	35 03	4 65
Legal Charges	2 <b>8 1</b> 3	25 : 3
Auditors Remuneration & Expenses	2 OB	21 25
Consultancy Charges	28 59	1 /3
Licence Foes	22 61	55 21
Technical Fees & Professional Charges	58 48	22 53
Travelling & Conveyance	/0.55	42 /4
Printing & Stationary	23.24	50 f.4
Advertisement Expenses	9 86	16 74
Electricity Charges	1.010.38	13.73
Water Charges	0.71	808 D:
Entertainment	0 C2	0.07
Exponditure on Trust	0.01	C C3
Miscellaenous Expenses	9.51 375 <del>93</del>	0.27
Expenses incurred for Revenue Realisation		250 62
Compensation	81 39	129.72
Coropensation(Other than Staff)	7 45	5 16
Vehicle Expenses	46.30	40 t8
Fees & Subscription	R3 15	59 42
Online Spot Billing & Camp Charges	10 49	10.63
Loss on sale of Assets Scrapped	665 80	92 <del>8</del> C8
Security charges	-	* 76
Retiale to consumer	19 21	17.68
Payment to Contractual Persons	13 82	15.43
Honorariams	292 92	234.30
Professional Charges	0 C8	U O 1
\$46 Total	3 14	4 26
Expenses Allocated to DISCOMs and Others by UPPCL	3,015.01	2,600.55
Total	-41.64	-48 44
	2,973.37	

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## 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW. CIN:U32201UP1999SGC024928 CONSOLIDATED FINANCIAL STATEMENT

REPAIRS AND MAINTENANCE

<u>Note 29</u>

				<u>(7 in Crore</u>
Particulars	For the Year Ended on 31.03.2023		For the Year Ended of 31.03.2022	
Plant & Machinary	639 29		658 84	
8vildings	39 28		32.86	
Other Civil Works	14.85		10 89	
Lines, Cables Networks etc.	1,598 26			
Energy Internally Consumed	186 01		1,555.62	
Venicles - Expenditure	69 66		159.38	
Less, Transferred to different Capital & Q&M Works/ Administrative Exp	69.66	2,477.59	53.50	
Furnitures & Fixtures	1.23	2,477.59 _	53.50	2,447.59
Office Equipments	14.36		0.20	
Payment to Contractual Persons	166 80		11.67	
Transferred to different Capital & O&M Works/	100 00		152.55	
Administrative Exp	-166 8 <u>u</u>	15 59 _	-152 55	11 B7
Sub Total	<del>-</del>	2,493.28		2,459.46
Expenses Allocated to DISCOMS and Others by U	PPCL	-2 15		-1.97
Total		2,491.13	_	2,457.49

Note-30

## **BAD DEBTS & PROVISIONS**

	<del>_</del>			<u>(₹ in Crore</u> )
Particulars	For the Yea 31.03.		For the Year Ended on 31.03.2022	
(A) Provision for Bad & Doubt Debts on (I) Non Current Assets				-
Financial Assets-Investments (Impairment)	2.21		44 76	
Firrancial Assets-Loans (Non-Current)	25.82		22.46	
Financial Assets Others (Non-Current)	12.07	40.05	22.40	#7 CD
(ii) Current Assets		4000 _		67 22
Current Assets Inventories	13 49		0.22	
Financial Assets- Trade Receivables	14,518.47		7,683.22	
Financial Assets-Others (Current)	-11.51		-5.05	
Other Current Assets	3 68	14 52 113		30:-40
(B) Bad Debts Written Off			·0.49	7,677.46
Loss of Material	_			0.30
Total (A+B)		14,561.18		/,744.98



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# C.P. Power Corporation Limited CIN: U32201 UP1999SG C024928

#### Note No.31

### Notes to Accounts forming part of Consolidated Financial Statements for the F.Y 2022-23

- 1. Bries:
- 1.1 Under the L.P. Electricity Reforms Act, 1999 by Gavt, of Ottar Pradesh (GoUP), the erstwhile Uttar Pradesh State Flectricity Board (UPSEB) was unbuilded into the following three separate entities through the first reforms Transfer Scheme dated January 14, 2000;
- Offar Pradesh Power Corporation Lumited (UPPCL): vested with the function of Transmission and Distribution within the State.
- Uttar Pradesh Rajya Vidyut Otpadan Nigam Limited (LPRVUNI): vested with the function of Thermal Generation within the State.
- Uttar Prodesh Jal Vidyul Nigam Limited (UPJVNL): vested with the function of Hydro-Generation within the State.
- **1.2** U.P. Power Corporation Limited (the "Company") was incorporated under the Companies Act. 1956 (now 2013) on 30.11.1999 and commenced the business w.e.t. 15.01.2000 in terms of Government of U.P. Notification No. 149/P-1/2000-24 dated 14.01.2000.
- 1.3 Under another transfer scheme dated January 15, 2000 the distribution business of Kanpur Electricity Supply Authority (KESA) under UPSEB was transferred to Kanpur Electricity Supply Company Limited (KESCO), a company registered under the companies' act, 1956, as a wholly owned subsidiary company of the UPPCT. The assets, liabilities and personnel of KLSA were transferred to KESCO wie f. January 15, 2000, vide GoTP notification no. 186/FXXIV-1-2000 dated, January 15, 2000.
- 1.4 Due to division of State of Uttar Ptodesh a separate State named as Uttaranchal (now Uttarakhand) came into existence w.e.f. November 09, 2003 and a separate company as Uttaranchal Power Corporation Ltd.) (CPPCL) had taken over commercial operations in the state of Uttarakhand as per Govt, of India's notification no. 42/7/2000-R&R dated November 05, 2001. The assets and Inabilities and personnel relating to CPPCL wielf November 11, 2001 were transferred vide agreement dated October 12, 2003 with Uttarakhand Power Corporation Ltd.
- 1.5 After the enactment of the Flectricity Act. 2003, the further unbundling or the UPPCI. (Responsible for business of both transmission and distribution) was done. Therefore, the following four new distribution companies (DISCOMs) were created as per the Ditar Pradesh Power Sector Reforms(Transfer of Distribution Under Takings) Scheme, 2003 issued vide GoUP's Notification No. 2740/P-1-2003-24-14P/2003 Dated, 17-08,2003.
- Porvanchal Vidyot V.tran Nigam Ltd. (PoVVNL).
- Madhyanehal Vidyut Vitran Nigam Ltd. (MVVNL).
- Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNI.).
- Paschimanchal Vidvot Vitran Nigam Ltd. (PVVM.).

Under this Scheme the role of UPPCL was specified as Bulk Supply Licensee has per the license granted by the commission and as "State Transmission Utility" under sub-section (1) of section 27- B of the Indian Heetricity Act, 1910.

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- L6 Subsequently, the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL), a Transmission Company (TRANSCO), was incorporated under the Companies Act. 1956 (now 2013) by an amendment in the 'Object and Name' clause of the Littar Pradesh Vidyut Vyapar Nigam Limited. The Transco is entrusted with the business of transmission of electrical energy to various utilities and open access consumers within the State of Uttar Pradesh. This function was earlier vested with UPPCL. Further, Government of Uttar Pradesh (Got P), in exercise of power under the Section 30 of the EA 2003, vide notification No. 122/H N N.P/24-07 Dated, July 18, 2007, notified Uttar Pradesh Power Corporation Limited as the "State Transmission Utility" of Uttar Pradesh. Subsequently, on December 23, 2010, the Government of Uttar Pradesh notified the Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities Including the Assets, Liabilities and Related Proceedings) Scheme, 2010, which provided for the transfer of assets and liabilities from UPPCL to UPPTCL, with effect from April 01, 2007.
- 1.7 Thereafter, on January 21, 2010, as the successor Distribution companies of UPPCL (a deemed Licensee), the Distribution Companies, which were created through the notification of the UP-Power Sector Retirms (Transfer of Distribution Undertakings) Scheme, 2003 were issued fresh Distribution. Licenses, which replaced the UP-Power Corporation Ltd. (UPPCL) Distribution. Retail & Bulk Supply License, 2000.
- 1.8 As per Final Transfer Schemes of DISCOMs and Transco issued vide notification no. 1528/24-P-2-2015-SA(218):2014 Dated November 03, 2015, and notification no. 1539/24-P-2-3015-SA(218)-2014 dated November 03, 2015 respectively, the final balances of assets and liabilities were given to 'DISCOMs' as on 11 08,2003, 'TRANSCO' as on 01 04,2007 and to the UPPCL as on 01.04,2007 as against the balances earlier not lies by Provisional Transfer Schemes of DISCOMS and TRANSCO which were referred to at point 1.5 and 1.6 above.

Consequent upon the above notification the necessary adjustments in this regard were done in the annual accounts of the company for F,Y, 2014-15.

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

Nu	Name of Company	Status	Proportion Shareholding 31-03-2023	(in %) of second (in %)
<u> </u>	U.P Power Corporation Limited	Melding	NA	- NA '
2	Porvanelial Vidyut Vitran Nigam	Subsidiary	100	100
L <sub>3</sub> .	Pashchimanchal Vidyu Vitran	Subsidiary	100	100
4 .	Nigam Limited**  Madtyanchal Vidyut Vitran Nigam Limited**	Sabsidiary [	100	100 i
5	DakshinanchatVidyutVitran Nigam	Subsidiars	100	- 10 <u>0</u> 1
   6   	Limited** Kanpur Electricity Supply Company Limited**	Subsoliary		100 ;

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

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

 The amount of Loans, Subsidies and Grants were received from the State Government by the Uttar Pradesh Power Corporation Limited generally, being the Holding Company and

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distributed the same by the Holding Company to the DISCOMs, which have been accounted for accordingly.

4. The loan taken by the Subsidiary Companies through RFC, PFC& Bonds during the financial year 2022-23 amounting to ₹ 7,963.37crore, out or which ₹7,861.61crorereceivedthrough the Holding Company i.e. UPPCL (The UPPCL takes loan from financial institution for and on behalf of Discours) as per details given below:-

(2 In erore)

SLNn.	Particulars	nyvši.	Povyni	PVVNL	MVNNL	hesta	T PPTT.	Lutal
i .	<u> </u>	<u>.</u> .			l		Total	l
'	TRIK		۱-	2k34	<b>+</b> \$1		1.914.00	1.943 85
2	   1970  -	 3.51	+5.8%		20.32	  - 	3009 61	: . 3008.57
3 Total	Hund	<u> </u>	  - 	<u> </u>		!: <u> </u>	m) kgi č	i
		] ki	43.RS	29.24	24.#3     		.i.	H,5101.57

- 5. The Board of Directors of Discours have escrowed all the Revenue receipt accounts in favour of D.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.
- Accounting cutries after reconciliation (ILT) have been incorporated in the current year.
   Reconciliation of outstanding balances of ILT is under progress and will be accounted for incoming years.
- 7. (a) The Property. Plant & Equipment including Land remained with the company after notification of final transfer scheme are inherited from crstwhile UPSUB 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 discorded/ retired/ obsolete Property. Plant & Equipment is not available, the estimated value of such asset and depreciation therein 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 Properly. Plant & Equipment-Intengible Assets have been calculated taking into consideration the useful life of assets as approved in the orders of CPLRC (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 parity). Regulations, 2019

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- (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 Schenes/Assets and the funds used for the purpose to the extent established.
- (b) Borrowing cost capitalized during the year is NR., (31<sup>st</sup>March 2022, Rs. 67.86 crore).

### 9. Provision for Bad & Doubtful Debts on Trade Receivables.

(i) The Company has reviewed the policy of provision of Bad & Doubtful Deless followed for the year 2021-22, in order to ensure compliance as well as accounting in accordance with the provisions combined in the Ind AS-109 and companies Act, 2013. The objective of introducing/implementing new policy is to provide a scientific approach and logical mode of calculation for creating provision on the receivable tellecting at the Financial Year end i.e. 31,03,2023. The Company has adopted simplified approach described in the above Ind AS to calculate the expected credit loss as tabulated helpw.

Ageing Bucket — — —	Arrear Amount	Provisioning %	(₹ in crore) Provisioning Amount
PoVVNL			'
Up to 6 Menths I	2997,00	T 0% [*	- :-: -:
Greater than 6 months and up to 1 year	1755.00	18%	309.60
Greater than 1 year and up to 2 years	1005.00	70%	
Greater than 2 year and up to 3 years	1094,00	26%	289.00
Greater than 3 years	23366.00	40%	9346.00 4
Total Provision	30217.00	-  — —· -	10142.00
MVVVL ————		· ·	
Up to 6 Months	769.44	0.00%	· _ ·
Greater than 6 munths and up to 1 year	644.87		— <sub>121.10</sub> 1
Greater than 1 year and up to 2 years	1902,40	21.94%	417.34
Greater than 2 year and up to 3 years	952.41	29,19%	278.02
Greater than 3 years	18685.37	1 — 40,0 <del>0%</del> — 1—	7474.15
Total Provision	22954.43		8290.61
DVVNL		! ! .	
Up to 6 Months	891.09	ԾՎ, 🛨	— <u></u>
Greater than 6 months and up to 1	556.58	i — — — — — — — — — — — — — — — — — — —	- 105 75 - 1
i Greater than T year and up to 2	470.16	<u>-</u> 2144 -	98.73 i
Greater than 2 year and up to 3	571.57		- <sub>15433</sub> 1
1. Select	4	I.	M

eater than 3 years	16017.38 18506.78	40%	6406.95 6765.76
otal Provision			
VNL L	-	-	— — <u>n.00</u>
te 6 months	1211.77	- <del>- 9%</del> - 1	<del>77.74</del> '
reater than 6 months and up to 1	-860.33	970	
ar <u> </u>		11%	138.28
reater than 1 year and up to 2	1306.95	1170	
ears	···- <del></del> +	— jij%— †	109.92
reater than 2 year and up to 3	661.28	1.74	
ears	+	40% - 7	4041.24
reator than 3 years	10103.12		4211.70
otal Provision  Dues receivables from Gover	12422.79		
for Bad & Doubtful Debts.			
KESCO	ı	<sub>0%</sub> -⊣	6.00
Upto 6 manths	(9.01)	·· - 12.08% - †	- — :
Greater than 6 months and upto	74.32	12.08%	•••
lycar	'l		$\frac{1}{22.43}$
Greater than 1 year and upto 2	162.01	13,85%	22.4.7
	·	;	— <del></del>
years Greater than 2 years and upto 3	j   — <u>86.7</u> 1 — 7	20.34%	. [7,114
Greater than 2 years unto specify	I		890.83
VEND	2227.08	40%	1 671170
Greater than 3 years	2227.08		939.88

Note: • Following assumption/management estimate has been considered while formulating the above mentioned previsioning rates:

- a Electricity does/receivables from Government Consumers as at the financial year end has not been considered for provisioning towards Bad & Doubtfo! Debts considering that the Got!P makes the provision regularly in its budget towards payment against electricity dues/receivables from the Departments of Got!P based on the decision taken to release payment of electricity dues/receivables centrally. Further, the Central Government's Departments generally make regular payment of electricity dues/receivables.
- b. Under age bucker upto 6 months. As company believes that the consumers in this category are in the phase of temporary disconnection for 6 months until it becomes permanently disconnected and would pay their dues within 6 months from the date of being temporarily disconnected based on the collection efforts and initiatives being taken. The chances of disconnected based on the collection efforts and initiatives being taken. The chances of recovery during this period are significantly higher. Therefore it has been assumed that the expected loss amount would be zero in this age bucket.
- c. Under age bucket greater than 3 year: As per IND AS 109 under this age bucket as per the simplified approach calculation loss amount would be the total outstanding amount which expects provisioning at the rate of 100 percent. However, based on the collection efforts and the correct and future initiatives being undertaken for collection it has been decided to follow a graded provisioning over a period of four years from the current financial year its F.Y. 2022-23. Under these assumptions, in the current financial year provisioning (a) 40%.







nn trade receivables is proposed under this age bucket for F.Y. 2023 and the same would be increased by another 20% each year till FY2026. From F.Y. 2026 onwards, 100% provision would be applicable under this age bucket.

(ii)As required in the Ind AS-8, the effect of changes due to revised estimation towards provision for Bad & Doobtful Debts on Trade Receivables in the current year is as unders-

1			(Rs. In Crores),
Particulars  MVNNL PUVVNL PVVNL DVVNL Kesco	Amount as per Revised   Estimate Amount (₹ in crore)	26.80 L	Additional amount of Provision (₹ m erore)  3333.73  4062.00  2264.17  2640.42  357.95  12658.27
Total	[40,10,000]		

- The effect of changes due to above accounting estimate in future reporting periods could not be ascertained as it is impracticable to determine the future ourstanding balance of Trade Receivable.
  - (iii)The details of provision for doubtful toans & advances are as under-
  - (a) Provision to the extent of 10% on the balances of suppliers/ contractors has been made by UP Power Corporation Limited. Purvanehal Vidyat Vitran Nigam Limited. Pashchimanehal Vidyat Vitran Nigam Limited and an amount of Provision 3 0.04 Crore increased by Kanput Vidyat Vitran Nigam Limited and an amount of Provision 3 0.04 Crore increased by Kanput Electricity Supply Company Limited against the unadjusted advances for more than two year as shown and clubbed in the Note no. 13 (in Rs. 8 40 Crore).
  - (b) 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)
  - (iv) A provision for doubtfel receivables to the extent of 10% on the balances appearing under the different heads of "Financial Assets-Other- Current" Note no. 12by UP Power Corporation Limited and Pashchintanchal Vidyat Vitran Nigam Limited. 10% Provision on Receivable from Employees by Purvanchal Vidyat Vitran Nigam Limited and an amount of Receivable from Employees by Purvanchal Vidyat Vitran Nigam Limited against the doubtful ₹0.39 Crores increased by Kanpur Electricity Supply Company Limited against the doubtful receivables from Employees for more than two years as shown in Financial Assets-Other-Current" Note no. 12.
  - (v) The provision for unserviceable store (Note no. 09) has been made (i) 10% of closing balance by Pashchimanchal Vidyut Vitran Nigam Limited and the 100% Provision for loss on account of their of fixed assets pending investigation (Note no. 12) have been made for balance at the close of financial year by Discoms.
  - (a) Transmission charges are accounted for by the Discoms as per the bills raised by the Upar Pradesh Power Transmission Corporation Limited.
    - (b) As per the UPERC's Variff/True-Up order dated 24.05.2023 for the E.Y. 2021-22, the UPPTCL has raised the Supplementary Bills of 7.113.76crore against the hills earlier raised for the E.Y. 2021-22. The bills have been received before finalization of Financial Statements of the Company for the E.Y. 2022-23. Hence, in accordance with

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the provisions contained in the Ind AS-III (Events after the reporting period), the considered the same as material adjusting event and recognized/accounted for in the financial statements for the F.Y. 2022-23.

- 11. Government dues payable in respect of Electricity Duty and other Levies amounting to Rs12584.71 erore shown in Note-20 includeRs.913.04 erore on account of Other Levies realized from consumers.
- 12. Liability towards staff training expenses, medical expenses and LTC has been provided to the extent established.
- 13 (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 Asset 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.
- 14. Basic and diluted earnings per share has been shown in the Statement of Profit & Loss in accordance with Ind-AS33"Farnings Per Share". Basic earnings per share have been computed by dividing not 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). (7 in crore)

		31.03,2023	31.03.2022*
Lza	Ret Profiv(Loss) after tax	(15869.73)	(561711)
(a)	(numerator used for calculation) Weighted average number of	[149194985	1060503625
(b)	Equity Shares* (denominator for ealeulating Basic EPS) Weighted average number of Equity Shares* (denominator for	1156627615	1066980407
(d)	calculating Diluted EPS) Basic carnings per share of Rs.	(138.00)	(52.97)
(e)	1000/- cach (EPS Amount in Rupces) Diluted carnings per share of Rs.	(138.09)	(52.97)
	(EPS Amount in Rupees)		

<sup>\*</sup>Figure of loss has been restated considering the Ind AS-08.

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

15. (a) Based on actuarial valuation reportdt.9.11,2000 submitted by M/s Price Waterhouse Coopers to UPPCI, the Holding Company) provision for apprued liability on account of Pension and Gratuity for the employees recruited prior to creation of the UPPCL i.e. for

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GPF employees has been made 3016.70% 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 (UPPC), and Discours) 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 2022-23 on the basis of Actuarial Reports.
- 16 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.
- 17. Debts due from Directors were Rs. NIL (previous year Nil).
- 18. Payment to Directors and Officers in foreign currency towards foreign tour was NII. (Previous year NIL).
- 19. Additional Information required under the Schedule-III of the Companies Act, 2013 areas uisder:-

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

(a) Quantitative Details of Energy Purchased St. Details	P.Y 2022-23 (Units in MU)	F.Y 2021-22 (Units in MC)
No.	- Taria 89.92	123406 88
(ii) Total number of units sold	108409 93	93744.87
iii) Distribution Losses	28879.99	29662.01

(b) Contingent Liabilities and Commitments: -

	Contingent Liabilities and Commitments:	Amount (& In c	rore) —
SL	Details	F.Y 2022-23	F.Y 2023-22
n.	Estimated amount of contracts		5.39 . ——
- 2	remaining to he executed on capital .  Power Purchase		10083.93
	Interest on RAPDRP Loan Statistory Dues	1.03 	3.63
Ţ <u></u>	Others Contingencies*	694.59 7186.34	704 87
	Contingent Assets**	0.00	4.82 in previous year (F.Y.)

<sup>\*</sup> In UPPCL Standatone the amount of Other Contingencies earlier shown in previous year (F.Y. 2011-22) of ₹ 1630,23 crorehas been restated to ₹ 14.20 crore as the difference amount of ₹ 1616.03 exore (1630,23-14.20) is already included in the amount of contingent liabilities against the Power Purchase of Z 10083,93 above.

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\*\* In F.Y. 2018-19. M/s NIIPC had provisionally deducted and deposited TDS of \$ 0.48Crore in relation to interest payable amounting \$ 4.82 Crore to UPPCL which was neither billed nor due in 2018-19. Hence, the amount of \$ 4.82 Crore as reflected in 26AS of UPPCL for the year 2018-19 had been disclosed as Contingent Assets since F.Y. 2018-19 (iii) the F.Y. 2021-22. In F.Y. 2022-23 whole amount of interest has been billed by NIIPC and the same has been accounted for in the books of the company. Hence, it has been deleted from Contingent Assets in the F.Y. 2022-23.

C-Disclosure as per Schedule III to the Companies Act, 2013

Ç- <b>D</b> (sclo	sure as per Sebi	edule III to	the Compact			:		!
<del>-</del>	Net Assets I.e. To minus fotal Liabi 31,03.20	ulitaes as at '	Share in Prolif ( the Year 20	or Loss for ga2-23	Share in oth Comprehensive in the Year 202	ncome for	Share in Comprehensiv (kg Year)	ye income for i
SI. Name of the	As % of Consolidated Nut Assets	Amount (7)n Crore)	As % of Opinio#clated Profin or Loss	Amount (Cin Crore)	As % of Compolidated other comprehensive	Amount (₹in Crore)	As % of Consolidated Total Comprehensi we income	Amount (Fin Core)
A Parent UP Power	_i	· 	 . <u>.</u> = :	T	1! 34	-ı— — 	: —	
Constitution (1)d., Sucknow Add. Reversal of		703 <u>5.9</u> 1	 	(145 <u>72.7</u> 4)	/   			
Provision (I-rough P&L Restates	74.65	7035.91	(92.00)	0:14589 82 	<del></del>	T	[0. <u>10]</u>	!-  <u>16</u> 3 <u>3</u> -
Subsidiaries (Aessated) Madhyanchal	-	[ _ !	<u> </u> - — —	·  - · · ·	<u> </u>	  -	L —	 
Vidyut Vilian Nigain 111 Lucknow		1 	2 30 39	9   <u>1481993</u>	21   41.50	52   <u></u> @ <u>6∑</u>	30.40	g ( <u>4824 57)</u>
Purvanchal Virtval Vitron Nigam atd., Varanasi Pashotimaech		68 <u>04.6</u> 5	; ;	i <u>(6</u> 610.2	71   <del>69.1</del>	16		so
V dyut Vitran N'earn Ltd . ' Mee <u>rut</u>	 	1 <u>8433</u> 9 <u>/</u>	<u>/</u> . (6.25	5; <del>  993</del>	<u>.57</u> 53.6	84 ] <u>  [6.03</u>	ي <sub>نة.</sub> ي ا	<u>/1</u> 985,64
Dakst nancta Vidyon Vitrar Nigam Uid , Ay Kanpur		 	  31 <u>_9</u>	9 <u>9   (5073.7</u>	77144_1	.73   15 <u>0</u>	<u>nı</u> 32.0	00 (5078 (8)
Electricity Snaply Compi Vid., Kanaur		2 <u>1   1175</u> 5 <u>63</u>	21	) <sup>[]</sup>	252	<u>1</u> 04   ( <u>2.5</u>	<u>)2)                                   </u>	6 (1.90)
CES Adjustments CES Adjustments (refer Note 1	ents .	<u></u>	_+   —	L _3u	- 1	—	— <del>  -</del> -	(364 34) (00 (15869.73)
Total	100.0	00 19 <u>250</u> 4	44 100.	1.00 <u>(15858.</u>	<u>.53</u> ) 1	<u>an</u> :. •		

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

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# 21. RELATED PARTY DISCLOSURE:

#### Part-1

# Names of the Related Parties and Description of Relationship:

- Related Parties where control exists:
  - Subsidiaries (DISCOMs)
    - 1. Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL)
    - 2. Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL)
    - Dakshinanchul Vidyut Vitran Nigam Ltd. (DVVNI.)
    - Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL)
    - 5. Kanpur Floctricity Supply Company Ltd. (KESCO)
  - **Employment Benefit Funds** įί.
    - 1. U.P. Power Sector Employees Trust (GPF)
    - 2. U.P. Power Corporation Employees Contributory Providem Fund Trust (CPF)

(Where Transactions have been taken place during the year or previous year/balances outstanding).

- Associates and Related Entities -Nil
- Joint Venture Corporation -Nil 2.
- Go UP-Related Power Sector Emities (under the same government): (c)
  - L.P. Rajya Vidyut Uspadan Nigam Ltd.(UPRVUNL)
  - D.P. Jal Vidyut Nigam Ltd.(UPJVNL)
  - U.P. Power Transmission Corporation Ltd. (UPPTCL)
  - U.P. State Load Dispatch Center Limited (UPSLDC)

### Disclosure as per Ind AS 27 (Separate Financial Statements): (d)

# i. Key Management Personnel:-

	Name of Post	Date of Appointment	Date of Cessation
U.P Power Corporation Limited.			<u> </u> 
(b) Key Management Personnel:  Shri M. Devaraj Shri Pankaj Kumar Shri Nidai Kumar Narang Shri Amit Kumar Srivastava Shri KamaleshBahadurSingh Shri SourajitGhesh Shri MrugankShekhar Dash Bhanamishra Shri Ajay Kumar Purwar	Charman  Managing Director  Director (Finance)  Director (Commercial)  Director (Corporate Planning)  Director (FF.)  Director (Personnel Administration)  Director (P& A)	02.02.2021 10.03.2021 01.06.2022 24.05.2022 18.06.2022 and \( \) \(	Till Date Till Date Till Date Till Date Till Date Till Date Till Date Till Date

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Shri Ashwani Kumar	Director (Distribution)	19.01.2021	23.07.2022
Srivastava	: : : :	05.03.2020	30.11.2022
Shri Anil Kumar Awasthi	Chief Finance Officer	01.12.2022	Till Date
Shri NitinNijhawan	Chief Finance Officer	30,07,2021	16 07.2022
Smt JyotiArora	Company Scoretary		Till Date
Shri Jitesh Grover	Company Secretary (Additional Charge)	22 <u>.08.2022</u>	Till Date
Nominee Directors:		<del></del>	
Shri Guru Prasad Porala	Nominee Directors	23.07.2021	Till Date
Shri AnupamShukla	Nominee Directors	10.08.2022	[jil] Date
Smt. Neha Sharma	Nominee Directors	02.09.2022	Titl Date
Shri Neel Ratan Kumar	Nominee Directors	16.04.2013	Till Date
Shri Jawed Aslam	Nominee Directors	17.07.2020	06.06.2022
Shri Kanhaiyal alVerma	Nominee Directors	06.06 <u>.2022</u>	Jill Date
Shri Ranjan Kumar Srivastava	Nominee Directors	17.07.2021	(1).(16.2022
Shri Anil Kumar	Nominee Directors	<u> 13.01.2022                                   </u>	30.06.2022
Shri Sanjai Kumar Singh	Nominee Directors	14.02.2023	Till Datei
Purvanchal Vidyut Vitran			١ ,
Nigam Limited	i — — — — —	t	<del></del>
List of Directors & Key	1		'
Managerial Personnel		+	Till Date
Shri M Devaraj	Chairman	28-Jun-21	[ 01-Sep-22 ]
Shri Vidya Bhushan	Managing Director	08-Oct-22	Till Date
Shri Shambhu Kumar	Managing Director		<del> </del>
Shri Prithyi Pal Singh	Director(Fechnical)	01-Mar-20	28-Feb-23   
Shri Mahesh Chandra Pal	Director(Finance)(Additional Charge)	20-Jul-21	23-May-22
Shri Santosh Kumar Jadia	Director(Finance)	23-May-22	Fill Date
Shri Shesh Kumar Baghel	Director(P&A)	20-Jan-21	07-Jan-23
Thirt British (Land)	Director(Commercial)	27-May-22	Till Date
Shri Rajendra Prasad	Director (P&A) (Additional Charge)	22-Mar-23	Till Date
Shri Mahesh Chandra Pal	Chief Finance Officer	13-Oct-21	23-May- <u>32</u>
Shri Santosh Kumar Jadia	Chief Finance Officer	23-May-22	<u> 13-Jan-23  </u>
Shri Amit Rohila	Chief Finance Officer	13-Jan-23	Till Date
l	Company Secretary	01-Sep-15	Till Date
Shri S.C. Liwari	<del>_</del>	<del> </del>	
Madhyanchal Vidyut Vitrat	<u> </u>	┷ — -	<u> </u>
Niga <u>m Ltd</u> s Shri M. Devraj	ı Chairman	01.02.2021	Till Date _4
Shri Chandra Vijay Singh		27,01,2022	02.04.2022
l	Managing Director	05.04.2022	-+ <sub>08.06.2022</sub> [
Shn Anil Dhingra	$\dashv$	08.06.2022	Till Date
Shri Bhawani Singh Khangrau	!}	39.03.2023	03.09.2022
Shri PradeepKakkar	Director (PM & A)	07.10.2022	Trill Date
Shri Yogesh Kumar	_	05.02.2021	21.05,2022
Shri Pradeep Kakkar	Director (Commercial)	21,05,2022	Till Date
Shri Yogesh Kumar	<u> </u>	121313,2022	
₹.	alit "		
, <sup>-</sup> )			

		: 21,09.2021 1	07,06.2022
Shri PradeepKakkar	Director (Technical)	07.06.2022	Hill Date
Shri Ajay Kumar Srivastava		1 29.02.7020	08.07.2022
Shri Mahesh Chandra Pal	(S)		26.09.2022
Will Little Marian State of the	Director (Finance)	26.09 2022	Till Date
Shm Santosh Kumar Jadia		1 28,07,2020	29.08.2022
Smt. SaumyaAgarwal	Women Director	29.08.2022	Till Date
Smt. SandeepKastr		22,12,7022	Till Date
Sili danjeti izamer i sili.	Chief Financial officer	10.03.2021	Till Date
Shri Pankaj Kumar	Nominee Director	23.07.2021	Till Date
Shri P. Guruprasad	Nominee Director	17.07.2021	101.06.2022
Shri Ranjan Kumar Shrivastava	Nomince Director	01.06.2022	Till Date
Shri Nidhi Kumar Narang		01.04.200	<del></del>
Dakshinanchal Vidyut Vitran			1:
Nigam Ltd:			
Key management personnel			!
of the Company Shri AmitKishor (IAS)	Managing Director	05,03,2021	Till Date
Shri Hamendra Kumar		, 21.05.2022	Till Date
Agarwal	Director (Finance)	<u>.'</u>	Till Date
Shri Rajeev Sharma	Director (PM & A)	20.05 2022	1
Shri Brij Mohan Sharma	Director (Technical)	19.08.2021	Till Date
Shri S.K. Gupta	Director (Communicial)	7 09.08.2019	30,66,2022
Shri Hamendra Komar	Chief Financial officer	1 [4,07,2022	Till Date
Agarwal	<u> </u>	128.08.2022	Till Date
Smt. J. Reebha (IAS)	Nominee Director	122.03.2023	Till Date
Smt. NumrataSrivastava	Company Secretary	1 22.001.2025	<del>                                      </del>
Pashchimanchal Vidyut	I	1	1
Vitran Nigam I.id.		1	1
Key management personnel		_'	<b>→</b> — ⊢
of Parent Company Shri M. Devataj	Chairman	05.11.2019	Till Date
Shri P. Goruprashad	Nominee Director	23.07.2021	Till Date
Sari P. Odi uprasidiu —	<u> </u>	10.03.2021	Till Date
Shri Pankaj Kumar	Nominee Director	·	_ <u>L</u>
Shri Aravind Mallappa Bangari	Managing Director	14.10.2019 _	20.01.2023
Miss Saumya Agarwal	Naminee Women Director	28.07.3020	29.08.2022
Smt. Nidhi Srivastava	Numinee Women Director	<u> ' 29.0<b>B</b>.202</u> 2 _	Till Date
Smt. Chaitra V.	Managing Director	$\pm 120.01.2023$	Till Date
Shri Nidhi Kumar Narang	Nominee Director	01.06.2022	Till Date
Shri Ranjan Kumar Srivasiava	Nominee Director	17.07.2021	01.06.2022
	Nominee Director	02.03 2023	Till Date
Shri Anupam Shukla		1.00.01.2021	02.06 2022
Shri Rakesh Kumar	Director	19.01.2021	02,00 /31-2
	Director	10.08 7019	31.07.2022
Shin Ishwar Pal Singh	Director	29.02.2020	28.02.2023
Shri Lalit Kumar Gupta	Director	121.05.2022	Till Date
Shri Shachindra Kumar Purvar	Chief Financial Officer	, 28.05.2022	Till Date
5hn Sachin Kamboj	Company Sceretary	19.05.2021	Till Date
Shri Jitesh Grover	Company secretary		

puk



- KESCO	<u> </u>	<u>'                                     </u>	
Key managerial personnel of KESCO		1	 
Shri M Devaraj JAS	Chairman	10.03.2022	111117412
Shri Pankaj Kumar, IAS	Managing Director, UPPCI. (Nominee Director)	10.03.2022	Till Date
Shri Anil Dhingra, JAS	Managing Director, KESCo	12,07,2022	22.02.2023
Shri Samuel Paul N., IAS	Managing Director, KESCo	23 02:2033	TRI Date
Shri NidhiNarang	Director (Finance), UPPCU. (Nominee Director	n1.06,2022	Till Date
Shri HK Agarwal	Director (Finance), KESCo	12,32,2022	1 ift Date
Shri Sanjay Smyastava	Director (Technical)	20.01.2021	Till Date
Shri Ranjan Komar Srivestav	Director (Finance), UPPCL (Nomince Director)	1 17.07.2021	01.06.2022
Shri Vishakh G. IAS	DM Kanpur (Nominee Director)	08.06.2022	31.03.2022
Smt Neha Sharina, IAS	DM Kanpur (Nominee Director)	23,01,2022	08.06.2022
Smt Satunya Agarwal, IAS	Wemen Director	28,07,2020	29,08,2022
Smt Yashu Rustagi	Women Director	29.08.2022	Titl Date
Shri Anand Kumar	Chief Finance Officer	22.17.2022	Fill Date
Smt Abha Sethi Tandon	Company Secretary	14 03.2013	03 02.2023
Sint Pallavi Malhotra Khurana	Company Secretary	i 03.02.2023	Trill Date

ii.Relative of Key Managerial Personnel (if any)

(Where transaction have taken place during the year or previous year/balances outstanding) -NHL

#### Part-II

# Transactions with Related Parties are as follows:

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

		(≰ (i) čustá)
Particulars	2022-23	2021-22
⊢ — — — ··· —	8.68	6.79
Salary & Allowances		j

sub

·	1 1.04	0.57	ì
1 eave Encashment		0.14	ı
Contribution to Gratuity/ Pension/ PT	1		ı

(b) Transactions with GoUP Related Power Sector Entities

		(₹ [in crore)		
$\overline{}$		GoUP Rel	elated Power Sector	
1		Entities		
S.No	Particulars Particulars	(Under Same Government)		
		UPRVUNL	UPJYNL	UPPTCL
;	Purchase of Power	12,400.61	95.03	
- '·	Transmission Charges			3296,26
$\left  -\frac{2}{3} \right $	Allocation of Common Expenditure	U.81	031	[ [8.42
4	Investment in Equity		L	1:
:- ;-	Share Application Money			$\frac{1}{1} = \frac{1}{16.79}$
$1 = \frac{1}{6}$ .	Other Receivables	0.74	,	
7,	Other Payables	(885.54)	60.34	ا ـــــا

Part-IV

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

Particulars	31 <sup>4</sup> March 2023	31 <sup>st</sup> March 2022
Amount Recoverable	557.36	542.34
Amount Payable		· · _
refer point no. 42(B) of Notes on Accuronts)  UPPSET  UPRVUNT. (Note no. 12 Rs10.43)	723.56 1395.08	783.90 1339.60
And Rs 7809.58 erure refer point no. 42(B) of Notes on Accounts)	7749.15 - 49.78	69 <u>14.35</u> 62.06

## Government Grants and Subsidies:

- a. Grants / Subsidies received under different schemes for DISCOMs are treated initially as payable to DISCOMs and subsequently are transferred to DISCOMs concerned.
- b. During the period Capital Grant ₹ 498.00 Crore. Revenue Grant/Subsidy of ₹21802.37Croreand Additional Subsidy for Operational Loss funding (RDSS) of ₹8007.72Crorehave been received from Govt. of U.P. (including other department) on behalf of the DISCOMs and have also been distributed to the DISCOMs. Necessary enthes are accounted for in the books of DISCOMs in the respective functional heads. The DISCOMS wise details are furnished below:



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casanan mil			4₹ in Crure	<u>)                                    </u>
FY2022-23	TPuVVNI. MVV	NI. DVVNL PVVNL	KESCO	Total
Particulars				498 00
Capital Grant/ Subsidy	· <del>-</del> · · · · · · · · · · · · · · · · · · ·		<del></del> <del>.</del> !	21802.37
Revenue Grant/ Subsidy*	6101.68 4751		<del> </del>	8007.72
Additional Subsidy for	2681.12 2404	.36 957.04 · 1588.96	1 270.24	\$0001.7Z
Operational Loss funding	1	'	1 1	- 1
(RDSS)	<del></del>	<u>(89   5930.64   7734.24</u>	<del>                                      </del>	311308.09
Total	8919380 1 7283		1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	

\*This includes Tariff Subsidy of PTW consumers Rs. 1250 Crore. Power Loom consumers Rs. 3750 Crore and RGGY Rs. 182.14 Crore. This also includes Rs. 1000 Crore as mentioned in Point no. 22 (f).

