



INDEPENDENT AUDITOR'S REPORT

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

1. Report on Consolidated Financial Statements

A. Qualified Opinion:

We have audited the accompanying consolidated financial statements of Uttar Pradesh Power Corporation Limited (UPPCL) (hereinafter referred to as the "Holding Company"), and its five Subsidiaries, namely Madhyanchal Vidyut Vitran Nigam Limited, Lucknow, (MVVNL), Purvanchal Vidyut Vitran Nigam Limited, Varanasi, (PuVVNL), Paschimanchal Vidyut Vitran Nigam Limited, Meerut, (PVVNL), Dakshinanchal Vidyut Vitran Nigam Limited, Agra, (DVVNL) and Kanpur Electricity Supply Company Limited, Kanpur (KESCO (the Holding Company and its Subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2024, the consolidated statement of Profit and Loss (including other Comprehensive Income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India.

- a) In the case of consolidated balance sheet, of the state of affairs (Financial Position) of the Group as at 31st March 2024.
- b) In the case of consolidated statement of Profit and Loss, of the consolidated **Net Loss** (financial performance including other comprehensive income) of the Group for the year ended on that date;
- c) In the case of consolidated cash flows and changes in equity of the Group for the year ended on that date.

B. 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.

C. Emphasis of Matter

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

U.P Power Corporation Ltd. Holding Company

1. Tax deducted at source Rs.168.28 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** since, management has informed that rectification order u/s 154 of Income Tax Act for refund of amount to the extent of Rs. 5.84 crore has been issued but same is still to be received.
2. As per information provided to us Receivable from Generators includes Rs.707.68 crore debit balance pertaining to M/s Rosa Power Company Ltd, Note 12: Other Current Assets, 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. 32 of Note 30: Notes to Accounts relating to M/s Lalitpur Power Generation Company.
3. As per Para No. 38 of Notes to Accounts-33 of Consolidated Financial Statement, necessary accounting treatment regarding subsidy for Rs. 20,940.00 crore pertaining to Atmnirbhar Bharat Scheme consequent upon opinion dated 01-05-2024 given by Expert Advisory Committee of ICAI have been given in the Financial Statements of DISCOMS. Considering the aforesaid opinion, necessary adjustments have been made as Prior Period adjustments as

reflected in Balance Sheet as on 01/04/2022 included in financial statements and consequently General Reserve and Retained Earnings have been restated considering the opinion of ICAI as referred above (kindly refer Note-15 Other Equity of Consolidated Financial Statement).

4. Sales include Rs. 224.51 crore Prior Period Adjustments which has been clubbed in current year Revenue from operation. Para No. 11 of Note 30: Note to Accounts may be referred in which Management has considered **Material Prior Year Adjustment** only if exceeds 1/2 percent of Revenue from operations in immediately preceding financial year.
5. Kindly refer Para No. 7 of Note 30: Notes to Accounts regarding non-provision of Bad & Doubtful debts on Trade Receivables/ Other Receivable from Subsidiaries during the year which needs review by the Management since it is not in conformity with guidelines contained in Ind AS-109 and Ind AS-107. Company has considered only past default position and not considered current status and future economic factors as envisaged in Ind AS-109 particularly not considering financial position and status of debtor's recoverability by DISCOMS. Company has also not adopted simplified approach including provision Matrix as envisaged by Ind AS- 109/107. As per provision of Ind AS 109, Provision for expected loss on Trade Receivables is to be made based on lifetime expected credit losses. Further, expected credit losses has to be measured considering (a) an unbiased and probability-weighted amount that is to be determined by evaluating a range of possible outcomes; (b) the time value of money; and (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current condition and forecasts of future economic conditions.
6. Accounting Policy 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.

Material Management Zone of U. P. Power Corporation Ltd.

7. Reasons for Deviations in power purchases by 13812.41 MU (9.71% of total power purchased) from various generators with respect to business plan for procurement of Power for 2023-24 as provided in Approval of Aggregate Revenue Requirement and Tariff for FY 2023-24 requires to be reviewed by management. In view of Branch Auditor, system of ascertaining reasons for deviations and approval thereof by competent authority requires to be streamlined / strengthened for ensuring proper and effective monitoring and control over such deviation and purchase of power.
8. Quantity Reconciliation: Reconciliation of Energy as accounted by unit with actual energy as per RLDC/SLDC/RPC has been done by M/s Mercados Marketing Energy Private Limited for FY 2023-24. Details of the power purchased as per the said reconciliation statement and power transferred to DISCOMS and loss of energy during the current year & previous year is tabulated as below:

Detail	As on 31.03.2024	As on 31.03.2023
Total number of Units purchased (MU)	1,41,931.69	1,37,289.92

Total number of units sold (MU)	1,34,269.40	1,30,058.71
Loss %	5.39 %	5.27 %

Further, energy received free of cost from M/s Rajghat HPP, MPPMCL, is not included in the above reconciliation statement. In our view increasing trend of loss of energy during the year needs examination with a view to ensure proper monitoring and control by management on such loss in transfer of energy.

9. Various information as detailed below in respect of purchase of power as per directive of ARR and Tariff rate for 2023-24 by UPERC were not found to have been disclosed in the Notes on Accounts. (Refer Para No. 11.2.28 & 11.2.30 of UPERC order relating to ARR and tariff rate for 2023-24.)

a. Inter & Intra Power Purchase (MUs) along with inter & intra state losses are not made part of the audited accounts henceforth.

Our opinion is not modified on above comments.

Specific Observations of DISCOMS Statutory Auditors are given below: -

a. Pashchimanchal Vidyut Vitran Nigam Ltd.