FY 2021-22		(₹ i <u>n Crore</u> )
Particulars	PUVVNL MVVNL I DVVNI	, PVVNI, KESCO Total
Capital Grant/ Subsidy	-1 6.04	0 <u> </u>
Revenue Grant/ Subsidy	3895.96   3124.5	0   4632.76   (5.72)   17016.95
Additional Subsidy for	1709.75 1417.50 1120.3	1 846.43 278.51 5372.50
Operational Loss funding	1	
(Action Plan)	' <u> </u>	<u> </u>
Total	7079.20 5313.46 4250.8	1 5479.19 272.79 22395.45

c. It has been clarified by the GoDP: vide its circular no. 1772/24-1-2023-03/2023 dated, 05 July, 2023, that the provision of ₹ 5372.50 Crore and ₹ 8007.72 Crore made in the Budget for the year 2021-22 and 2022-23 are not related to UDAY Scheme but are related towards funding against losses as per ACTION PLAN and Revamped Distribution Sector Scheme (RDSS). The details of Subsidy/Fund received from GoUP under the above schemes and distributed the same to the subsidiaries (DISCOMs) are as under:

ı	ı—– -— ·	Amount Allocated	₹ in Crore) j and Distributed
S.No.	Name of DISCOMs	Year 2022-23	Year 2021-22   Action Plan
<u> </u>	<u> </u>	RDSS	1709.75
. 1	PuVVNL	268 <u>1.12</u> 2404.36	1417.50
<u>-2</u> —	DVVNL	- = 957.04+	1120.31
<u></u>	PVVNL	1588.96	846.43
- -	KESCO	376,24	278.51
fotal ar	mount received from GoUP	8007.72	5372.50

- ۵.
- As per GO no. 445-1-21-731 (Budget)/2020 dated 05.03.2021, GoUP has accepted
  to provide additional revenue subsidy of ₹ 39.743 Crore to the DISCOMs
  (subsidiaries) for the period 2007-08 to 2019-20 as approved by the UPERC through
  its Tariff/ True-up orders issued from time to time.
- ii. The above GO also provided that, out of total additional revenue subsidy of ₹ 39,743 Crore, ₹ 25,081.46 Crore shall be deemed to be paid from the grams provided to the DISCOMs by the GoUP under UDAY in earlier years. The balance amount of ₹ 14,663.54 Crore shall be paid to the DISCOMs by GoUP in the next 10 years, commencing from 2021-22. The company allocated the above additional revenue subsidy to DISCOMs as below:

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	Name of DISCOM	Amount (₹ in Crore)
' <del>'</del>	PuVVNL	12.367.00
1 2	MVVNL	3,490,00
<u></u>  -3	DVVNL	9,213,00
1 4	PVVNI.	14.673.00
1 5	KESCO	0,00
	Total	39,743.00

As per the above GO, the subsidies of ₹ 20940,00Crore (₹ 14661.54 Crore of revenue subsidy and ₹6258.46 Crore of UDAY loss) is receivable from the GoUP in favour of DISCOMs through the company (UPPCL) and the same are to be paid by the GoUP in 10 years beginning from 2021-22. DISCOM wise details are as under:

S.No.   Name of DISCOM	Amount (f in Croce)
PuVVNL	8115 54
	978.08
+ $+$ $+$ $+$ $+$ $+$ $+$ $+$ $+$ $+$	2159 69
PVVNI — —	9146.45
5 TKESCO	540.24
Tetal	20.940.00

1v. The details of the amount received against the subsidiaries of ₹ 20940,00 Crore are as under:

				(Amo	unt €in Co	ore)
Particulars	$[P_0\overline{V}V\overline{N}L]^T$	MVVNL	DVVNU	PVVNL	KESCO	Total
Balance as on	8115.54	978.08		9146.45	540.24	20940.00
31.03.2021	775.i2	93 42	206.27	873 59	5 (.60	2000.00
Received during 2021-	7/3.12	// 12				
Balance as on	7340.42	884.66	1953.42	K272 86	488.64	18940.00 <sub>1</sub>
31.03.2022 Received	775.12	93.42	206.27	<del>87</del> 3.59	5).60	2000,00
during 2022-		I				ıİ
23 Balance as on	6565.30	791.25	1747.14	7399.27	437 04	16940.00
31,03,2023	<u> </u>	ш —	<u> </u>	!	<u> </u>	I

- Grants/Subsidies received under different schemes for DISCOMs (subsidiaries) are treated initially as payable to DISCOMs and subsequently are transferred to/ adjusted against DISCOMs.
- f. As per approved ARR and Tariff for State DISCOMs for FY-2022-23 ARR for FY-2021-22 and true up for 2020-21, the UPERC has observed that there is shortfall in subsidy of







\$1170.75 Crore that is required by DVVNL, MVVNL and PVVNL whereas in PuVVNL, there is surplus as detailed below:-

Name of DISCOMs Defi-	cit/ Surplus Subsidy
PuVVNL	(₹ in Crore)
I DVVNI.	531.62
PVVXI.	620.72
Total	1170.76

In respect of the above, LPERC has directed to approach the GoUP for the aforesaid subsidy. Accordingly, LPPC1, approached the GoUP and the GoUP has approved ₹ 1000 Crore in its budget for the year 2022-23 against the shortfall in subsidy of ₹ 1170.76Crore. The UPPCL has proportionately allocated ₹ 1000 Crore amongst the DISCOMs as under:

[Name of DISCOMs]	Antount (₹ in Crore)
PuVVNI.	-345.57
MVVNI.	458.08
DVVNI.	361 30
PVVNL	530.19
Total	1000,00

- g. The DISCOMs (subsidiaries) have accounted for ₹39743.00 Crore and ₹6278.00 Crore towards revenue subsidy and UDAY loss Grant respectively, as stated above, in their account for the year 2020-21, and , therefore, due to impact on the net worth of the DISCOMs for the FY-2020-21, the company (UPPCL) has reversed the provision for impairment in investment of DISCOMs amounting to ₹17109.17 Crore in the year 2020-21 from the accumulated provision of ₹71502-12. Crore created up to 2019-20, for the same.
- b. In compliance of the Supreme Court order, provisions have been made in accounts in respect of differential tariff claim of two Solar Power Generators (M/s Adani Green Energy (UP) Ltd. and M/s Sahastradhara Energy Pvt Ltd.). Further, the accounting for subsidy portion receivable from UPNEDA against claimed amounts has not been done in compliance of Prudence Principle of accounting.
  - 23. Due to heavy accumulated losses i.e. ₹ 109521.61 Crore on 31.03.2023 and uncertainties to recover such losses in near future, the deferred tax assets have not been recognized in accordance with Para 34 of Ind AS-12 (Income Taxes) issued by ICAL.

# Financial Risk Management

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

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

i.Credit Risk: Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligation resulting in a financial loss to the Company. Credit risk arises principally from each & cash equivalents and deposits



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with banks and financial institutions. In order to manage the risk, company accepts only high rated bank/Fls.

- ii.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 Company's income loss. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, white optimizing the return. The Company has no material foreign currency translation hence there is no Market Risk w.r.t foreign currency translation.
- iii.Market Risk- Interest Rate Risk: The Company is exposed to imerest 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 Company manages the interest rate risks by entering into different kind of loan arrangements with varied terms (eg. Rate of interest, tenure etc.)

At the reporting date the interest rate profile of the Company's interest-hearing financial instruments are as under:

instruments are as unuci.	(7 in Crore)
	2022-23
Particulars Particulars	Total
Financial Assets	- 3666.35
Fixed Interest Rate Instruments: Deposits with Bank Total	3666.35
Financial Liabilities	<del></del>
Fixed Interest Rate Instruments - Financial Instrument Loan Variable Interest Rate Instruments - Cash Credit from Banks	200 70
Total	85792.28
INTEREST RATE RISK Particulars	Total
Financial Assets	4816.86
Fixed Interest Rate Instruments- Deposits with Bank Total	4316.86
Financial Liabilities	81869.60
Fixed Interest Rate Instruments- Financial Instrument Voan	— — ı · · · · · <u>0 03 ¦</u>
Variable Interest Rate Instruments- Cash Credit from Banks	90503.35
Total	

h includes Short Term Loan, Overdraft and Cash Credits.

- iv. Fair value sensitivity analysis for fixed-rate instruments: The Company's fixed rate instruments are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future each flows will fluctuate because of a change in market interest rates.
  - Liquidity Risk: Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering eash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the company's reputation. Further fixed deposit in Note-8, 11-A and 11-B, of ₹2869.84 crore includes ₹2185.96 erore placed with ICICI bank out of which ₹1665.39 erore are in terms of Debt Service Reserve Account (DSRA)/Bond Service Reserve Account (BSRA) as per hond issuance terms/agreements executed with the defenture trustees M/s Beacon Trusteeship Ltd/M.s. Visua FIC. Ltd. for various issues of Bonds by UPPCL.



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However, there is a risk factor associated with placement of major portion of deposits with

The Company manages liquidity risk by maimaining adequate FI/Bank facilities and reserve borrowing facilities by cominmously monitoring, forecast the actual cash flows and matching the maturity profile of financial assets and liabilities.

### 25. Capital Management

The Company'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 Company is wholly owned by the GoUP and the decision of injecting the equity in the company lies solely with the GoUP. The company 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.

- 26. In the opinion of management, there is no specific indication of impairment of assets except Investment in Subsidiaries & Associates as on balance sheet date as envisaged by Ind AS-36 (Impairment of Assets). Further, the assets of the company 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 in Investment in Subsidiaries and Associates is calculated on the basis of Net worth of Subsidiaries & Associates since consistent basis.
- 27. 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-1 is anached.

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

### Subsidiaries

The Group's subsidiaries at 31st March 2023 are set out below. They have share capital consisting solely of equity shares that are hold 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 (%)		Ownersh interest Non-con interest (	Principal activities	
i	3. (x <b>5</b>	31-03-23	71-03-22	31-03-	31-03-	
MVVNI.	India	100	100 +		- <u>  </u>	Distribution of energy
DVVNL-		100	1110	, —	- I	Distributio
PVVNL -	- India	100	- <sub>เดิ</sub>		:	of energy Distribution of energy
PUVNNL	India —	100	100			Pristributio
Kesco	India	_ <del>100</del> -	100	- · · <u> </u>	¦- <u>-</u>	of energy Distribution of energy

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



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- 30. Consequent to the applicability of Ind-AS the financial statements for the year ended 2022-23 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. 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 31.03.2023 and accordingly the same has been taken by the Subsidiaries and other power sector companies owned by GoUP.
- 32. The Expenses allocated by the U.P Power Corporation Limited for the year 2022-23 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.
- 33. 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. 2.22 Crorein 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.

- 34. The figures as shown in the Balance Sheet, Statement of Profit & Loss, and Notes shown in (.....) denote negative figures.
- 35. Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable/ better presentation with the current year figures.

### 36. Exceptional Items:

The company presents the information excluding exceptional items which allows a better understanding of underlying performance of the company. Exceptional items are identified by

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virtue of nature so as to facilitate, the comparison with prior period and to assess underlying trends in financial performance of the company. Accordingly, the company has shown the amount of loss incurred by the Trosts (CPF & GPF) on investment in DHFL as 'Exceptional hems' in the profit and loss account as detailed below:

	Breakup of Exceptional Item for the FY 2021-22						(Rs in Crore)			
Letter Nu	Name of Item	U <u>P</u> rC <u>L</u>	PuVVNI.	M <u>vv</u> NL	i LOVYNL	PVVNL	Kesco	Iklo_T		
CFF 1027 dated 11-07-2022	Principal   & Interest	25.13	191.11	154,36	l 108 <u>04</u>	161,17,	17	656.81		
GPF 787 dated 11-07-2023	Principa) & Interest	-   118.57	_236,41	222.6	<u>.</u> 135.61	172.94	27.5	963.23 1620.0 <u>4</u>		
· · · —		Brenkup of	Exceptional	Item for th	ie FY 2022-2	<u>,                                    </u>	(Rs. in C	rore)		
Letter No	Name of	i pr <u>cl</u>	- PuVŸŅĿ	M <u>VVNL</u>		' <u>PV</u> V <u>N1.</u>	Kesco	   Total_		
CPF 455 dated 06-05-2023	Interest	1.78	13.57	. <u>10.</u> 96	7. <u>67</u>	11.44	1.21	46.63		
GP[1637 dated] )1-05-2023	Imporest	7.!1	7.27	41 <u>8</u>	19.13	6.7	<u> 238</u>	\$2.06 98.69		

37 Reconciliation of Inter Company Transactions is as under:

(a) Th	-	wesign in the second se	incoMs)	]	ng tai Alkatmon		As #131		· · · · · · · · · · · · · · · · · ·
	,	Investment	Provision of Impairment of Investment	grestment After  mpainstrate 	Nhare Application Money Pending For Affatment	T IN LA COMENT	Provision of ' Impairment of Lovestment	Investment After Impairment	Applications Municy Pending For Additional
$\left  \frac{1}{1} \right $		' '   ā ' '	· <del></del> :	5 -	<sub>4i</sub>	7 -	. в .	- <del></del>	<sub></sub>
-	Polivia.	75,193 58 T	- 15 mm 25	6,142.65	₩1 <u>₩</u>	1   2024 (9   1	i (1,681.75)	9,537,047	2,870 30
   7	MŸVÑL	22,784,46 1	I = <sub>20,148.04</sub>	7 139 42	<sub>6/6/56</sub> -	20.257.24	(5 <b>48</b> 9 (s)	4,842.93	1 157 43
- ,-	DVVNI.	23 461.33	23,461 74	: :- —	526.73	21,447,52	21,443.52	<del>.</del> -	993 114
	Past VNL	 	18,570.27	6,552.65		16,174,39	0.571.15	5,600,94	1,16717
r ş	KESCO	2,349.11	2,749.31	¦	181.97	- Traige 36	67.480,1		264.55
	<u>'</u> —	L	L	l	١	·		<u> </u>	







$\overline{}$	Fut #1	<u>v0.817.01</u>	75,707,29 1	15,199,72	3, <b>55</b> 3,42	HI,191.70	61,176,79	29,014,91	6,747.49	!
l i	71.42	,=		'		.	!			
	_ —		<del></del>			en ine alkheki. alis	cear- H.s. 6783	RK erure		

(b) Provision for impairment of investment for the current year is Rs. 14,550.50 erore (previous year- Rs. 6783 KK erore)

(a) The above Investment and Minic Application Money Pending for Allotopic have been climinated inconved in CFS against the Share Capital and Share Application Money Punding For Allotopics shown in the SFS of the Disc OM concerned.

Capping and priors appropriate for the year 2020-71, the Provision of improprient of the serviced was being reversed through the Retzined (d) As per practice for Secretary). From the year 2020-72, the practice of reversed of the Provision of Impartment of Investment through the Earnings (Dinter the Other Equity). From the year 2020-22, the practice of reversed of the Provision of Impartment of Its., 14,5 so, 50 error for the Profit & Loss Account for Secretary has been reversed from the Profit & Loss Account.

À

Other Adjustments made on CPS (F.A., 2022-23) as (abutaced below):

					(Hs. in Crore)
i 1 Nate	Name of Note	Balapre/Amount Refere Adjustments	Adjustments Made	Balance/Amnun) After Adjustments	Particulars of Adjustments mails
II:	Financial Assets (Trade Recognities)	78,484 15	9.38	78,193 \$3	threlines to the unadjusted power purchase east of Rs. 9.3% cross (Rs. 11.59 exone for the current year and Rs. 2.21 erose for the
ļ-,	Other Equity Profit &	 	y 3.R	-29,701.93	paior persol) after issuing the bills of sale of power to the frijst YoMs. Since the edjustments of the others power perchase cost
22	Revenue from operation	├─────────────   	11 19	N4.461 32	Si the inive power power as con- ting remained unadjusted, inhalled, the same tags been eliminated to CFS and shown under the respective head in the CFS
		5.330 OR		3,759.71	It relates to the Reconstitutes from IPPCL and Rs. 1520,37 cross, which has wrongly been shown depicted by the PVVNL under the thead of HOT Hence, it has been transfer from HOT to Horaccathe from 10PQL and the same has also been climmated as a group transaction.
	Bad Debys & Previsions	       29 3  00   	-14,5KV 82	14,501.18	E. relates to the corresponding reversal entities against group transactions made by the 10 pp. 1. as follows:  (a) 88.  (b) 88.  (c) 88.  (d) 88.  (d) 88.  (e) 88.  (e) 88.  (e) 88.  (e) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 88.  (f) 98.  (f) 98.  (f) 98.  (f) 98.  (f) 10.

Other Adjustments made in CFS (FA : 2021-22) as cabalated below:

(Rs. in Crore)

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M)

Note	Name of Noir	Balance/Amushi Belore Adjustments	Adjustments Made	Bulance/Amount After Adjustments	Particulars of Adjustments made		
li:	Financial Assess- Trade Recessables (Current)	R6.*70.88	370,71	87,244 59	It relates to the unadjusted priver purchase cost of Rs (37) 31 trene (Rs (294) 24 crare to the year 2021-22 and Rs, 79,47 year fur the prior person before 2021-221 after issuing		
22	Resease from operations	56.531 78	294 24	56,846,02	the bills of sale of power to the DISCOMS Since the adjustments of the above power purchase cost had remained unadjusted, unbilled in the year 2021-22, the same has been		
15	Other Equity Profit & Lusses	61,673,65	37) 71	63,299.94	eliminated in CTS and shown and the respositive head in the CTS for it F-Y 2021-22		
30	l Bud Dems & Provisions	! ! ! ! !! !! !!		7,744.98	Diseases to the corresponding reserval entries against group transactions inside by the UPPCL as follows: 111 Rs 658188 cores towards insparament of investment in DISCOMS (i.) Rs 4226-83 cores towards reversal of provision for dealerful receivables against sale of power to UNCOMS (iii) Rs. 23.06 states towards reversal of power to UNCOMS (iii) Rs. 23.06 states towards reversal of power doubtful receivable from other doubtful receivable from DISCOMS. Totals.		

- 38. 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.
- 39 The Consolidated Annual Accounts of 2021-22 is yet to be adopted in Annual General meeting.
- 40. Equity share capital includes ₹1075.55Crore received from GoUP under the Uttar Pradesb Power Distribution Network Project (UPPDNP) against which company has already invested ₹1258.19Crore with DISCOMs.

DISCOM wise break up of investment is given below:

			_		(₹in <u>C</u> .	not¢)
r. Na.	Name of DISCOM	Equity received from (box 15 on 31 k3.23 against (IPPI)SC	Fund released av investment in equally of Disk (ANIa (E.V. 2022-2023)	Figure referred as inscanness in page to a fill of the control of	Fund released as this extraoration equipy of DESC CIPES (E.V. 2020-11)	fnial
<del></del>	PaVVNI	35[ 47	201AH	14-31	4x 5*	470.48
$\vdash$	MVVNI.	25) 98	18416	79.21	49.65	71.7 (16
	DVVNI	352.45	29277	A4 91	31.42	3 <b>9</b> 5 70
<u> </u>	PVVSL	77.65		22.47	37.64	78 72
Ē	lupl	1075.55	MG 47		en is to be reimbu	256 (9) rsed by

The balance amount of \$182.64Crore (\$1258.19Crore + \$1075.55 Crore) is to be reimbursed by the Government of U.P. and shown as Equity Investment in DISCOMs.

4) 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 31.03.2023

	NECONOLIA HOR OF BOTH					(Rs. in Crose)
	Parliculars	Note Me.	Audiled 2021-23	Adjustments	Corresponding of 2021-22 given in Audined 2022- 23	Remarks :
!				:		
<b>(1)</b>	ASSETS					
(9)	Non-coment assets					
	(a) Properly, Plant and Equipment	2	65874.06	87 32	05164 39	PPE &
	(b) Capitel work in-progress	3	3778 57	(394.86)	3251 71	Regrouping
	je) Assels not in Possession	4	124.24	8.37	132 58	PPE
	(e) Intangible assets	5	104 92	37.97	142 89	Kegrovbing
	(A) Evnancial Adders			0.00		PPE &
	•	ě	2340 41	(169 55)	2170 85	Regiouping
	ji) investmenté	7	•••	0.60		
	JII) LOBPŠ	â	16347.69	1496 93	18444 62	Ragrouping
	em Others	•		9.00		
(2)	Current +44-612	9	3794 58	(9.64)	3784 94	PPE
	(a; inventuces	,	2- 20	0.78		
	(h) Financial Assess				07041.40	PPF 8
	(i) Trade receivables	10	87195 '9	A9 AG	87244 59	Megro, Iping
					-227.60	PPF &
	(a) Cash and cash aryavalents	11-A	5240-28	737 30	5977 59	Недгоирий <u>я</u>
	(b) Bank balances office then (i) above	11-B	2541 95	(1894.01)	847 55	Hegrupping PFE <b>&amp;</b>
	jivj Olfers	12	4995 DE	(38 80)	4955.76	Regiousing PPE &
	(c) Other Current Assets	13	2503 24	z28 58	2731.82	Regiousing
_	Total Assets		194637,77	116 02	1\$4775.79	
		<u> </u>				
(41)	EQUITY AND MABILITIES					
	<u>Equity</u>	14	109679.38		189079 38	
	(e) Equily Share Capital		103111111			의무는 월
	(b) Other Equity	15	(63694-44)	397.76	(61296 F8)	Нествирипа
	LIABLITIES					
(1)	Non-current Rabilities					
'''	(a) Financial Labilities					
	() Borowings	15	71102 77	8 53	71111 30	PPE
	(i) Trade pay#046					
	(a) trade bakenes	17	5043.33	1,021.56	51 <b>84</b> 90	Regroup <b>ing</b>
. 20						
(2)	(a) Financial Labilities			-		PPE &
	(a) - mancan ray may	48	*****	-347 46	11985.66	
	() Вопомица	18	12393 12			PPF. &
	(J) Trade payables	.8	30345.02	-352 91	29992 11	R <b>еу</b> (ирл <b>а</b>
			24			1
					h	<i>)</i>

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alla

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(iii Other financial Natrities 20 29788.59 389.58 29199.00 Regrouping 15) Provisione 21 . 0.00

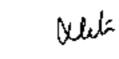
Total Equity and Liebsities 194637.77 135.02 194776.79

# Reconciliation of Statement of Profit & Loss for the Year ended 2022-23

A_	ß	c_	- ō i	E Adjustm	F ent of Prior P rs/Regroupin	ୁତି enfod l	<b>H</b>	_l= <u>F</u> .
     	-	Not e Ng.	Apd led 2021-	Related to the Year ended 31,03,2022	Related to the Year ended 31.03.202 1 and before	Total	Restated Corresponding g of 2021-22 given in Audited 2022- 23	Equity (Reserv e & Surplus
1	Revenue	-	5683764				55840 02	_
Į <b>I</b>	Prom Operations	22		8.36	(142 08)	(133.70)	23486 65	1142 08;
	Other Income	23	23487 21	<u>(0.56)</u>	<u>(9.59</u> )	<u>(10,15</u> )		(9.59;
Ш	Total Income (I+II)		80324.85	7.82	(151.67)	(143.86)	<b>6</b> 0 332.67	(151.67)
1 2 3	EXPENSES  Cost of malerials consumed Purchases of Slock-in- Trade (Power Purchased) Changes in investories of figished goods Stock-in- Trade and work-in-	- 24	58321.49	(272.77)	(79 47) 0 00	(352 Z4) U 00	5804 <b>8</b> 72	(7 <b>9 47</b> )
ā	progress Employee benefits		2270 10				2241.90	
	expenso Finance	25		(28 23)	0.42	(27.80)	8382.57	043
6	coets	25	6386.22	(5.65)	(97.28)	(102.93)	0	(97 28)
٠	and governization expenses	21	2853.46	8 67	38 96	47.62	2852 13	28 95
7	on, Gerenral		2497 36				2552 11	
а	& Officer Expense Repair and Maintenand	28	2473 02	54.75	17 43	72 18 (15 53)	2457 49	17 43 0.00
	e	29		(15 55)	900	(12.03)		

25







Croge

9 10	Bad Debts & Provisions Other	30	7782 83	(37 85)	(3.97)	(41.62)	7744 98	(5.97)
-IV	e <b>upensé</b> B		64588.51	(296.61)	(123.91)	(420.52)	84289.9D	123.B1)
٧	Profit/(Loss) before exceptional items and		(4261.56)	304.43	(27.76)	276.67	(3957.23)	(27.76)
۷I	tax (III-'V) Exceptional Items		1,620.04				<u> 520.04</u>	
VΙΙ	Prolit/(Loss)		(\$881.70)	304 43	(27.78)	276.67	(5577.27)	(27.76)
All	(V(±/-)VI) Tax expense: (1) Current				-			
DX	lax (2) Defended tax Profit (Loss)							
	for the period from continuing operations		(5881.70)	304.43	(27.76)	276.67	(5577.27)	[27.78]
x	(MI-VIII) Profit/(Lass) from discominued							
XI	expense of discontinued							
χlì	itom discontinued operations							
	(ahertax) (X-XI)							
KII	Frolity Loss) for the period		(5881.70)	304.43	(27.75)	276.67	(5577.27)	(27.76)
"X" V	(IX+XII) Other Comprehen sive income A (i) Hems that will not be reclassified to profit or oss- Remeasure ment or Defined Benefit Plans (Actuna Gain ao	1	ı8 47)				(39 84)	
	Loss; In: Income lax relative to terms this will not b reclassified to profit o loss B (; Hem	e 9 11 12 15	-	(31 27) -		(3* 37)		
					26		Jan Jan	

ig White

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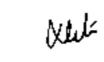
Ju)

X V	Ihat will be reclassified to profit or lose (ii) Income tax relating to items that will be reclassified to profit or oss.  Tota Completion sive Income for the period (XIII+XIV) (Comprising)		273.06	(27.75)	- 245.30	 (65 <b>1</b> 7.11)	
	Profit/(Loss) and Other Comprehen sive Income for the geney)						
-	EPS	<del>(</del> 56.64)	2.57			(52.97)	

# 42. Disclosure as per Ind AS-37 is as under:-

Particulars	Opening balance as on 01.04.2022	Provision made during the year	Withdraw al/ adjustme nt of provision during the year at UPPCL & Discoms through	Withdraw al/ adjustme nt of provision during the year at UPPCL & Discoms through Other	Closing Balance at UPPCL & Osscoms as on 31,03,202
CWIP- Capital Advance	11.69		<u>-</u> (1	<u> </u>	11.69
Provision for Trade Receivable Note: 10	16354.46	14518 47		. 0	30872.93
Provision for impairment in investment Note- 06	165 48		<u> </u>	. <u>0</u>	167.7
Provision for bad & doubtful debts- Financial Assets-Loans (Non-current) Note- 7	172 9	25.82	0		198.72
Provision for Financial Assets-Others (Non- Current) Note-8	'- <u>0</u>	12.02	0		12 02
Provision of Obsolete Stores Note-9		! <u>1349</u>	0	<u> - º</u>	- <sup>245</sup> .75
Provision for estimated loss on theft of fixed assets pending investigation Note 12	! 1 <u>77.62</u>	14.38	o	3.79	188.21
Provision for bad & doubtful debts- Financial Assets-others (current) Note-12	153,71	31.17	57.6	! - ——	1,25 28
Sub-Total- Note-12 Provision for Other Current Assets Note-13	329.33 12_34	45.55 07	57,6	3.79	313.49 13.04







- 43. 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 Crure) Total PaVVNL PVVNL DVVNL 1 Kesco MVNNL **UPPCL Particulars** 13545.11 2391.70 76.61 4341.07 1466.27 5269.46 0.00 Less than 6 months \$172.09 86.36 970.73  $\overline{2521.07}$ 730.43 863.20 0.00 6 months and 1 year 7801.58 430 11 85874 1826.17 2315,94 2370.62 0.00 1 to 2 years 4922,24 72421 534.15 633.BK 1894 45 1135.62 00.002 to 3 years 75763.**9**6 2870.79 7642.91 17051.29 25756,26 522.98 21918.73 more than 3 years 526.71 526.71 Unhilled Ques 23490.81 3998.02 107730.69 14206.96 36998.65 522.98 7 28513.27 Total Hote - Lincolar Galde Receivables acrossing \$ 518.39 Cross as pay-req

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

	Bajuñ Popagaja	of frage bas	varine of 1	un numbe	MIN-19 GING	"" - 1	<sub>То</sub>	rial
Fankulars	UPPCL*	MONNIL	PUYVNI	PYVP4	OAAM	Mesta - 1		ı
Less than 1 year	;7654.52		822.24	489 [%	7179	48.82		27975.00
Lia 2 years	355.77	₩ <sub>627 70</sub>	/7545	930.25	698.78	! ]		538) 99
210 3 70475	242 37		145.82	15 (6)	148.82			552.79
mortified 3 years	357 70	<u> </u>		:	 i		_	1677
Total	25610 16	1320.43	1743 55	19 51.36	1566.53	98.45 I		32273.48
		_	'		:			-

Marter airb Ped Traile Anyablas announting 5 3435,45 Crose in URPAL "This includes Rs. 7809.58 Crare payable to UPRIVENT and Rs. 617.65 Crare payable to UPIVIL

Posticulars	Less than 1 Year 1-2 Years 2-3 Years More than 3 Years Total	_
III MSME	3.37 3.38 3.395 93 i 552.79 357.7 32233.8	_
(iii Olhers	27937 36 3385 93 1 552.79 357.7 32233.8 67	- 1
(III) O souled does-M5ME (IV) Dispoted dues- Whers		
IVI (hutstanding with Debit Balance	1,41	_
	27975.06 3385.99 557.79 357.7 32271.	

44. Disclosures related to Additional Borrowing space of 0.50 percent of GSDP linked to performance in power sector scheme and Revamped Reform-linked Results-Rased Distribution Sector Scheme of the Central Govt. of India.

### A. Regulatory Assets:

No new Regulatory Assets (Or uncovered losses or any other similar provisions) have been created by the company in the financial year 2022-23.

### B. Guarantees:

(i) No guarantee has been issued by the state through Govt. (GoUP) or any of its PSUs in support of the Loans taken by the Discoms. However, the state Govt. (Gol. P) has issued guarantees in support of fund arrangement through loans/bonds taken/issued by the Holding Company (UPPCL) on behalf of the

company as given below:



## Details of guarantees issued by GoUP in support of above horrowings arranged by the Holding Company (UPPCL):

UPPTC1.	mpany) on behalf of Discouts&
Particulars	Amount (₹) Cr
PuVVNL	34217.86
MVNNL	21934 46
DVVNL	24507.51
PVVNL	11780.94
Kesco	3782.22
Total	96212.99

### C. Electricity Dues

Total Electricity Ducs recoverable from the Govt, departments/State PSD s/Subordinate offices and Local Bodies as on 31 03.2023 is as follows:(₹ in Crure)

and nocal Bodges as on 51 on-	. — —: :-		, I		r I	Total
Particulars	MVNNL	PuVVNL	PVVNL '	DVVNL	W GREN	
upports mountlies	696,87	2272/07	416.21	150H:61	85.62	4978.7M
Greater than is months and open in	2 68.40	766 37	99.59	414,14	12.04	1510.54
year Greater than I year and upto 2 years	468 22	- 1311.04	R2 61	1356.03	268.1	3485.98 j
Greater than 2 year and upto 3 years		41.44	12K.54 i	152.64	447.45	1712/10
Greater than 3 years	323ā.Jē	2390.68	188.70	1033 90	643.71	7690,44
Total	5558,83	6781.55	1115.84	4487.30	1456.92	193748.44

, (a)	D. <u>Subsidy:</u> Status of Subsidy paiduscons  USCONS	d by the GeUP is as Same of sebadized consumer telegory	Sabaldy Receivable as \$4 01.04.2022	Subsidy Received Egainst Hereivable as on III.04.2472	(Teamed reducing as desting as the proof of 2022-21 rid	obside reclecta galant ubside tailmed luring the	Crore) Closses Splaner as not 31,03 2023
	Pavvnl			i	<del></del>	7579 (LC)	0.90
ļ.	MVVNI.			·	1208	32 JK (1)	Chi.
$\vdash$	DVVNL	EMINA (Dameson Light	· ——	. ——	1242.95	7741.20	1.;
$\vdash$	PAYNE	& Lant and LNEV-5 (Private Tube Well)	г -		<del></del> .		- —
'	FYINE	, myste rute wert	12 112	.030	3-62.00	30/100	152_
L	KFSC0		<u> </u>		10 1311	0.00	31.5

F. AT & C Losses; The details of AT & C losses are given below:

Line oc	ans to ver to	MAN STORE ST	Can Deller			т Т	
S.No.	Particulars	MYNNL	PuVVNL _	PVVNL .	OAAME	Kesco.	T <u>otal</u> _
A	input Energy (MkWh)	27347.21	31132.496	39043 244	28307.186	4228.5 <u>68</u>	1,30,059
-ta -	Transmission Losses (MkWh)	Ш			<u>-</u> -	   <sup>-</sup>	
<u>. c </u>	Net Input Energy (MkWh)	27347.21	31132.496	39043.244	283 <u>07 186</u>	4228 <u>.568</u>	i,30, <u>059</u>
<u> </u>	Energy Sold (MkWh)	23228.10	2 <u>5714.19</u> 7	39437.008	22195.403	3835.6 <u>70</u>	1,08,410

auk

							1
	Revenue from	'	I			- 1	l
1	sale of						
1	Power(Including	!			I		
1	' subsidy		ı				77,924
l <sub>F</sub>	i booked}(₹ ¢r.)	13707 74	16885.41	28117.310	16052.02	3161.4 <u>8</u>	_ <u> </u>
<u> </u>	ı Adjusted		- 1			1	1
	revenue from			ı	I	'	
	sale of energy			1		•	
	on subsidy	'					
1	received basis				_		أ
-	( Cr.)	17399.83	16885 41	28117.31	16051 02	3161.48	_ <u>81,615</u> _
<u> </u>	Opening				- 1	- 1	
ı	debtors for sale		'				24.505
G	of energy (\$ Cr.)	24276.40	32520.68	1272) 10	20342.94	<u>3744.44</u>	93,605
"	Closing debtors	+ <del></del> - ;			- 1		
	for sale of	. :					I
н	energy (₹ <u>Cr )</u>	26:94 03	34485.71	13471.60	20844.8 <u>8</u> :	38 <u>15.50</u> <sub> </sub> .	<u>98,812</u> .
-14	Adjusted	+		Γ			
	Closing debtors	١,		Ι.		·	
	for sale of	i				'	00.007
	energy (K Cr.)	1 26194 03	34485.71	13471 6U	20844.88	3090.42	98,087
·'-	Collection	<del>†</del> +		]			1
	Efficiency (%)	' I					an Acs.
١,	(J=[F+G-1)/E]	88.98%	88.36%	97.33%	96.87%	97.75%	<u>98.06%</u>
<del> </del>	Units Revised	٦٠ - <del>' '</del>			ı	l ı	
'	{MkWh}+[	1 .		'	ı		- 1
	Energy	1 1					
	spid*Collection	'		ı	I	1 .	
$\perp_{\kappa}$	efficiency	20668 13	22721.720	32544.52	21 <u>499.9</u> 79	3749 <u>.46</u>	1,G1,184
- 1	Units	† <del></del>		·		] :	į.
	Unrealised		l	1	l	١.	
	(MkWh)= Net		l	1	I	ı	İ
-	Input Energy		l			l	10.075
Li	Units realised)	6679.08	8410 78	6498.72	6807.21	479.11	1 <u>8,875</u> ,
-	AT & C Losses	<del>                                     </del>				!	
	[%]=[{Units				I	, '	i
ı	Unrealised/Net			1			
	Input			1			33.300/ [
M	Energy]*100]	24 42%	27.02%	16.64%	24.05%	11.33%	22,20%
1 191	- rue-611 -201	<u> </u>					

F. Average Cost of Supply & Average Realisable Revenue:
The details of Average cost of supply (ACS) – Average Realisable Revenue (ARR) Gap are

given b	elow:		:	7		Г '		T-eal
S.No.	Particulars	Unit	MYNNL	Ρυγγηι	PVVNL _	DVVNL	Ke <u>sco</u>	Total
A	Total Input Energy	м <u>и</u>	27347.21	31 <u>132.00</u>	39043.244	28307.186	4228.568	130058.21
6	Total Expenditure	Rs. Crore	Z5117 <u>73</u>	270 <u>99</u>	1 <u>7339.64</u>	22470.380	3601.16	105627.91
	Average Cost of	ا !			I			
С	Suppy   (8/A*10)	Rs.	9.18	8 70	l <u> </u> 7.00	7 94	   <sup>8.5</sup> 2	8.12
	Total Revenue	Rs Crore	_17399.83_	, <u>136</u> 61.00	28117.31	, 16051_0 <u>2</u> 0	3537.720	7 <u>8</u> 766,88

Jul 30

	from Sale of Power							; 
	(Excluding					l ,		
	Subsidy					Ι.		!
	plus							į
	subsidy						'	!
	received					ı		
	Subsidy	Rs.				'	:	
E	Booked	Crore	3692.08	3224.00	6634.01	3604 71	376, <b>24</b>	17530.54_
	Subsidy	i fils.			I	l		35
F	Received	Crote	2840.89	3224.00	6634 01	3603.21	376.24	<u>_16678.35</u>
'	Other		i		l			
	Income				ı	İ		
	(Excluding							
	regulatory							
	income &							
	UDAY	Rs.				li		21.036.02
. G	<u>Grant)</u>	Crore	20240.72	152.00	232.14	_ 1338.12	63.95	21 <b>826</b> 9 <u>3</u> .
	Revenue		: I					
1	(Subsidy		'		i			ı
	Received	١.						
	Based) (D-	Rs.	 		 	1714074	3601.67	83192.98
H	: E+F+G)	Crore	20240.72	13813.00	28349 45	17188.14	3601.67	6315 <u>2.56</u>
	Average	i						
	Realisable							
	Revenue				1 7.7	4.03	0 6 7	6.40 [
1 _	, (H/ <u>A*10)</u>	Rş.	7.40_	4.44	7 26	6.07	<u> </u>	
	ACS-ARR	_	_ =-			1 12 4	0.00	1.72
1	<u>  G</u> ap (C-I)	Rs	1.78	4 27	-0.26	18/	0.00	1.72

<sup>\*</sup>Total Input Energy here means Input Energy before making any adjustments like Transmission Loss, Inter State Energy Traded etc.

### G. Creditors Days:

Discoms	Trade Payables (Power Purchase Dues) as on 31.03.23 (Rs. in Crore)	Total Power Purchase and Transmission Cost as on 31.03.23 (Rs. in Crore)	Creditors Days (in Days)
	Λ	В	A/B*365
MVNNL.	9886	16370	220
PuVVNI.	11296	16031	257
PVVNL	1934.36	21514.2	33
DVVNI.	10688,34	15210.53	256
Kesco	[344.5]	2465.67	199

### H. Debtors Days:

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DISCOMS	Not Trade Receivables as on 31 03.23 (Rs. in Crore)	Revenue from Operations (inclusive of ED) as on 31,03,23 (Rs. in Crore)	Debtors Days (in Days)
t		B	A/B*365
MVNNI.	20223	13708	538
PaVVNI.	28492	14415	721
PVVNL	9995.26	22692.18	161
DVVNI.	16725.05	12447.81	490
Kesco	3058.14	1354 25	333

- 45. <u>OTHER STATUTORY INFORMATION IN TERMS OF NOTIFICATION DATED 24.03.20</u>21 <u>ISSUED BY MCA IN TE</u>RMS OF SECTION 4<u>67 OF THE COMPANIES ACT 2013</u>
  - 1. The company does not have any Benami property.
  - The company has not traded or invested in crypto currency or virtual currency during the financial year.
  - 3. The company has not advanced or loaned or invested funds to any other person(s) of entity (jes), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
    - Directly or indirectly lead or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
    - **b.** (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
  - 4. 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) except to the following equity received from Got!! invested in the subsidiary(DISCOMs) as per its requirement and loans are taken and bonds are issued on behalf of the Subsidiaries(DISCOMs)or
    - (b) Provide any guarantee, security or the like to or on behalf of the ultimate heneficiaries.
  - 5. 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).
  - The company has invested in equity of its wholly owned subsidianes and other companies.



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- The company is not being declared wilful defaulter by the bank or financial institution or lender during the year.
- The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 9. The company has obtained fund/based/non-fund based credit limits from multiple banks aggregating to ₹ 1930 Crore against security of receivables. Accordingly, as per the terms of sanction, Quarterly /Half Yearly statements (on the basis of unaudited balance sheet) in respect of gross receivables (including both current and non-current receivables) have been submitted to respective banks which stand as below in different uttarters of F.Y 2022-2023 :-

Q1. Apr to Jun 2022 Total Receivables - ₹ 27935.44 Cr.
 Q2. Jul to Sep2022 Total Receivables - ₹ 31188.86 Cr.
 Q3. Oct to Dec 2022 Total Receivables - ₹ 30599.26 Cr.
 Q4. Jan to Mar 2023 Total Receivables - ₹ 25073.14 Cr.

Fund based and Non fund based ptilization as on 31 03,2023 is as under:

The quarter wise status of limits utilized is as below:-

(7 in Crore)

Fund E	Fund Based & Non Fund based Utilisation as on 30.06.2022								
Bank Name	Sanction Limit	Non-Fund Based	Fund Based	Total Availed					
Central Bank of India	105.00	88.93	9 93	98.86					
Punjah National Bank	465 00	149,69	81.78	231.4 <b>7</b>					
Indian Bank	430.00	150.00	115.00	265.00					
ICICI Bank	400.00		0.00	24 <b>8.</b> 66					
Bank of India	500.00	75.34	0.00	75 34					
HDFC bank	30.00	25.00	0.00	25.00					
TOTAL	1930.00	737.62	206 71	944.33					
	I	l <u> </u>							

(₹ in Crure).

				13 m Grore)
Fund B	ased & Non Fund	based Utilisation as o	on 30.09,2022	
Bank Name	Sanction Limit	Non-Fund Based	Fund Based	Total Availed
Central Bank of India	105.00	92.96	U.00	92.96
Punjab National Bank	465.00	142.79	100,81	243.60
Indian Bank	430.00	150.00	250.00	400.00
TCTCI Bank	40 <u>0,0</u> 0	<u> 295.50</u>	— a.oo	295.50
Bank of India	500,00	108 83	0.00	108 87
			l 🔟	L







HDFC bank	30.00	25 00 i	0.00	25.00
TOTAL	1930.00	815.08	350.81	1165.89
1	1			. !

(₹ in Crore)

Fund B	tased & Non Fund	based Utilisation as	ın 31.1 <u>2.202</u> 2	
Bank Name	Sanction Limit	Non-Fund Based	Fund Based	Total Availed
Punjab National Bank	465.00	142.79	4.61	[47.40]
Central Bank of India	105.00	93.71	0.00	93.71
TCTCI Bank	—		0.00	227.38
Indian Bank	430.00	150.00	280.00	430.00
Bank of India	500.00	100.83	0.00	100.83
HDFC bank	· - <sub>30.00</sub>	<sub>25.00</sub>	0.00	25,00
TOTA1.		739.71	284.61	1024.32
1	1		J	

(t in Crore)

				_1-11-11-11-11-11-11-1-1-1-1-1-1-1-1-1-
Fund B	ased & Non Fund b	based Utilisation as o	on 31.43.2023	
Bank Name	Sarction Limit	Non-Fund Based	Fund Based	Total Availed
Punjab National Bank	465.00	142.79	50.68	193,47
Central Bank of India	105.00	93.72	<u> </u>	93.72
ICICI Bank	400.00	227.38	-	227.38
Indian Bank	<sub>430,00</sub> !	— — <sub>150.1Ю</sub>	150.00	300.00
Bank of India	500.00	116 67		116.68
HDFC Bank	30.00	25.00		25.00
TOTAL	- T930.00 i	755.56	200.69	y5 <u>6.25</u>
_	l		<u> </u>	— <del></del> .

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

- 13. The company has not made any transactions during the year with companies struck offunder Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- 12. The company does not have any investment property.
- The company has not revalued any Property, Plant and Equipment (including Right-of-Use Assets).
- 14. The company has not revalued its Intangible Assets.



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- 15. The company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company/erstwhile UPSEB. However, the title deed of the land amounting to  $\ge 0.05$  Crore is not available with the company.
- The company has not been entered into any Scheme of Arrangements (sections 230 to 237 of the Companies Act, 2013) during the financial year.
- The company has not granted any loan or advances in the nature of loans to its promoters, directors, KMPs and related parties (except as disclosed in Point 19 of this notes) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

### 46. Recent pronouncements/ Amendments:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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

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	Particulars of Disclosure	Numerator	Denominat or	March '23	March 122	Variati on in Ratio (%)	Reason of variation for more than 25%
1	Current ratio	Current Assets	Current Clability	1.25	1.48	-15.79	``N.A.
- 2 	Oebt-Equity Ratio	Total Debt (Non current borrowings+Cur rent Borrowings)	Shareholder' s equity (Equity Share Capital+Othe r Equity)	4.07	2.76	47.22	Shareholde rs equity has been reduced by 35% on account of current year's losses and correspondi ng debt portion has been reduced by 4.49% only, resulting overall increase in Debt Equity Ratio by
3   :	Debt Service Coverage Ratio	Net Profit/(Loss) for the year+finance Cost+Depredati on & amortitation+P rovision for bad debts+Exceptio nal items)	repayment of non current borrowings	D.456	0.612	-25.52	47,22% Due to increase in net loss as compared to last year, Operating margin is reduced by 13%. Further, total debt obligation (including interest) has been increased by 16 64% due to increase in current maturity of borrowings
ļ	 	e de la constant	 			ا ر	These variation results the reduction in Debt Service Coverage

					- <u>-</u>	Ratio by 25.52%
Return on Equity	Net Profit/(Loss) for the year	Average Shareholder' s equity (Equity Share Capital+Othe r Equity)	-0.65	-0.19	243.02	Bad Debis & provision has been increased due to implementa tion of new provisionin g policy the gap between power purchased and safe has been significantly increased which has resulted in increase in Net Loss. Further. Average of Shareholde rs equity has been decreased by 17 11%. These two factors collectively results in overall decrease in Return on Equity by 243.02%
 Inventory Turnover Ratio (Revenue from Operation / Average Inventory)	N/A	N/A	N/A	N/A	.—	The business of the Corporation is to purchase electricity from generation source and sell the same to the

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-					 I			Public
					!			Hence, the
								company
			I		- 1			dioes not
					i l			have any
!		ļ			'			trade
-				I				inventory.
								The
		ı			, l			сомрапу
				I	۱ ۱			maintains   inventory
								only for
								internal use
								i.e for
								constructio
			1		ļ			n and
								maintenanc
								e of fixed
								assets
								Hence.
							I	disclosure
		ı	ı					in respect
'			ļ					of inventory
								turnover ratio is not
ĺ								required.
	6	Trade	Revenue from	Average	0.78	0.67	16.80	NA
		Receivable	operations	Trade	".,"	0.01	10,00	'*'`
		Turnover	0,000	Receivables				l i
		ratio	ı	, increased and	'			
-	;	Trade	Total Purchase	Average	2.31	1.84	25.35	It is mainly
	•	Payables	roidi i arciiase	Trade		2101		due to
		turnover		Payables				increase in
		Ratio		72,02.27				total
					i			purchase
		]					]	by 23.56%
ļ	8	Net Capital	Revenue from	Working	3.45	1.66	107.18	Working
		Turnover	operations	Capital				capita:
		Ratio						during the
			l ,					year has
ı								been decreased
								due to
							i	implementa
							'	tion of new
					I			provisiong
				ı				policy
			i				•	which
					- 1			resulted in
		:						increase in
		•	!					provision
				l				for bad and
				l			_	daubtful debts
				l				Geots Further,
				l				_jotal
				ļ		1		furnover
	ı		'					during the
<u> </u>				i	'			yearhas
			_ <del></del>					
		_	Och	38			j.	J
		୍ର	(AAA	-				
		ď						
		•						

9	Nei Profit Margin(%)	Net Profit(Loss) for the year	Revenue from Operations	-24.60%	-9.81%		been Increased by 13 40%. These two factors collectivery results in overalli Increase in the raika by 107.18%  Bad Debis & provision has been increased due to implementation of new provisionin g policy The gap between power purchased and safe has been significantly increased which has resulted in increase in Net Loss Further, Revenue from operations has been increased by 13.40% These two factors collectively
10	Return on Capital Employed( %)	Profit/Loss before interest and Tax	Capital Employed=N et worth (excluding Capital Reserve)+Lo ng term Borrowing+C urrent Borrowings	-4.95%	1.70%	-390.94	

Rut



11 (b)   Return on Investment   ment on Investmen	11  0	Return on Investment (on Bond Inverest)	Interest On Bonds	Average Bond Value	7.75%	7.75%	ρ.00	tion of new provisionin g policy at DISCOM level and increase in the gap betwenn power purchase and sale.
Long term debt to borrowing including current maturity of long term borrowing capital ratio  Long term borrowing including current maturity of long term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowing term borrowings has been increased significantly. These two factors collectively results in overall increase in the ratio by 74 50%		Return on Investment (for Investment with Subsidiaries & Joint Ventures)	ment on	Investment value excluding	0.11%	z.07%		due to decrease in return/ impairment on investment
OCULA TO THE TOTAL THE TOTAL TO THE TOTAL TO THE TOTAL TO THE TOTAL TO THE TOTAL TO THE TOTAL TO THE TOTAL TO THE TOTAL TO THE TOTAL TO THE TOTAL TOTAL TO THE TOTAL TO THE TOTAL TO THE TOTAL TO THE TOTAL TO THE TO		Long term debt to working	borrowing including current maturity of long	Capital		Ž.40	74.50	capital during the year has been decreased due to implementat ion of new provisiong policy which resulted in increase in provision for bad and doubtful debts. Further, current maturity of long term borrowings has been increased significantly. These two factors collectively results in overalt increase in the ratio by

13	Bad Debts to Accounts Receivables Ratio	Rad debts	Gross Average Trade Receivables	. 0.74	0.38	95.92	Reason for same is increase in Bad Debts & provision due to implementation of new provisioning policy at DISCOM
74	Current Liability ratio	Current Liabilities	Total Ljabiljty excluding	0.52	0.48	8.13	N A
15	Total Debts to Total Asset	Long term borrowing & current maturity of long term borrowing	Equity Total Assets	0.43	0.43	0.49	NA.
16	Operating Margin(%)	Operating Profit/(Loss)	Revenue from Operations	-41.90%	-34.65%	20.91	N.A.
17	Net Worth (SI excluding Cap	hare Capital + Othe ital Reserve)	r Equity	19250.4	3	-35.12	Bad Gebts & provision has been increased due to implementat ion of new provisioning policy, the gap between power purchased and sale has been significantly increased which has resulted in increase in Net Loss These two factors collectively results in
:	! :		_	ļ	į		overall decrease in Net Worth by 35.12%

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### 49. Disclosure regarding RDSS Scheme (PQ/SOP) compliance.

### I. PurvanchalVidhyutVitranNigam ltd.

Lincol Liety 1. Revenue Denut-2022-24 2 (21-22) Reserve from Operations (A = A1+A2+A3+A4+A3+A6). 70,425 Light 41. Recently from Sale of Fourier 41. From Charges Reprinted from the firm 43. Resense Gott Petroliniant Franchisco 44. Kesemio Joan Mich Sine site and Triating. 45 Resembly great Open Acres and Winteling 36. An orker Operating Resemble Revenue - Softs dies and Citarta (Hint BH-H2-H3) 0.553 5,839 RI: TangYSuhnafi Avaked 3.778 001 Marcania Growt insam CDM1. 7 (26.7 91 / Aker subsidies and George 2,459 Other Income (C + C + C2 + C4 + C4) 6.4 11 licovine por los againes se ferrosa con cine. 72 C2. Interest From Fixed German Ci. Mar. Non-taryf meanir from consumers (including DPS). 738 466 C4 286at Non-operating account Total Revenue on substilly banked basis ( D = A - B + C) 214,497 19,198 3004 3.778 Taniff Saltsuly Received ( F.) Total Resence on subsidy received based F • D • R1 • R1 201497 19,898 Whether State Concernment has made advance payment of subsuly for the quantity (s.No).

Table 2. Expenditure Details	7022.21	2021/22
Cost of Power ( Circuit = 1.2= 1.13)	463	2,055
GL Generation Contribute his GEPCOS	-	<u> </u>





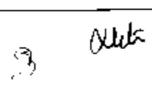


<sup>\*</sup>Revenue deletted by SERC as per tariff order for the relevant FY.

(J.) Parchage of Person	1,5,241	0.242
173 Transmission Charges	1011	2.7
UAIM Expenses ( H = 101 + 102 + 101 + H4 + H5 + H6 + 107)	11,090	8,420
HI Begans & Mandonados	716	N/ /
HT Complayer Cont	600	193
13 Admin General Especial	121	. ;; <del>;</del>
Ot Depresione	0.0	4/3
III. Total ingren Con	2782	2075
(i) 18hir sapetise)	5.090	75%
HT Taxophonal listus	37	428
Federi Expenses ( ) = G × (Î )	27,122	211,476
Profit hefere lax ( 4 - D - 1 )	-6.625	-57%
KT heate las	fi fi	-   "
K. (Wforced Fig.	- II	-
Profit after the ( L = J - K1 - K2)	4.625	-578

Light St. Lidal Assets	2023-23	20,21922
	ys on Flyt Mar	As on Jas Mai
Mi. Nei Tangibe: Assets & CWIP	19.294	15/94
M2 Other Nor-Correct Assets	24	:1
NIS Not Tride Representation	28 462	11 47
Agen Circum Youde Revenable Come Test	n 782	п,Мч
MID, Arrise Frade Recordable Concollan Cine Days	91,833	74 359
MS: Prairies for his libbit	46.142	<,058
M4. Subsey Receivable		_
MS Other Current Asses	3 174	11.241
Total Assets (M = MI + M2 + M3 + M4 + M5)	\$7,106	61.321
Table 4 (1971) Equivalent 1 at titles		
N.) Share Capital & Ciencial Reserves	25 194	27 235
N2 Accomplate: Scriptus' (Orfice) se per Balance Sheet	25,00	00,556
KV Guvetnment Grapts for Capital Assets		li
Nº Ninecurte ii Labilato	, 40M h	1,380







NS Capes Borrowings	11,648	24.740
NGO LONG PERO DOMES Some Green	n	07
NGb Tring Term Lineau - Bunks & Fis	22,965	24,637
Nag Steven Form Modulus Form - State Clinic		<del>                                     </del>
NAS Share Trent Machine Perro Hanks & Fir		
No Non-Capes Benowings	0	0
Var Chart From Burninga Jam Banks, Fit.	<u> </u>	
Na Cash Credit Olefran Bunke Fri		1
NB Payables for Purchase of Power	11,286	9,5,6
NV subor Current Liute hites	12,027	11,342
Total Equity and Cighilatics ( N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)	47,106	61,121

The College pool Octobs		
	2022/23	20000
Cit. Gross Power Programs (MD)	V 132	28021
Grass Input Energy (NII') (O5 -: D2 - (O4)	31,132	28.621
ON Transmission Loses (M.: Obtenstate & Intrastate)		-
OT: Gross Energy start (NIP)	25.714	22,8%1
O'p racegy Sold to reconcemposes	25,714	22,854
Oth Bulk Sale to Unarchama Franchisev	"	"
O'v. Investige Sale America Traded Seed Dispose	-	0
Net Input Energy (ME) (CR = OS - O6 - Ofe)	31.132	29.621
Net Energy Sold (NEC (4 OV = OT - OTe)	25,714	22,354
Revenue Billiod ancienting subsidy booked (OBI) = AB + A4 - A3 + B3)	16,135	16,202
OTT Overlag firms. Tude Receivables (mainting any adjustments) (Receive)	32.521	28 126
OTC Adjusted Centur Clearly, Trade Receivables (Recinite)	(Ja, IAn	32.01
Revenue Collected anciesting substitut parametric (0.13 = A1 = A2 = A3 = E = 0.11 = 0.12)	14.920	12.11177
о <b>ш</b> -па, Рийскенсу (46 г. г.) и н. С. С. С. С. С. С. С. С. С. С. С. С. С.	R2.59	79.85
Collection Efficiency (NA) (1915 - OTERNITY 100)	RR.16	71.73
Energy Realised (385) (0315a = 4015* 179)	22,72,130	(2,07,01)
\$7.64 (1.86 (551)(916 - [m] Out*Q(57)(m)	21.02	49.33

Table to Key Dirac stees		
	2022-27	2021-23
ACS (RankWh) ( PI = P10/05)	4.71	7.15



XUL



6.58	6.39
2.13	0.76
6.58	h.14
21)	0.56
4,44	4112
421	197
761	91.5
257	252
25,623	20.581
	2.13 6.58 2.13 4.44 4.21 761 257

1 (by 2. Lupsuct.) Category row Hearts of Sale (ML)	2022-21	2021-22
Ol Domogar	11 766	17.248
Q2 Commercial	2,340	1,984
Q3 Agricultural		2,643
[3] Industrial	* 505	2 203
On Geor Dept (1973BRI IPPNEW Public Jaghtry)	2,0x0	1094
Of Others	761:	627
<b>К</b> ұлын аул	-	•
this supply	-	
Mestilantitu	700	62
Distribution Federalisms	п	:1
hierstale Dading CI		$\dagger$
Gross Energy Sold (4)* = 4)( + ()2 - ()0 + 4)4 + ()5 - ()6)	25.714	22.254

Faldi, 9. Constrain Chategor (was) Netads of Sale (Rs. Cons)		
	2022-23	2021-22
Of Dumeştir	6,177	\$747
32 C-sourced	2.94	2,)14
Q) Apric/iura!	144	1!4
Q1 .nJesiral	2,273	2,119
QN Gent Dept (100,000) INPWW/Nebt Enghanzi	,663 	, i =3/4



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560	J - 541
·	- 6
<del>-  </del> .	<del>                                     </del>
500	¥45
d	н:
	—·}——
13,661	12,415

# II. MadhyanchalVidhyutVitran Nigam ttd.

Table 1: Recency Detains	2077-23	2027-33
	(Amhted)	(Restated)
Reserve from Operations (A - A1) A2+A3+A4+A5+A61	13,708	13,070
A1: Honorous from Sale of Power	13,683	13,066
32 Fixed Charges Recovery from the 6 vic	-	+
A3: Hercome from Disterbusion Fermandica		<del>  -</del>
44: Sevenue from Inter-state sale and Durling	25	4
An Bevenue from Open Acress and Wheeling	<del>  .                                   </del>	<del> </del> -
AG Ans other Operating Receipte		<u>:</u>
Revenue - Substities and Grants (B B1 - B2) (B1)	6,099 -	5,104
(I) Family Substile Booked	3,692	3,664
hi Revenue Grant author 17041		1 -
83 Other Subradies and Grana	2,407	[,440
Other Incurne (CT - CT-CZ+CZ)	- 1707   - 124	279 -
C) Income booked apparent defected on come =		
	•	-
(2) May Somewriff income from companies (including DFS)	336	184
C3. Other Spiritpersion procume	<b>y</b> 9	95
Intal Revenue un subsidy booked basis ( D = A + B + C)	10,341	18,452
Fariff Subsety Received ( U )	3,692	3,664
fotal Resenue on subsidy received basis ( F = D-B) • E)	20,24[	18,452
Whether State Government has itself advance payment of subsidy for the period Yes/No.)	<u> </u>	No

Fibic 2, Expenditure Details

2023-13

2021 21



ald



	(Ambled	Historia
Cost of Power ( G - G1 - G2- G3)	16,370	13,780
G1: Generation Cost (Class for ColdRYS),	-	<del></del>
GI: Purchase of Perser	15,678	13,122
G3: Frantmusian Charges	692	658
OatM Expenses (71 - 111 - 102 - FH + 114 - H5 - 2In + 117)	8,712	6,617
III Populis & Manuscance	1.477	375
112: Employee Core	630	425
11): Admind General Excenses	80 <b>.</b>	603
H4: Depreciation	839	674
113. Tanal Interesa Cost	1,775	1,726
116: Giber expenses	4,138	2,437
H7. Exceptional Intera	25	377
Total Expenses (1 = G + H)	25,082	20,397
Profit before tax ( J = D - I )	(4,841)	(1.545)
LT Incolon 740		+-
K.E. Delerena Fax		+-
Profit piter tan ( I. = J - K1 - K2)	(4,841) ~	(1,945)

Table 3 - Lutal Assets	2022-23	2021-22
	As ma	As un
	Alst Min	21st Mar
	( Sudded)	(Restated)
MT. Net l'angible Assers & CWIP	17,942	77.736
M2: Other Name Current Assers	633	0
M3: Net Trade Receivables	20,170	22,535
M3u: Gross Trade Receivable Gove Depr.	5,193	26,657
M36: Grass Trade Receivable Other-than Gost. Dept.	29,792	
M3c Provision for bad debes	8,293	4.776
M4: Subsidy Receivable	ıv	48.5
M5 Ophyr Current Assets	3.794	\$ 5,727
Total Assets ( M = M1 + M2 + M3 + M4 + M5)	42,597	13.00
Lable 4. Lasal Louis and Labilities	! {:://	1 \ 0 1

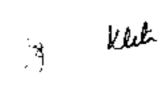






N1 Share Capital & General Reserves	2.7.397	21,510
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	20,278	- (3.43)
N.i. Liovernment Grants for Lapital Assets	3,703	1,085
N4 Non-current liabilities	TT 329	1,223
N5: Capex Burrowings	17,916	17,382
NSa: Long Term Loans - State Cavi	. 4	77
NSh: Long Term Loans - Banks & Fit	74,355	15,760
NSc: Short Term/ Hedium Term - State Govt	6	1 R -
N3d: Short Term/ Medium Term - Banks & Fls	3.461	7.696
N6; Nng-Capex Borrowings	<del></del>	
Nha: Short Term Barrowings/ from Bunks/ FIs		- 1
NGb: Cash Credit/ OD from Bants/ Fix	—·  s	9
N7: Payables for Furciums of Power	9,846	. y 9u2
K8: Other Current I (abilities	6.857	8,083
Total Equity & Liabilities (N=N1 +N2 +N3 +N4 +N5 + N6 + N7 = N8)	42,697	45,790

Lable 5: Lecture at Octobs	2022-23	2021-27
	( Yadired)	(Restate)))
Oli: Total Installed Capacity (MW) (Quarter Ended) (Ordy for GEDCOs)	-	,
Ola: Bydel	-	·
O/h Dermal	···•	-
Over Gos	-	†-
(tid. inheri	<u> </u>	<del>  -</del>
O2: Total Generation (MCF(Quarter Ended) (Only for GETR/Os)	<del>-</del>	•
(12a - 1),de)	-	<u> </u>
O26 Thermal	-	+-
Ox Oxe		
D2d Others	-	† ·
0.0: Total Auxiliary Consumption (ML') (Quarter Ersled)	-	<u> </u>
04 : Gross Power Purchase (MV) (Quarter Ended)	27,347	24,353
Griss Input Energy (MU) (OS+O2-O3+O4)	27,347	24,353
Oir Teinsmission Lesses (MLP) Interstale & Impactale)		<del>.  </del>
07- Gross Energy sold (MU)	23,228	- 10.126
O/a. Energy Sold is toon consumers	23,202	20,114 (5)





(17th Bulk Side to Distribution Franchises		
(No. Instrume Sale: Emergy: Traded No.) 17 & sport	26	12
Net Input Energy (MO) (OB = OS-O6 -O7e)	27,321	24,341
Net Energy Sold (ML ) ( CO2 = CO7 - CO7e)	13,202	20,114
Revenue Billed including subsidy backet (O10 = A1 + A2 - A3 - B1)	17,375	16,730
OTF Opening Gross Trade Receivables Coolining any adjustments) (Bactore)	24,276	20,685
O12. Adjusted Gross Closing Trade Receivables (Riceare)	76,106	24,276
Revenue Collected including subsidy received (O1) = A1 + A2+A3+E+O11 - O12)	15,546	13,138
Billing Efficiency (75) (O14 = O9/OB-100)	\$4.92 ···	82.63
Cyllection Efficiency (%) (O15 = 013/O10*100)	87.47	78.53
Energy Realised (S10) (O)50 = O15*O91	20,759	15,795
AT&C Loss (%) (OJA = 104- O14-O15/100)	24.02	36.11

Table 6, Key Parameters	20023-28	2021 22
	Conblots	(Restoted)
ACS (Rs:/kWh)   P  = 1/16/05)	9,17	8.38
ARR un Subsidy Hooked Rasia (RackWh) : P2 + De1(POS)	7,40	7.59
13ap on Subsidy Booked Basis (Rs./kWh)   P3 = P1 - P2)	1.77	0.80
ARR on Subsidy Received Basis (Rs./kWh) (P4 = F*10805)	7.40	7.58
Cap on Subsidy Received Basis (Bs./kWh) (PS = P1 - P4)	1.77	0.80
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs/kWhit4Pb = 1F-B2 C4)*10/OSt	т,40	7.58
Gap on Subsidy Received excluding Regulatory Income and CDAY Grant (Rs AWh) (P7 - P1 - P6)	1,27	0.80
Recentables (Days) (PB = 365*NI3/1)	537	629
Payables (Days) (P9 = 365* N784)	120	26j
Total Burrowings (P10 = N5 + N6)	17,816	17,382

Table 7: Consumer Category-wise Details of Sale (MU)	2022-23	2021-22
	(Audited)	(Restated)
Q1: Domestic	13,149	11,141
Q2: Commercial	~2.812 	2,379



g delt

Distribution Fronchisee	-	-
Miscellaneous	265	239
Bulk Supply		•
Rodwaya	31	31
Q6: Others	322	282
Q5: Govt. Dept. (ULB/RLB/ PWW/PL)	1,921	1,748
Q4: Industrial	2,497	2,155
Q3: Agricultural	2,527	2,421

Table 8: Consumer Category-wise Details of Sale (Rs. Cr.)	.) 2022-23	2021-22
	(Audited)	(Restated)
Q1: Domestic	6,652	5,856
Q2: Commerçial	2,212	2,052
Q3: Agricultural	772	565
Q4: Industrial	3,040	3,009
Q5; Govt. Dept. (ULB/REB/PWW/PL)	907	1,231
Q6: Others	125	356
Railways	13	19
Bulk Supply	•	-
Miscellaneaux	88	334
Distribution Franchisee	-	-
Interstane/ Trading/ (/)	25	4
Gr. Energy Sold (Q?=Q1+Q2+Q3+Q4+Q5+Q6)	13,708	13,970

## III. <u>Dakshinanchal Vidhvut Vitran Nigam Itd.</u>

9 Klub

		crorel
Table 1 Receive Details		
	2422- 23	2021-2
Revenue from Operations ( $\Delta = \Delta 1 + \Delta 2 + \Delta 3 + \Delta 4 + \Delta 5 + \Delta 6$ )	12,333	10,406
43' Revenue from Sale of Power	11307	9,477
A2. Fixed Charges-Recovery from theft etc		l
33 Revenue from Distribution Franchisee	1/026	935
A4: Revenue from Inter-state rule and Frading		
35 Revenue from Open Access and Whealing	I	
A6: Any other Operating Resemble	1	
Revenue - Subsidies and Grants (B = B1-B2-B3)	4,803	4,265
B) Tariff Subridy Booked	3,664	3,776
H1. Revenue Grant under UDAY	206	296
B3 Other Subsidies and Cirants	993	289
Other Invertee (C = C1 (C2 (C3)	146	141
CI Intome booked against deferred revenue*		
C2 Mise Non-tariff income from consumers (including DPS)	94	102
C3: Other Non-operating recome	. 52	39
Folal Revenue on subsidy hooked basis ( $D = A + B + C$ )	17,282	14,812
Far ft Subsidy Received ( E )	1.603	3,770
total Revenue on substdy received basis ( F = 1) + BT + E)	17,281	14,612
Whether State Government has made advance payment of subsidy ( quarter(Yes/No)	or Uie	

<sup>\*</sup>Revenue deterred by SERC as per tariff order for the relating FY.