- i. Refer Note No. 1(b) of Material accounting policy regarding the financial statement of the company having been prepared on a going concern basis, notwithstanding the fact that company is continuously running in loss since inception, although the Company is making profit of Rs. 887.75 crore during the year under audit, and net worth of the company has substantially eroded. The appropriateness of the said basis is inter-alia dependent on continuing support from the Government and improved operational/ financial performance.
- ii. The amount of Unbilled revenue of Rs. 850.43 Crore is booked on the basis of 15 days Assessment considering the Average Assessment for the preceding 3 completed calendar month but there are different category of consumer having different billing cycle. There is not any report available of the DISCOM Auditors for audit, generated on 31.03.2024. In absence of such report, the impact of the same on the account could not be ascertained and quantified by the DISCOM Auditors. (Refer Note no 8 of financial statement and points no 47 of Notes to Accounts)
- iii. Company do not have an effective system for realizing revenue from customers as the amount of receivables as on 31st March, 2024 is Rs. 14940 crores, which is equivalent to around 240 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. (Refer Note no 8 of financial statement)
- iv. Useful life of asset and rates of depreciation taken are different from Part C Schedule-III of Companies Act, 2013. It was stated that the rates adopted are as per UPERC/SECY/(MYT FOR DISTRIBUTION AND TRANSMISSION) Regulation, 2019/408 dated 23.09.2019. In the

opinion of the management, if the rate of Fixed Assets has been considered as per Companies act, 2013.

- v. IND AS-8: In the current financial year, management has made several adjustments/corrections relating to prior period errors/omission. Rs. 11096.72 crores have been adjusted with surplus in the statement of Profit and loss as disclosed in Note 13 of Financial Statements and point no 32(B) of Notes to Accounts in accordance with IND AS-8.
- vi. As referred to in Point No. 12 of Notes to Accounts of the DISCOM a sum of Rs. 5360.70 Crores and Rs. 8.24 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 DISCOM Auditor by the company that no interest and penalty is levied for such late payments in past years and they have relied on the same.
- vii. The company has not provided the basis of calculating the amount for the Electricity Internally consumed amounting to Rs. 289.08 crores.
- viii. Tax Collected at Source (Asset) amounting to Rs. 1.60 crores and Tax Deducted at Source (Asset) amounting to Rs. 9.06 Crores are showing as on 31.03.2024 not reconciled with Form 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. DISCOM Auditors relied upon the same. (Refer to Note No. 11 "Other Current Assets" of the financial statements)
- ix. Company has not recognized any Deferred Tax Assets & Deferred Tax Liabilities due to heavy unadjusted carried forward losses / depreciation and uncertainties, moreover due inappropriate system company is not in the position to determine the estimated figures.
- x. Assets of the company have been accounted for at historical cost (Refer Note No. 24 of Financial Statements) where most of the assets are very old and as per Ind AS-36 Impairment of assets and Impairment losses has not been recognized.

b. Dakshinanchal Vidyut Vitran Nigam Limited-

- i. The Company was consistently amortising 'Government Grants for Capital Assets' and 'Consumer contribution towards service lines & other charges' to the profit and loss account in the ratio of weighted average depreciation on "plant & machinery" and "lines, cables, network etc., which was changed to fixed rate of amortisation @ 5.28% during the current financial year. Effect of this change in accounting estimate has resulted in excess amortisation of Rs. 30.14 crores.
- ii. The Company is following its holding company Office Memorandum dated 06.09.2017 wherein rates of capitalisation of employee cost were prescribed on basis of financials of 2014-15 or so, @15% of deposit works, @13.50% of distribution works and @9.50% on other works, and made capitalisation of employees cost of Rs. 216.58 crores, being employees cost @ specified percentage to the extent of employee cost available at a particular division. DISCOM Auditors has opinion this is incorrect and inappropriate method

of capitalisation of employees cost, and Company shall formulate a long-term policy for ascertainment of method of capitalisation of employee cost and re-assessment of the same every three years.

- iii. As per Ind AS16 "Property, Plant and Equipment", a capital asset shall be recognised if, the cost can be measured reliably and it is probable that future economic benefits will flow to the entity. However, the Company taking a different view written off the written down value (cost minus depreciation) of Rs. 46.72 crores (AG 11.105 'Assets not pertain to DVVNL') in profit and loss as prior period expense.
- iv. The company has changed the method of provisioning for unbilled revenue, wherein during FY 23-24, 15 days' provision of average revenue of last 3 months (Dec, Jan & Feb) is made though no specific policy was available in this regard till last year and provisioning was made to the best estimate of division in-charge.

d. Kanpur Electricity Supply Company Limited

- i. The company has not booked interest on ED during the current FY 2023-24 in accordance with the decision made at 104th BOD held on 22.05.2024. in which after considering the various facts, it has been decided that interest on ED shall not be booked from FY 2023-24 onwards. Impact of ₹116.31 crore has been disclosed as contingent liability in point no. 21B (b). **(Also refer Note No. 28-50 of "IND ASFS")**.
- ii. 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 payable thereon (up to the financial year ended 31st March, 2023), 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 Financial Liabilities (Current)" **(Also refer note no-17 of "Ind ASFS")**.
- iii. 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. **(Also refer to Note No. 1-3(I)(d) of "IND AS-F5")**.
- iv. Provision written back is on account for 6th pay Commission, Provision for Pension & Gratuity for 6th Pay Commission written off during the current year **(Also refer to Note No -19 of "IND AS-F5")**.
- v. Unbilled Revenue in respect of sale of electricity is recognized on the basis of fifteen days' assessment considering the average assessment for the preceding three completed calendar months. Thus, Unbilled revenue has been accounted for on an estimated basis instead of based on actual figures which were ascertainable from bills raised subsequently, as an event

occurring after the Balance Sheet date. (Amount unascertainable). (Also Refer Note No. 28-45 of "IND AS FS").