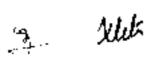
Table 2-2 spenditure Details			
		2022 23	2021-22
Cost of Power (G = G) = G2+ G3)		! 15,211	10,987
G! Generation Cost (Cirly for (TEECOS)		-	
G2 Epichase of Power		74.493	19.208
G.i. Transmission Charges		—·   <sub>18</sub> -	699
g the	51	' _ / _ ' ' '	M.)
er i			





O&M Expenses (II + III + II2 + II3 + II4 + II5 + II6 + I27)	7,134	6,864
H1 Repairs & Maintenance	5 v 2	585
H2: Emplayee Cost	160	373
113. Admid Congrat Expenses	507	MS
No Deprociation	តិរង	637
115: Total Interest Cost	2,926	2.156
16: Other responses	2,623	2,217
F: Exceptional Bems	27	244
Fotal Expenses (I ~ G + II )	22,344	17,771
Profit before tax ( J = D + I )	(5,062)	(2,959)
CI. Income Tex	—·	
C2: Deferred Tax	· <del> </del>	
Profit after tax ( L = J - K1 - K2)	(5,062)	(2,959)

Table 2: Total Assets	2022- 23	2021-22
	Av. no. 21st Alan	As of 5Est Mar
M1: Net Tangible Assets & CWIP	17,332	15,492
M2. Other Non-Correm Assets	1.559	1.770
M3: Net Trade Receivables	16,725	18,599
M3a: Gross Trade Receivable Govt. Dept.	4.457	4.627
M3b: Graax Trade Receivable Other-than Govt. Dept.	18,034	18.671
M3c: Provision for had debts	6,766	4,899
M4: Subsidy Receivable	<del></del>	
M5. Other Current Assets	1,447	3,164
Total Assets ( M = M1 + M2 + M3 + M4 + M5)	37,064	39,025
Table 4: Total Liquity and Liabilities		
N.I. Share Capitol & General Reserves	25,736	24,390
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	(30,0)4	(24,971)

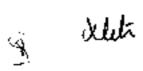




N3: Government Grapts for Capital Assets	1,986	1.609
N4: Non-current habilities	4.276	3,413
N5: Capes Borrowings	16,408	18,749
Nba: Lang Term Loons - State Govt	0 .	1/3
N6h: Long Term Loans - Banks & Fls	76,408	78 636
Noc: Shart Termi Medium Term - State Govi	<u>'</u>	
N6d: Short Term Medium Term - Banks & Fls		
N6: Non-Capex Borrowings	-	
N7u. Short Term Barrowings/ from Banks/ Fls		
N7b; Cash Credit/ OD from Banks/ Fis		
N8: Payables for Purchase of Power	10.688	7 510
N9. Other Current Liabilities	\$.080	8.305
Total Equity and Liabilities ( $N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)$	37,064	39,025

Table 5: Technical Details		
	2022- 25	2021-22
GF : Gross Power Parchase (MID) (Quarter Ended)	28,307	25,725
Gross Japut Energy (MU) (O5 - O2 - O3 + O4)	28,307	25,725
O6. Fransmission Losses (MUXIntenstate & Intrastate)		
Q7: Grass Energy sold (MU)	22,195	19,129
OFa. Energy Solid to stron consumers	``19,9 <del>7</del> 0	17,099
O75, Balk Sale to Describution Franchises	2.226	2,030
Of Contemple Sale Freego, Fracked Net Cl Export	-	
Net Imput Energy (MU) (O8 = O5 - O6 - O7c)	28,307	25,725
Net Energy Sold (MU) ( 09 - 07 - 07c)	22,195	19,129
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	15,937	14.176
OTT: Opening Gross Trade Receivables (and Juding any adjustments F(Rectore)	20,341	19,315
O12 Adjusted Gross Closing Trade Receivables (Ricere)	7 20. <del>845</del> **	20,341
Revenue Collected including subsidy received (O13 = $A1 + A2 + A3 + F + O11$ )	15,434	CD-48





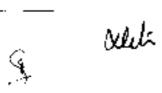


Billing Efficiency (%) (O14 = 09/08^100)	78,41	74.36
Collection Efficiency (%) (O15 = O13/O10*180)	96.85	92.75
Energy Realised (MC) (O15a - O15109)	21,495	17,742
AT&C Loss (%) (O16 ~ 100 - O14^O15/100)	24.06	31.03

table 6: Key Parantyters		
	2022) 13	2021-22
ACS (Rs./kWh) ( P1 = 1*10/05)	7,89	6.91
ARR on Nubsidy Booked Basis (Rs./kWh) ( P2 ~ D^10/O5)	6.11	5.76
Gap on Subsidy Booked Basis (Rs./kWh) ( P3 = P1 - P2)	1.79	1.15
ARR on Subsidy Received Basis (Rs./kWh) (P4 = F*10/O5)	6.10	5.76
Gap on Subsidy Received Basis (Rs./kWh) (PS = P( + P4)	1.79	· L.15
ARR on Subsidy Received cacloding Regulatory Income and UDAY Grant (Rakwh) (Rs./kWh) (P6 + (F-B-C1)* 10/O5)	6.03	5.68
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P7 = P( - P6)	1.86	1.23
Receivables (Days) (P8 = 365*113/A)	495	652
Payables (Days) (P9 = 365*N&G)	256	251
Total Borrowings (P10 = N6 + N8 + N9)	27,096	26,260

Table 7: Consumer Categorywise Details of Sale (MC)	•		
		2022- 23	2021-22
Q1. Domestic	:	8,059	6,755
Q2. Commercial			1,023
Q3: Agricultura.	:	5.011	4,343
Q4. Industrial	- +	3,990	3,372
Q5, Govi, Dept. (LLB/RLB,PWW/Public Lighting)		1.332	1,407
Q6: Others		2,359	2,229
Radways — — — ·			50 -
Budk Supply	·— ·	<del>-</del> -	<b>-</b> .
Miscellaneous	<u> </u>	133.3	144
<del>-</del>			· · —







ļ	Distribution Franchises	2,226 i	2,030	
-	Interstante Trading (1			
-	Gross Energy Sold (Q7 = Q1 + Q2 - Q3 - Q4 + Q5 + Q6)	22,195	19,129	

Table 9: Consumer Category wise Betails of Sale (Rs. Conce)		
	2022- 25	2031-23
Q1. Domestic	4,614	3.580
Q2: Conunctical	:_ 1,400	1.204
Q3: Agricultural	746	608
Q4: Industrial — — —	3.716	2,795
Q5: Gov t. Dept. (TILIB:REIS/PWW/Palifile Lighting)	1.210	1.222
Q6: Others	1,046	997
Haith ays		531
Bulk Supply		-
Miscellanenas	20	11
Distribution Franchisee	1,026	975
Interstate Trading CT		
Gross Emergy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	12,333	10,406

# IV. Paschimunchal Vidhyut Vitran Nigom Itd.

Year	
2022-23	2021-22
21,480,20	18,200786
27 483 20	19,207.30
-	
-	_
	2022-23 21,480,20



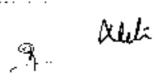
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Revenue - Subsidies and Grants (B. 181-82+83)	6.634.01	5,560,43
B1: Tarif Subsidy Booked	4 097 19	3,304.14
B2 Revenue Gram under UDA)	<i>373 39</i>	873 59
P3 Other Substition and Grams	1,067.27	7 382 70
+ Rither Income (C = C1 · C2 · C3)	232 14	258 90
C1: Income banked against deferred revenue*		
CQ: Apric Non-rarely income from consumers (including DPS)	98.47	104 0.1
C3. Other Non-operating occume	73747	154.86
Total Revenue on substity booked basis ( D = A = B + C)	28,349.45	24.020.33
Tanff Suhsidy Received ( E )	4,091,19	J.,HI4,14
Total Revenue on subsidy received basis ( F = D - B1 + E)	28,349.45	24.020.33
Whether State Government has made advance payment of tubidy for the quarter(Yes/No)	he	•

<sup>\*</sup>Revenue deferred by SERC as per faritification for the relevant EY

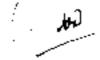
2022-23	
M42-23	2021-22
21.5 (4.20)	20,101.85
	<u> </u>
29,525,50	19.171.60
988.70	930.25
5 840 61	4,617.77
7. 7ACA6	639.20
1 620.06	539 58
477.73	45] 64
AVV 8)	643.23
1 101.53	1.519.86
2 223 28	301.03
10.14	334.17
27.563.N1	24,719.62
i	
985.64	(699.29)
	29,525,50 988,70 5,849,61 200,06 477,73 620,06 477,73 620,06 477,73 604,07 1,101,53 2,233,28 16,14 27,563,81





Profit after tax ( I. = J - K I - K2)	985.64	(699.29
Halance Sheet		
	2072-23	7021-22
Table 3: Total Assets	As on 31st March	An 31at March
M1: Net Tangthie Assets, CWIP & Others	16.135.67	15,859.
M2: Other NoroCurrent Assets	6.583,52	7,467 3
MD: Not Trade Receivables	5093.26	11.587.
Min Chain Trade Receivable Gavi. Dept.	2,266,25	2,979.5
Mile Gross Trade Receivable Other-than Gost (Wpt	11,940.71	30,616
Wie Provision for had debys	4,211/20	2.00(8.0)
M4. Schaidy Receivable	; .	
M5: Other Current Assets	4,442.75	4,299.2
Total Assets ( M = M1 + M2 - M3 + M4 + M5)	37,157,25	39,213.
l'able 4: l'otal Equity and Liabililles		
N1: Share Capital & General Reserves (includes Share Application Money pending Allometer)	26,403-36	28,6590.0
N2 Accumulated Surplus. (Deficit) as per Balance Sheet	117,969,5 - 31 - 1	(21.623) 0)
N3. Government Grants for Capital Assets & Consumer Contribution	6.731.77	6,185,29
N4: Non-current liabilities	2,351,87	2,225.67
N5: Capex Bornivings	10.569.R3	11,386.0
Non-Long Term Lanas - State Core	60.01	69 (0)
N6b Long Term Luans - Banks & Fis	8 f70.25	9.2 <b>9</b> 6.3.
Stor: Short Term, Aledinar Ferm - State Cost		
You Short Term Medium Term - Banks & FIs	2,339,57	2,021 11
Nis Non-Capex Borrowings	0.60	0.00
NTa: Shari Term Barrawings, from Bandes, 178	—	
N7h Cath Credit OD from Banks Fig.		
NR: Payables for Purchase of Power	1.934.36	5.390.03
CP Office Current Liabilities	7.135.49	6.95%.55
Q October 57		

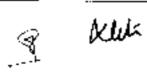




Total Equity and Liabilides ( N = N1 + N2 + N3 - N4 + N5 + N6 + N7 + N8 + N9)	37,157,25	39.213.30

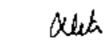
Balance Sheet Check

Table 5: Technical Octalis	Year	
1404 0- 14/10/1041 ORIGID	2022-23	2021-22
OT Total histalled Capacity (MW) (Yearly Ended) (Only for OFDCOs)		
Ola Hydel		
Off Deenst	!	
Ole Gas	1	
Old Odges		1 -
O2: Total Conemition (MD) (Yearly Ended) (Only for CLDCOs)	! .	
Olar Hydel	•	-
(D2b Timerma!		
O2c +5av		
Old Others	-	
O3: Total Auxiliary Consumption (MU) (Yearly United)		•
O4 : Gross Power Purchase (M10 (Yearly Ended)	35093.24 4	34,427,50 6
Gross Input Energy (NIU) (O5 = O2 - O3 + O4)	3 <mark>9.043.24</mark> 4	34,427.50 6
O6: Transmiss on Losses (MT)(Interstate & Intrastate)		
O7: Gross Energy sold (MU)	33,437.40 N	28,238.69 *
Of a Energy Sald to recu consumers	03,437,00   8	28.238.69 8
O'b Bulk Sale to Distribution Feguralism	-	-
O'C Interstate Sale: Finergy Traded New U. Export	-	
Yet Input Energy (MC) (O8 = O5 + O6 + O7c)	39,043.24	34.427.50
		6
Net Energy Sold (ML) ( O9 = O7 - O7c)	33.437.00 8	28,238.69 B
Revenue Biffed Including subsidy bnoked (O10 = A1 + A2 + A5 + B1)	25.574.49 D	21,505.14 0
OTI: Opening Gross Tride Receivables (including any adjustments) (Riscrore)	+ 13.595.81	12,325 35
O12: Acquisted Gross Closing Trade Receivables (Receivables)	14.296:96	13,595 81



24,963.34	20,234.68
85.64	82.02
97.61	84'08
32.637.97	26,570.44
16.41	22.82
Year	
2022-23	2021-22
7.01	7.1∦
7.26	6.94
-0.25	0.20
7.26	6-9H
-0.25	0.20
7.84	6.72
-0.03	0.46
170	232
. 33	98
10,569.83	11,386.64
Year	
1022-23	2021-22
13,569	11,045
2,048	1996
4,691	6.212
7.867	6.607
837	724
. 2,423 j	1,955
N5	R5
2.338	1.870
	· .
	#5.64  97.61  32.637.97  16.41  Year  2022-23  7.01  7.26  -0.25  7.26  -0.25  7.44  -0.03  170  33  10,569.83  Year  2022-23  13.569  2.348  -6.69  2.348  -7.867  837  2.427  85







Gross Energy Sold (Q7 = Q1 = Q2 = Q3 = Q4 + Q5 + Q6)	35,457	28,239		
Table S: Consumer Categorywise Details of Sale (Rs. Crore)	Year	), teat		
,	2022-23	2021-22		
Q1: Damestie	8,820.00	7.5(7.00		
Q2: Commercial	2,30, <u>100</u>	2,020,00		
Q0; Agricultural	953.00	1,004,00		
Q4: Industrial		! 5,780 (XI		
Q5: Govt. Dept. (ULB-RLB:PWW-PuBlic Lighting)	1.659.00	936,00		
Qn: Others	1.565 10	944,00		
Burbugs	84 (10)	19,00		
Budk Supply	1	·—·		
Miscellaneous	2.599.00	2.228.00		
Distribution Fernelipse		L		
Intermore Trading (1)		<u> </u>		
Gross Energy Sold (Q7 = Q1 + Q2 - Q3 + Q4 + Q5 + Q6)	; 21,483.30	18,201.00		

## V. Kanpur Electricity Supply Company Ltd (KESCO)

Annexure-III to Notes on accounts

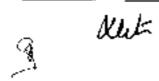
Information as per REC Guidelines under RDSS

I. Profit & Loss	1 Amount (₹	In Crore)
Table 1: Revenue Details	<u>i_</u>	
	j <sup>2022 23</sup>	2021-22
Revenue from Operations (A + A3) A2+A3+A4+A5 (A4)	3,161,48	2,744,52
Ale Revenue from Sale of Power	3,161.48	2,744,52
12 Fried Charge: Recurry from theft on	I	. 1
13 Revenue from Discribution Franchisee		<del>'</del>
14 Hesenia from Inter-stone sale and Freding	<u> </u>	
15 Revenue from Open Jecoss and 3 heeling		
16 Am other Operating Revenue	<del></del>	· —
Revenue - Subsidies and Grams (B - B1+B2+B1)	376.24	21×,96
N.I.I-		ل <u>ن</u> ننر

60

1 BI Conff Subsidy Booked		
B2 Revenue Orean under CDAY		
B3 Okhar Suktidiya und Grams		219.96
Other Income (C = C1 (C2 (C3)	63.95	47.31
('I income booked against deferred resenue*		
1 (2) Misc. Non-saroff hospine from consumers (including 1)PS)	58,8u	15.56
(3) Other Non-aperating income	515	11.75
Total Revenue on subsidy hooked hasis ( $\mathbf{D} + \mathbf{A} + \mathbf{D} + \mathbf{C}$ )	3,601 67	3,011.79
Tariff Subsidy Received (1, 1	$\neg$ $\longrightarrow$	
Total Revenue on subsidy received basis ( F = D - B1 + E)	5.601.67	3,011.79
Whether State Government has made advance payment of subsety for the quarter(Yes/No)	· +	
*Revenue deferred by SURC as per tariff order for the relevant FY	' <u>'</u>	/

Table 2: Expenditure Details	. — —	Amount (₹ in Chure	
	2022-23	2021-22	
Cust of Provery G = 1(1) + G(2 + G(3))	. <u> </u> <sub>2.465.67</sub>	2.541.00	
G1 Generatina Cost (Only for GENC(18)	. — — —		
G2 Parchase of Power	2358.59	- <sub>2440,29</sub>	
O) Pransmission Charges	107.08	100.71	
(M&M Expenses ( II = H)   1   112 + (13 + )   4 - (15 + H 6 + 127)	1135,49	684 86	
HI Reports & Maintenance	+4.60	42,89	
H2 Employee Case	129.96	125.01	
H3: Administration & General Expenses	225.10	212.76	
H4 Depreciation		54,44	
H5: Torp! Interest Com	284,93	256.22	
116 Other expenses	-   -   390,79	(200,56)	
Hi Exceptional Dems	<del></del>	94,10	
Cotal Expenses ( I = 1; + 1( )	3,601.16	3,225.86	





Profit before tay ( J = D • I )	0.51	(214.07)
KI: Income Tax		1
K2: Deferred Fox	. <u>i</u>	
Profit after $\tan \left( L = J - K1 - K2 \right)$	0.51 1	(214.07)
Other Comprehensive Income	(2.02)	(2.72)
Net Profit/(Loss) for the Period	(1.51)	(216.79)

II. Balance Sheet	Amount (7 in Crore)	
Table 3: Total Assets		
<del>-</del> ·	2022-23	2021-22
M1: Net Tangible Assets & CWIP	1.174.41	1.163
M2 Other Non-Current Assets	7.44	7.
M3. Net Trade Receivables	3,058.14	3,376,3
M3a: Gross Trade Receivable Govs. Dept	<del>                                     </del>	
313b Gross Trade Receivable	5,998.02	3,925.3
M3c:Provision for had debts	939,88	549.5
M4: Subsidy Receivable	437.04	488.6
M5: Other Current Assets	370.98	 485.4
Total Assets (M = M1 + M2 + M3 + M4 + M5)	5,048.01	5,521,4
<del></del>	<del>'</del>	· ·
N1: Share Capital ,General Reserves & other reserves	2846.18	2658.1
N2 Accumulated Surplus/ (Deficit) as per Balance Sheet	(4486.93)	(4185.4)
N3: Government Grants for Capital Assets	<u> </u>	
N4: Non-current liabilities	i 254 99	255.0
N5: Capex Burrowings	2.949.67	2,778.1
	: .	
Noa. Long Term Loans - State Gast	0.00	0.0

Nhe: Short Terms Medium Term - State Gort	!	'
N6d, Short Term, Medium Term - Banks &Fls	633.74	3.11 80
N6: Non-Capex Borrowings		-
NTa Short Term Barrowings: from Banks: Fis		·
N7b: Cash Credit. OD troot Ranko Fix	i '	i
N8: Payables for Purchase of Power	1344.51	2352.26
N9: Other Current Liabilities	1.839.59	1,663.28
Total Equity and Liabilities ( N - N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)	5.048.01	5,521.46

Table 5: Technical Details	Amount (?	Amount (7 in Crore )		
· <del></del> ·- <del></del> ·- <del></del>	2022-23	2027-22		
O1: Total Installed Capacity (MW) (Quarter Foded) (Only for GFDCOs)	: . 			
Ola: Hydel	··			
Oth Thermal	.			
Ole: Gas				
	ı			
Old: Others	1			
O2: Total Generation (MU) (Quarter Ended) (Only for GEDCOs)	!			
O2o, Hydel				
O25: Thermal	<del></del>	··		
O2a: Gav	<del></del> -	· !		
O2d Others	i i	ا		
O3: Total Auxiliary Consumption (MU) (Quarter Inded)	į į	·— ·		
ON: Gross Power Purchase (MD) (Quarter Ended)	4,228 568	3.757.862		
Gross Input Energy (MU) (OS = O2 · O3 + O4)	4228.568	3757 862 <sup>1</sup>		

iklik

Jud .

106	Lransmission I	Loscos (MI	Atheterstate:	&: Intrastate1	ì
COO:	i ransimission i	I MINNON UNITE	, 11   10 (     1 )   10   10	ESS BITTLE DISCOUNTY	,

O7: Gross Energy sold (MU)	3,835.674	3,396,635
Of a Energy Sold to own consumers	3,835,674	3,396,635
***OTh: Bulk Sale to Distribution Franchisee		- [
* Over Interstate Sides Energy Tracked Net UI Export	-	:-
Net Input Energy (Mt') (O8 = O5 - O6 - O7c)	4,228,568	3,757.862
Net Energy Sold $\overline{(MU)}$ ( $\overline{O9} = \overline{O7 \cdot O7c}$ )	3,835,674	3,396.635
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	 3,161.48 	Z,744.52
OH: Opening Gross Trade Receivables (including any adjustments) (Rs. in erere)	3.744.43	3,564,39
1 O12: Adjusted Gross Closing Trade Receivables (Recrore)	3,815.50	3.744.43
Revenue Collected including subsidy received $(O13 - A1)$ + $A2 + A3 + E + O11 + O12$	3.090.41	2,564.48
Billing Efficiency (%) (O14 = 09/O8*100)	90.71	90.39
Collection Efficiency (%) (O15 = O13/O10*100)	97.75	93.44
Energy Realised (MU) (O15a ~ O15*O9)	3,749.45	3,173.82
AT&C Loss (%) (O16 ~ 100 - O14*O15/100)	11.33	<sub>15.54</sub>

Table 6: Key Parameters	Amount (7	in Crore)
	2022-23	2021-22
ACS (Rs./kWh) (P1 = I=10/O5)	8.52	8.58
ARR on Subsidy Booked Basis (Rs/kWh) (P2 - D*10/05)	- <del>-   R</del> .52   "	8 <u>711</u>
Gap on Subsidy Booked Basis (Rs/kWh) (P3 = P1 + P2)	0 us	0.57
ARR on Subsidy Received Basis (Rs./kWh) (P4 - F*10/O5)	8.5≥	10.8
Oap on Subsidy Received Basis (Rs. kWh) (P5 = P1 - P4)	0.00	0.57
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs/kWh) (Rs/kWb) (P6 ** (F-B2-C1)*10/O5)	8.52	8.40

West -

Just ...

Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs/kWh) (P7 + P1 + P6)	0,00	0 57
Sale of Power as per A	3.161.48	2,744 52
Add: FD on sale of Power	192.77	153.87
Gross Sale of Power With ED	3,354,25	2,898 39
Receivables (Days) (P8 = 365*M3/Gross Sale of Power)	333	425
Payables (Days) (P9 = 365*N10/G)	199	338
Total Borrowings	2949.67	2778.11

Units in MC		
2022-23	2021-22	
F836.986	1608,921	
319.059	294.669	
0.00	0.00	
1428 455	1239,258	
144 368	144.268	
!		
•		
•		
10.12	7.748	
96.686	101.771	
l		
3,835.67	3,396.63	
	2022-23 F836,986 319 059 0.00 F428 455 144 368 10.12 96,686	

Table 8 Crore)	: Consume	Category wise Det	ails of Sale (Rs.	Anno	unt (₹ in Crore)
I	, <b>4</b>	Seet	65		My

	2022-23	2021-22
Q1. Domestic	1261.55	1067.92
Q2: Commercial	709,67	274.73
Q3: Agricultural	0.00	0.00
Q4: Industrial	1204,10	1130.75
Q5: Govi, Dept. (U.I.B/RI.B/PWW/Public Lighting)	174,70	165.65
Q6 Ö(hers	<del></del>	
Railways	— †	<u> </u>
Bulk Supply		
Miscellaneous	12.85	$\partial^* j a$
Public Institutions (Govi)	108.61	96.08
Interstate: Trading (A)		.— –
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	3,161.48	2,744.52 (
		_ ·

Table 9: Power Purchase Details	Amount (₹	in Crore)
	24/22-23	2021-22
<del></del>	in Mus	$i\overline{n}\overline{MU}s$
Power Purchase through Long term PPA	<del>!</del>	
Own Generation for GLDCOs	-	
Power Purchase (Short term & Medium Term)	4,228,568	3,757,862
Total Power Purchase	4,228.568	3,757.862

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

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

1. Employee Benefits:

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- a. As required by Ind AS 19 (Imployee Benefits), the company has measured its liabilities arising from Gratuity for the employees covered under CPF Scheme on the basis of Actuarial Valuation Report, dated 39,04,2023 for the F.Y. 2022-23.
- b. The provision for harned Leave Encashment (Terminal Benefits) for all employees (i.e. GPF & CPF employees) has been made as per Actuarial Valuation Report dated 29:04:2023 for the L.Y. 2022-23.
- c. The Disclosure with respect to the above point no 1-a & 1-b is as below:

23   2   23   22   23   22   23   22   23   22   23   22   23   22   23   23   23   23   24   24	nent
Discount Rale	on /03/20
Rate of increase in 7.00% 7.	
Rate of return on Pfan assets   Not   Not   Not   Applicable   Appli	6%
Rate of return on Pfan assets   Not   Applicable   Appl	0%
Applicable   App	
Average future service (in 24.89   24.70   17.85   16   Years)   Years   Yea	1
Years   Year	plicab
2	27
Current Service Cost   1.70   1.48   1.91   1.3     Past Service Cost (including 0.00   0.00   0.00   0.00   0.00     curtailment Gains/ Losses	arş
Current Service Cost   1.70   1.48   1.91   1.3     Past Service Cost (including 0.00   0.00   0.00   0.00   0.00     curtailment Gains/ Losses	
Current Service Cost   1.70   1.48   1.91   1.3     Past Service Cost (including 0.00   0.00   0.00   0.00   0.00     curtailment Gains/ Losses	-
Past Service Cost (including   0.00   0.00   0.00   0.00   0.00   0.00	-
Cains or losses on Non Routine   0.00   0.00   0.00   0.00	
Gains or losses on Non Routine   0.00   0.00   0.00   0.00     settlements	
Settlements	0
Interest Cost on Defined Benefit   1.28   0.70   6.25   4.4     Obligation   Interest Income on Plan Assets   0.00   0.00   0.00   0.00     Net Interest Cost (Income)   1.28   0.70   6.25   4.4     Change in present value of obligations   Opening of defined benefit   7.42   10.23   89.80   68.     Obligations   Obligations   0.70   6.25   68.     Obligations   O	
Obligation	
Interest Income on Plan Assets   0.00   0.00   0.00   0.00     Net Interest Cost (Income)   1.28   0.70   6.25   4.4     Change in present value of abligations   Opening of defined benefit   7.42   10.23   89.80   68.     obligations   Ob	2
Net Interest Cost (Income) 1.28 0.70 6.25 4.4  Change in present value of obligations Opening of defined benefit 7.42 10.23 89.80 68. obligations	
4 Change in present value of obligations Opening of defined benefit 7.42 10.23 89.80 68. obligations	l.Þ
Opening of defined benefit 7.42 10.23 89.80 68. obligations	2
Opening of defined benefit 7.42 10.23 89.80 68. obligations	
obligations	
	28
Interest cost	, .
Service Cost 1.70 1.48 1.91 1.7	
	86 j
····   ····   · · · · · · · · · · · · ·	.52)
Habilities (game) 1.27 S.25 0.30 (27	34)
this to change in financial(0.58) 4.80 (3.80) (5.80)	-8

Selet

And.

S.N	Defined benefit plans:-	Gratuity		Leave Encashment	
0	' (Amount ₹ in Crore)	As on 31/03/20	As on i 31/03/202	Aş on 31/03/20	As o 31/03/21
	i	23	2 .	23	27 27
	assumptions				
	due to change in demograpine	0.00	0.00	0,00	0.00
l	asamptions				
	due to experience Changes	ีบเ.ชร์ j	0.43	1.10	13.84
- 1	Closing of defined benefit	21.35	17.42	86.51	89.80
5 ,	obligation Change to the fair value of		——— I		
`	pluo assets				
	Opening Fair value of plan	0.00	0.00	0.00	0.00
i	assets		!	ii	
.	Actual return on plan assets	0.00	 0.00	0.00	0.00
- 1	Employer Contribution	0.32	40.22	(1.75	12.86
į	Benefits paid	(0.32)	(0.22)	411,751	(12.86)
	Clasing Fair value of plan	0,00	0.00	0.00	0.00
- 1	assets				
6	Actuacial (Gain)/Luss on Plan				
	Asset	!	ļ		
. !	Expected Interest Income	0.00	0.00	0,00	(N)
	Actual Income on Plan Assets	0.00	0,00	0.00	0.00
	Actuarial gain/(loss) on Assets	0,00	0.00	0.00	0.00
7 Ti	Other Comprehensive Income				
	Opening amount recognized in	(),(14)	0.00	N/A	NΆ
i	OCT outside P&L account				
	Actuarial gain (loss) on	(1.27)	(5.23)	N/A	N/A
i	liabilities	;			
1	Actuarial gain/(loss) on assets	0.00	0,00	NA.	N/A
	Closing amount recognized in	(1.27)	(5.23)	N/A	N/A=
	OCI outside P&L account		(, ,	,	
*	The amounts to be recognized		- į	"I	
1	in the Balance Sheet			ļ	
	Statement			į	
	Present value of obligations	21.35	17.42	86.51	89.80
	Fair value of plan assets	0.00	0.00	0.00	0.00
•	Net Obligations	31,35	[17.42]	86.51	89.80
$\overline{}$	Amount not recognized due to	0,00	0.00	0.00	0.00
	assets limit				
	Net defined benefit	21.35	17.42	86.51	89.80
i	liability/(assets) recognized in	1		1	
	balance sheet	[		_	
9	Expenses recognized in				
	Statement of Profit & loss		!		
	. set				· · · · · · · · · · · · · · · · · · ·
	of wan	68		J147	۵
	· '\ .				

S.N	Defined benefit plans:- (Amount 7 in Crore)	Gratuity	i	Leave Encushment				
	j	As on 31/03/20 23	As on 31/03/202	As on 31/03/20 23	As on 31/03/20 22			
	Service cost	1.70	1.48	1.91	1.73			
	Net Interest cost	1.28	0.70	6.25	4,42			
	Nei actuarial (gain)/loss	0.00	0.00	0.30	27.52			
	Expenses recognized to	2.98	2.18	8.45	33.67			
:	statement of Profit & Loss	l						
10	Change in Net Defined Obligations							
	Opening of Net defined benefit fiability	17.42	10.23	89.80	68.96			
	Service Cost	1.70	1.48	1.91	1.73			
	Net Interest Cost	1.28	0.70	6.25	4.47			
	Re-measurements	1.37	5.23	9.30	27,53			
	Contributions paid to fund	(0.32)	(0.22)	(11.75)	(12.86)			
	Closing of Net defined benefit liability	21.35	17.42	N6.51	89.80			
H	Sensitivity analysis							
	liem	As on 31/03/20 23	1mpact	As on 31/03/20 23	Impact			
	Base tability	21.35		86.51				
	Increase in Discount rate by 0.50%	19.68	(1.6B) . 	83,03	(3/47)			
	Decrease in Discount rate by 0.50%	23.22	1.87	90.31	3.80			
	Increase in salary inflation by 1%	23.26	1.91	94.09	7.58			
	Decrease in salary inflation by	19.27	(2.08)	80.06	(6.45)			
	Increase withdrawal rate by 0.5%	21.74	0.39	86.78	0.27			
-7	Decrease withdrawal rate by 0.5%	20.93	(0.43)	86.22	(0.29)			

- 2. As per requirement of Section 135 and Schedule VII of the Companies Act, 2015 read with Companies (Corporate Social Responsibility Policy) Rules 2014, every company to which the provisions of Section 135 apply shall spend at least 2% of average net profits made during the three animediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. But as per Section 198 of Companies Act 2013, company has incurred losses during the three immediately preceding financial years. Hence, no provision has been made and no CSR activity has been undertaken by the company in this regard.
- Earmurked Bank Bulances, ESCROW Accounts, and Bank Credits (working capital);



,

#### a. The details of Earmarked Banks Accounts are as under:

(₹ in Crore)

Bank				(* (,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Name	Account Nume	Bank Balance	FDR halance	Accrued Interest	
HDFC	DSRA SERIES 1 A/C		213.90	0.34	
	BOND SER ESCROW LAZC	-	213.46	0.79	
(Vistra)	BOND SER ESCROW II A/C	-	41.55	0.07	
	DSRA SERIES 2 A/C	-	144.33	1.14	
icici	UP POWER CORPORATION LIMITED RPO REGULATORY FUND	-	0.00	0.00	
	DISTRIBUTION NETWORK REHABILITATION A/C	-	0.00	0.00	
	OPPCI, BOND SERVICING SERIES- I	-	192.73	1 (/9	
	UPPCT DEBT SERVICE RESERVE- I		383.11	9 (K)	
leaci	CPPCI, BOND SERVICING SERIES- II		342,34	1.37	
(Beacon)	CPPCL DEBT SERVICE RESERVE: II	_	481.45	0.00	
,	UPPCU BOND SERVICE A/C (SERIES- 03022		0.62	0,00	
	UPPCI, DEBT SERVICE RESERVE A/C BOND (SERIES - I) 2022	<u> </u>	191.31	n.ön	
	UPPCL BOND SERVICE A/C (SERIES- 102022	·	0.56	0.00	
	UPPCT, DEBT SERVICE RESERVE A:C BOND (SERIES - II) 2022	-	175.28 İ	0.00	
Corpus ;	ICICI(NEDA Solar)	—-			
Fund		- '	46.02	0.00	
Total	-	- T	2324.64	4.79	

## b. Bank balances of ESCROW Accounts

			(₹ in Crore)
Bank	Account name	A/c no.	Balance
name			
SBI	PURVANCHAL VIDYUL VITRAN NIGAM	10101987043	
Ashok	DAKSHINANCHAL VIDYOT VELNG LE	- 10101987724 <sup>-</sup>	0.97
Marg	PURVANCHAL VIDYUT VITRAN NIGAM	30043166973	
	MADYANCHAL VIDYUT VITRAN NIGAM!	30051399919	-
	LID ESCROW A/C		
	PASCHIMANCHAL VIDYUL VITRAN	30051399942	
	NIGAM LTD ENCROW A/C		
	PURVANCHAL VIDYUT VITRAN NIGAM	30051399975	-
	LTD ESCROW A/C		
	DARSHINANCHAL VIDYUT VITRAN I	30051400029	-
	NIGAM LTD ENCROW A/C		
	UPPOWER CORPORATIONALD PAVVNI.	30059810334	

Rech

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PASCHIMANCIIAL VIDYUT VITRAN   26128421079   NIGAMILITO CARE ASCROW AC   U.P. POWER CORPORATION LTD MVVNI   30128432514   0.00   0.16   U.P. CLESCROW AC ROSA   30952651649   1.89   U.P. CLESCROW AC ROSA   30952651649   1.89   U.P. CLESCROW AC TALLITUR   251931153057   1.89   U.P. CLESCROW ACC TOR REPAYMENT OF PIC   29400211020   4879   1.87   4879   1.89	Bank	Account name	A/c no.	 Balance
NIGAM LTD CARE ASCROW AC   U P POWER CORPORATION LTD   MVVNI   30128432514   0.00	name	·		
UPPOWER CORPORATION LTD MVVNI   30128432514   0.00     UPPOLLESCROW ACC BOSA   30952651649   0.16     UPPOLLESCROW ACC BAIAL   32977504407   1.89     UPPOLLESCROW ACC TALFIFER   3598145057     PNB			20128421079	•
UPPCL ESCROW AC ROSA   30952651649   0.16   189   1PPCL ESCROW AC BAJAJ   32977504067   1.89   1PPCL ESCROW AC TALTPUR   25095153557   1.89   1PPCL ESCROW AC TALTPUR   25095153557   29400210127   4879		I —		!
UPPCT_ESCROW_ACC_FALTIPLER   35098153057   1.89	i			i
PNB	İ			
PNB   ESCROW ACC TOR REPAYMENT OF PIC   29400210102   4879     J	'	-·		1.89
Hazratgan	F=			
MADITVANCHAL VIDYET VITRAN NIGAM   29400211000   2537     DAKSHNANCHAL VIDYET VITRAN   29400211000   2546     PÄSCHIMANCHAL VIDYET VITRAN   29400211000   2732     MD PERVANCHAL VIDYET VITRAN   29400211000   2732     MD PERVANCHAL VITARAN NIGAM   2732   29400211000   3430     PASCHIMANCHAL VIDYET VITRAN NIGAM   29400211000   3430     PERVANCHAL VIDYET VITRAN NIGAM   29400211000   3,26     LTD	1		29400310127	
LTD_ESCROW_A_C_RLCEIPT   2537   29400211060   2546   2546   2546   2546   2546   2546   2546   2546   2546   2546   26400211000   2772   277	Hazratgan			!
DAKSHINANCHAL VIDYUT VITRAN   29400211000   2546   2546   2546   2546   2546   2546   2546   2640211000   2732	' ј		29400201000	; ;
NIGAM LTD AGRA ESCROWAC RECEIPT   PASCHIMANCHAL VIDYUT VITRAN   29460211000   - 2732   - 29400211000   - 2732   - 29400211000   - 2732   - 29400211000   - 2		l	2537	1
PASCHIMANCHAL VIDYUT VITRAN   29400211000   - 3439			29400311000	· ·
NIGAM   2732   29400211000   3439   29400211000   3439   29400211000   3536   29400211000   3536   29400211010   3.26   4146   4146   4146   4191		NIGAM LTD AGRA ESCROW AC RECEIPT	2546	,
MD PERVANCHAL VITARAN NIGAM LTD		PASCHIMANCHAL VIDYGT VITRAN	29400211000	' - · · · ·
PASCHIMANCHAL VIDYUT VITARAN I TD   29400211000   3.26   4146		NIGAM	2732	' '
PASCHIMANCHAL VIDYUT VITARANTTD   79400211000		MD PURVANCHAL VITARAN NIGAM LTD	29400211000	– <u>·</u>
PURVANCHAL VIDYUT VITRAN NIGAM   29400211000   3.26   4146   4146   4146   4146   4191   4191   4167   41			3439	I
PURVANCHAL VIDYUT VITRAN NIGAM   29400211010   3.26   1.17D   4146   4146   4146   4146   4146   4191   4191   4191   4167   4	1	PASCHIMANCHAL VIDYLT VITARAN I TD.	29400211000	
LTD		· ·	3536	1
LTD	<u> </u>	PURVANCHAL VIDYGE VIERAN NIGAM.	29400211000	3.26
MADDYANCHAL VIDYET VITRAN NIGAM   29406211000   0.00	1			
CTD.		MADDYANCHAL VIDYET VITRAN NIGAM		$\frac{1}{0.00}$ $-1$
DAKSHINANCHAL   VIDYUT   VITRAN   29400211000   0.00   NIGAM LTD   4067   ROSAPOWER   SUPPLY   PAYMENTS   79400290000   22.06   ESCROW   0031   BAJAJ ENERGY DEFAULT ESCROW   29460211000   - 7897   -	!			
NIGAMETD   ROSAPOWER   SUPPLY   PAYMENTS   79400290000   22.06     ESCROW   10031   1000   -     ESCROW   10031   1000   -     ESCROW   10031   1000   -     ESCROW   1000   -     T897   1000   6.33   8638   8638     EDETARRED   PASCHIMANCHAL VIDYUT VITAKAN ETD   1441293092   -     Hazistgan   PERVANCHAL VIDYUT VITAKAN ETD   1441294000   -     ETD   1 POWER CORPORATION ETD   MVVNL   1444294000   -     ETD   1 POWER CORPORATION ETD   DVVNL   1444305175   -     UP POWER CORPORATION ETD   DVVNL   1444323837   -     UP POWER CORPORATION ETD   DVVNL   1444306116   -     ET POWER CORPOR	!	l — · — · — · — · !		$\overline{\alpha}$ $\overline{\alpha}$ $\overline{\alpha}$
ROSAPOWER   SUPPLY   PAYMENTS   79400290000   22.06   ESCROW				0.00
BAJAJ ENERGY DEFAULT FSC ROW   29469211000   - 7897   -				
BAJAJ ENERGY DEFAULT FSCROW   29400211000   - 7897   - 7897   - 29400211000   6.33   8638   8638   8638   PASCHIMANCHAL VIDYUT VITAKAN LTD   1441293902   - 1270		1		-2.00
CB    PASCHIMANCHAL VIDYUT VITAKAN LTD   1444294000   6,33   8638     CB    PASCHIMANCHAL VIDYUT VITAKAN LTD   1444294000   - 1   1444294000   - 1   1   1444294000   - 1   1   1   1   1   1   1   1   1	!	l <u>— — —                                 </u>		· <del></del> .
CBI   PASCHIMANCHAL VIDYUT VITAKAN LTD   14-1293992   1		17.17.17.17.17.17.17.17.17.17.17.17.17.1		- I
CB    PASCHIMANCHAL VIDYUT VITARAN LTD		TUPPOT ATTOPING STROMAN	-· — — ·	
CB    PASCHIMANCHAL VIDYUT VITARAN LTD	•			h.33
Haziatgan	. cai -	BASCEIMIAN CHAIL MINNER OFFATTAN TOTAL		
J. TD   U.P.POWER CORPORATION LTD   MVVNL   1444299086   1.39   U.P.POWER CORPORATION LTD   PAVVNL   1444305125   U.P.POWER CORPORATION LTD   DVVNL   1444323837   U.P.POWER CORPORATION LTD   DVVNL   1444309116   U.P.POWER CORPORATION LTD   (BA1AJ)   3251225201   4.11   U.P.POWER CORPORATION LTD   (LANCO)   3254008293   U.P.POWER   CORPORATION LTD   3472978707   0.07   (LALITPUR)   U.P.POLL LSCROW DVVNL   S0020000075   1.85   Banoda   U.P.POLL LSCROW DVVNL   S0020000075   1.85   Banoda   U.P.POLL LSCROW DVVNL   S0020000075   1.85   Banoda   U.P.POLL LSCROW DVVNL   S0020000075   1.85   Banoda   U.P.POLL LSCROW DVVNL   S0020000075   1.85   Banoda   U.P.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S0020000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S00200000075   U.R.POLL LSCROW DVVNL   S002000000000000000000000000000000000	1		·	
UPPOWER CORPORATION LTD   MVVNI   1444299086   139   UPPOWER CORPORATION LTD   PAVVNI   1444305125	I i		14443941100	-
U P POWER CORPORATION LTD   PAVVNI   1444303175   U P POWER CORPORATION LTD   DVVNI   1444323837   U P POWER CORPORATION LTD   DVVNI   1444300116   U P POWER CORPORATION LTD   (BAIAJ)   3751225201   4.11   U P POWER CORPORATION LTD   (BAIAJ)   3254008293   U P POWER CORPORATION LTD   3472978707   0.07   (LALITPUR)   S0020000075   1.85   Baioda   UPPCL LSCROW DVVNI   S0020000075   1.85   Baioda   4	Ι΄	<del></del>	<del></del>	
UPPOWER CORPORATION LTD   DVVN    1444323837	١.			139
U.P.POWER CORPORATION LTD   DVVN   14443001   6   1.P.POWER CORPORATION LTD (BAIAJ)   3751225201   4.11   1.P.POWER CORPORATION LTD (LANCO)   3254008293   1.0   P.POWER CORPORATION LTD   3472978707   0.07   (LALITPUR)   80020000075   1.85   Baroda   4   4   4			:_ :.	<u>·</u> _
1. P POWER CORPORATION LTD (BAIAJ)   3751225201   4.11	.		· — ·	
U P POWER CORPORATION LTD (LANCO)   3254008293   0 P POWER CORPORATION LTD   3472978707   0.07   0	Ι .			<u>·</u> !
D   P   POWER   CORPORATION   1.1D   3472978707   0.07   (1.ALTPUR)	_			÷.11 j
(LALITPUR)			ı	·
Bank   of   UPPCL LSCROW DVVNI.			3472974707	0.07
Baroda4			'	1
		UPPCI, LSCROW DVVNI.	50020000075	1.85
UPPCLLSCROW PAVVNI. 50020000083	Baroda		.1	;
	i	DPPCL LSCROW PAVVNI.	50020000083	-

A. Auto



Bank	Account name	A/c no.	Dalance
name	<u> </u>		_
		2	_
	PÜRVANCHAL VIDYUT VITARAN NIGAM	50020000099	
	LTD :	I	
	ENCROW A/C DVVNI.	50020000101	2.28
	į	0	
	MADYANCHAL VIDYL'I VURAN NIGAM !	50020000102	0.92
	LID CITE	1	
CICI	UPPCL-LALITPUR POWER GENERATION	62810502183	5.87
Bank	COLID ESCROWA/C	7	
	UPICE ROSA POWER SUPPLY PAYMENT	62810503062	8,30
	USC.AC	5	
	UPPCL LANCO DEFAULT ESCROW A/C	62810503231	
		IJ	
	UPPCL BAJAL ENERGY DEFAULT ESCROW.	62810503223	2 32
	A/C	2	
IDEC	DPPCL ROSA DEFAULT ESCROW A/C	12672240000	2.78
Bank	1	014	
	EPPCL DSRA ESCROW A/C	50200004167	
		832	
	DPPCT BOND SERVICING USCROW A/C	50200004167	<del>-</del> . ·
		842	
	UPPCL BOND SERVICING ESCROW A/C	50200017358	-
	SPRIES-2	973	
AXIS	UPPCE ROSA POWER SUPPLY PAYMENT		0.76
Напк	F5CROW A/C	2299	
Fotal		i	65.32

e. UPPCL has availed working capital facilities amounting to ₹19,00,00 Crore from various banks. As per the sanction terms and conditions PNB has sanctioned ₹450,00 Crore as CC limit and the remaining bank, i.e. Indian Bank (₹430,00 Crore), ICICL Bank (₹400,00 Crore), Central Bank Of India(₹105,00 Crore), HDFC bank(₹30 Crore and Bank of India(₹500,00 Crore) and PNB(₹15,00 Crore), have sanctioned residual limit of ₹1480,00 Crore as OD/WCTT facility.