Our opinion is not modified in respect of these matters.

D. 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.

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

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

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

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

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

3. 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.

4. 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.

5. 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, 2024, 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, 2024, 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 crores)

Name of the Companies	Total Assets as at 31.03.2024	Net Assets i.e., Total Assets minus Total Liabilities as at 31.03.2024	Total Net Profit/ (Loss) as at 31.03.2024	Net Cash in Flows/ (outflows) as at 31.03.2024
Subsidiaries:				
Madhyanchal Vidyut Vitran Nigam Limited, Lucknow, (MVVNL)	42240.63	4111.13	-1359.21	-23.99
Purvanchal Vidyut Vitran Nigam Limited, Varanasi, (PuVVNL)	54164.04	6362.49	-3760.15	228.63
Paschimanchal Vidyut Vitran Nigam Limited, Meerut, (PVVNL)	39841.62	11314.95	862.74	114.84
Dakshinanchal Vidyut Vitran Nigam Limited, Agra, (DVVNL)	36761.69	-3974.91	-2255.8	-9.84
Kanpur Electricity Supply Company Limited, Kanpur, (KESCO)	4527.41	-1983.56	-545.97	70.34
Total	177535.39	15830.1	-7058.39	379.98
CFS Adjustment			345.79	

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.

However Specific observation given by Branch Auditors are given below:-

a. Paschimanachal Vidyut Vitran Nigam Limited-

- i. The compliance of Internal Audit Reports in few cases for the F.Y. 2023-24 are in progress.
- ii. TDS Default and demand of old period as per Traces are appearing on the portal. These need to verified and appropriate action there to should be taken by the company.
- iii. During the year, expenses for ERP software implementation has been capitalized and classified under the heading "Intangibles assets" as per provisions of Schedule III of the Companies Act, 2013, however complete functioning and independent due diligence of software was not ensured.
- iv. No information has been provided as regards to Capital Commitments made by the Company.
- v. Company's assets are un-insured with risk of theft, fire, riots, earthquake etc. and have not made adequate arrangement to save its assets from these incidents in future.

- vi. The unaccounted Distribution Losses during the year is 12.72%, the amount of which is indeterminate. The management has not segregated the same between normal loss and/or abnormal loss. Same needs to be looked into for appropriate action by the company.

b. Dakshinanchal Vidyut Vitran Nigam Limited-

- i. The Company has outstanding trade receivables from Government/Semi-Government Consumers of Rs. 4,814.18 Crores, aging of which is as follows:

<u>Outstanding for Period</u>	<u>Amount (in Crores)</u>
Up to 6 Months	2,737.45
6 Months – 1 Year	620.48
1 Year – 2 Years	243.83
2 Years – 3 Years	322.01
> 3 years	890.42

Sufficient efforts should be made to realise the amount of Rs. 1,456.26 crores outstanding for more than 1 year.

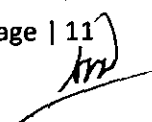
- ii. The Company has huge outstanding liabilities of Rs. 171.88 crores towards Gratuity Payable to CPF Employees & Rs. 291.47 crores towards leave salary payable to employees. However, as a matter of good corporate governance, the company has failed to make any earmarked investment of such amount to ensure payment of such liabilities on time even in the unfavourable circumstances.

c. Kanpur Electricity Supply Company Limited

- i. The Company has calculated Interest on Security Deposit (Consumer) @6.75% 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 software used for recording sale of energy in the Customer bills raised during the year ended 31.03.2024 ("F.Y.")
- ii. The Company in its Material Accounting Policies has not stated accounting policy for Rebate to Consumers on timely payment of bills.
- iii. Replies of the management / compliance report of various observations pointed out by the circle wise respective Internal Auditor's in their Internal Audit Report up to the "F.Y." 2023-24 has not been made available to DISCOMS Auditor, hence, They are unable to comment upon the impact, if any, arising in the "IND AS-FS" of "the Company/KESCO".

6. Report on Other Legal and Regulatory Requirements:

- i. 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.
- ii. 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 except as mentioned in Para No. 6H(g)(v) relating to Audit Trail, as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group 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 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India; provisions of sub-section (2) of section 164 of the Act, regarding disqualification of the directors are not applicable to the Company.
- (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" of Auditors Report of MVVNL and PVVNL respectively) 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 except disclaimer of opinion on this issue given by Auditors of PVVNL.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
 - (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 as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Group 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 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.
- iv. As per reporting requirement under Rule 11(g) of Companies (Audit and Auditors) rules 2014, comments on enabling and preservation of Audit Trail of Accounting Software are furnished below:-

Uttar Pradesh Power Corporation Holding Company:

As per information and explanation given to us and based on our test checks, Company is in the process of stabilizing ERP Software. During the year under review, payment to vendors, employees and Inter Fund transfer have been made through ERP. However, closing of accounts like preparation of Balance Sheet and related activities are being done on computer with the help of MS excel. Company has not



provided any evidence of enabling of Audit trail/edit log facility for above Software. In view of above position, Company has not enabled audit trail/edit log facility during the year under 2023-24.

As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirement for record retention is not applicable for the financial year ended 31st March 2024.

Specific Observations of DISCOM Auditor on Audit Trail are given below: -

a. Paschimanachal Vidyut Vitran Nigam Limited—

Based on our examination the company following hybrid system of accounting where in its books of accounts is mainly maintaining manually and few transactions like HR payment third, party payment is processing through ERP but the ERP software is under implantation. So, in this situation we are not in position to comment upon audit trail (edit log) while maintain the books of account.

As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) rules, 2014 on preservation of audit trail as per statutory requirement for record retention is not applicable for the financial year ended 31st March 2024.

b. Dakshinanchal Vidyut Vitran Nigam Limited-

Company has prepared its financial statements from books of accounts maintained under manual accounting system using conventional method of accounting such as sectional journals, ledgers, etc. wherein audit trail feature is not available/applicable.

c. MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination, the company, has used a manual accounting system, which is operated by third party service providers, for maintaining its books of account manually and in absence of direct control of the accounts department, absence of mechanism to check data entries for ensuring completeness and correctness, we comment that the audit trail feature of the said system was not enabled and did not operate throughout the year for all relevant transactions recorded.

d. Purvanchal Vidyut Vitran Nigam Limited

As per Rule 11(g) of Companies (Audit & Auditors') Rules, 2014 the Company is not using accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility

e. **Kanpur Electricity Supply Company Limited**

The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on examination of DISCOM Auditors which included test checks, and as communicated by the Management, the Company has used accounting software's for maintaining its books of account, which have a feature of recording audit trail (edit log) facility in respect of all relevant transactions recorded in the respective software's. **However, the feature of recording audit trail (edit log) facility was not enabled at the database. Level to log any direct data changes for the accounting software's used for maintaining the books of account. Hence, DISCOM Auditors are unable to comment on the efficacy of the audit trail feature.**

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


(A K Dwivedi)
(Partner)

M No.: 071584

UDIN: 24071584BKMAXU9541

Place: Lucknow

Date: 26/06/2024

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, 2024)

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

1. 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:

1. (a) Note 12 Other Current Assets - Other Rs.1773.42 crore include Rs 779.33 crore (Outstanding for more than 3 years) Receivable from Generators as mentioned in Para No. 26 of Note 30: Notes on Accounts for which no confirmation and reconciliations/ details are available since long. Same was reported also in previous years Audit Report for making suitable Provision.

Considering above, we are of the opinion that Provision for Rs 779.33 crore "Receivable from Generators" should be made in accounts. **Loss of the Company is understated and Other Receivable - Receivable related to Power Purchase Note No 12 Other Current Assets - Other is over stated to that extent.**

- (b) Receivable from Generators also includes Debit Balance of NHPC for Rs.457.00 crore against Rs. 343.00 crore as on 31-03-2023. Reason/ Details for such increase has not been provided to us. Similarly, there are other debits raised during the year 2023-24 in the accounts of various Generators for which no explanation could be furnished to us.

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 31st March, 2024 which is not in accordance with Ind AS 36 Impairment of Assets.
3. Loans and Other Financial Assets (Note 6 Non-current Financial Assets – Loans & Others), Current Financial Assets-Others (Note 11), Other Financial Liabilities - (Note 16 Non – Current Financial Liabilities - Others), 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 per Note No. 12a to the Note No 30: Notes to Accounts, Company has regrouped certain old debit balances amounting Rs. 121.81 crore (including Rs. 74.05 crore IUT balances) and Rs. 6.96 crore old credit balances in Asset Migration/Liability Migration Account in Note No. 6. Non-Current Financial Assets -Loans & Other Financial Assets and Note No.16. Non- Current Financial Liabilities - Other respectively. **Regrouping done by Company is in deviation with the financial reporting framework. According to which assets and liabilities needs to be disclosed in the format/classification prescribed in Schedule-III to the Companies Act.**

4. (a) **Capital Reserve:**

No details have been provided to us regarding Capital Reserve Rs 195.95 crore.

(b) **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.

5. On examination of search report furnished to us, we came to know 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 of Trustee 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 on Accounts.**

Non-Compliances of Ind-AS

6. **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):**

- i. 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 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 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 514.31 crore and Reactive Energy Charges Rs 124.65 crore as on 31st March 2024 included in "Current Assets-Other" Note -11.
- ii. 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.**
- iii. 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.



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- iv. Accounting for Employee Benefits: Actuarial Valuation of pension and 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.**
- v. 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.
- vi. Further Company has not disclosed the reasons for non- compliance of various Ind AS as required by IND AS-1 Presentation of Financial Statements.
7. Inter unit transactions amounting Rs. 78.13 crore, are **subject to reconciliation and consequential adjustments.** (Refer Para No. 8 Notes on Accounts).

8. Non –Compliance of C &AG comments for FY 2022-23

- (a) C &AG Audit during 2022-23 had issued comments on excess booking of subsidy in DISCOMS accounts as per summary given below: -

Sl No.	Particulars	Amount (in Core)
1.	UDAY Scheme	2368.34
2.	RDSS Scheme (22-23)	4112.25
3.	RDSS Scheme (21-22)	5372.50
	Total	11853.09

As per Para No. 22 of Note No. 30 Notes to Accounts, Company has clarified that the aforesaid issue raised by C&AG was due to difference of opinion in interpretation of methodology used for computation of subsidy amount. The same methodology has also been adopted during the financial year 2023-24. Further company has taken up the matter with appropriate authorities for resolution of aforesaid issues. Pending resolution of same/ receipt of necessary clarification by appropriate authorities, impact of aforesaid comment on profitability during the year 2023-24 as well as financial position of Company as on 31.03.2024 are not being quantified by us.