As on 31.03.2023, UPPC1, availed (200.69 Cr from below mentioned banks-

			(₹i	a Crore)
ı	Bank Name	WCTL	OD/CO	<u> </u>
•	Indian Bank(OD)	150.00		
_	PNB(CC)	-	40.72	
•	PNB(OD)	:	9.96	
	BOE(OD)	-	0.01	. —————
_	Total	150.00	50,69	.]

Receivables related to Power Purchase (₹ 1567.90 Crore).

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The above includes the following towards the debit balances related to power purchases from generators as detailed below:

St. No.	ı- · ·	(Cin Crore)
	Balances	Remarks
i	707.6∦	It relates to debit notes issued to M/s Rosa Power Company
		Ltd. in the month of April 2018 towards the recovery as per-
	I	UPLRC's Order hat the recovery against the above debit notes
	<u> </u>	is still stayed as per APTEL's order dated 29,09,2018.
ii.	397.95	. It relates to unscheduled interchange charges receivable from
	ı	generators (Northern Railway, NPCL, and Chunar Cement
		Lactory Ltd.) The UI charges may be payable or receivable
	I	depending upon deviation from the schedule and also subject in
	l	the Grid condition at that point of time.
<b>I</b> II.	1.83	It relates to the negative bills given by the UPPTCL, Powergrid
		Rampur Samblial, and TANGEDCO.
iv.	431.68	It relates to the depit halances against different generators and
	L	the same are under reconciliation.
V.	25.76	It relates to the amount receivable from Indian Energy
		Exchange Ltd against purchase and sales through it.
- 1	1567.90	
Total		

- 5. Disclosure pursuant to Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- $A_{\rm c}$  . The status of Bonds issued by the Company for the DISCOMs as on 31 03,2023 is as under:



Amount of Amount   Principal   Consciouding	2000 00 00 00 00 00 00 00 00 00 00 00 00	Assets including Rings per let			700 (Canada 1904) (Canada 1904	#17 14 14 14 14 14 14 14 14 14 14 14 14 14	
Pacytor Newt date of Interest not Dayment	E0770 B1 344			FROC POICE DAM	PAU 15 00 2033	TO SOLUTION OF	
Previous due con data al rest anièrem propragal	98. 31 PS, 2027		2001.303		- Charail asset		
Face Bate of I for the followers I facts			**************************************			ļ — —	
Cate of	Pica. g	Torange	. Buc Dut	0002 5000	· ·	7,002,20 VT	
Maturity	778.807	200 M.St.	#205 30 ftr :	29 10 1027	1503,0027	i See See i	
Ass of Bonds	12BBC	35513	offers.	44952	S: 2	I X	_
Amount of Bonds  finders	IA. hätt	07 I GSF .	66 95	क्षेत्रप्रकृत	03.4ge/ 	8 9	
Druited Bedalkreik ef Bands	UPPCE State Good Serviced Bond Services II/2022	UPPL State fight Serviced Bond serves I/2022	UMPCL Dand Senes #/2017. 38	UPPCL Bond Sertes (2017)	UPPCL Band Series IV/2016. 17	UPPCL Bond Sering III/2016	
%	_	^,		. ·		ك	

\£?

#### B Credit Rating:

The position of Credit Rating obtained from various agencies is given below

Current Rating (as on 31,03,0023).

<u> Particolars</u>		Ratings		
Bond Amount	•	4498.20 Crore&	6530.00 Crore&	3951.20 Crore&
	Ι	5491.00 Crore	3489 50Crote	3488 Crore
CRISIL Rating		A4(CE)/Stable	-	A+(CF)/Stable
India Rating	ī	IND A+(CE)-Stable	IND AA(CE) Stable	IND
				A=(CE)/Stable
Brickwork	i	BWR AA-	BWR	.
Rating		(CE)Stable	AA(CE)/Stable	:

Previous Rating (as on 31.03.2022):

Particulars	Ratings		j
Hond Amount	4498,20 Crore&	6510.00 Crore&	3951.20 Crore
1	5491.00 Crore	3489 50 Crore	
CRISIL Rating	A+(CE)/Stable	-	A+(CF)/Stable
India Rating	IND	IND AA(CE)/Stable	IND
·	A+(CE)/Stable		A+(CF)/Stable
Brickwork	BWR AA-	HWR AA(CE/Stable	
Rating	(Ch)Stable	l. <u></u>	. 1

There is no change in Credit Rading as compared to previous year.

c. The following Bonds issued by the company are secured as per the details:-

ISIN	Scrip Code	Maturity	Secured By way of	Amount (Rin Crore)	Present Outstanding (8 in Crore)	Date of creating of security
1NF540P0722B	957205		Hypothecation			
INF540P07236	957206		on current			!
INE540P07244	957207	. 1	assets [			- 1
INI.540P07251	957208	20-10-2027	netuding receivables of [	4498.20	2513.70	06 12-20 7 1
INF540P07069	957209	i i	OPPCL and Covt. Govt. Guarantee		i · I	
INF540P073E9	957806		Hypothecation .			1
INF540P07327	957807	I	on current		I	:
[ INF540P07335	957808 j	1	a5%15 1		. 1	
INF540P07343 <sup>-1</sup>	957809	20-01-200B j	metuding receivables of <sup>1</sup>	5491.00	3230.00	24-03-2018
INE540007350   	957810	i	UPPCL and Govt.		!	
!			Guarantee :	:		
INI 540P07368	973877	22-03-2032	Hypothecation I	3951 20	3981.20	29-03-2022

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ISIN	Scrip Code	Maturity	Secured By way of	Amount (₹in Crore)	Present Outstanding (7 in Crure)	Date of creation of secority
INE540P07376	973879	;	on current			 
TNI0540P07384	973880	1	assets	!		
INJ:540807392	974882		meluding			•
TNF540P07400	973876	- 1	receivables of	!		
INUS40P07418	973878		DPPCI and			i
INUS40P07425	973881		Govt.	1	l	l
INUS40P07434	9738B3		Guarantee			1
INF540P07142	V74281	i	Hypothecation I			l
NES40P07459	974282		on current			
INI:540P07467	974283	i	28861s		:	
INE540P07475	974284	22.02.2012	including	3488.00	1 348 <b>8</b> .00	.0-05-2032
Ë INE540₽07483 │	974285	22-03-2033	receivables of	94 a a. 007		:
TNE540P07491	974386	I	DPPCL and		İ	. :
IND540P07509	974287		Govt.			
NF540P07517	974288		Guarantee		l	!
INTS40P07079	955769		Hypothecation			
INT540P07087	955770	İ	on current			Ι .
IN1:540P07095	955771		assets			
[N]:540P07103	955772	15-02-2027   	including receivables of I TPPC1, and Govt. I Guarantee	6510.00	8720.00	<sub>16402-2017</sub>
INE540P07145	956147		Hypothecation	-	. – – –	1
INF540P07152	956148		on current			•
IN1.540P07160	956149		assets :			
[N]:540P07178			including receivables of UPPCI and Govt. Guarantee	3489,50	1994,00	30-03-2017
TOTAL				27427.90	18896.90	:

The assets of the company provide coverage of the interest and principal amount, as detailed below which is in accordance with terms of issue/dehenture trust deed for Secured debt securities:

Particulars		Security	_
	-		-
*(	auk		Jun.

	Coverage	
Beacon Trustgeship Ltd. (Debenfure Trustee for Bonds)	1.17 times	
VINICE I CE MARIE CLE (1941)	1.13 times	
Other Secured Debts and other Secured Payables	5.97 times	
	.:	

b. The market value of Bonds shown under the head Financial Assets - Investments (Non-Current) in Note No 06 of the Empirical Statements is as under

							, ,	CIN & FO	<u> </u>	
-	Settlement Date	Security :	Valuethus dele	Original Materialy date	Residual materity year	FIM51DA Victor as 401 31.05.2023	Price	No. of homels	Total emograf elean pei <u>ce</u>	
_	27.03.2017	Costa HC Hords Secusio	31/48/2028	1 2000 0007	1	747	000.73	250	: · · •	
	27.03.2007	\(\partial kt / f \tau \cdot 202 \cdot \	0.7 (0.2023)	22 113 2027		767	10.00 25	250	25/16	
		122 (0.2025) 11750, 200 (donals)	31 03 2023	1	·		$\overline{po}(3)$		la is	
	- +	Series   104	T 0.746 8 20	27 03 2027	·	l -	m <sub>ed</sub> anj	i	25.18	
	2000/007	Series (64 (22.03.2027)	00000	1	¹	''''	100.00	880   T		
i	11 08 2037	5757; 1990 Bomb Series (64 (22/0/2027)	21/0/2003	22.03.2623	1	! /63 i		2,00	23.17	:
Ė	intel			<u> </u>			_		12339	ı

E. Dischoure pursuant to regulation 52 (7) & 52 (7A) of NEHI (U10)R). Regulations, 2015 with respect to utilization of Issue Proceeds.

Same of   ISIN	Mage of Fund Handing (Public issues Private Placement)	Lype of halzowers	Date of raising Junds	Antonio Raisral	Fital utilizad	Any destanding (New No)	If this New theo specification the purpose of for a tip is the funds were	Hemorks, il any
j ,	- ,		- , -	,	; <del>,</del>	- 4	- individ	
1   0   Fewer	Private Placement	Secused, Ransil I side Recease the Livarda, Consentinent of Convertine Honds supported to Hispathication on Convert Assess including Recease the Honds and Control Control Convertine Honds and Control Contro	a7 10 2022 <sup>*</sup>	Sink 10 Fr	(155 vs) (27	<sub>K.</sub> .	• -	: <del>:</del>   

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## Details of Loans taken on behalf of DISCOMs:

								(Cin Cin	· • <u>· · · · · · · · · · · · · · · · · ·</u>
(aum No.	Hate of	: Desert Date	Battemyr ge un 31 (t3.24	PuVVSI.	MAYNI	DVV VI.	PYVNI.	NESCO	Total
Power Line	мсе ( окрагн	(App (PFC)	·						
8523002	:41 14%	70.06- 2017	1285.73	721.41	321,43	321.42	321-46 İ	0.00	1582-3
8575001	10.50%	21/807- 1 2018	10800.00	125 00	20100	250 (0)	i 25 081	Rugion	100030
R57 IOAZ	10,07%	02-02 2019	1200000	450 dili	270.00	s00 00	18038)	0.00	1.900.00
857,3033	111.50%	2619	44333	100,02	92) 67	86 /ei	102 0 <b>k</b>	3100 	123.33
857,0 км	10.50%	74-0% 2019	295.06	149.53	ku,72	59.81	301	000	59916
K575005	10.58%	28-13-	29 1.68	108 56	77.56	27.50	30.43	0.00	29464
857:006	10.75%	20400) 2019	220 MI	9160	57.88	37.85	54147	gan 	2,9096
2574HIX	10.96%	10-03- 0020	จเบ	(4.70)	14.50	// IM	29,44	290.21	331.11
\$55000	V NY A	80-07- 2020	KV 1-2 (2)	1152 64	:853,09	1863 -4	31k.60	273.54	8659 H 
857990	¥ 511° A	30-03- 2021	5510,45	2654 93	1 184,73	1140.20	231.38	136 31	3510145
8575001	5 50%	20-10- 2072	3009.61	965.78	873,36	542.00	139.05	186 17 	300,000
Total			22203.7 9	WP95.22	5009.13	47.54.36	2425.5H	9 4.50	22.815.1 9
Rural Elec	Çed¶esatlam Cu	renestion (RFC	n .					_	
1710181	in hits	30404 2417	850-14	[98170]	158.06	2001.23	22 ( 54	36 68	89710
476-04/10 5 (47-1238) 1			91 48i	10 34	16,95	11.35	28/96	3 M	-   
47600235 0 (1713594	-  - 		2,50 (8)	16.51	n2 50	41.67	N7.50	1381	250 00
4713417 17560259	: 0.75%	1 (-10) 2015	503 13	107.77	71 90	71 %)	251 57	000 	501 13
6 (471-1417	10 25%	-	[A 49]	90	2.76	2.35	8.75	3130 j	16,19
47141697	19.34%	(K-65) 2019	1/14/9	324,43	4807.54	342.86	441 Wi		1714.29
4213977	9,50%a	" 304035 20130	825h 15	3977.00	1275 00	1783-15	मध्य । १	223 79	838648
47116279	ngen.	26-05- 2001	5325.45	2565 KD	1144.97	1150.30	520 (6)	144.52	5705.45
47(722)		304976	1020.00	3,38(20)	(22.5)	207,74	131.00	77 911	1170 00
4717721	- 4.00%	3003	84(0)	252.10	202 65	77 45	1.553	, <del>(x 76</del>	511170
Intal		_	189254 5	7189.20	4234 28	3999.04	2367.28	585,29	18925.41 . 4
	_	· — '							

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(č in Crore)

7. The Common expenditures and common facility costs towards the Limphoyee Cost, Administrative, General & Other Expense and Repair & Maintenance expenses amounting to ₹173.53Crore have been allocated and transferred to subsidiaries companies and other related companies during the period ended 31.03.2023 as compared to ₹154.94Crore during the year ended 31.03.2022 based on ratio of financial year 2021-22. (Note no.23, 26 &27) Details of the allocation of common expenses are as under:

						- 1	(7 in <u>Cr</u>	rore)
· · [	Employee (Note 25)	Cost	Admiu- (Nate 26)	Cost	R&M (Note 27)	Cast	Tura)	
Penticulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<u> </u>	<u> </u>		`,—+	vi	iii 🔠	is	(i+iii+s)	(ä∗iv±vi) ;
- <del>pa</del> VVNi+	27.37	26.37	10.18	10.87	9 26	0.38	37.81	37.22
MAANE.	25.55	24,78	8,64	1030	0.22	0.07	14.45   	35.08
DA7AE :	24 53	24.11	9.07	ku.53	0.24	0.07	33.84	. <u>연간</u> .
	28.59	77.54	10.17	13 54	Take	4,09	11.06	11.17
KESCo	5.44	3.31	134	148	3,74	9.01	0.82	6 70
Sub-Total (*)	111.48	107.51	41.45	47,08	1,0%	0 32	153.99	154 89
PPRVI NI	0.32	0.54	11113	1174	0,45	0.72	0.81	1,80
UPIVUNI.	D.23	0.55	⊦ . — — i	_ <sub>0,16</sub> ,	0.08	0.12	Tu 51   Tu	Tr45
Critic	17.71	17.38	u In	1166	0.35	0.81	18,43	. K. X-3
Sub-Total (b)		18.14	0.19	1.39	1.09	_1.65	19.54	21.17
Total (a-b)	129.74	125.65	41.64	48.44	2.15	1.97	(23.53	176.06

- In view of LPERC order dated 10.03.2022 in petition no. 1431/2019, through which capital cost of M/s Latitpur Power Generation Company 1 td. had been revised, two debit notes amounting to 3 (2225.76) Crore & 3 (353.45) Crore have been verified and issued to M/s Latitpur Power Generation Company I td. However, as per APTEL order dated 01.04 2022 (A. No. 451 of 2022 in DFR No. 114 of 2022 & 14 No. 450 of 2022) the debit notes earlier issued amounting to 3 (2225.76) C&\$ (353.45) Crore has to be kept in abeyance till final decision. Therefore, in view of APTEL order, the subjected debit notes amount has been reversed in accounts till final decision by the Hon'thle APTEL/Court/JPERC
- 9. 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 Vax-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 baoks of the corporation; hence exercise of the option has resulted into zero loss of MAT credit for the Company.

#### Purvanchal Vidhvut Vitran Nigam

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- In compliance of instructions issued by the higher management, a committee has been formed to verify the physical verification of work done and bills posted in the ERP system by the units (1904). I Man and EDD 2 Bahia). The committee has formed the opinion that the forged documents amounting to Rs. 40.45 erore (EDD 1 Man Rs. 13.06 erore and EDD 2 Ballia Rs. 27.39 erore) have been uploaded in the ERP system with intention to provide undue benefit to vendors. On the basis of the above report, departmental/court proceedings have been initiated against the responsible employees of the company. The necessary accounting entry will be passed in the books of accounts after completion of departmental/court proceedings.
- Detail of Fund received, utilized and available balance during the year under "ADB Financed Uttar Pradesh Power Distribution Network Rehabilization Project is given below:-

Particulars	Amount ('in Cr.)		
Opening balance as on 01.04.2022	4  8		į
Fund received during the year	307.61	•	
) and utilized during the year	299.12		į
Closing balance as on 31.03.2023	12.67		
<u>' </u>	:		

### <u>Madhyanchal Vldhynt Vitran Nigam</u>

- During the year R-APDRP Part-A loan from PFC (Outstanding Principal amount ₹ 230.25 errore and Outstanding Interest amount ₹ 102.26 fotal amount of ₹ 332.51) has been 100% converted into Grant as interested by PFC vide Letter No. 02.10. R-APDRP:2010:MVVN1.1/77738 Dt. 08.07.3932.
- An embezzlement of each amounting to Rs.0.50 Crotes in EDD-Rudacti (Location code-502A), Ayodhya Zone came to the knowledge of management for which first information report has been lodged and necessary departmental proceedings have been initiated against the concerned.
- 3. As required by Ind AS 19, the provision for accraed liability of Ciratuity of employees covered under CPF scheme and provision for accraed liability for harned Leave Encoshment of all employees has been made on the basis of actuarial valuation report dated 02.05.2023 submitted by M/s Mithros Consultants, Gorgaon, Haryana. The disclosures in this regard are as below:

— —	. — — Grat	ulty	Leave Enc	(₹ <u>in Crores)</u> ashment
S.   Defined benefit   No.   plans:-	A5 OR 31.03.2022	As on	As on 31.03.2022	As on 31.03.2023
1. Assumptions	:	·		. – – –
Fascount Rate	7.29% p a	7.48% p ö.	7.29% p.o	7,48% p.a
Rate of increase in Compensation levels	8.05% p.a	8 00% p.a.	6.00°5 p a	8 00% p 4

, Y, .-

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	Rate of Return on Plan Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<u>'</u>	Average future service(in years)	23 SR Years	23 CO Years	19,96 Y€815	20 01 Years
Ī <sub>2.</sub> -	Service Cost	!			·
-	Current Service Cost	12.92	13.96	10.30	[
	Past Service Cost (including				I
	cuitailment	a	c i	a	U I
1	Gains/ Losses)	: 	!		 
-	Gains or losses or Non-Routine	0	U .	э	رٰد ا
	settlements		İ		!
Γ	Total	12.92	13.96	10.30	10.80
э.	Net Interest Cost				· ·
-	Interest Cost on Defined Bonefit	19.30	12.14	23 41	76.52
	Obligation	İ	!	! <u> </u>	ļ !
	Interest Income on Plac Assets	<sub>。</sub>		p	
ı	Net Interest Cost (Income)	10-30	12,14	23.41	· 26.52
4.	Change in present vi	elue of obligation	ors.		
	Opening of defined benefit ubligations	151.21	166 58	343 /6	366 23
l —	Dability Transfer In/(Out)	·— ·— —·	D	٥	¦ه ! لــــــــــــــــــــــــــــــــــــ
į -	Service cost		13 96	10.30	
	+: Interest Cost	10.30	I	73.41	26.52
1	Benefit Paid	-· - ·/ <del>9</del> 6	3 91		
. –	Actuarial (Gain)/Loss on	0.11	4.65	4.33	-1.82
i	total liabilities:	j		!	
 I	- due to change in financal assumptions	-11.45	-4.76	-17 RO	-10 20
_ 	- due to change in demograph i assumptions		0	 	0

--- ---

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_	· due to experience variance	11.51 .	9.44	22.13	8.3A
	Closing of defined benefit obligation	166.58	193.42	366.23	376.08
5.	Change in the fair value	of plan assets			
	Opening fair value of plan assets	ا ه	ō	Ū	
	Asset Transfor In/ (Out)	··			0
	Actual Return on Plan Assers	- "		0	n ·
	Employer Contribution	7.96	3.91	15.57	25.66
İ	Genefit Paid	-7.96	-3.91	-15.57	-25.6è
•	Closing fair value of plan assets	0.00	0.00	0.00	0.00
6.	Actuarial (Gain)/Loss of	n Plan Asset			· .—
	Expected interest income		0	a	اه
	Artual moome on Plan Asset	0	a	. <u> </u>	0
: 	Actuarial gain /(loss) on Assets	٥ ا		a	0
7.	Other Comprehensive in	çome			'
	Opening amount recognized in OCI outside P&L acrount	٥		Not App ir Able	Nul Applicable
	Artuarial Gain / (loss) on liabilities	-0.11	: -4.65 	Not App coble	Not Applicable
	Actuarial gain / (loss) on assets	0.00	ç.aa	Not Applicable	Not Applicable
<u> </u>	Closing amount recognized in OC1 outside P&L account	-0, 11	-4.65	Nut App mable	Not Applicable
\$.	The amount to be recog	: nized in Balanco	a Sheet State	ment	I .
İ	Present Value of Doligations	166.58	193 42	366 24	 376 OR
	Fair value of plan	0		. ———	<u></u>





- —	aksets —	I	1	· ·	_ ¬
	Net Obligations	166.5B	193.42	366 24	376 QS
- —				-	⊢ i
:	Amount not recognized due to asset limit	٥	۵j	D	, °',
– İ	Net defined benefit liability / (assets) recognized in balance sheet	166.58	193.42	366.24	376.08
9.	Expense recognized	in Statement of	profit and Loss		
_	Service cost	17.92	13.96	10 30	_ 10 80
i	Nut interest cast	10.30	17.14	23.41	20 57
· —	Net actuarial (gain)/ loss	Not Applicable	Not Applicable	4 33	.1 82
 I	Expenses Recognized in the statement of profit & Loss	23.22	26.10	38.04	35 50
10.	Change in Net Define	ed Obligations	· · · · · ·		└ · <del>-</del>
i	Opening of Net defined benefit hability	151.21		343,70	366.23
	Service cost	12.92	13.95	10.30	i .— . <u>10</u> 80
	Not interest Cost	- 10.30 ·	17 14	23.41	 26.52
· —	Re-measure:##ils	0 11	4 6S	4.33	-: 82
 I	Liability Transferred In / (out) - Net	c	9		; 
! -	Contribution gold to fund	-7.96	-3.91	-15.57	-25.66 ·
<u> </u>	Closing of Net defined benefit liability	166.5B	193.42	366.23	376.08
11.	Sensitivity Analysis				
. —	Itaw	As on 31.03.2023	Impact	A≢ on 31.03.2023	Impact
<del> </del> -	Base Lability	193.42		376.08	<del></del> -:
	Increase Discount Rate by 1,00%	170.84	/7.58	338.00	-38.08

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Decrease Discount Rate by L CO%	220.65	27 23	421.71	45.67
Increase Salary inflation by 1,00%	207.81	14.39	419 69	43.61
Decrease Salary inflation by 1,00%	178.20	-15 22	338 89	-37 19
Increase Withdrawa Rate by 1,00%	195 50	2 07	375.41	-0 67
Decrease Withdrawal Rate by 1,00%	190 82	-2.60	376.78	0 71
_ ·	<u></u> .	<u> </u>	··- ·	

#### Dukshinanchal Vidhvot Vitran Nigam

- During the year R-APDRP Part-A loan from PFC (Outstanding amount ₹ 77.53 crore) has been 100% converted into Grant as intimated by PFC vide letter no. 080232 dt. 06.01.2023. As per intimation by PFC autstanding interest on the above loan of ₹ 28.39 erore has also been converted in to Grant, excess provision of ₹ 25.34 erore towards account interest has been reversed as prior period adjustment.
- 2 During the year R-APDRP Part-B loan from PFC (Outstanding amount ₹ 353.15 ciore) has been partly (₹ 181.70 crore) converted into Grant as intimated by PFC vide fetter no. 77746 dt 08 07 2022. Interest portion of the said converted loans (₹ 46.76 crore) also converted in to Grant.
- Reduction in Capital Reserve of DVVNL includes Rs. 47.99 erores related to Conversion of Gram into Equity.

### Paschimaneha) Vidhvut Vitran Nigam

 The following frauds/embezzlement as reported by concerned Branch Auditors in their Audit Report are as follows:

S.	N	Purticulars	
r No.	Name of Zone		
		Mr. Smedi Babit 1G 2 for not depositing C4th collected through system generated	3.68 j
į		tere ps. during December 2013 to March 2019 and 26 manual receipt books not	'
		returned in divisions is under enquiry & desciption y action is initiated in LTD -	
- 1	Meenit Zone	Highpot	
		The UDD II Baglipat, a front case of collecting each from costomers and not	0.31
		depositing the amount in Bouston is assert originity against Mr. San'ay Kumar,	i
		eashed	l ,
— -		Her ng the year east embezzlement under the division (+), (194-7, 4)haziabad by the	5/14
		accused Mr. Sunnt Gupta. Dead Cash Revenue in the period of July 2026 to	'
		November 3/20.	<u> </u>
		Cashier of UDIT Greiner Naida SalenderProtein Siegh, Folf Sie Shr. Ramesh Singh,	0.82
	Ghazianad	R.a. Mohalla Loghan, 2. Johangi pirod. Rural, Halandshahar, Ultur, Prodesh posted at	ĺ
	Zonc	33-11-KV Sub-Division Calopura conceysted cash of \$82,21,974 - carrieg the month	į
		of March, 2001. April 2021 and June 2021.	
		Afterward that an amount of \$20,00,005 - embedded by custom of 1 (IDD-IV)	0.20
		Glozogiad. Tarlingh, TG-II during the year 2018-19 Isince then, the amount base	
		been kept as Study Adva   e2 against the accused Hadinath [14] II)	
		—— · ·—— ·—— ·	



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Bulandshahar As informed no fraus was detected during FY 2021-22. But the trands of \$12 core are became detected up to FY 2020-21 has involved smooth of \$17 blokum out of which the bas been recovered. And before sum of \$3.12 crotes are still to be recovered.

(Jitesh Grover) Company Secretary (Additional Charge) (Nitin Nijhawan) Chief Financial Officer (Njello Kumar Narang) Director (Finance) DIN - 03473428 (Pankaj Kumar) Managing Director DIN - 08095154

Place :Lucknow

Date 5/04/2023

Subject to our report of even date

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

> (A. R. Dwivedi) Partner M No. 071584

ODIN: 23611584B66074LF21]93

#### Form AOC-1

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

Statement containing soliters features of the featurist statement of substitutes or usuasociate companies or joins ventures as of Blac Morth 2026

#### Part A: Subsidiaries

ŞI No	Particula is	·	2	3	4	i
1	plame of the subsidiar,	MAVNI, Caranow	Açevolul Varanası	PVVNi Meerul	DVVIsc. Ogra	Kassuc, Kanpur
1	The date once when o bridiary was sone red	12 (% 200)	177.181.2003	32 UK 2003	30 08,2003	15 01 2000
đ	Reporting period for the subsidiary concerned in Cillerani from the holding company's reporting period.	N/A	N/A	N/A	NAV	79/0
4	Supering correrdy and Exchange rate -s on the last date of the relevant -mandfulgest in the case or length substituting	N/A	N/A	NZA I	N/A	50%
'5	Share capital findleding Share Application Mency pending Alkameron	23391 02	25885 58	19004 (%)	23988.47	2431.78
6	Revenues and surplus	(36511.58)	(16725 98)	(1818-201	23364 77	(3786.49
7	Lotal assets	43106.23	\$7091.18	07088 P4	3705757	5048 O
s.	Total Salahtres	31,776,70	45422.58	21927 15	_3(4)) 57	64D) 27
ب	nvesiments					
20	Fulnaver	14707.75	) 76.60 PH	7:463-30	12447.81	1353,48
11	Proter/juessi before toxation	(4819.97)	(6)(0.27)	993.67	pu/3 //	9.51
17	Programming Tax study	·				
13	Promintess) after tasation	(480998)	16610-27	993.67	(5073 77)	7.5
ΙŁ	Proposed Dividend					
15	Ferencial shareholding (in percentage)	50080	100%	133%	922%	100%

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# Materians pursuant to Section 129 [3] of the Companies 4(), 2013 related to Associate Companies and Joint Ventures

# Part 8:- Associates and Joint Ventures

	<u>(₹ in Crare</u> )
Name of Associates or Joint Ventures	
1. Latest audited Balance Sheet Date	
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate or Joint Ventures held by the company on the year and	<u> </u>
Nn.	7
Amount of livestment in Associates on Joint Venture	$\neg$
Extent of Holding (in percentage)	
4. Description of how there is significant influence	N 4
5. Reason why the associate/joint venture is not consolidated	
6. Networth attributable to shareholding as per latest audited Balance Sheet	<b>—</b>
7. Profit or Loss for the year	<del>-</del>   !
i Ennsidered in Chrisolidarion	<u> </u>
a Not Considered in Consolidation	<del>_</del>

St. Sellet

#### U.P.POWER CORPORATION LIMITED

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH 2023

т т · — · · — · · — · · — · · · — · · · ·		(₹ in Crores)
A CASH FLOW FROM OPERATING ACTIVITIES	- 2027-23	2021-72
Nel Profit (Loss) Before Taxation & Exceptional de los	(18 785 95)	(2.052.53)
Adjustment For	. (15 (5) (8)	(3.957.73)_
a Depreciation	0.535	- FAR 45
h Interest & E-nacidal Cligages	3,677,75 1	2 562 10
r. Dad Deals & Prevision	5 083 29	a 382,57
d Unterest Income	14 551 18	7 744 9B
Sub Tatal	(200.07)	172,39
Guerating Prolif Before Western Capital Change	25,001.15	19,162.07
Ac usiner: lar	10,241 30	1 <u>5,2</u> 04 84
a Inventores		·· · <del>··</del> ··- ·
b Trade Receivion	1 362 30	(498.45)
e Offici Current Assets	(5767 41)	(11.466.10)
d   Financial assers others	1916 *-)*	
e Other manual Lab	- <u>- 530 934</u>	
1 Financia Liabilities-Somowings	(1 055 77)	(66 <u>868)</u>
g Trade Payable	2.463.86	2 013 64
Hank balance other than cash	22/93/	(2,624,10)
, Provisions	. (107.42)	1,000,46
Sub Inial	-	<b>-</b>
NET CASH FROM OPERATING ACTIVITIES (A)	(916.71)	(9 <u>,0</u> 97.66)
B [CASH FLOW FROM INVESTING ACTIVITIES	9,324.59	6,197.18
a Oecrease (Increase) o Property Plant & Equipment b (Increase (Decrease in Issue) Tringents	! 16 749 96:	(3,835,04)
c Der rease (Increase) in Ticans & Other triangel assets Non current Assets		18072
Theorem Incomes    Incomes Incomes	7,071.72	480,36
	200.07	(172.39)
e Decinase (Ingrouse) in Inlangible assets	(101.23)	(52,00)
1 Decrease (Increase) in fulsi gible assets under development	59 07	(8t/36)
g Oeurease (increase) in Asset noting posses on	(4 <del>5</del> 9)	77 (87)
NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	[4,925,31]	(3,268.38)
C CASH FLOW FROM FINANCING ACITIVITIES	<u> </u>	
Proceeds from Romswing	(7,174 48)	12 945 <b>6</b> 77
b Policeeds from Share Capital	8 786 39	5 552 52
a Process kan other equity	(532.51)	1 232 62
d Other long form trabitnes	430 32	1 351 37
e Interest & Financial Charges	(8.082.29)	(8 383 57)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	(6.550.57)	(3,191 33)
NET INCREASE/(ECCREASE) IN CASH & CASH EQUIVALENTS (A+0+Q)	(1.751 29)	(260.53)
CASH 8 CASH COUNALENTS AT THE SECTION OF THE YEAR	\$.977.58	6 238.11
CASH & CASH EQUIVALENTS AT THE CND OF THE MITAR (REIGNALE OF 1A)	4,226.29	5,977,58
· · · · · · · · · · · · · · · · · · ·		· · — — ·

Los Stalament has been prepared under indirect metrod, as prescribed by the AS 07

20. Cash and cash edulyated consists of cash in rand, bank balances with scheduled parks and lover deposits with banks.

 $\omega$  . Provides yearing west raise been regrouped and rockessilou wherever considered horecastly

(Jidesh Grover)

Company Secretary (Additional Charge)

(Nisin Nijhawan) Chief Fenanscial Officer

Direction(Emange) OIN 03474420

|Pankag#omar| Managing Director DIN: 08095154

01 15/04/2023

Subject to purreport of even call. For D. Pathak & Co.

Ghaired Accordance

FRN 001459C

(A: K. Dwilvodi). Partner

M No. 071504

UDIN: 13071584BGWZLF2793

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# ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

(Rs. in Crores.)

I. St. No.		Particulars	Andited Figures (as reported before adjusting for qualification)	Adjusted Figures (audited figures after adjusting for qualifications)			
331		Turnover/Total Income	68840.74	71498.87			
	2	Total Expenditure	83404.09	87032.5			
	3	Other Comprehensive Income	(1.27)	(1.27			
	4	Exceptional Items	(8.89)	(8.89			
	5	Net Profit/(Loss)	(14573.51)	(15543.85			
	6	Earnings Por Share	(126.81)	(135.26			
	7	Total Assets	125512.68	124580.5			
	8	Total Liabilities	100486.07	100524.2			
	9	Net Worth	23026.61	24056.2			
	10	Any other financial item(s) (as left appropriate by the management)					
11.	Audit	Qualification (each audit qualification separately)	THE REAL PROPERTY.				
		a. Details of Audit Qualification: Amesure-A		10-2701-0-2			
	- 17	h Type of qualification: Qualified Opinion					
		e. Frequency of qualification: Annexure-A					
		d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views. Refer Annexure-A					
		e For Audit Qualification(x) where the impact is not quantified by the auditor;					
	100	(i) Management's estimation on the impact of a					
		(ii) If Management is unable to estimate the imp Company is on Manual system and the recovery difficult to collect the huge number of its collect the	ds are maintained at diffe	rent usits. Hence, it is			
		tiii) Auditor's Comments on (i) or (ii) showe: NA		ULIANO DE SE			

(Nitin Nijhawan) Chief Financial Officer

Place: Lucknow

Date: 15/09/2023

(P.Guruprasad) Chairman of Audit Committee & Non- Executive Director (Pankaj Kumar) Managing Director DIN: 08095154

> For D Pathak & Co Chartered Accountants FRN: 011439C

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

lo.	Basis of Qualified Opinion of Statutory Audit Report for F.Y 2022-23	Frequency
-	UPPCL (Stand Alone)	
	<ol> <li>Note- 12 Other (Current Assets) Rs.1567.90 Crore include Rs 431.68 crore Receivable from Generators as mentioned in Para 24 of Notes to Accounts-30 for which no confirmation and reconciliations are available. Same has been reported in last year Audit for making suitable Provision.</li> <li>We are of the opinion that Provision for Rs 431.68 crore "Receivable from Generators" should be made in accounts.</li> </ol>	First Time
	Management Reply Receivable from Generators of Rs 431.68 Crore relates to old balances which are under reconciliation and, therefore, consequential adjustment/correction will be made accordingly.	
	Company has made a provision for impairment of investment in Subsidiaries, associate and others [Note-5 except Para II (b) Bonds] on the hasis of Net worth of Investee Subsidiaries as on 31st March, 2023 (Refer Para 29 of Note – 30 "Notes on Accounts"), which is not in accordance with Ind AS 36 Impairment of Assets.	Repetitive
	Loans and Other Financial Assets (Note-6), Trade Receivables-Others (Note-8), Financial Assets-Others (Note-11), Other Current Assets - (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.	Repetitive
	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. Similar issues also were brought to the notice of management in previous audit report but no corrective actions seem to have been taken in the financial year 2022-23. Major Balances include a) Rs 15.55 Crore (Note No. 6)-Loans & other financial Assets (Non-Current) including Rs. 5.19 Crore (Security Deposits) and Overlay Charges Rs 10.36 Crore and b) Sundry Receivable (Rs.685.13 Crore)-Financial Assets – Other (Current), Note No-11 including Rs. 408.24 Crore relating to Unscheduled Interchanges Charges Pool a/c, Reactive Energy Charges Rs. 123.79 Crore, and Misc. deposits/balances Rs. 29.26 Crore respectively. In absence of complete details and balance confirmation, we are of the view that provision should be made in the accounts to the extent of Rs.576.84cr. for old balances as reflected in Note-11 financial Assets-Other (Current Assets) and Note No. 6, Loans & other financial Assets (Non-Current). Loss of the company is understated and other receivable is overstated to that extent.	
	Management Reply  (pointed out by audit as old balances includes the balances relating to UI charges of Rs 408.24 er and reactive energy charges of Rs 123.79 crore, in which regular movement is taking place. However, all the balances are being	

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	scrutinized/reconciled and necessary and corrective action, if any, will be made Hence, the above amount cannot be treated as a loss to the company unless reconciliation is completed.	s
4	Purchases as per Note No-22 for Rs.68653.93 Crore, includes Sales to Indian Energy Exchange for Rs 2581.77 Cr, which has resulted into reduction/understatement of Purchases and consequent understatement of Sales of Energy (Note No-20, Revenue for Operation).  Management Reply	Repetitiv
	Since the company purchases power from generators only for the sale of power to subsidiary discoms and, therefore, purchase and sales of power through Indian Energy Exchange Ltd is also taken in calculation of total power purchase cost and the same cost is taken for raising the bills on Discoms towards sale of power. As such there is no impact on profit & loss account of the company.	
	a.) Restructuring Reserve:     A Credit balance of Rs. 540.31 Crore is included in "Other Equity Note-14 as restructuring reserve. As confirmed to us, the balances are old and has been transferred through transfer scheme. No detail was available for aforesaid Reserves.	First Time
	b.) Capital Reserve:  No details have been provided to us regarding capital reserve Rs 195.95  Crore.	First Time
	Note-19 Other Financial Liabilities- Current includes Deposits and Retentions from Suppliers & Others Rs 264.65 crore for which no detail is available.	First Time
	Details of charges filed with ROC against borrowing from bank and few generators have not been disclosed in the respective Notes to Accounts.  On examination of search report furnished to us, it was known that pari-passu charges has been registered on receivables /Current assets of the company against borrowings sanctioned by the bankers, while Debenture Trust deed executed with the trustees of the bonds shows that there is an exclusive charge on Current assets/ receivables of the company including book-debts which is in contravention of the terms of the hypothecation deed executed with the bankers. Company has to take up the matter suitably with the Lenders. Appropriate disclosure for the same has not been given in the Notes to accounts.	First Time
	Non-Compliances of Ind-AS  The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies	



(Indian Accounting Standards) Rules, 2015 (as amended):

Repetitive

a. Financial Assets-Financial Assets-Other (current) (Note-11), Other Current Assets (Note-12), Financial Liabilities-Trade payable (Note-18) and Other Financial Liabilities (Note-19) have been classified as current assets/liabilities include balances which are outstanding for realisation/settlement since previous financial years and the in absence of information/explanations regarding the realis ability/settlement/ confirmation of balances for such amounts within twelve months after the year end, classification of same 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. Few specific instances include Unscheduled Interchanges Charges Pool a/c is Rs 514.86 Cr and Reactive Energy Charges Rs 123.79 Cr as on 31st march 2023 included in "Current Assets-Other" Note -11.

Repetitive

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. B (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.

Repetitive

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 C (I) (d). Such employee cost to the extent not directly attributable to the acquisition and/or installation of Property, Plant and Equipment is inconsistent with Ind AS 16 Property, Plant and Equipment. This has resulted in overstatement of fixed assets and depreciation and understatement of employee cost. However, impact is not quantifiable at this stage.

Repetitive

d. Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost (Refer accounting policy no.(VI) of (Note-1). Valuation of stores and spares for O & M and others is not consistent with Ind AS 2 Inventories i.e., valuation at lower of cost and net realizable value. Further, the stores and spares for capital work should be classified as part of Property, Plant and Equipment and recognised, measured and disclosed in accordance with Ind AS 16 Property, Plant and Equipment. Further, the company has not formulated any accounting policy in respect of provision for unserviceable stores & spares and slow-moving stores

Repetitive

e. Accounting for Employee Benefits: Actuarial Valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer Para 5 (a) Note - 30 "Notes on Accounts"). This is inconsistent with Ind AS 19 Employee Benefits.

Repetitive

f. The Financial Assets (Note-6, 8 and 11) 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: Disclosures, have not been done for the same.	
	g. Further Company has not disclosed the reasons for non-compliance of various lnd AS as required by IND AS-1 Presentation of Financial Statements.	Repetitive
9	Inter unit transactions amounting Rs.148.17 Cr, are subject to reconciliation and consequential adjustments. (Refer Para 8 Note – 30"Notes on Accounts").  Necessary accountal will be made after review of the same.	Repetitive
10	Note-16 "FINANCIAL LIABILITIES OTHERS (NON-CURRENT)" includes Rs 804.87 Crore Liabilities against Loan, the nature of loan and its terms and conditions are not disclosed.	First time
11	C&AG auditors during audit of financial year 2020-21 have commented up on understatement of provision of impairment on investment in DISCOMS since company had credited recoverable amount from Govt. of U.P under Atmar Nirbhar Bharat Subsidy Scheme to "other equity" instead of "Deferred Income" which was consequently included in the Net worth of the DISCOMs and considered for making provision towards investment in DISCOMs. Company has neither made any adjustment in the books of account nor disclosed properly the reasons for non- rectification of such material error—in the notes to Accounts. This is having impact on the provision for impairment/consequential losses and state of affairs of the company to the extent of Rs 16940.00 crore as reflected in Receivable from GOI in CFS as on 31.03.2023. It is learnt from management Representation Letter that company is referring the issue for the opinion of Expert Advisory Committee, of ICAL Pending receipt of such opinion, its impact on accounts cannot be ascertained at this stage.	First time
12,	Non- compliance of Accounting Policies:  Company has to review certain accounting policies which are in contradiction with accounting treatment given in the financial statements. Major instances are given below.:-  a) INVESTMENTS: Provision for impairment is not being made at its Fair Value as per IND AS-109 as mentioned in the respective accounting policy.  b) FINANCIAL ASSETS: Financial assets on subsequent measurement are not recorded at amortized cost as per IND AS- 109, as mentioned in respective accounting policy.  Impairment on financial assets are not being made based on Expected loss.  c) FINANCIAL LIABILITIES: Borrowings are not measured at Fair value using effective r ate of Interest as mentioned in the accounting policy.	Repetitive
13.	Maintenance of Proper Books of Accounts:  The company has systems 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	Repetitive

Met

Branch Auditors trial balance is showing Buildings under the head AG b) Code 10.211 "Office Building" amounting to Rs. 42,08,722.10 but information regarding the Land of corresponding assets not provided to us. #Units641 - Civil

First time

c)

An amount of Rs 36506.76 is shown under the head Scrap Materials A/c (A/c Code 22 770), on review of the said account we were explained that these are group of assets which has been fully depreciated and are being carried at its residual value. Further, since fixed assets register is not being maintained these assets cannot be identified. Furthermore, no report of any committee who identified the above assets as scrap was provided to us. Further, as per Ind AS 16 (Property, Plant and Equipment) which requires measurement of such kind of assets at its net realizable value which has not been worked out. Therefore, we cannot comment upon the value at which these assets are carried. #Units330 - EIE&PC

First time

The zone is not evaluating the Property Plants and Equipment (PPE) for impairment as required under INDAS 36, as explained to us revaluation of PPE is not permitted by the Electricity (Supply) (Annual Accounts) Rules, 1985, the exception may be because the PPE cost is built in the Fixed Cost of the tariff but as explained to us the cost of PPE of the Company is not approved under the tariff approved by the regulator neither Depreciation is allocated to the Distribution companies.

First time

The company has not sought any clarification from relevant regulatory authorities regarding the same.

B. Payment of Lease

Unit #972 (UP Vigilance Cell) and #unit 327 (Electricity Store Procurement Circle) are being maintained at rental premises. As explained to us the rent of Unit 972 is being deposited to Court as the ownership of the premises is sub-judice. Further latest lease agreement and the rent receipt were not being provided to us for premises with Unit 327, further Compliances of Ind AS 116 is not done at zone level.

First time

#### C. Investments

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 erore 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 to MPPMCL as explained to us the amount of Equity contribution is not identified in books of accounts further necessary detail on the same is required from Fund section of the company by the EIE&PC which remained unclarified till date, therefore in absence of information and adequate explanation we cannot comment upon it.

First time

D. The balances in account of party, contractors, Governments Departments, etc., including those balances appearing under loan and advances & other receivables are subject to confirmation and reconciliation. The impact of adjustment if any, which may arise out of the confirmation and reconciliation process cannot be commented upon.

First time



E. Branch Auditors observed lack of proper system of review for identifying doubtful dues, especially those arising out of disputes pending before respective judicial forums and absence of regular follow ups with the respective parties for recoverability of outstanding balances in the absence of which we are unable to quantify the amount of provision which is required for irrecoverable or doubtful dues and its consequential impact on the financial statements. #Units330 - EIE&PC

First time

F. TDS Receivables-

The unit has accounting TDS receivable of Rs 749029895.47 pertaining to Power sale to Distributing companies (DISCOMS)however as per 26 AS Rs. 739563769.47 is TDS receivable being reflected against the sale of power to the DISCOM as explained the necessary adjustment will be done at HQ Level. (UNIT CODE330)

First time

As observed the zone has following balances as TDS receivable appearing in the books of the zone, in the absence of year wise breakup and status of completion of the assessment, we cannot comment upon the genuineness of the same. Branch Auditors following balances were outstanding on 31.03.2023

First time

S. no	Unit Code	Unit Name	AG Code	Amount Outstanding (Rs.)
Mark Comment	982	EII	27.425	19,47,440.00
2	973	Service Commission	27.425	-12,04,953,00
7	646	Maintenance	27.425	
4	645	Civil Const. Aliganj	27,425	5,730.00
5	641	Civil	27.421	11,98,908.00
6	641	Civil	The second second second	-3,38,872.00
7	330	Import and Export	27.425	1,79,519.00
8	330	Import and Export	27.422	76,99,77,097.64
9	327	Import and Export	27.425	9,61,37,377.20
217	DS Receiv	ESPC	27.425	13,848.00
TOTAL I	153 Recen	ables		86,79,16,094.84

## G. Trade payables

Trade payable having debit balances for power purchase of following parties, in several cases excess payment of Rs.3917614447.47 has been made to the parties namely NHPC- Rs.(-)3432723674.00, TEESTA URJA LTD. Rs. (-)3722.00, NOAR-Rs. (-)3633710.00, POWERGRID RAMPUR SAMBHAL TRANSMISSION LTD. Rs. (-)16432986.00, M/S SIMBHAULI SUGAR MILLS Rs. (-)76155192.24, M/S DWARIKESH SUGAR MILLS LTD. Rs. (-)2216562.75, TRIVENI ENG.& IND.LTD DEOBAND Rs.(-)74915812.07, TRIVENI ENGINEERING LTD., MILAK NARAIYAN Rs.(-)69228689.50, BAJAJ HINDUSTAN LTD. UTRAULA Rs. (-)10440643.57, BAJAJ HINDUSTAN LTD, (GANGAULI) Rs. (-)34873409.42, BAJAJ HINDUSTAN LIMITED, BARKH Rs. (-)1662752.45, BAJAJ SUGAR-



	monthly trial balances 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., eash book and sectional journals are not proper and effective.	
14	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 2021-22, instead of financial year 2022-23. (Para 28 of Note- 30 "Notes on Accounts").	Repetitive
15	Non-Disclosures in Notes to Accounts: - Following disclosures have not been made in accounts: - a. Disclosure regarding amount of subsidy not accounted for in case of disputed solar power cases. b. Allotment date for Share application money placed with DISCOMS. c. Risk Management factor do not include Matrix of Age Wise Borrowings and Liabilities due.	First time
16	Major Non-Compliances of Law	
	<ol> <li>Company has not appointed any Company Secretary as required u/s 203 of Company Act 2013.</li> <li>As per section 177 of the companies acts 2013, following major compliances/ issues were not placed before Audit committee as also delegated by the Board of Directors:         <ol> <li>Approval or any subsequent modification of transactions of the company with related parties.</li> <li>Scrutiny of inter-corporate loans and investments.</li> <li>Evaluation of internal financial controls and risk management systems.</li> <li>Monitoring the end use raised through public offers and related matters.</li> </ol> </li> <li>Company has not held meeting of Risk Management committee, Stakeholder committee etc. during the year under review.</li> </ol>	First time
17	2. Major Audit observations in Material Management Zone Audit Report:  A. Property Plant and Equipment:  a) Branch Auditors trial balance is showing Buildings under the head AG Code 10.208 "Building CONTA DIST INST" amounting to Rs. 48,34,196.68 and under AG Code 10.211 Office building amounting to Rs. 11,65,227.05, but information regarding the Land of corresponding assets not provided to us. #Units645 – Elec Civil ConstDiv – 1	First time

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LIMITED, BARKHERA, Rs. (-)36495325.42, BAJAJ HIND.L., KUNDARKHI Rs.(-)11714482.31, & BAJAJ HIND.L., PALIAKALAN, LAK Rs. (-)147117485.74 and other includes old balances which are under reconciliation, year of advance if any is not provided to us neither was available with the unit, neither current status was explained to us further it should be emphasized that the advances and excess payments are not interest bearing therefore loss to the corporation if any cannot be determined in the absence of clarification and adequate details. Bearing lack of documentation and adequate information, the recoverability or provision for doubtful amount cannot be commented upon at this stage (Unit#330 EIE&PC).

Trade payable having debit balances for power purchase of following parties, in several cases excess payment of Rs.3917614447.47 has been made to the parties namely NHPC- Rs.(-)3432723674.00, TEESTA URJA LTD. Rs. (-)3722.00, NOAR-Rs. (-)3633710.00, POWERGRID RAMPUR SAMBHAL TRANSMISSION LTD. Rs. (-)16432986.00, M/S SIMBHAULI SUGAR MILLS Rs. (-)76155192.24, M/S DWARIKESH SUGAR MILLS LTD. Rs. (-)2216562.75, TRIVENI ENG.& IND.LTD DEOBAND Rs.(-)74915812.07, TRIVENI ENGINEERING LTD., MILAK NARAIYAN Rs.(-)69228689.50, BAJAJ HINDUSTAN LTD. UTRAULA Rs. (-)10440643.57, BAJAJ HINDUSTAN LTD. (GANGAULI) Rs. (-)34873409.42, BAJAJ HINDUSTAN LIMITED, BARKH Rs. (-)1662752.45, BAJAJ SUGAR LIMITED, BARKHERA, Rs. (-)36495325.42, BAJAJ HIND.L., KUNDARKHI Rs.(-)11714482.31, & BAJAJ HIND.L., PALIAKALAN, LAK Rs. (-)147117485.74 and other includes old balances which are under reconciliation, year of advance if any is not provided to us neither was available with the unit, neither current status was explained to us further it should be emphasized that the advances and excess payments are not interest bearing therefore loss to the corporation if any cannot be determined in the absence of clarification and adequate details. Bearing lack of documentation and adequate information, the recoverability or provision for doubtful amount cannot be commented upon at this stage (Unit#330 EIE&PC).

	OLD BALANCES	CONTRACTOR OF THE PARTY OF THE
AG Code	Name of The Generator	Total Balance 2 8
41.106	MADHYA PRADESH	100
41.110	BHAKRA PROJECT MANAGEMENT BOARD	-255974601.81 -16575376.60

Repetitive

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41.128	KARNATAKA P.C.L.	-2088110.00
41.134	MSEDCL	-15502004.00
41.405	LANKO EU LIMITED	-9705040.12
41.411	G.M.R. ENERGY PVT. LTD.	-60719.00
41.420	MANIKARAN	-1534738.00
41.422	M/SAC.C.LTD.	-775440.00
41.427	MITTAL PROC.PVT.LTD.GHAZIABAD	-46511195.00
41.432	TECH. ASSOCIATES	-6931463.93
41.743	WAVE INDUSTRIES PVT. LTD. (ERS	-1660526.78
41.205	HIMACHAL PRADESH	-1688774.00
	Total	-359007989.24

#### Management Reply

No excess payment has been made to any generators. The payment is made only against purchase of power from generator/ supply of power by the generator. Infact, debit balance of Rs 391.76 Crore relating to power purchase liability also includes the old balances which are under reconciliation and necessary corrective action will be made accordingly.

Repetitive

#### H. Staff and Other Liabilities

The Zone has not provided relevant details of the following outstanding balances, (above more than Rs 1.00 Crore) which are quit old and details of same could not furnished to Branch Auditors.

CODE	AG CODE	HEAD OF ACCOUNT	De.	Amount (INR)
983	84,620	CPF EMP Recovery	Cr	(15618278.00)
971	44.412	Liability to Madhymeiul - EC/ED	Cc	(8227668.67)
	44.610	Liability to Trust For EMP - GPF	Cr.	(208115768.53)
	44.620	CPF Employee Share	Ce	(16883312.00)
	44.621	CPF Employer Share Contribution	Ca	(11031894.00)
330	46.936	AMT PAYBLOTHER EB/ST GOVT/LB	Ce.	(6,01,50,278.05)
	46 936E	GL PAYABLE UPJVNL	Cr.	(90,81,65,774.00)
-0.7	46.98	RECEIVABLE ACCOUNT	Ce	(48,15,483.00)
	46-989	UPPICL	Cr.	(62,00,56,928.13)

First time

Repetitive

#### I. Power Purchase

Secretarial designations of the secretarial secretarians.

There is no effective system in place to verify power purchase for completeness, 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.

Repetitive

During our audit we were explained that the reconciliation with Power Generator Companies from F.Y 2018-19 till FY 2022-23 is being carried

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out by M/S Mercados Marketing Energy Private Limited contracted in January 2021, at a fees of Rs 2,39,48,100.00 adjustment if any upon reconciliation will be done upon submission of final report by the contractor. Furthermore, the reconciliation for balances pertaining to financial years before 2018-19 will be handled by additional staff, but no cost comparison between the two reconciliation methods was provided to us, which created a gap in understanding the efficiency and effectiveness of each approach between the contractor-led reconciliation and the additional staff-led reconciliation.

Repetitive

- Generation based Incentives (GBI) receivable from IREDA amounting to INR9,66,31,925.88 (Previous Year INR 9,77,33,211,20) and a sum of INR (265,13,53,853.51) (Previous Year INR (85,62,65,550.77) from UPNEDA are subject to confirmation and reconciliation and Consequential adjustment. (Unit#330 EIE&PC)
- iv) The zone has received interest amounting to Rs. 38,17,77,874 and TDS receivable of Rs. 38177789,20 thereon, the amount of interest has been netted off from the purchase cost in the books. Purchase cost and interest income, therefore are understated to the extent of INR 38,17,77,874 (Unit#330 EIE&PC)

Management Reply

First time

Power purchase bills of generators includes Interest receivable on account of adjustments/revision in compliance of UPERC/CERC regulations/orders etc, hence the same is also taken in calculating total power purchase cost. Since the total power purchase cost is to be transferred to subsidiary discoms as power sale price. Hence, there is no understatement/overstatement of profit/loss and no impact on

First time

# J. Provision for Late Payment Surcharge

Unit has accounted total late pnyment surcharge Rs.5695614955.00 out of which an amount of Rs1123754841.00 is for bills remained unverified. Accounting system adopted by the unit is in diversion of accepted accounting policy on accounting on accrual basis where the LPS should be accrued after the specified time period of unpaid bills as specified in their PPA, whereas only bills are accounted which is received by EI&PC unit. No system was observed where bill wise LPS pending overdue for payment is accrued and accounted it is further observed there is no system in place which could provide information regarding outstanding and overdue bills details over which LPS need to be accrued and whether the accrual has been accounted or not. Therefore, we cannot comment upon on the amount of overstated profit/understated loss of the zone for the financial year 2022-2023 on account of provision of late payment surcharge.

First time

K. Bank Reconciliation Statement: -

On review of the bank reconciliation statements we observed that old Un-

First time

reconciled balance of INR Rs. 138164.34 for which no adjustment /reversal has been made in the books of accounts. # Unit983 - DG Vigilance

#### L. Pending legal cases at different forums

On our query during test check audit of liabilities on pending legal cases at different forums, we were explained that the status of court cases received from PPA unit, Planning unit Power Management Cell and SPAT unit has been considered by the Zone and the same has been disclosed as contingent liability. However, no details were provided to us during our audit and as explained to us the zone has no information relating to the cases and the same is dealt at HQ level. Therefore, we cannot comment upon the status of the cases and its financial implication on the books of accounts.

First time

# M. Provision for Power Purchase and Unverified LPS and Power Purchase cost: -

The Zone has booked an amount of Rs. 807.32 crore, as unbilled and unverified power purchase cost and Rs. 112.37 crore, as LPS Charges (unverified), on our examination and explanation provide to us, we observed that these charges are unverified and booked under expenditure on reasonable estimate, further as explained necessary deviation on their verification will be accounted at the time of verification. Therefore, impact if any on account of verification cannot be commented upon at this stage However, Management has confirmed total amount of unbilled and unverified. Power Purchase cost for Rs 9437 crore as on 31st March 2023.

#### N. Rental from Contractor

The unit has accounted Rental Income from Contractor M/S Prayagraj Power Generation Corporation Limited of Rs 2,29,927.00 further as explained to us the said amount is on account of Lease of Land to the contractor, however unit did not had any information of Land is being recorded in the books of which unit.

#### O. Sale of Scrap

TOTAL TOTAL SOLD FOR THE SOLD F

The Zone has sold old/unserviceable asset for Rs. 1734359.00 during the Financial Year, however as explained the assets sold were very old and gross value was ascertained on the basis of committee report, therefore the correctness of the Profit on sale of Asset of Rs. 927298.00 cannot be commented upon due to lack of details

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# ANNEXURE I

# Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

(Rs. In Crore)

	SL No.	See Regulation 33/52 of the SEBI (LODR) (Ams	Audited Figures (as reported	Level Interior B.			
-			before adjusting for qualification)	(audited figures after adjusting for qualifications)			
	1	Turnover/Total Income	90271.63	92891.58			
-	-	Total Expenditure	106031.48	109786.33			
1	2		-98.68	-98.68			
	3	Exceptional Items Other Comprehensive Income	-11.20	-11,20			
	4	Net Profit/(Loss)	-15869.73	-17004.63			
	5		-138.09	-147.97			
	6	Earnings Per Share	185174.12	184039.22			
	7	Total Assets	103272.83	103272.83			
	8	Total Liabilities	81901.29	80766.39			
	9	Net Worth		-			
	10	Any other financial item(s) (as left appropriate by the management)					
11.	Aud	Constituention (each audit qualification separ	ately)				
-		a Details of Audit Qualification: Annexu	10-M				
		b Type of qualification: Qualified Opinion					
		e					
		d. For Audit Qualification(s) where the impact is quantified by the addition					
		P. A. die OurliGestion(s) where the impact is not quantified by the addition					
		(2) Management's estimation on the impact of audit qualification, 1973					
		(ii) If Management is unable to estimate the impact, reasons for the same:  Accounting of the Company is on Manual system and the records are maintained at different units. Hence, it is very difficult to collect the huge number of information to quantify the observations.					

Elete

(Nitin Nijhawan) Chief Financial Officer (P. Guruprasad)

Chairman of Audit Committee & Non-

**Executive Director** 

(Pankaj Kumar)

DIN - 08095154

Place : Lucknow

Date : 15/9/23

For D. Pathak & Co.

Chartered Accountants

wivedi) Partner

M No. 071584

1	S No.	Photos of Charles and the second	-Mas-
		Annexure I to Independent Auditors Report	Frequen
		(As referred to in "Basis of Qualified Opinion" paragraph of our audit report of ever date to the members of U.P. Power Corporation Limited on the Consolidated Financial Statements of the Group for the year ended 31" March, 2023)  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:	NA
		A Flore W	
1		A. <u>Uttar Pradesh Power Corporation Limited (UPPCL)</u> On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:  Note- 12 Other (Current Assets) Rs. 1567.90 Crore include Rs 431.68 crore Receivable from Generators as mentioned in Para 24 of Notes to Accounts-30 for which no confirmation and Provision.  Provision.  We are of the opinion that Provision for Rs 431.68 crore "Receivable from Generators" should be made in accounts.	First Time
2.	I I	Management Reply Receivable from Generators of Rs 431.68 Crore relates to old balances which are made accordingly.  Tompany has made accordingly.	
	St	others [Note-5 except Part of investment in Subsidiaries	epetitive
3	. Lo	ans and Other Financial Assets O	
	As record be re were seem Crore (Second 123.7 compande	sets-Others (Note-11), Other Current Assets - (Note-12), Financial Liability-Trade sets-Others (Note-18), Other Financial Liabilities (Current)-except Current maturities of long-maturities and Interest accrued but not due on borrowings (Note-19) includes certain balances under various heads of assets and liabilities which are carrying over since to many years and have not been reviewed/reconciled during the financial year.  Informed to us, above heads include balances transferred from transfer schemes, eviewed/reconciled and suitably adjusted in the books of accounts. Similar issues also a brought to the notice of management in previous audit report but no corrective actions in to have been taken in the financial year 2022-23. Major Balances include a) Rs 15.55 are (Note No. 6)- Loans & other financial Assets (Non-Current) including Rs. 5.19 Crore printing Deposits) and Overlay Charges Rs 10.36 Crore and b) Sundry Receivable are relating to Unscheduled Interchanges Charges Pool a/c, Reactive Energy Charges Rs. 29.26 Crore, and Misc. deposits/balances Rs. 29.26 Crore respectively. In absence of the planting in the accounts to the extent of Rs.576.84cr. for old balances as reflected in Notemanical Assets-Other (Current Assets) and Note No. 6, Loans & other financial	petitive

		-
0	assets (Non-Current). Loss of the company is understated and other receivable is verstated to that extent.	
4	(pointed out by audit as old balances includes the balances relating to UI charges of Rs 408.24 cr and reactive energy charges of Rs 123.79 crore, in which regular movement is taking place. However, all the balances are being scrutinized/reconciled and necessary and corrective action, if any, will be made. Hence, the above amount cannot be treated as a loss to the company unless reconciliation is completed.	
	Purchases as per Note No-22 for Rs.68653.93 Crore, includes Sales to Indian Energy Exchange for Rs 2581.77 Cr, which has resulted into reduction/understatement of Purchases and consequent understatement of Sales of Energy (Note No-20, Revenue for Operation).	Repetitive
	Management Reply  Since the company purchases power from generators only for the sale of power to subsidiary discoms and, therefore, purchase and sales of power through Indian Energy Exchange Ltd is also taken in calculation of total power purchase cost and the same cost is taken for raising the bills on Discoms towards sale of power. As such there is no impact on profit & loss account of the company.	
5.	a.) Restructuring Reserve:  A Credit balance of Rs. 540.31 Crore is included in "Other Equity Note-14 as restructuring reserve. As confirmed to us, the balances are old and has been transferred through transfer scheme. No detail was available for aforesaid Reserves.	First Time
	b.) Capital Reserve: No details have been provided to us regarding capital reserve Rs 195.95 Crore.	First Time
6.	Note-19 Other Financial Liabilities- Current includes Deposits and Retentions from Suppliers & Others Rs 264.65 crore for which no detail is available.	First Time
7.	Details of charges filed with ROC against borrowing from bank and few generators have not been disclosed in the respective Notes to Accounts.  On examination of search report furnished to us, it was known that pari-passu charges has been registered on receivables /Current assets of the company against borrowings sanctioned by the bankers, while Debenture Trust deed executed with the trustees of the bonds shows that there is an exclusive charge on Current assets/ receivables of the company including book-debts which is in contravention of the terms of the hypothecation deed executed with the bankers. Company has to take up the matter suitably with the Lenders Appropriate disclosure for the same has not been given in the Notes to accounts.	
	Non-Compliances of Ind-AS	
8	The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (India: Accounting Standards) Rules, 2015 (as amended):  (a) Financial Assets-Financial Assets-Other (current) (Note-11), Other Current Asset (Note-12), Financial Liabilities-Trade payable (Note-18) and Other Financial Liabilities (Note-19) have been classified as current assets/liabilities included.	ts Repetitive

balances which are outstanding for realisation/settlement since previous financial years and in the absence of adequate information/explanations regarding the realis ability/settlement/ confirmation of balances for such amounts within twelve months after the year end, classification of same 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. Few specific instances include Unscheduled Interchanges Charges Pool a/c is Rs 514.86 Cr and Reactive Energy Charges Rs 123.79 Cr as on 31<sup>st</sup> march 2023 included in "Current Assets-Other" Note -11.

(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. B (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.

Repetitive

(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 C (I) (d). Such employee cost to the extent not directly attributable to the acquisition and/or installation of Property, Plant and Equipment is inconsistent with Ind AS 16 Property, Plant and Equipment. This has resulted in overstatement of fixed assets and depreciation and understatement of employee cost. However, impact is not quantifiable at this stage.

Repetitive

(d) Inventory which includes stores and spares for capital works, operation and maintenance and others is valued at cost (Refer accounting policy no.(VI) of (Note-1). Valuation of stores and spares for O & M and others is not consistent with Ind AS 2 Inventories i.e., valuation at lower of cost and net realizable value. Further, the stores and spares for capital work should be classified as part of Property, Plant and Equipment and recognised, measured and disclosed in accordance with Ind AS 16 Property, Plant and Equipment. Further, the company has not formulated any accounting policy in respect of provision for unserviceable stores & spares and slow-moving stores

Repetitive

(e) Accounting for Employee Benefits: Actuarial Valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer Para 5 (a) Note – 30 "Notes on Accounts"). This is inconsistent with Ind AS 19 Employee Benefits.

Repetitive

(f) The Financial Assets (Note-6, 8 and 11) 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: Disclosures, have not been done for the same.

Repetitive

(g) Further Company has not disclosed the reasons for non- compliance of various Ind AS as required by IND AS-1 Presentation of Financial Statements.

9.	Inter unit transactions amounting Rs.148.17 Cr, are subject to reconciliation and consequential adjustments. (Refer Para 8 Note – 30"Notes on Accounts").	Repetitive
10.	- The state of the	1000
11.	Non- compliance of Accounting Policies:	
	Company has to review certain accounting policies which are in contradiction with accounting treatment given in the financial statements. Major instances are given below.:-  a) INVESTMENTS: Provision for impairment is not being made at its Fair Value as per IND AS-109 as mentioned in the respective accounting policy.  b) FINANCIAL ASSETS: Financial assets on subsequent measurement are not recorded at amortized cost as per IND AS- 109, as mentioned in respective accounting policy.  Impairment on financial assets are not being made based on Expected loss.  c) FINANCIAL LIABILITIES: Borrowings are not measured at Fair value using effective rate of Interest as mentioned in the accounting policy.	
12.	Maintenance of Proper Books of Accounts:	
	The company has systems 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 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.	Repetitive
3.	Non-Disclosures in Notes to Accounts: -	
	Liabilities due.	First Time
4.	Major Non-Compliances of Law	
i	Secretarial Compliance report has not been filed by company till date. Company has not appointed any Company Secretary as required u/s 203 of Company Act 2013.  As per section 177 of the companies acts 2013, following major compliances/ issues were not placed before Audit committee as also delegated by the Board of Directors:  a. Approval or any subsequent modification of transactions of the company with related parties.  b. Scrutiny of inter-corporate loans and investments.  c. Evaluation of internal financial controls and risk management systems.  d. Monitoring the end use raised through public offers and related matters.  Company has not held meeting of Risk Management committee, Stakeholder committee etc. during the year under review.  Major Audit observations in Material Management Zone Audit Report:	First Time

Branch Auditors trial balance is showing Buildings under the head AG Code First Time a) 10.208 "Building CONTA DIST INST" amounting to Rs. 48,34,196.68 and under AG Code 10.211 Office building amounting to Rs. 11,65,227.05, but information regarding the Land of corresponding assets not provided to us. #Units645 - Elec Civil ConstDiv - 1 Branch Auditors trial balance is showing Buildings under the head AG Code b) First Time 10.211 "Office Building" amounting to Rs. 42,08,722.10 but information regarding the Land of corresponding assets not provided to us. #Units641 -An amount of Rs 36506.76 is shown under the head Scrap Materials A/c (A/c c) First Time Code 22 770), on review of the said account we were explained that these are group of assets which has been fully depreciated and are being carried at its residual value. Further, since fixed assets register is not being maintained these assets cannot be identified. Furthermore, no report of any committee who identified the above assets as scrap was provided to us. Further, as per Ind AS 16 (Property, Plant and Equipment) which requires measurement of such kind of assets at its net realizable value which has not been worked out. Therefore, we cannot comment upon the value at which these assets are carried. #Units330 - EIE&PC The zone is not evaluating the Property Plants and Equipment (PPE) for d) First Time impairment as required under INDAS 36, as explained to us revaluation of PPE is not permitted by the Electricity (Supply) (Annual Accounts) Rules, 1985, the exception may be because the PPE cost is built in the Fixed Cost of the tariff but as explained to us the cost of PPE of the Company is not approved under the tariff approved by the regulator neither Depreciation is allocated to the Distribution companies. The company has not sought any clarification from relevant regulatory authorities regarding the same. B. Payment of Lease Unit #972 (UP Vigilance Cell) and #unit 327 (Electricity Store Procurement Circle) are being maintained at rental premises. As explained to us the rent of Unit 972 is being deposited to Court as the ownership of the premises is subjudice. Further latest lease agreement and the rent receipt were not being provided to us for premises with Unit 327, further Compliances of Ind AS 116 is not done at zone level. First Time C. Investments 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 to MPPMCL as explained to us the amount of Equity contribution is not identified in books of accounts further necessary detail on the same is required from Fund section of the company by the EIE&PC which remained unclarified till date, First Time therefore in absence of information and adequate explanation we cannot comment upon it. D. The balances in account of party, contractors, Governments Departments, etc., including those balances appearing under loan and advances & other receivables are subject to confirmation and reconciliation. The impact of adjustment if any, which may arise out of the confirmation and reconciliation process cannot be commented upon.