- (b) **No Provision for interest on delayed payment, on deposit/ non deposit of GPF/ Pension Contribution/Gratuity Contribution for Rs. 28.65 crore has been made in the accounts.**
9. (a) As explained in Para No. 24a of Note No. 30 Notes to Account, Bank Balances include Rs. 8.96 crore held with various Banks as on 31-3-24 which are not in name of U.P. Power Corporation Ltd. Lucknow which includes Rs. 8.80 crore pertaining to Bank Accounts in the name of various DISCOMS and Rs. 0.16 crore lying in 9 Banks accounts with Account title name in conjunction with UPPCL DISCOMS and collection agencies.
- (b) Other Income Note 21 interest from Fixed Deposit Rs. 148.26 crore includes Rs. 0.20 crore (Negative Figure) of SBI, Lucknow for which details and confirmation from Bank could not be furnished to us. **In absence of details correctness of accounting treatment cannot be confirmed.**

10. 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 is 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.

11. 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. Further, Company has not maintained Audit Trail (Edit log facility) as reported in Para No. 6(h)(vi) of our Audit Report on Standalone Financial statements

12. 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 2022-23, instead of financial year 2023-24. (Para No.30 of Note 30 Notes to Accounts).

13. Non-Disclosures in Notes on Accounts:

Following disclosures have not been made in accounts:

- i. Allotment date for Share Application Money placed with DISCOMS.
- ii. Matrix of Maturity Analysis- Borrowings and Liabilities due in Para No. 35e to Note No. 30 Notes to Accounts do not include the analysis of Trade Payables of Rs. 19,461.71 crore (Liability for Purchase of Power) as on 31-03-2024.

14. Major Non-Compliances of Law

- i) Company has not appointed any Company Secretary as required u/s 203 of Company Act 2013 during the year 2023-24. As informed by Management, new Company Secretary has joined on 07/06/2024.

- ii) As per Section 177 of the Companies Act 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.
- iii) Only one meeting of Risk Management Committee has been held for constitution of members instead of minimum 2 meetings in a year as per SEBI (LODR) Guidelines.

15. Major Audit observations in Material Management Zone Audit Report excluding those which have been appropriately dealt with elsewhere in the report: -

(A) Investment

During review of decision taken as per minutes of meeting held on 09.08.2018 between Principal Secretary Energy, Go MP and Principal Secretary Energy, GoUP at Lucknow in compliance to directions given by the Honble APTEL in appeal no. 59 of 2014 and IA no. 111 of 2014 and Appeal No. 120 of 2014 on 25.07.2018 it was observed that :

- i. 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 has not been able to identify the said equity contribution in the books of accounts of the Company.**
- ii. Status of Reconciliation of the power scheduled for generation from Rajghat HPP plant since inception and actual scheduled generation to U.P. required to be worked out as per clause 6 of the said minutes is not available in records for determination of compensation of the energy receivable by U.P.

In absence of requisite details at point a) and b) above, **Branch Auditors has expressed their inability to comment on the impact, if any, on the financial statements of the unit. (Unit# 330)**

(B) Loans & Advances (UMPP):

- i. A sum of Rs.152.15crore (Previous Year Rs. 173.06 crore) Appearing under the head '27.8 – Loans and Advances Others' includes Rs. 126.97 crore pertains to Advances provided as for Ultra Mega Power Projects and is outstanding since long period.

UMPP	Advance as per EIE&PC (Rs. In crore)
ORISSA	69.69

BANKAR – BIHAR (UMPP under Closure)	6.00
CHEYYUR – TAMILNADU (UMPP under Closure)	9.27
SAKHHIGOPAL (UMPP under Closure)	4.80
TATIYA ANDHRA (UMPP under Closure)	5.95
TILAIYA	11.55
SASAN	0.00
JHARKHAND	18.59
KARANPURA	1.12
Total for UMPP	126.97*

* Includes Rs.12.02 crore provided as doubtful debts in the last year 2022-23 but again written back without proper disclosure in accounts.

Review of the status of above mentioned projects revealed that UPPCL has requested GoUP for requesting Energy Department, GOI for refund of the advances in respect of UMPP under closure along with carrying cost. Considering the closure of some of the projects, long pending advances, remote possibility of recoveries at this stage etc., **Although, Branch Auditors have expressed their inability to comment the impact on the financial statements of the unit owing to non-recoveries, if any, on this account, yet keeping in view the status of projects disclosed by Branch auditors, we are of the opinion that necessary provision for Projects under closure to the extent of Rs. 26.02 crore should be made in accounts and for remaining amount to the extent of Rs. 100.95 crore, necessary follow up is to be made for its expeditious settlement/recovery. Consequently, loss of the company is understated to the extent of Rs. 26.02 crore and Note No 6:-Non –current financial assets- Loans & Others is overstated to that extent.**

- ii. Review of records reveals that some of the UMPP have paid interest on the above advances in earlier years whereas no such interest has been accounted for in the current financial year, which needs to be looked into with reference to respective terms of agreement, if any, on this account. Further, latest confirmation of balances is not on records and as such balances are subject to reconciliation and confirmation. **Impact of the said reconciliation, if any, on financial statements is not ascertainable at this stage by Branch Auditors.**
- (C) Credit balance of Rs. 16,66,25,625.34 is appearing under the head 28.6201 subsidy receivable from UPNEDA and debit Balance of Rs. 14,96,10,502.40 appearing under the head 28.6202 – Subsidy from IREDA is **subject to reconciliation and confirmation. Impact of the said reconciliation and confirmation, if any, on financial statements is not ascertainable at this stage by Branch Auditors.**
- (D) During review of bills in respect of banked energy, it was observed that banked energy lapsed for withdrawal and available for drawl is not being bifurcated as per CRE guidelines. In some cases it was observed that withdrawal of energy was made in spite unavailable banked energy, which is not in accordance with CRE guidelines. Non-bifurcation of energy in lapsed and available for drawl may result in lack of control over supply of energy in excess of Banked energy available for drawl resulting in loss of revenue. Further, test checks of the provisions made balance of banked energy was found to be varying with the details of energy banked & drawn available in records of generators. Hence, the aspect of determination of lapsed & available energy needs reconciliation in respect of all such co-generators for ensuring proper control over the banked energy and creating provision in books of account. **Hence, Impact of such reconciliation and bifurcation, if any, on provision**

of Rs. 32,03,51,897.50 created during the year and accumulated provision of Rs. 67,39,24,024.50 as on 31.03.2024 is unascertainable at this stage by Branch Auditors.