E. Branch Auditors observed lack of proper system of review for identifying doubtful

dues, especially those arising out of disputes pending before respective judicial forums

First Time

and absence of regular follow ups with the respective parties for recoverability of outstanding balances in the absence of which we are unable to quantify the amount of provision which is required for irrecoverable or doubtful dues and its consequential impact on the financial statements. . #Units330 - EIE&PC

First Time

## F. TDS Receivables-

As observed the zone has following balances as TDS receivable appearing in the books of the zone, in the absence of year wise breakup and status of completion of the assessment, we cannot comment upon the genuineness of the same. Branch Auditors following balances were outstanding on 31.03.2023

S. no	Unit Code	Unit Name	AG Code	Amount Outstanding
1	982	ETI	27.425	19,47,440.00
2	973	Service Commission	27,425	-12,04,953.00
3	646	Maintenance	27,425	5,730.00
4	645	Civil Const. Aliganj	27.425	11,98,908.00
5	641	Civil	27.421	-3,38,872.00
6	641	Civil	27.425	1,79,519.00
7	330	Import and Export	27.422	76,99,77,097.64
8	330	Import and Export	27.425	9,61,37,377.20
9	327	ESPC	27.425	13,848.00
Total T	DS Receivabl	es		86,79,16,094.84

C Trade namebles

G. Trade payables H. Trade payable having debit balances for power purchase of following parties, in several cases excess payment of Rs.3917614447.47 has been made to the parties namely NHPC- Rs. (-)3432723674.00, TEESTA URJA LTD. Rs. (-)3722.00, NOAR-Rs. (-)3633710.00, POWERGRID RAMPUR SAMBHAL TRANSMISSION LTD. Rs. (-)16432986.00, M/S SIMBHAULI SUGAR MILLS Rs. (-)76155192.24, M/S DWARIKESH SUGAR MILLS LTD. Rs. (-)2216562.75, TRIVENI ENG.& IND.LTD DEOBAND Rs.(-)74915812.07, TRIVENI ENGINEERING LTD., MILAK NARAIYAN Rs.(-)69228689.50, BAJAJ HINDUSTAN LTD. UTRAULA Rs. (-)10440643.57, BAJAJ HINDUSTAN LTD, (GANGAULI) Rs. (-)34873409.42, BAJAJ HINDUSTAN LIMITED, BARKH Rs. (-)1662752.45, BAJAJ SUGAR LIMITED, BARKHERA, Rs. (-)36495325.42, BAJAJ HIND.L., KUNDARKHI Rs.(-)11714482.31, & BAJAJ HIND.L., PALIAKALAN, LAK Rs. (-)147117485.74 and other includes old balances which are under reconciliation, year of advance if any is not provided to us neither was available with the unit, neither current status was explained to us further it should be emphasized that the advances and excess payments are not interest bearing therefore loss to the corporation if any cannot be determined in the absence of clarification and adequate details. Bearing lack of documentation

First Time

and adequate information, the recoverability or provision for doubtful amount cannot be commented upon at this stage (Unit#330 EIE&PC).

E RES	OLD BALANCES	DESTRUCTION OF THE PARTY OF THE
AG Code	Name of The Generator	Total Balance
41.106	MADHYA PRADESH	-255974601.8
41.110	BHAKRA PROJECT MANAGEMENT BOARD	-16575376.60
41.128	KARNATAKA P.C.L.	-2088110.00
41.134	MSEDCL	-15502004.00
41.405	LANKO EU LIMITED	-9705040.12
41.411	G.M.R. ENERGY PVT. LTD.	-60719.00
41.420	MANIKARAN	-1534738.00
41.422	M/S A.C.C. LTD.	-775440.00
41.427	MITTAL PROC.PVT.LTD.GHAZIABAD	-46511195.00
41.432	TECH. ASSOCIATES	-6931463.93
41.743	WAVE INDUSTRIES PVT. LTD. (ERS	-1660526.78
41.205	HIMACHAL PRADESH	-1688774.00
	Total	-359007989.2

Repetitive

#### I. Staff and Other Liabilities

The Zone has not provided relevant details of the following outstanding balances, (above more than Rs 1.00 Crore) which are quit old and details of same could not furnished to Branch Auditors.:-

UNIT COD E	AG CODE	HEAD OF ACCOUNT	Dr.	Amount (INR)
983	44.620	CPF EMP Recovery	Cr.	(15618278.00)
971	44.412	Liability to Madhyanchal - EC/ED	Cr.	(8227668.67)
	44.610	Liability to Trust For EMP - GPF	Cr.	(208115768.53)
	44.620	CPF Employee Share	Cr.	(16982312.00)
	44.621	CPF Employer Share Contribution	Cr.	(11031894.00)
330	46 936	AMT PAYBL-OTHER EB/ST GOVT/LB	Cr.	(6,01,50,278.05)
	46 936E	GL PAYABLE UPJVNL	Cr.	(90,81,65,774.00)
	46 98	RECEIVABLE ACCOUNT	Cr.	(48,15,483.00)
	46 989	U.P.P.T.C.L.	Cr.	(62,00,56,928.13)

First Time

#### J. Power Purchase

There is no effective system in place to verify power purchase for completeness, no system in place for quantitative reconciliation of the power actually purchased vis-â-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.

- During our audit we were explained that the reconciliation with Power (ii) Generator Companies from F.Y 2018-19 till FY 2022-23 is being carried out by M/S Mercados Marketing Energy Private Limited contracted in January 2021, at a fees of Rs 2,39,48,100.00 adjustment if any upon reconciliation will be done upon submission of final report by the contractor, Furthermore, the reconciliation for balances pertaining to financial years before 2018-19 will be handled by additional staff, but no cost comparison between the two reconciliation methods was provided to us, which created a gap in understanding the efficiency and effectiveness of each approach between the contractor-led reconciliation and the additional staff-led reconciliation.
- Generation based Incentives (GBI) receivable from IREDA amounting to iii) INR9,66,31,925.88 (Previous Year - Rs 9,77,33,211.20) and a sum of Rs (265,13,53,853.51) (Previous Year - Rs (85,62,65,550.77) from UPNEDA are subject to confirmation and reconciliation and Consequential adjustment, (Unit#330 EIE&PC)

The zone has received interest amounting to Rs. 38,17,77,874 and TDS iv) receivable of Rs. 38177789.20 thereon, the amount of interest has been netted off from the purchase cost in the books. Purchase cost and interest income, therefore are understated to the extent of Rs. 38,17,77,874 (Unit#330 EIE&PC)

Management Reply

Power purchase bills of generators includes Interest receivable on account of adjustments/revision in compliance of UPERC/CERC regulations/orders etc, hence the same is also taken in calculating total power purchase cost. Since the total power purchase cost is to be transferred to subsidiary discoms as power sale price. Hence, there is no understatement/overstatement of profit/loss and no impact on profitability.

# K. Provision for Late Payment Surcharge

Unit has accounted total late payment surcharge Rs.5695614955.00 out of which an amount of Rs1123754841.00 is for bills remained unverified. Accounting system adopted by the unit is in diversion of accepted accounting policy on accounting on accrual basis where the LPS should be accrued after the specified time period of unpaid bills as specified in their PPA, whereas only bills are accounted which is received by EI&PC unit. No system was observed where bill wise LPS pending overdue for payment is accrued and accounted. It is further observed there is no system in place which could provide information regarding outstanding and overdue bills details over which LPS need to be accrued and whether the accrual has been accounted or not. Therefore, we cannot comment upon on the amount of overstated profit/understated loss of the zone for the financial year 2022-2023 on account of provision of late payment surcharge.

L. Bank Reconciliation Statement: -

On review of the bank reconciliation statements we observed that old Un-reconciled balance of INR Rs. 138164.34 for which no adjustment /reversal has been made in the books of accounts. # Unit983 - DG Vigilance

M. Pending legal cases at different forums

On our query during test check audit of liabilities on pending legal cases at different forums, we were explained that the status of court cases received from PPA unit, Planning unit Power Management Cell and SPAT unit has been considered by the Zone and the same has been disclosed as contingent liability. However, no details

Repetitive

Repetitive

Repetitive

Repetitive

First Time

COULTE CONTROL were provided to us during our audit and as explained to us the zone has no information relating to the cases and the same is dealt at HQ level. Therefore, we cannot comment upon the status of the cases and its financial implication on the books of accounts. N. Provision for Power Purchase and Unverified LPS and Power Purchase cost: -The Zone has booked an amount of Rs. 807.32 crore, as unbilled and unverified power purchase cost and Rs. 112.37 crore, as LPS Charges (unverified), on our examination and explanation provide to us, we observed that these charges are unverified and booked under expenditure on reasonable estimate, further as explained necessary deviation on their verification will be accounted at the time of First Time verification. Therefore, impact if any on account of verification cannot be commented upon at this stage. However, Management has confirmed total amount of unbilled and unverified Power Purchase cost for Rs 9437 crore as on 31st March 2023. O. Rental from Contractor The unit has accounted Rental Income from Contractor M/S PrayagRaj Power First Time Generation Corporation Limited of Rs 2,29,927.00 further as explained to us the said amount is on account of Lease of Land to the contractor, however unit did not had any information of Land is being recorded in the books of which unit. P. Sale of Scrap The Zone has sold old/unserviceable asset for Rs. 1734359.00 during the Financial Year, however as explained the assets sold were very old and gross value was ascertained on the basis of committee report, therefore the correctness of the Profit on sale of Asset of Rs. 927298.00 cannot be commented upon due to lack of details. B. Common observations in Audit Report of Subsidiaries 1. Trade Receivable on account of supply of Power: First Time As per Para No. 9 of Notes to Accounts, Company has changed its policy for provisioning of bad and doubtful debts against trade receivable considering the simplified approach as envisaged as per Ind AS-109 pertaining to expected losses method quantifying its consequential impact for Rs 12658.27 Cr, but it has followed graded provisioning over the period of four years commencing 40% in Financial Year 2022-23 with incremental provisioning of 20% each successive year which have resulted in deficient provisioning of bad and doubtful debts. Discoms Auditors were of the view that deferment of graded provision behind 31.03.2023 is the violation of Ind- As 109. Auditors of DVVNL has quantified the impact of short provision for Rs 5111.34 er but other Auditors have not quantified the impact of However as per Age wise analysis given in the notes to accounts, a sum of Rs. 70398.95 Cr is outstanding from Non-Government Consumers for more than three years pertaining to group which constitute 65 % of total Trade Receivable. There is difference of Rs 1635.77 er between amount of trade Receivable shown in Note No. 10 and as per Para 43(a) of Notes to Accounts. Company needs to review its policy for provisioning considering the comments of statutory Auditors of Discoms, age-wise analysis of Non-Government consumers and other relevant factors mentioned in Ind As 109 relating to expected losses. However, in absence of complete details, total deficient provision of the group is not quantifiable at this stage.

. Madhyanchal Vidyut Vitran Nigam Ltd.	
<ol> <li>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 Rs.27.27 Crores were reflected in 4 divisions of Ayodhya zone due to wrong classification of accounting entries in MTB.</li> </ol>	Repetitive
ii. We draw attention to Note 10 and para 42 of Note 31 to Notes to financial Statements relating to disclosures of trade receivables wherein the company has not ascertained and classified the Trade Receivables into 'Disputed' Undisputed', 'significant increase in credit risk' and 'credit impaired', as required by amended Schedule III to the Companies Act, 2013.	Repetitive
ii. The segregation of 'Trade Receivable (Current)' into Government/ Non-Government and ageing into different age buckets as per para 36(B) of note 1B have been made only on the basis of online billing data provided to the zonal auditors 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.	Repetitive
Further, the total trade receivables as per the data provided by the commercial section as on 31st March 2023 did not match with the total 'trade receivables' as shown in the books of accounts of the company and the same has been reduced under the category of 'Non-Government consumers' under 'Receivables outstanding for more than 3 years' while categorizing the age buckets.	First Time
The data used while calculating the rates of provisions like 'collection of receivables' and determining the unpaid amount against the 'assessment made in the base period' by the age buckets etc., were not verified by the concerned zonal auditors and hence have been relied upon by us based on management's certification	First Time
o. Purvanchal Vidyut Vitran Nigam Ltd	
The age-wise classification done by the management is not appropriate. As per explanation and information given to us, the age-wise classification of debtors has been done on the basis of last payment date of the consumer and not on the basis of actual date of bills.  There is a staggering increase in the level of trade receivables from year to year. As	First Time
per age-wise breakup of trade receivables provided by the Company, against total revenue from Sale of Power of Rs. 13660.98 Crore, total outstanding trade receivable for 1 year and less is Rs. 7790.83 crores, which shows that the realization of trade receivables is very poor. Further, total Trade Receivable outstanding at the yearend is Rs. 38634.44 Crore which is higher than cumulative figure of last 2 years revenue	Repetitive
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.  On direction of Hon'ble High Court, the UPPCL has directed the Company to get the special audit conducted at Distribution Division level of revision done in consumer's bills and accounting of its recovery in the cash book during the financial year 2021-22 and 2022-2023. As per information provided to us by the management, total No. of 36,02,611 bills and 11,92,487 bills have been revised during the financial year 2021-22 and 2022-23 respectively. However, the management has failed to provide the quantum of total amount involved. Since, the matter is at preliminary stage, the	First Time
ultimate outcome of the same and its impact on the financial statement could not be ascertained	

	C.	Pashcimanchal Vidyut Vitran Nigam Ltd.				
	i.	No revaluation loss has been recognized during the rep. Trade Receivables based on security deposit equivalent the outstanding dues. In absence of adequate security dunder Government sponsored schemes, no provision for been provided against such receivables by the company we are not in a position to comment on the possible imp statements of the company. (Refer to Note No. 8 of Notes The company has not furnished the details of advancensumers against temporary connection and the entire has been shown as non-current liabilities. In absence of sucurrent and non-current liabilities therefrom is not possible During the course of audit, we observed that a huge a which has been classified into secured/unsecured and Govt. Age wise analysis of outstanding is done in statements, however, details thereof is not provided to us classification into disputed and undisputed debtors are no	to 45 days billing to cover deposit cover for customers likely impairment loss has y. Under the circumstances, pact thereof on the financial s to Accounts nee deposit received from security deposits from them uch details, quantification of le and ascertained. amount is lying as debtors, good/doubtful/ Govt/Non-Note No. 8 of Financial for the audit. Moreover, the ot done at all in Note No. 8	Repetitive		
		of Financial statements, which is not in accordance with a Companies Act 2013. Time barring/non-recoverable cabsence of any such classification, we are unable to communication.	cases are not identified, in			
	d.	Dakshinanchal Vidyut Vitran Nigam Ltd.				
	I.	Debtors as per Balance Sheet – 22,701.94 Crores (excluding KESCO 203.77 Crores, Torrent Power Limited 57.70 Crores, Prov. Of Unbilled Revenue 526.71 Crores & Theft of Power 0.69 Crores) less Total Debtor as per Billing Software – 18,193.86				
	II.	Crores), of trade receivable as on 31.03.2023, as per bil account, should be eligible for 100% written off as unider. There is substantial un-reconciled difference of Rs. 1,109 assessment of billing software and revenue booked in fin inappropriate explanations were offered, the compare reconciliation and recognised correct revenue in Pro Hon'ble Allahabad High Court has taken cognizance of seases for which information was not made available to us	ntified debts.  2.83 Crores between revenue nancial statements, for which my should have identified ofit & Loss account. Even such variances in some other	First Time		
3.	As	nments on Old Balances per report of Subsidiaries' Auditor's there are certain Old be iewed since long. Summarized position of major balances Sum:	alances which have not been			
	I.	Dakshinanchal Vidyut Vitran Nigam Ltd				
		There is no reasonable certainty for the recovery/pays outstanding since long period of time without any bal- should be reconciled and dealt accordingly:	ment of following amounts ancing/reconciliation, hence			
		S.No. AG Code and Name a. 46.302 Other Levies	Amount (inCrores) Rs. 28.19			
		b. 46.330 Other State Levies Payable	Rs. 1.32			
		c. 44 Staff Related Liabilities (Debit Balance)	Rs. 3.06			
		d. 44 Staff Related Liabilities (Credit Balance)	Rs. 0.77	Repetitive		

f.	U.P Power Transmission Corporation Limited	Rs. 7.34
g.	AG Code-28 (Transfer scheme balances)	Rs. 12.22
h.	AF Code 25.5 Advance Interest Free (Capital)	Rs. 9.38
i.	(Under EE Admin) AG Code 44.350A 7th Pay Commission	Rs. 16.35

Details of transfer scheme balances for more the Rs 1 lakhs as reported by statutory Auditors id furnished below:

	Pub Light Maintenance	
	Charges	15,28,406.50 Dr
	Advance to Suppliers	1,13,696.00 Dr
	Ad pay to Stores	17,33,772.75 Dr
44	Theft of Cash	16,55,861.15 Dr
TT	UTT	3,86,349.00 Dr
10	Net salary payable sundry liabilities and provision	4,30,182.92 Cr
12	Rural Deposit Scheme	52,88,176.05 Dr
20	Financial Part Con	1,33,588.74 Dr
10	Railway Traction	9,16,04,948.13 Cr
10A	Cess Lucknow	3,03,000.75 Dr
lloc	Kesco	81,71,24,383.56 Dr
707K	Other Recovery From Consumer	122,06,09,198.57 Dr
101	Sundry Debtor For Sale of Energy	68,95,705.94 Dr
567	IUT Cash Within Zone	10,83,716.75 Dr
3	Others	82,72,08,850.07 Cr
5	67	Energy 667 IUT Cash Within Zone

Repetitive

# II. Purvanchal Vidyut Vitran Nigam Ltd.

Details of major odd balances as reported by statutory Auditors is furnished below:

A:	SSETS CR	BALANCE	LIABILITIES DR BALANCE			
		AG Balances (Rs. )		G	Balances (Rs.)	
14	64	2,61,72,455.12	42	1	7,56,38,238.11	
14	85A	54,60,208.34	44	220	1,29,77,048.00	
14	85Y	1,87,75,087.56	44	320	63,67,640.04	
22	760	30,48,98,186.00	44	410	2,14,39,000.26	

	23	112	7,52,95,528.72	44	504	07.26 070.40	
	23	2	2,06,00,141.00	44	505	97,26,879.38	
	23	214	71,18,256.00	44		92,55,430.90	
	23	705	2,83,17,850.00	45	507	3,80,71,518.03	
	24	308	65,03,605.38	46	58	2,48,16,58,995.44	
	24	409B	35,79,26,602.71	46	101	99,95,67,262.50	
	28	610	3,74,10,04,794.00	46	123	88,33,412.52	
	31	0.0	7,03,25,49,602.28		2	1,08,63,96,130.84	
	33		7,72,85,10,430.30	46	3	1,04,85,720.03	
- 1	34	-	71,09,06,173.38	46	922	1,31,42,44,856.20	
	36		10,87,27,166.69	46	94101	2,72,09,862.73	1
			20,01,01,100.07	40	94102	2,51,65,221.65	
i)	In man	y cases at	zones and head office, nature of transactions nder following major he	and re-	Company of Company of Company	p, ageing of outstanding balance confirmation	
		nt Head				nount (Rs. in Crores)	Repetitiv
	Sundry	t & Retenti es to Supp Liabilities Receivable				476.48 113.10 188.17 25.32	
ii) iii)	It was n in the b reconcil	ed and tran	ne following balances p ead Quarter since man sferred to the respective	ertaining y years units/z	ones.	s zones are outstanding we not been identified,	Repetitive
	25.77				Amount	(Rs. in Crores)	
	Other L	iabilities ar	nd Provisions			924	
	Provisio	n for depre	ciation			8.34 669.33	
1	Stock R	elated Acco	ounts (net)			HARMON STATES OF THE PARTY OF T	
	Deposit	for Electrif	ication			11.30	
	Capital 1	Work in Pro	ogress			35.21	
			ALTERNATION OF THE PARTY OF THE			(3.79)	
	resultant	e of proper impact on t	r explanations, complet he accounts of the com	e details pany, if	and recon any, could	ciliation thereof, the not be ascertained.	
	ashimanel	al Vidyut	Vitran Nigam Ltd.				
IV. I				blas C.	nella C	ontractors, loans and various debit/credit	

possible loss/ profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities. Various debit and credit opening balances are lying unadjusted, including the account received under transfer scheme. Under these circumstances, we are not in a position to comment on the possible impact thereof on the financial statements of the company.

1)-As referred in Note 10 to the financial statements receivables from Uttar Pradesh Jal Vidyut Nigam amounting Rs 0.832 crore and Rs. 35.03 crore from Uttar Pradesh Power Transmission Corporation Limited are shown under Current Assets, which are outstanding for more than 12 months. As results of this other current assets are overstated and other Non-Current assets are understated by Rs. 35.86crore.

2)-As referred to in Note 18 to the financial statements, Payables to Uttar Pradesh Rajkiya Vidyut Utpadan Nigam Ltd.amounting Rs.33080.00, Uttarakhand Power Corporation Ltd. Rs.0.17crore, are shown under Current liabilities. However, these balances are outstanding for more than 12 months. As a result of this, current liabilities (Other financial liabilities) are overstated and non-current liabilities (Other financial liabilities) are understated by Rs.0.17 Crores.

 Non Provision of Dues from entities matters of which are pending in NCLT:-

a. Matter relating Trimurti Concast Private Limited in this case outstanding in the tune of INR. 9.24 crore, the present status is the resolution plan has seen been approved. And no further proceeding is pending. It is therefore suggested that the outstanding claim of Rs. 9.24 crore should be written off.

Management Reply

As per the order/directions of Hon'ble Supreme Court (Writ No/ 26355/2022 SLP No. 19947/2023 against the writ petition filed by director of company Sh. Narendra singh under which decision has come in favour of UPPCL. Now recovery proceedings as per the order of Supreme Court have been initiated.

b. It has been observed that Rs.4.04 crore are dues from M/S. Chaudhary Ingot Private Limited whose matter is pending in NCLT. According to the sequence of payment, the electricity dues do not get preference over bank and other dues. As such recoverability of these dues is in jeopardy and Provision for doubtful debts must be made @ 100% i.e., 4.04 Crore. In this case the Pashchimanchal has adjusted Rs. 1.04 crore from security deposit from due as such the balance of Rs. 4.04 crore needs to be provided for.

Management Reply

The recovery as per section-5 has been issued to the consumer and efforts are being made with Distt. Administration to recover the electricity dues.

ii. Interest accrued and due Rs.7.37 Crores under Other Current Assets (AG

Repetitive

Repetitive

		statements.(Refe AG Code 26.7 re 31.03.2023 is II contractor Mr. Sh recovered from the to be make in the I	er to Note 11 of appresent Cont. NR 1,13,84,53 wailesh Kumar in the contractor in the ooks of the acceptance of the acce		e on the finance as having balance as naterial advanced erial is required to provision is requi	ial on to First Time be ired
		adjust/set off the	10. 4.20	Government shows Previous Year 4.17 C as not been made,	unadjusted negai r). The book entry	tive to First Time
4.		Cash equivalents				
	Jan Jan State Control	s' Auditors have report of bank reconciliation s	monieur water	ficiencies in Interna are reproduced belo	l Control System w:	in
	In our opinion following long pending un-reconciled differences between bank balances as per bank passbook/statements vs. bank balance, as declared in AG 24, should be reconciled and dealt accordingly.					as ed First Time
	S. No.	Name of Zone	Balance as per bank passbook	Balance as per cashbook/MTB/ AG24	(Rs. In Crores)  Difference	
	1.	Agra Zone	9.19	10.03	0.01	
	2.	Aligarh Zone	1.37	14.13	-0.84	
	3.	Kanpur Zone	12.00	6.74	-12.76	
	4.	Jhansi & Banda Zone	18.73	-5.28	5.26 24.02	
		Total	41.29			
			41.23	25.62	15.67	
	<ul> <li>(ii) AG 28.919 Other Deposits of Rs. 1.34 Crores included in Deposits &amp; Retention from Suppliers &amp; other of Rs. 1,211.66 Crores in Note 18, is on account of FDR deposited with appellate authorities, in our opinion it should be classified under Cash &amp; Cash Equivalent Note 9-B.</li> <li>(ii) Madhyanchal Vidyut Vitran Nigam Ltd.</li> </ul>					First Time
		reconciliation statemen		f the divisions/ unit entries are appeari	s have not been	Repetitive

0;

divisi Rs. 1. long	her, in Ayodhya zone, to balances as per Bank ions of LESA Ciss zo 29 Crores and credit et period which require a count.	Statements is Rs.15 ne reflect unidenti ntries amounting to	.77 Crores. Similarly fied debit entries at Rs.87.94 Crores out.	BRS at the nounting to standing for	
(iii) <u>Purva</u>	nchal Vidyut Vitran Ni	gam Ltd			
outs unca show of st	reported by the Zonal A tanding entries are bein ashed/ stale cheques and wn outstanding and not a uch entries is in several of ted by the bank twice wh	g carried forward for other entries pertain accounted for in the crores. There are ma	om last many years a sing to revenue accoun- cash book. The cumul- ny entries which has b	and even the its have been ative amount	Repetitive
maii Hea	is also been observed by ntained for establishm dquarter, an amount of wn outstanding and not r	ent related payme Rs. 79.26 Lacs per	nts at Central Payr	nent Office,	First Time
divis cheq atten ascer Zone Mer	authority against of accounted for in the	ing of earlier years, other debits and for necessary adjust statements. The debits and below:-  statement (BRS)  Bank Charges and the court cases, reflect tooks of account. In substantial but still	the amount withdraw ted under other deal the amount of Bank and I not forming part of	ludes stale res special ereof is not  n directly by bits but not Charges and the books of	First Time
	Particulars	Other Debits (Total)	Bank Charges (included in the Total)		
	Less Than 1 year	3.91	3.91		
	1 to 3 years	12.59	0.03		
	More than 3 years	168.01	14.10		
	Total	184.51	18.04		
	as mentioned above i. Reconciliation states dishonoured cheque	ments available in o s and other credits ;	to be made in account f divisions carry unca given by bank in previous In few cases Time	shed cheques, ious years but	First Time

1	iii. Accrued Interest on Fixed Deposits by	
	Books.  Books.	First Tim
	iv. In few Cases, the Bank statements are not provided to confirm the substantial balances appearing in the Books and subsequently in the Bank Reconciliation Statements. As informed, the bank accounts are no more operational. In the absence of the Bank Statements, the updated status of these balances could not be confirmed.	k
	BULANDSHAHAR ZONE  Bank reconciliation statements (BRS) in respect to Bank accounts of mostly divisions of Bulandshahr zone contains outstanding old entries which includes stale cheques, uncashed cheques, other debits and credits more than three month which requires reversal after proper & exact reconciliation and may have impact on trial balance.	Donnels
	GHAZIABAD ZONE	1
	i. In the Bank Reconciliation statement, the bank accounts were reconciled subject to following items:  a) uncashed cheques of Rs 24.39 Cr;  b) Old difference Rs 28.35 Cr  c) Other credits not traced Rs 47.77 crores	Repetitive
	No details, age and explanations could be provided to us hence we are unable to comment on its impact on the accounts;  SHAHRANPUR ZONE	
	Bank Reconciliation Statement (BRS) in respect to bank accounts in case of few divisions of Saharanpur Zone contains outstanding of previous years entries (even some entries are more than 10 years old) which are seizure by various authorities in respect to Court and other cases.	First Time
5.	Capital Work in Progress	
	<ul> <li>a. Capital work in progress includes Rs 1389.61cr (refer notes-3) being "Advances to suppliers and contractors" to be reflected as Advance against capital expenditure as per provision of "the schedule III to the companies Act 2013" as Non- Current Assets. Consequently, capital work in progress is overstated and "Advance against capital expenditure" is understated to that extent.</li> <li>b. Group Company has not disclosed age-wise details of the Capital work in progress including projects in progress/projects temporary suspended as per requirement of Schedule III to the companies Act 2013.</li> <li>Subsidiaries wise observation as reported by the Auditors as given below:</li> </ul>	Repetitive
	- Marie Vitran Nigam Ltd.	
	At Ayodhya Zone, a sum Rs.337.61 Crores and revenue expenses of Rs.40.25 Crores has been capitalized during the year but the details of material & labour consumed, assets created and completion certificates of capital works completed were not available. Further, Details of projects under 'Capital Work in Progress' amounting to Rs.11.55 Crores does not contain item-wise details of consumption.	irst Time

	100
(ii) Purvanchal Vidyut Vitran Nigam Ltd.	
(a) As reported by the Zonal Auditors, the status, situation and condition of Capital Work in Progress is not available for verification.	Repetitive
(b) Capital work in progress includes advance to Suppliers/ Contractors (Capital) amounting to Rs. 825.24 Crores. As reported by the zonal auditors, name and age- wise break-up of the same is not available, hence we are not able to comment upon the same.	Repetitive
(c) The time period of ABD funded UPPDNRP Project has expired on September, 2022. The approval of time extension not available on record for verification. However, as per UPPCL Letter dated 06/02/2023, the Company has been imposing liquidated damages on vendors w.e.f. 01/01/2023.	First Time
(iii) Pashimanchal Vidyut Vitran Nigam Ltd.	
The 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)	Repetitive
<ol> <li>MORADABAD ZONE:</li> <li>WIP         Amount Outstanding Rs. 3.52 Crores - Contract awarded to M/s Ishan         Earthing Ltd. on 25.08.2018. Not yet Capitalized and still stated in WIP. If the         asset is commissioned to business operations, no depreciation is being         charged. No explanation was offered at ZO level.</li> </ol>	First Time
(iv) Kanpur Electricity Supply Company Ltd.	
Capital work in Progress- ₹ 29.14 Crores  The disclosure requirement as envisaged by para L (vi)(b) under 'Additional Regulatory Information' of Schedule III of the Act has not been complied with.	First Time
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. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.  Major comments observed by Subsidiaries Auditors are reproduced below:	
(i) Dakshinanchal Vidyut Vitran Nigam Ltd.	

Inventories of the Company of Rs. 427.62 Crores as at 31.3.2023, are erroneous considering our opinion expressed in Point No. (ii) of Annexure 1 to our audit report First Time (In absence of physical verification) read with followings: Fixed Assets identified as not fit for use, are de-recognised from AG 10 & 12 and are recognised under AG 22 at Written Down Value. New material procured/issued for repair is debited to AG 22, while labour charges are recognised as revenue expenditure under AG 74. After repair the repaired asset is recognised by debiting AG 10 and credited AG 22 at selfly estimated valuation of brand new asset, instead of historic cost of repaired asset. This results into incorrect presentation of inventory wherein, exaggerated imaginary credit (new asset value - (WDV + Repair Material)) remains parked in inventories. This may have been resulted as aggregate impact of multiple crores of undervaluation of inventories. Company needs to stop this practice immediately and identified it's consolidated impact on inventory valuation to arrive at correct valuation. b. Otherwise also, if the assets de-recognised is not repairable, it is further debited to AG 22.770 'Scrap Material' at realisable value, instead of book value and declaring loss on sale of asset to Profit & Loss account. This practice resulted First Time loss on sale of scrap in AG 22 (other than AG 22.770). (ii) Madhyanchal Vidyut Vitran Nigam Ltd. Ageing of inventory was not done and obsolete items were also not identified and 1) adjusted in the books of account in some cases. Further, in respect of inventories of Rs. 272.37 Crores in Ayodhya zone, inventory records, item wise details of Repetitive inventory and its valuation (except inventory worth 102.74 Crores pertaining to (Workshop and Store divisions) as at the year end we're not available. Provision for Unserviceable store of Rs. 41.76 Crores as appearing in Note 7ii) Inventories continues since 2012-13 despite substantial increase in level of inventory to Rs 723.11 Crores in 2022-23 as against Rs. 230 Crores in 2012-13. In Repetitive 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 as on 31/03/2023 by an independent Firm. As per Zonal Auditors' Report, the physical verification of stores and its valuation is pending at Varanasi Zone and some of the Units of Repetitive (b) Stock shortage/ excess pending investigation amounting to Rs. 72.40 Lacs is outstanding as on 31/03/2023. In absence of proper information, we are unable to Repetitive comment upon its nature and proper accountal. (c) No movement analysis is available to categorize fast moving, slow moving, nonmoving and dead stock items. Repetitive (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. Repetitive (e) There is no system for identification of scrap and its valuation at fair value. Repetitive

COUCCE CONTRACTOR OF THE STREET, THE STREE

(iv) Pashimanchal Vidyut Vitran Nigam Ltd. a. Inventory consists of stock items, which are used interchangeably for capital expenditure or for regular repairs and maintenance purposes. Since ultimate use of such stock items is indeterminate at initial recognition, the Company classifies such items as inventory. These items are classified subsequently either in property, plant and equipment through capital work in progress or expense in the Statement of Profit and Loss as and when it is so used, which is not in accordance with requirement of IND AS-2 'Inventories' and IND AS-16 'Property, Plant and Equipment'. The effect of such non-compliance on PPE, inventory, depreciation, spares consumption is not ascertainable.	Repetitive			
3. Liability for Material received on loan by the Company amounting to Rs. 0.73 Crores 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. 0.73 Crores is shown in the Balance Sheet of the Company as on 31 <sup>st</sup> March, 2020, as on 31 <sup>st</sup> March, 2021, as on 31 <sup>st</sup> March, 2022 and as on 31 <sup>st</sup> March, 2023 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. 7 of Financial Statements).	Repetitive			
Merrut Zone  No system for identifying and segregating un-serviceable/slow-moving/non-moving items forming part of the inventories is in place other than ETD- Baghpat, ETD-I Meerut, ETD-II Meerut and EUTD Meerut. However, such items are mixed with the regular stock and are valued as normal stock in all units. Impairment in value of inventory is neither computed nor accounted.	First Time			
(ii) Kanpur Electricity Supply Company Ltd.				
a. INVENTORY Dr.₹ 50.11 Crores  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 ₹104.31 Crores grouped under the head 'Capital Work in Progress'(Also Refer Note No. 3 of "IND AS FS") and 'Advances Recoverable in Cash or in Kind or for value to be received' of ₹0.67 Crores grouped under the head 'Other Current Assets'(Also 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' is not ascertainable.	Repetitive			
Property Plant & Equipment  a. We draw attention to para ii(e) of Company Information and Significant accounting policies stating that employee cost to capital works are capitalized @ 15% on deposit works, 13.50% on distribution works and 9.5% on other works. Further, it was noted that a sum of Rs. 1040.30 Crore of Employee benefit expenses has been capitalized to fixed assets out of total establishment expenditure of Rs. 3580.04 Crore incurred during the year.				

In our opinion, capitalizing Employee benefit expenses on fixed percentages of 'direct costs' instead of Employee benefit expenses directly attributable for such construction, is neither in accordance with generally accepted accounting practices nor as per Ind AS-16. The impact of over capitalization of Employee benefit expenses to fixed assets, as above, on the financial statements is not ascertainable at this stage in absence of complete details.

b. Group has not disclosed accounting policy for Assets not in possession for Rs 128.04 Cr as per Note No 4 to the financial statements. Statutory Auditors of PVVNL have made following comments the same.-

"Assets amounting to Rs.51.55 Crore, being expenses on construction of Bay are shown as "Assets not in possession of Pashchimanchal Vidyut Vitran Nigam Ltd.". The agreement with Transco is not available with the company. It is informed to us that the company has a right to use these assets."

Specific observation given by the statutory Auditors on Property Plant and Equipment are given below:-

(i) Pasheimanchal Vidyut Vitran Nigam Ltd.

i. Due to non-availability of proper and complete records of Work Completion Reports, there have been instances of non-capitalization and / or delayed capitalization of Property, Plant and Equipment, resulting delay in capitalization with corresponding impact on depreciation for the delayed period.. In the absence of sufficient and appropriate audit evidences, we are not in a position to comment on the correctness of the same (Refer to 2(II) and IV(b) of 'Significant Accounting Policies' to the Financial Statements).