(E) Deviation Settlement Charges/ (Incentive)

- i) Deviation settlement charges of Rs. (68.08) crores (Net) have been accounted for as per bills received from UPSLDC for the period up to November 2023 only. However, no provision has been made towards DSM charges / (Incentive), in absence of receipt of Bill from UPSLDC and lack of reasonable basis for such estimation and as **such Branch Auditors has express their inability to comment upon the impact of the same, if any, on financial statements.**
- ii) Review of ledgers pertaining to DSM charges owing to change in system for accounting of deviation settlement by UPSLDC instead of UPPCL during current year 2023-24 revealed that Reconciliation with UPSLDC done for the period up to 31.03.2023 contains Rs. 73.73 crore received by UPSLDC from NPCL and Solar Producers for the period up to 30.09.2022, which is subject to reconciliation. **Hence, impact of said reconciliations & its final settlement on financial statements is not ascertainable at this stage by Branch Auditors.**

(F) Purchase of Power

- i) Aspect of recoverable amount of Rs. 13,694.00 Lakh from M/s Lanco Anpara Power Project (LAPL) persistently observed in concurrent audit reports for the year 2023-24 issued by M/s Kherada & Company is explained to be under review of Management from long time. **Hence, impact of the final decision taken by management in the matter on the financial statement of the company, if any, is unascertainable at this stage by Branch Auditors.**
- ii) The unit has accounted for Late payment surcharge (LPSC) of Rs. 261.76 crore i.e. Rs. 254.77 crore in Account Code -70.154 and Rs. 6.98 crore in Account Code 70.402 during the year. Accounting system adopted by unit is in diversion of accepted accounting policy on accrual basis where LPS should be accrued after the specified time period as per PPA in respect of unpaid bills, whereas unit has accounted for only in respect of bills received on this account by EI&PC unit (Unit # 330). Hence, no proper system is in place where status of bill wise LPS could be determined for accounting of LPS on accrual basis. **Under the circumstances, Branch Auditors has express their inability to comment upon the amount of provision of LPSC and its consequent impact on profitability and liabilities of the unit.**
- (G) Review of trial balance reveals that receivable appearing under the head '28- Sundry receivable' includes following balances continuing from old time, reconciliation of which was informed to be under process. Pending reconciliations and confirmation of such old continuing balance, Branch Auditor has express their inability to comment over the same and its impact on the financial statements. **(Unit #330 EIE&PC)**

AG CODE	SUB-HEAD	AMOUNTS(INR)
28.250A	28.2S0A	(6,59,22,574.00)
28.250NPC	Noida	3,30,78,000.00
28.290	Other Income accrued & Due	5,04,47,778.00
28.401A	Misc. Advances Other than Mater	(46402.79)

28.801	Wheeling Charges	1,29,48,940.00
28.809	Others	(30,79,58,906.46)
28.879	UP Power Transmission Corp Ltd.	6,63,96,296.10
28.862	Misc. Deposits / Receipts (Not Specified)	2,95,25,000.00

- (H) The Electricity Import Export & Payment Circle Unit of the Zone has accrued interest of Rs. 29,67,52,933.00 (PY Rs. 25,81,93919.00) during the Financial Year 2023-24 against advance provided to Noida Power Company Limited. Total accrued interest as on 31.03.2024 under the head 28.250 stands at Rs. 225,98,33,419.00. In this regard we were explained that no recovery has been made from NPCL since very long time and 100% provision against the same is created at HO level. Recognizing it as an income when the recovery is uncertain is in contravention to Ind AS 115. In the absence of proper details and information, **Branch Auditors has express their inability to quantify the recoverable amount and its consequential impact on financial statement.(Unit#330 EIE&PC)**
- (I) We 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 Branch Auditors has express their inability to quantify the amount of provision which is required for irrecoverable or doubtful dues and its consequential impact on the financial statements.(Unit#330 – EIE&PC)**

(J) TDS Receivables-

- i) The zone has received interest amounting to Rs. 21,24,72,170.00 and TDS receivable of Rs. 2,12,47,217.00 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 said extent. (Unit#330 EIE&PC).**
- ii) Zone has balances aggregating to Rs. 166,27,25,975.72 as TDS receivable appearing in the books of account of different units. In the absence of year wise breakup and status of completion of the assessment, Branch Auditor has express their inability to comment upon the genuineness of the same.

(K) Liabilities for purchase of power: Review of liabilities of Rs. 19461,71,57,794.39 appearing under the head 41- Liabilities for purchase of power reveals that :

- i. The Zone has booked during the year an amount of Rs. 5932,93,24,559.00 towards liability for power purchase including a sum of Rs. 9,34,13,00,694.00 (PY Rs. 807,32,35,027.00), as unbilled and unverified power purchase cost and Rs. 280,15,366.00 (PY Rs.112,37,54,841.00) as unverified LPS Charges. Further, said Liability of power purchase as on 31.03.2024 includes a sum of Rs. 76,98,45,91,817.92 (Previous year 98,63,22,74,268.11) pertaining to provisions made in respect of unbilled, unverified power purchase Bills, LPSC etc. which implies that accumulated provisions are much higher than the provisions made during the year and have also stagnated in few cases and as such requires review for determining the adequacy & correctness of such provisions continuing from long time. Pending reconciliations and confirmation of such old continuing balance, Branch Auditor have expressed their inability to comment over the same and its impact on the financial statements. (Unit #330). **Aforesaid position reflects that total unverified and unbilled trade payable towards power purchase**

constitute approx more than 39% of the total trade payable amount. Considering above position, Branch Auditors are not in a position to confirm the veracity of trade payable including disputed trade payable as reflected in the Notes on Accounts.