(ii) In case of withdrawal of an asset, its gross value and accumulated depreciation is written off on estimated basis. In the absence of sufficient and appropriate audit evidence thereof, we are not in a position to ascertain impact of the same on the financial statements.

## Merrut Zone:-

 Confirmation for Assets of Rs. 11.97 Cr. (Previous year 11.97 Cr.) shown under the head AG 11 as on 31-03-2023 are reported as under the possession of M/s U.P. Power Transmission Corporation Limited is not available on records.

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

Sale of Scrap Rs. 50.59 Crores generated from unrepaired fixed assets should be recognised as Revenue in Profit & Loss account, in place of present practice of crediting to AG22.770.

2. Purvanchal Vidyut Vitran Nigam Ltd.

(a) As reported by the Zonal Auditors, the Fixed Assets Register stating nature of assets, date of addition, its location, actual cost etc. is not up to date except for Mirzapur and Azamgarh Zone.

(b) As reported by the zonal auditors, physical verification has not been done at Azamgarh, Gorakhpur, Prayagraj, Mirzapur and Varanasi zones during the year under consideration.

Repetitive

Repetitive

Repetitive

First Time

Repetitive

(c) As reported by the Zonal Auditors, completion certificate has not been produced for verification for transfer of Capital Work in Progress to Fixed Assets by some of the units.

Repetitive

Kanpur Electricity Supply Company Ltd.

PROPERTY, PLANT AND EQUIPMENT Dr.₹1026.57Crores

The land of the Company is on lease from UPPCL at ₹1.00 per month as per the transfer scheme (Also Refer point no. 10(c) of Note no. 1-B to "IND AS-FS"). As informed the value of such land is yet to be ascertained by UPPCL. However, we have not been furnished 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 "Ind AS F.S." of the aforesaid is not ascertainable.

Repetitive

Madhyanchal Vidyut Vitran Nigam Ltd.

i) \_\_ In case of fixed assets, which are decommissioned, the corresponding accumulated depreciation is reversed on estimated basis, which has no relation with their carrying cost in MTBs. As a result, the cost and accumulated depreciation of assets in use are not correctly reflected in MTBs in several cases. Such practice of determination of carrying cost on estimated basis and charging depreciation thereon is not in accordance with IND AS 16. In the absence of complete details, effect of the said deviation, from Ind AS, on financial statement could not be ascertained.

Repetitive

ii) A sum of Rs. 28.07 Crores were capitalized as fixed assets (Computer & Printers) by transferring amounts from 'Capital WIP' on centralized basis at head office level. It was noted that these amounts comprised of various type of computers/hardware/Accessories etc. purchased in earlier years and delivered/being used at various zones/field units and hence capitalizing the same on centralized basis was not proper. Further, item/location wise entries of these assets were not made in the Fixed Assets register.

First Time

Similarly, payments of 27.98 Crores made for ERP software during 19-20 and 20-21 were capitalized as 'Intangible Assets' during the year. However, the completion report, date of completion, useful life etc. were not available for verification. Further, no amortization of these intangible assets has been done during the year.

During the year, 'GOI Loans' under 'RAPDRP' of Rs 230.25 Crores were converted into 'Capital Grants'. The un provided interest liability on 'Loans converted into grant' amounting to Rs 144.87 Crores (Including Rs 102.26 Crores up to the period 30.09.2017 and Rs 42.61 Crores up to 31.3.2017), have been transferred to 'Capital Grants' and 'Interest pending capitalization' head by treating the same as 'borrowing cost'. Accordingly, an amount of Rs. 170 Crores pertaining to 'interest pending capitalization' (Including Rs 25.14 Crores of interest for the period 1.10.2017 to 31.3.2019) has been transferred to field units through 'Inter Unit Transactions' as on 31.3.23.

First Time

However, due to non-acceptance of these debit advices by the concerned units, the capitalization of this amount in 'Property Plant & Equipment's' and corresponding 'Provision for depreciation' for the period from F.Y. 2017-18 to 2022-23 has not been done resulting in overstatement of 'Inter Unit Transactions' and

First Time

7-		
177	understatement of 'Fixed assets' and 'Depreciation'. The resultant impact of not charging depreciation on the profits for the year could not be ascertained in absence of complete details.	
8	Non D	
V	Non Provision of Expenditure/Losses	
	Group has not provided for Expenditure/Losses as reproduced below	
	i. Madhyanchal Vidyut Vitran Nigam Ltd.	
8.	Advances to suppliers amounting to Rs 113.10 Crores at the HO level are outstanding since more than 7-8 years. It also included Rs 40.61 Crores 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 provisioning of these amounts has resulted in overstatement of advances and understatement of losses for the year by Rs 113.10 Crores.	Repetitive
	Management Reply The matter is under scrutiny at concerned Subsidiary Company and necessary action will be taken accordingly.	
	ii. Pashcimanchal Vidyut Vitran Nigam Ltd.	
	(a) 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.	epetitive
	(b) PVVNL has disclosed prior period adjustment in its para no. 34 to the notes to the account for Rs 94.57 or restating the loss to Re 703 86	rst Time
	Subsidies Received under Atmnirbhar Bharat Scheme.	
	Group has shown Rs. 14940.00 Crore Subsidy Receivable from U.P. Government	st Time

Non-Reconciliation of Inter Unit transactions.  Inter unit transactions amounting Rs.1366.49 crore (Note No. 13- Other Current Assets), has not been reconciled till closed of the financial year.	Repetitive
Non-Compliances of Ind AS/Schedule-III And Other Provisions Of The Companies Act-2013 (other than those mentioned above)	7/-
Following accounting policies of the Group are not in compliance with Ind AS/Companies Act 2013:  a. "Other Equity"-Note-15 includes Rs 18767.69 Cr as consumer contribution towards capital Assets/Capital Grants which are to be reflected as "Deferred income" under "Non-Current Liabilities. "as per Ind As 20. In view of above "Deferred income" is understated and "Other Equity" (negative) is also understated to that extent.	First Time
Management Reply  As per the relevant provisions of Electricity Supply Annual Accounts Rules, 1985, the Consumer Contribution received from consumer for deposit works are to be transferred to Capital Reserve and subsequently amortized in the proportion of Depreciation on that Assets.	
<ul> <li>b. Policy no. VIII(B) regarding accounting of late payment charges on cash basis and (viii) f regarding penal interest over dues, interest etc. on cash basis are against the accrual concept of accounting.</li> <li>c. Policy no. XVI - Financial Assets regarding subsequent measurement on debt instrument at amortized cost in accordance with Ind as 109.</li> <li>d. Policy no. XVII- Financial Liabilities regarding subsequent measurement of borrowings using effective interest rate method.</li> <li>e. 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 MSMED Act, 2006.</li> <li>f. Unbilled revenue Receivable has not been disclosed in the Notes to Accounts except DVVNL and MVVNL Similarly, unbilled Trade Payable has not been disclosed except UPPCL (Holding Company) as required by Schedule-III of Companies Act, 2013.</li> <li>g. Group has not conducted actuarial valuation relating for pension and Gratuity pertaining to employees of erstwhile UPSEB during the financial year 2022-23. (para no. 15(a) to the notes to accounts referred).</li> <li>h. Capital Reserve Rs 18963.64 crore (Statement of Change in Equity) includes deductions for conversion of Capital Grant into Equity for Rs 47.99 crore pertaining to DVVNL. for which no proper disclosure has been made in the financial statements.</li> <li>i. Group has not made necessary disclosures and information as required by Ind As 19 pertaining to Actuarial Valuations in respect of KESCO, PuVVNL, DVVNL and PVVNL respectively.</li> </ul>	
j. Note No 23 (other Income) does not include Tariff Subsidy of PTW consumers Rs 1250 erore, and Power Looms consumers Rs 3750 erore respectively. Specific observations given by statutory Auditors of Discoms on the subject are given	
i. Pasheimanchal Vidyut Vitran Nigam Ltd.	
a. As per Para 16 of IND AS 37, the company is required to disclose Court Cases going on at the end of financial year, brief description related to	Repetitive

STATE OF THE PROPERTY OF THE P nature of the contingent liabilities and estimate of its financial effects and possibility of reimbursement. The company has not made required disclosure with respect to above. Thus, company has not complied with disclosure requirement of IND AS 37. Accordingly, the impact of noncompliance of the above IND AS on the financial statements is not ascertainable. (Refer to Note No. 18(b) of Notes on Accounts). Amount as disclosed in respect of claims/pending arbitration/legal/tax cases have not been properly compiled and Repetitive ascertained as per IND AS-37 "Provisions, Contingent Liabilities and Contingent Assets". No amount of capital commitments in respect of estimated amount of contract remaining to be executed on capital accounts ascertained. In the absence of details thereof, impact of the same upon the financial statements is not ascertained. (Refer Note No. 18(b) of Notes to accounts, regarding contingent liabilities) c. Refer Point No. 1(c), 2(VI)(b) and 2(VI)(f) of Significant Accounting Policies, wherein disclosure has been made for certain items which have been accounted for on cash basis/cut-off date basis, which is not in consonance with the accrual basis of accounting required by the Indian Repetitive GAAP. Due to cut off date basis of accounting, the accounting for provisions in the books of accounts is not in consonance with IND AS-37 "Provisions, Contingent Liabilities and Contingent Assets" is not verifiable. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable. 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 Repetitive 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 e. Auditor of Moradabad Zone has reported that Moradabad ZO has not disclosed the impact of pending litigations on its financial position in its Repetitive financial statements amounting Rs.1363.57 Lakhs. IND AS-1: Policies relating to provision made against (i) advances i. to suppliers/contractors (ii) Slow/non-moving and unserviceable stores, (iii) bad and doubtful debts (iv)advance to employees and First Time others are not disclosed under Annexure "Significant Accounting Policies" annexed with Financial Statements as required in IND AS-1. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable. ii. IND AS-36: All the assets of the company are recorded at their historical values without arriving at their recoverable amounts and arriving at amount of impairment of loss. Company's submission First Time that "their recoverable amount is higher of the assets' net selling price", has not been substantiated. In the absence of fixed assets physical verification, fixed assets register, techno-economic viability assessment and calculation and determination of Cash Generating Unit, we are unable to comment whether any impairment loss has remained un-assessed or un-provided for in accordance with IND AS-36 "Impairment of Assets". Impact of non-compliance of the above IND AS on the financial statements is

Depreciation/Amortisation We have observed that the depreciation on Property, Plant and Equipment has not been worked out properly as there are discrepancy/ Repetitive variation in date of put to use of various assets. The depreciation on addition in Property, Plant & Equipment during the year was provided as per the order of UPERC/Secy./ (MYT for distribution and transmission) Regulations, 2019/408, Lucknow, dated: September 23, 2019, on monthly basis instead of actual period of availability of asset for its intended use on addition. This is not as per provisions of Schedule-III of the Companies Act, 2013 and also against accounting policy of the Company as stated in Para 2(IV)(b) under the head depreciation. In the absence of proper audit trail, we are unable to quantify the impact of the same on depreciation and consequential impact on the financial statements. il. Kanpur Electricity Supply Company Ltd. Note no. 13 of the "IND AS-FS" The Company has not complied with the disclosure requirements envisaged by Schedule-III of the Act except the following: In respect of non-current borrowings: (i) Nature of security in respect of each case of borrowing. (ii) Terms of repayment of term loans and other loans. First Time Madhyanchal Vidyut Vitran Nigam Ltd. The 'liabilities for capital works', 'liabilities for O&M works' and 'Liability for expenses' etc. have been categorized under 'Other Financial Liability(current)' Repetitive instead of showing them under 'Financial liability (Trade payable)'. Further, the disclosures/ ageing of 'trade payables' as per 'Para 36 of Note 1B', have been done without taking into account the amounts shown under the heads 'Other Financial Liability'/ figures certified by the zonal auditors. Financial Assets-Other - Current (Note-10) and Other Financial Liabilities-Current (Note-18) have been classified as 'current' but include balances which are Repetitive outstanding for realization/ settlement since previous financial years and in the absence of adequate information/explanations regarding the realizability settlement of such amounts within twelve months after the year end, not classifying them as non-current assets/liabilities is not in accordance with Ind AS-1 "Presentation of Financial Statements. Additional Disclosures relating to maturity / redemption or conversion date of Repetitive bonds, repayment of term loan & Other loans, nature of security etc. in respect of various borrowing appearing in Note 14- 'Financial Liability - Borrowing' and current maturity of Long term borrowing in Note 16 have not been made as required by Companies Act 2013. IV. Purvanchal Vidyut Vitran Nigam Ltd. (a) The Company has not complied with the provisions of section 42 of the

Companies Act, 2013 as well as The Companies (Acceptance of Deposits) Rules

2014 relating to Share Application Money pending Allotment.

Repetitive

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(b) There is no system at Zones and ESDs of the Company to prepare the Balance Sheet and Statement of Profit and Loss. The Zonal auditors have only been provided Trial Balances (MTB) for the purpose of their audit which is noncompliance of Schedule III of the Companies Act, 2013. Repetitive (c) Impairment of assets has not been done, which is in contravention of Ind AS-36 of (d) Ind AS – 2 "Inventories" has not been properly followed. Repetitive (e) Accounting for Employee Benefits: Actuarial Valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer Para -18 "Notes on Accounts"). This is inconsistent with Ind AS 19 Employee Benefits. Repetitive (f) The Company has disclosed contingent liabilities to the tune of Rs. 168.77 Crores at para 28(b) of Notes to Account of Balance Sheet. Since, the status of contingent liability has not been provided to us, we are unable to comment upon the provision Repetitive required as per Ind AS-37. Dakshinanchal Vidyut Vitran Nigam Ltd. The Company is marked as Active Non-Complaint by the Registrar of Companies, consequence to which the Company is unable to file necessary form with the registrar for Change in Authorised Share Capital (Form SH 7), Change in Paid-up First Time Share Capital (Form PAS 3), Changes in Director (Form DIR 12) etc. The Company may end-up paying heavy late fees for the above non-compliances. This has led to difference in, Authorised Share Capital as per MCA website is Rs. 24,000/- Crores and as per balance sheet is Rs. 30,000/- and Paid up share capital as per MCA website 20,87,72,198 no. of share of Rs. 20,877.22 Crores and as per balance sheet 23,46,17,381 no. of share of Rs. 23,461.74 Crores. vi. The Company has failed to produced/maintained statutory registers prescribed under Companies Act, 2013. vii. The Company has not filed creation/modification/satisfaction of charges with registrar of companies consistently since past 3 years vi. Pasheimanchal Vidyut 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 First Time 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 vii. 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 Repetitive

(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.	Repetitive
(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.	Repetitive
Specific observations in Audit Report of Subsidiaries	-
1) Pashchimanchal Vidvut Vitran Nigam Ltd.  BORROWINGS  There is no system of identification of qualifying assets and interrupted projects which are being financed from the borrowed funds in accordance with IND AS-23. During the year under audit, the company has not capitalised any interest on borrowing, while balance still persist in CWIP and there are payment of interest by the company. Management has informed us that the all capital projects under scheme for which fund was borrowed has been closed prior to the FY 2022-23. However, Capital projects, running other than schemes, are not identified. Hence, In the absence of complete details of qualifying assets vis a vis uses of interest paid money by the company, we are unable to quantify the impact of the same on the financial statements. (Refer to note 23 of financial statements).  ACCRUAL SYSTEM OF ACCOUNTING  During the course of our audit, we have some across some expenses which have been	beside
accounted for on cash basis instead of accrual/mercantile basis. The same is not in accordance with the basic accounting assumptions and the company's accounting policy. In absence of the complete audit trails, we are not in position to ascertain the Impact of the same on the Financial Statements of the company. (Refer to 1(b) and 2(VI) of 'Significant Accounting Policies' to the Financial Statements)	Repetitive
STATUTORY COMPLIANCES  a) The company has corrected Interest on RAPDRP Loan previously accounted as Income instead of transfer to Grants amounting to Rs. 110.64 crore. In FY 2022-23, further company also corrected interest on RAPDRP Loan accounted as expenses which is to be capitalized by Rs. 279.06 crore. In absence of complete documents/calculation of conversion into Grant, we are unable to comment upon the correctness of the same.	First Time
dest reconciliation with books of accounts and return is not made available to us and stated by the management that the same is under process. Hence, we are unable to comment upon the impact of same on financial statements.  3. OTHERS	Repetitive
<ul> <li>a) No subsidiary ledgers have been maintained by the company for Consumer Security Deposit, Meter Security Deposit and Advance consumption charges. In absence of same, correctness of the figures appearing in the financial statements under these head could not be verified.</li> <li>b) As during the course of audit we observe that the late payment surcharge recoverable from customers is accounted for on cash basis due to uncertainty of</li> </ul>	Repetitive
realization however, the company does not have record related to actual realization of the late payment surcharge actually collected, the amount of late payment surcharge was being accounted for on ad-hoc basis by the divisions thus, late payment surcharge is not accounted for in line with the accounting policy & due non availability of proper records we are unable to ascertain the effect of the transections on the financial statement.	First Time
Merrut Zone:-	
i. Following are very old unreconciled/unexplained outstanding appearing in	

trial balance of the zone having substantial amounts, which should be squared up/settled at regular intervals:

(Rs. in lac)

First Time

CODE	HEAD OF ACCOUNT/GROUP	AMOUNT
28.87	Receivable from related companies	2528.34
31.0288	MEERUT ZONE	1153.76
31P.01	WITHIN ZONE	23.58
46.56	LIAB.FOR I.U.T (UPSEB)	3118.92
46.981	UPP.CORP.LTD.	-1459.29
46.999	UPP.CORP.LT	-9517.74
46.989	UP POWER TRANS MISSION	-175.70

- ii. Party wise details of amount outstanding under those accounting heads are not available. Balances outstanding under these heads could not be verified from any record available in unit/ Zone. The age wise analysis for advances and liabilities is not done. In the absence of any analysis of time barring cases and chances of recovery, no provisions are made for nonrecoverable cases.
- iii. In absence of complete details i.e. party wise & age wise outstanding, their names, addresses etc. The procedure prescribed under SA 505 for obtaining balance confirmations directly to statutory auditors could not be initiated.

#### STATUTORY NON-COMPLIANCES

- i. Income Tax and Tax Deduction at Source (TDS):
  - a. The provisions for expenses made at the year-end consisting of Interest on Consumer security deposits, Professional Expenses, Contractors etc. are subject to TDS but tax has not been deducted. Also, Tax has been deducted on payments basis whereas as per Income Tax provisions, Tax should be deducted on booking of expenses or on payment, whichever is earlier. The practice should be amended to fall in line with the provisions of Income Tax Act.

b. Pending TDS demand for Rs. 5.48 lacs (Previous Year Rs.22.41 lac) are appearing at TRACES (Income Tax TDS portal). The basis of these demands needs to be identified and the same need to be removed or paid on its merit. The Contingent Liability arising due to this demand need to be recognized.

need to be recognised.

ii. Goods & Services Tax (GST):

- a. In some cases, units have not charged GST on Miscellaneous receipts components like RO/DO charges etc which are otherwise covered under the provisions of GST. There are other receipts which need to be identified and GST should be charged accordingly. We have identified receipts (in the nature of RO/DO charges) amounting to Rs. 167.80 lac (Previous Year Rs. 4.37 lac) on which GST have not been claimed and deposited.
- b. Miscellaneous Receipts cover receipts of different nature. It is advised to identify receipts on the basis of its nature and should be booked under separate heads rather than clubbing as Miscellaneous. We observed that on some receipts, GST has been claimed such as LD and Tender charges Receipts whereas on some other receipts, GST has not been claimed. In view of the same it is important to classify these

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before us to verify the accrual of income and realization thereof, hence we are unable to comment thereon and quantify its impact on the accounts; The Company has not laid down its accounting policy on recognition of

income in the case of theft of power (dishonest abstraction of power) and the

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income is recognized based on consumption estimated in report of JE/SDO etc. During the year, the Branch has recognized such income of Rs.68.43 Crores (Code AG-61.6) where against only Rs.7.13 Crore (Code-AG-23.8) have been realized and rest has been accounted for a Receivable. Further, such accounting treatment is not in accordance with IndAs-18 which stipulates recognition of income only when the realization thereof is certain. Hence, the Zone has not provided for the doubtful amount. However it is informed by the officials that the provision is made at the HO level in their First Time books, the details and basis thereof, however, could not be explained. In view thereof, its impact on the accounts of the Zone could not be ascertained and The Branch had engaged Primeone Workforce Pvt Ltd for providing skilled Unskilled manpower for operation /maintenance of 33/11KV substation and HT/LT distribution lines. This party was awarded contract with higher profit margin of 6% compared to other similar contract with 3.8136%. Similarly it First Time was noticed that the party has claimed excess rate of wages by Rs.83.86 In yet another case, Mool chand om sai enterprise Pvt Ltd was awarded contract for 2 years for Rs 23.85 crore for manpower supply for operation /maintenance of 33/11KV substation and HT/LT distribution lines wherein the party has excess charged by 16,30,439.64. No explanation was given to us in respect of the above. As a policy, the branch does not deduct TDS at the time of making provision for expense as the same is deducted at the time of payment. This is not accordance with the provision of Income Tax Act. Similarly, in the case of TCS w/s 206C of the Income Tax Act, tax is not collected at the specified rate; The security deposit from customers under code AG 48.1 is Rs. 998.88 crores First Time whereas the same as per customer's master data for all divisions, it is Rs. 1620 crore. No explanation could be offered for such a huge difference hence we are unable to comment on its impact on the accounts. In the case of Division IV Noida (Code AG 23.1), the payment received from debtors during the year is Rs 241.68 crores as against the sale of Rs 75.05 crores. No explanation/details were given for excess collection of Rs 166.62 crores hence we are unable to comment on its impact on the accounts. It was First Time explained that in the case of collection received directly at the head office, the details of such payment pertaining to the Zone is received with an interval even of 2 years hence the figure of debtors as reported in Trial Balance is subject to such collection at HO, consequently, in the absence of information of such collection, the impact on debtors could not be ascertained and During July'20 to November'20, there was a cash embezzlement of Rs 5.64 crores under the division EUDD-7, Ghaziabad by Mr. Sumit Gupta, Head Cashier Revenue of the division. Similarly, Cashier of EDD Greater Noida Satender Pal Singh TG-II embezzled cash of Rs 82,21,974/- during March'21, April'21 and June'21. In yet another case, Cashier of EUDD-IV, Ghaziabad. Repetitive Harinath TG-II during the year 2018-19 embezzled Rs. 19, 19, 767/-(net of recovery of Rs.89,3287). Despite the above cases having been declared fraud in respective years, the same has not been provided for Repetitive V. SAHARANPUR ZONE:

 As explained to us that Fixed Assets created out of these deposit works are not depreciated through the profit and loss account instead these assets are depreciated through the consumer contribution liability head.

First Time

iv. In respect of Receivables (Big Consumers):-

a) Report on short security collected from large and heavy consumers: Following is the detail of the large and heavy consumers from whom due security is not collected which is to be collected immediately:

Repetitive

Sr. No	Name of Consumer	Security Due (In Rupees)
1	M/S RAVI ORGANICS	18,17,160.00
2	D L S PAPERS PVT. LTD	33,06,440.00

b) On the basis of data given to us related to the heavy consumers, following are the cases where either there are payments pending since long or there are irregular payments or partial payments:

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S. No	Consumer Name	Account No.	Last Paymen t	Total Amt due as on 31.03.2023
1	Executive Eng.	DB008051361 88	04-05- 2018	52,50,763.38
2	Harminder Singh	6116971000	24-10- 2009	40,90,365.00
3	Dishnet Wireless	3435671000	20-09- 2013	38,83,056.00
4	Muspkeem Ahmed	5422204000	Never Paid	34,89,852.00
5	Kisaan Dass Rice Mill	439043000	10-03- 2015	32,76,868.00

Although, the Management of Saharanpur zone has informed that the outstanding dues against Sh. Harminder Singh and Sh. Mustakeem Ahmed has been fully recovered.

v. The Comprehensive ERP is under implementation in the Zone. Our Comments are as follows: -

- a. The Trial balance of the all divisions are not aligned with ERP.
- b. The Due Diligence of Migration of Software not undertaken
- c. Partial Migration to new ERP from Old working software (Excel)

It has come to our notice that the zone has since shifted payment module w.e.f. 1 Jan 2022. Under the system the payments are centralized at HQ Meerut UP wherein they are understood to maintain separate ledger Accounts in the New ERP.

Under this arrangement the zone will continue to show liability to the vendor whereas the vendor has already been paid during the period from 01 Jan 2022 to 31st March 2023. The consolidated Trial Balance presented to us is showing a liability is INR 491,54,18,830.67/-. The payments against

these liabilities are made by the Head office directly to the Vendors. But effect of these payments are not reflected in the trail balance of the Zone. In the trail balance only balance payments should have been reflected. Therefore, this point has to be taken into the account at the time of finalization of the Company Balance Sheet.

A/c Code	Account Name	TB Closing Balance as on 31.03.2023
42.1	Supply of Material/Cap.	262,37,44,037.30
43.1	Supply of Material (O&M)	229,16,74,793.37

Remarks: Out of this Liability of Rs. 491.54 Crore, some payments already made to the vendors by HQ. These payments must be lying at debit balance in these heads in HQ accounts.

#### Observation:

In our opinion these payments must be considered while financialization of the financial statements of the company as a whole,

AG Code 26.7 represent Cont. Mat. Control A/C having balance as on 31.03.2023 is INR 1,13,84,537.54 belongs to material advanced to contractor Mr. Shailesh Kumar Since 2010. This material is required to be recovered from the contractor immediately otherwise provision is required to be make in the books of the accounts.

First Time

# Dakshinanchal Vidyut Vitran Nigam Ltd.

1. During the year, Loan of PFC R-APDRP Part A (Rs. 77.53 Crores and accrued Interest Rs. 28.38 Crores) and Loan PFC R-APDRP Part B (Rs. 181.70 Crores accrued Interest Rs. 46.76 Crores) was converted to grant. Total accrued interest of Rs. 75.15 Crores, being interest during construction period, has been capitalised to assets during FY 2022-23, which was erroneously omitted to be capitalised during FY 2016-17. The company has erroneously, by imagining capitalisation in 2016-17, charged total depreciation Rs. 39.47 Crores, current depreciation to profit and loss and accumulated would be deprecation of preceding 5 years as prior period adjustments and failed to correspondingly amortised Rs. 65.42 Crores out of total Grant of of Rs. 334.18 Crores for the expired life of the corresponding assets in this way Profit of the company is understated by the equivalent amount.

 Balance of Rs. 30.18 Crores under AG 46.301 ED Payable to State Govt., Rs. 2.77 Crores under AG 44.412 EC Payable (Out of Nigam) and Rs. 20.07 Crores under AG 46.922 Adv. Recd. For Sale of Scrap, parked in other liabilities/ other assets and Rs. 2.56 Crores in BRS-BOB under EE Admin, duly acknowledged by the company, should have been transferred to Inter Unit Transfer (IUT)

During the year the Company has capitalised ERP Software of Rs. 29.32 Crores which should have been capitalised on 12.08.2020. On this capitalisation the company has erroneously declared an amount of Rs. 7.18 Crores as previous years amortisation by restating the opening balance of Retained Earnings. In our opinion adopted/audited financial statement of preceding years cannot be restated incorrectly for such ignored adjustments. Resulting Loss of this year is understated

a) We have observed, accounting head AG 44,410 'Other Misc. Recovery Payable' balance of Rs. 11.27 Crores (as at 31.03.2023), is increased from 3.73 Crores (as at

First Time

First Time

31.03.2021), majorly in Jhansi Zone (by Rs. 3.97 Crores in FY 2021-22 and by Rs. 6.00 Crores in FY 2022-23), which is not substantiated to the satisfaction about the nature and reason substantial increase. Appropriate efforts should be made.

b) Though the Company has retained an amount of Rs. 15.12 Crores of M/s Pace Computers Services in AG Code 46.124 under EXECUTIVE ENGINEER (ADMN.) outstanding since April 2022, wherein the Company has not assessed the exact amount of claims against the supplier and credited his Profit and Loss account for the same.

#### 3) Purvanchal Vidyut Vitran Nigam Ltd.

- The Inter unit balance has not been reconciled due to which net amount of 699.87 Crores having debit balance has been shown as Inter unit transfers in the Balance Sheet.
- In case of advances under T.I. and P.I. and adjustment thereof, amount aggregating to Rs. 57.90 Lacs is outstanding. It needs serious perusal and timely settlement.

#### Azamgarh Zone-

- (a) During audit it was noticed that in almost every unit huge amount aggregating to Rs. 7,43,36,967 is shown as outstanding against cash and against materials to employees. The amount is quite significant in some of the units. These advances should be recovered and properly accounted for.
- (b) As on date there stands a demand of Rs. 1,34,820 for late filing/ late deposit/short deduction of Income Tax TDS. This liability should be disposed off either through necessary corrections or through recovery from concerned responsible persons.
- (c) At units, records like Cheque Dishonour Register, Log Books of Vehicles, Receipt Book issued & Received Register, Stamp & Postage Register, TDS Register are not being properly maintained & found incomplete except in few cases.
- (d) Since, the work register being incomplete, the amount debited in capital work in progress is not verifiable.

#### Basti Zone-

- (a) TI/PI which is open earlier year/during the year and still pending as on 31st March, 2023. Some of which are pending from more than 10 years. Hence all pending TI/PI's should be closed as per prevailing circular of the corporation or recovered from the official concerned.
- (b) Out of total Capital WIP of Rs. 57.64 Crores appearing in 4 units of the Zone, Rs. 5.60 Crores relates to more than 3 years old.
- (c) Some records like dishonor cheque register, electricity theft register, PD Register, Vigilance Register, log books of vehicles, receipt book issue & received register, stamp & postage register are not produced by Some of the units.

### Gorakhpur Zone -

(a) TI & PI are requested to be closed timely from the date of its issue but the same is not being followed. Some Units are not following proper system for its timely adjustment to avoid its misappropriation/ misutilization. Also it was observed that adequate internal controls with respect to T.I/P.I. were weak in some of the units.

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Repetitive

- (b) At the time of issuing No Dues Certificate due course has not been followed and proper record for such certificate has not been maintained. In result, unnecessary litigation and financial loss occurred. Management may take notice and strictly implement the due course of issuing no dues certificate
- (c) Civil Distribution division has failed to provide Hydel Colony residents occupancy, maintenance and unauthorized occupancy in the campus while some unauthorized encroachments and occupancy have been noticed. It involves financial loss to the Company, which required to be ascertained.
- (d) In most of the Units it is found that M.B. issue register is not properly maintained and direction in this respect not followed. In some cases, it is found MB Book not returned even after retirement or transfer of concerned employees and no serious efforts taken by Division to return back that MB. Further after utilization of M.B in many cases it is not returned to unit/custodian.
- (e) Solar based net metered billing system is not working smoothly and feeding of meter reading (import/export) in solar based net meters are not being done at all. If done only based on consumer's awareness and pursuance, thus it shows loss of revenue on regular basis.
- (f) In many tender cases, while checking financial statements certified by CA, UDIN based certificate not found. It creates reasonable doubt on the genuineness of the statement.
- (g) In most of units Log Book of Vehicles either not maintained or not produced before us for checking.
- (h) At some units, earnest money deposit/security deposit register was not maintained properly hence it is not possible to make any comment on whether earnest money deposit/security deposit was taken from any contractor or not and also refund of earnest money deposit/security deposit to any contractor was made or not. It is evident from the above that there is chances of twice payment to contractor
- The Gorakhpur Zone have pending litigations of involving more than Rs. 504.00 lacs which would impact its financial position.
- (j) At many of the unit's records like log books of vehicles and TDS register are either not maintained or not properly updated.
- (k) There is subsequently huge difference between Debtors of Distribution Units that appears in the online data base of the company and that appears in the trial balance of the units. The reconciliation of the same has not been prepared by the units. As explained, this is because fictitious billing and not accounting of Late Payment Surcharge due in consumers bill as per company policy.
- Remittance of cash into bank is not done within the prescribed time at the distribution units. Cash is usually deposited into bank after delay of 2 - 5 days.

# Mirzapur Zone -

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- (a) At some of the units, records like dishonor register, log books of vehicles, receipt book, issue & received register, stamp & postage register, TDS register are either not properly maintained or not updated.
- (b) Most of the Bank reconciliation has been prepared with opening differences,

which is not correct. In overall, the Bank reconciliation prepared by the Unit is not fully satisfactory & up to the mark and it does not serve main purpose of Bank Reconciliation

- (c) Some of the units have shown advances to employees as outstanding against materials. The amount is quite significant in some of the units and outstanding is in crores. The employee wise list of such outstanding is not made available to us showing the date since when such outstanding stands. It was also noted that advances against material have been debited to the account of J. E's and they have submitted the details of consumption and balance of stock in the form of JE Stock Accounts in form of 1S/2S/3S/4S.
- (d) Some units MB was issued to various JEs since long time but was not deposited back to the units till the date. It was observed that some JEs were transferred from the unit without submitting MB and no dues were also issued from the unit. It is strongly recommended to management to identify the JEs who has not submitted the MB and take necessary action for submission of the same
- (e) This is the corporation practice to accept payment in Cash/Demand Draft only in case where cheque of the consumer was dishonored. But it is observed that again cheque has been received against dishonor cheque from consumer, which is against the corporation norms and the unit must avoid and follow the norms of accepting Cash/DD in case of dishonor of cheque.
- (f) Completion certificate has not been shown for completed job which has been transferred to Fixed Assets from Capital Work in Progress except for some of the units.
- (g) Some of the units do not maintain a separate register for SJ-1, SJ-2, SJ-3 & SJ-4. They are directly making entries either in only one or two register. As per corporation norms separate register should be maintain. And also, unit is required to prepare manual SJ's register on their own and then it should be tallied with SJ's prepared by the hired accounting agency. This will vouch & cross check the accuracy of work done from both the end, but in almost all the case manual SJ's have not been prepared and the computerized SJ's prepared by such external agency is pasted in manual SJ's register.

## Varanasi Zone-

- (a) Total demand of Rs. 28.38 Lacs is pending for TDS defaults in various units of Varanasi Zone.
- (b) Records of Log Book of Vehicles, WIP Register, T&P Register, Contractor's Ledger, WMDR/WMCR, MB Movement Register, Additional Security Tools & Plant Register, Incumbency Register etc., not made available/provided
- (c) Service Books not maintained properly i.e., nominee details, caste certificate and re- attestation not maintained
- (d) Bills continued to be raised to Permanent Disconnection Consumers
- (e) ERD/Suspense register not maintained
- (f) Non-Submission of Receipt Book by collecting agent on regular basis.
- (g) In many cases it is noticed that additional security for additional load in case

of HV Consumer category has not been taken. (h) Line Losses reported in many divisions. Kanpur Electricity Supply Company Ltd. II 4. Deposit for Electrification (AG Code 47) Cr. ₹48.26Crores Party-wise break-up of the above sum with respect to: -Amount lying on account of incomplete project & First Time Amount unspent which is refundable to parties against completed ii) projects was not made available to us for our verification. Hence, we are unable to verify the above liability as on 31.03.2023. II 5. Security Deposit From Consumer Cr. ₹181.16Crores The above sum includes the sum of ₹16 Crores diverted from the revenue received from the consumers account received against electricity charges. Despite of C&AG comments on the accounts of the company for the F.Y.2020-21 & 2021-22, no corrective measurement taken in the "IND AS-First Time FS" for the F.Y.2022-23. STATEMENT OF PROFIT AND LOSS Exceptional Item (AG Code 79.501) Dr. 3.59Crores Repetitive The sum represents reversal of ₹2.89Crores on account of "KESCO's" share in the loss of principal / unrealised interest / notional interest allocated during the F.Y 2021-22 & ₹ 6.48 Crores of notional interest for the F.Y 2022-23 for earlier years invested by the CPF/GPF Trust in the Fixed Deposits of a Public Ltd. Company. The documents / information available was not adequate for

forming an opinion. (Also Refer Para No. 33 of Note No. 1B of "IND AS-

I.

# <u>DETAILS OF DEBENTURE TRUSTEE OF U. P. POWER</u> <u>CORPORATION LIMITED</u>

S.NO.	Name of Debenture Trustee	Details
1.	Beacon Trusteeship Limited	Beacon Trusteeship Ltd.
		7A & B Siddhivinayak Chambers,
		Gandhi Nagar, Opp MIG Cricket Club Bandra East,
		Mumbai – 400051
		compliance1@beacontrustee.co.in
		legal1@beacontrustee.co.in
		operation1@beacontrustee.co.in
		Phone: 022-26558759   M - +91 7208966997
2.	Vistra ITCL(India) Limited	Vistra ITCL (India) Limited
		6th Floor, The IL&FS Financial Center Plot No. C–22, G
		Block,
		Bandra Kurla Complex
		Bandra (East), Mumbai 400051
		Vistra.Operations@vistra.com
		sanjay.dodti@vistra.com
		Mobile: +919619105439