- ii. Details of some the non-moving and stagnated accounts aggregating to Rs. 1,07,82,91,566.75 included in aforesaid liability also require reconciliation & confirmation. Pending reconciliations and confirmation of such old continuing balance, Branch Auditors has express their inability to comment over the same and its impact on the financial statements.

Ac	Code	Name	Opening Balance	Closing Balance
41	772	ABHINAV STEEL (P) LTD, JAUNPUR	36,37,041.00	36,37,041.00
41	872	ABHINAV STEEL (P) LTD, JAUNPUR	-44741947.00	-4,47,41,947.00
41	119A	CHHATISHGHAT PP	-270669.00	-2,70,669.00
41	404	GEL (AP) NRLDC	-3,40,75,557.69	-3,40,75,557.69
41	403	GLOBAL ENERGY LIMITED	-56,24,535.00	-56,24,535.00
41	711	M/S KANNORIA CHEM.& INDS.LTD	-9,84,42,867.78	-9,84,42,867.78
41	424	M/S KNOWLEDGE I.N.S.P. LTD	-31,66,009.28	-31,66,009.28
41	171	MPPTCL	-1,84,920.00	-1,84,920.00
41	271	MPPTCL	5.00	5.00
41	167	POWER GRID JAWAH. FIROZ. TRANS. LD	21,15,620.00	21,15,620.00
41	104	PUNJAB	-9,98,62,901.00	-9,98,62,901.00
41	103	RAJASTHAN	-59,16,67,798.00	-59,16,67,798.00
41	428	SHREE CEMENT LTD., NEW DELHI	-7,61,782.00	-7,61,782.00
41	253	UP SLDC CHARGES	-203812774.00	-20,38,12,774.00
41	775	USHER ECO. POWER LTD.	-5,05,987.00	-5,05,987.00
41	875	USHER ECO. POWER LTD.	-926485.00	-9,26,485.00
		Total		1,07,82,91,566.75

- iii. Regarding the aspect of reconciliation of balances of trade payable as mentioned above, we were explained that work order for reconciliation for the period up to 2017-18 was awarded to the M/S Mercados Marketing Energy Private Limited and reconciliation for the period for 2018-19 to 2022-23 was carried out and report submitted on 04-11-2023. However, considering the need for reconciliation of accounts since inception of the account of generator, the said contract was revised for conducting the reconciliation since inception and up to 31.03.2024. In this context we were informed that reconciliation in respect of 12 generators has been completed but yet to be fully finalized in as much as adjustments arising out of such reconciliation are yet to be made in books of account. Under the circumstances, the overall reconciliation is still under process and as such impact of reconciliation & confirmation of balance of Rs. 19461,71,57,794.39 under the head '41 – Liability for Power Purchase' in respect of various generators, if any, on financial statement of the unit is unascertainable at this stage (Unit #330). Management has not provided the details of pending adjustments as referred above, hence its impact on financial statement cannot be ascertained at this stage by Branch Auditors.

(L) Maintenance of Books of Account:

- i) The company is in the process of implementation of SAP/ ERP system and has commenced the maintenance of its books of accounts through SAP/ ERP. However various payments have been dealt through centralized basis on ERP system except relating to SP Vigilance Unit (UC 972) and ADG Vigilance Unit (UC 983). Further monthly/ annual trial balances of Unit #300, 640 and 970 are continued to be compiled as per the format followed in earlier years on the basis of data generated from ERP/ SAP in respect of zonal account. Company is in the process of establishing necessary controls and documentation regarding the audit trail.
- ii) **In EIE &PC unit (330) , SP Vigilance Unit (UC 972) and ADG Vigilance Unit (UC 983) -** System of maintaining various Sectional Journals wherein vouchers relating to day to day transactions are recorded in these Sectional Journals. The Existing system of balancing cash book on the monthly basis and posting transactions in different sectional journals, from journals to summaries and from summaries to monthly trial balance, **which in opinion of Branch Auditors is not adequate to give the financial position of different account at any given time in an organized manner.**

(M) Internal / Concurrent audit system: Review of the concurrent audit reports depicts various persistent observations i.e. pending recovery of Rs. 13694 lakh from M/s Lanco Anpara Power Limited (LAPL), Non production of documents for verification of bills of M/s UP Rajya Vidyut Utpadan Nigam Limited, non-availability of PPA/ PSA of various Co-Gen & Captive Plants, Excess expenditure in respect of O & M by M/s PPGCL, reconciliation & confirmation of old outstanding balances under various heads appearing in financial statements, submission of certificate from CAs other than statutory Auditors for verification of variable cost of various generators, submission of provisional bills by power generators in few cases etc. and as such system of compliance of various observations on regular basis needed to be streamlined & strengthened.

(N) Payment of Lease

- i) Unit #972 (UP Vigilance Cell) and unit # 327 (Electricity Store Procurement Circle) are being maintained at rental premises. **As explained to Branch Auditors 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 Branch Auditor for premises with Unit 327, further, Compliances of Ind AS 116 is not done at zone level.**
- ii) The unit is accruing rent every year @ Rs 1 per month. The total amount accumulated in this ledger is Rs 108.00. **However, no details were provided to Branch Auditors with regard to the title deed of the immoveable property leased to KESCO limited was provided to us nor it was explained in which unit, the said asset is capitalized. (#Units330 – EIE&PC.)**
- iii) 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. Further, Compliances of Ind AS 116 is not done at zone level. (#Units645 – Elec. Civil Const. Div-1).

(O) Details of Liabilities of Rs. 44,39,04,429.66 under various heads as given below in respect GPF/CPF contribution of employees payable to U.P Power Sector Employee Trust is under reconciliation. Impact of such reconciliation, if any, on financial statement is not ascertainable at this stage by Branch Auditors.

Unit Code	44.610	44.110	44.120	44.620	44.621
Z.A.O.(M.M.) LKO. – 300	-8,09,69,231.00	-91,65,860.19	-6,43,18,587.24	-39,93,287.00	-24,34,657.00
EIE & PC -330	-5,04,83,326.00	-86,82,850.00	-5,36,39,610.00	-52,04,099.00	-38,60,380.00
Z.A.O.(M.M.) LKO - 640.	-35,13,16,139.63	-4,00,26,884.00	-28,06,31,520.00	-3,32,82,093.00	-2,12,73,547.00
Z.A.O.(M.M.) LKO. - 970	-37,14,39,634.03	-3,91,09,740.11	-27,84,35,393.91	-4,30,06,252.00	-2,85,82,916.90
Total Liability (A)	-85,42,08,330.66	-9,69,85,334.30	-67,70,25,111.15	-8,54,85,731.00	-5,61,51,500.90
Z.A.O.(M.M.) LKO. – 335	64,22,03,097.00	6,77,79,059.28	48,06,56,141.07	9,27,48,877.00	4,25,64,404.00
Total Payment (B)	64,22,03,097.00	6,77,79,059.28	48,06,56,141.07	9,27,48,877.00	4,25,64,404.00
Outstanding Liability	-21,20,05,233.66	-2,92,06,275.02	-19,63,68,970.08	72,63,146.00	-1,35,87,096.90
Total Liability			-44,39,04,429.66		

(P) **Sale of Scrap:** The Zone has sold old/unserviceable asset for Rs. 4,90,202.00 during the Financial year by considering acquisition cost of Rs. 43,73,619.00 and accumulated depreciation of Rs. 40,08,382.00 resulting in profit of Rs. 1,24,965.00. In this regard it was observed that assets being very old for which Carrying cost & residual value was not available and as such the same was computed on estimated value worked out by committee for determination of cost of asset for accounting purposes. In the absence of requisite details, Branch Auditors are unable to comment on the correctness of value of asset discarded, balances of accumulated depreciation written off and profit on sale of assets.

2. Common observations in Audit Report of Subsidiaries

Trade Receivable on account of supply of Power:

DISCOM Auditors have reported various observation on status of recoverability of Trade Receivables in their respective DISCOMS which are furnished below and they are of the view that deferment of graded provision for doubtful debts as mentioned in Para No. 9 to Notes on Accounts on receivables for more than 3 years which constitute more than 59% of total Trade receivables is in violation of Ind AS-109. Auditors of DVVNL has quantified the impact of short provision of Expected losses on Trade receivables to the extent of Rs. 5,869.51 crore including Unreconciled difference between Billing Software and Balance Sheet for Rs. 3,642.29 crore. Similarly, PVVNL Auditors have quantified the impact of Rs. 1,812.35 crore towards short provision of doubtful debts on Trade Receivables. No other Auditors have quantified the impact of short provisioning on doubtful Trade Receivables but made adverse comment on the recoverability position of Trade receivables in their audit reports. However, Management has replied that they have considered the graded provision from 40% in 2022-23 to 60% in 2023-24, 80% during 2024-25 and 100% during 2025-26 respectively. In view of proposed collection effort. Ind AS 109 requires provision of losses to be considered based on lifetime expected credit losses. Further, Expected Credit Losses has to be measured considering (a) an unbiased and probability-weighted amount that is to be determined by evaluating a range of possible outcomes; (b) the time value of money; and (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current condition and forecasts of future economic conditions. Auditors have also reported about non

availability of consumer wise break up, rising trend of Receivables etc. Company has not analyzed status of recovery as mentioned above considering credit worthiness of consumers and probability of recovery etc. and also not furnished System Audit report on reconciliation of Billing Software as per direction of Hon'ble High Court but replied about their recent initiatives/ collection efforts including one-time settlement and issue of recovery certificates and reduction in Billing software differences etc.

As per Note No.10 FINANCIAL ASSETS -TRADE RECEIVABLES (CURRENT), TOTAL Trade Receivables is Rs. 1,09,720.00 crore as on 31-03-24 while as per Para No. 19(a) of Notes on Accounts No.33 containing age wise classification, total trade Receivable is Rs.1,08,870.83 crore resulting in to difference of Rs. 849.17 crore which have not been reconciled and nor disclosed in the Notes on Accounts No.33.

Considering the position stated above and observations of DISCOM Auditors as given below:- Management needs to get the online billing differences reconciled immediately which is quite a substantial amount and review its accounting policy to enhance the coverage of provisions for Expected Losses considering norms, guidelines and factors contained in Ind AS-109. However, in absence of necessary inputs details and reconciliation of billing software, we are not in a position to quantify its impact on Losses of the Consolidated Financial Statement at this stage.

a) Paschimanchal Vidyut Vitran Nigam Ltd.

i. Ind AS- 109 has specified two approaches to calculate the expected credit loss:

- General Approach
- Simplified Approach

During the year under audit, the Company has adopted Simplified Approach to calculate its Expected Credit Loss on Trade Receivables. As per the Management of the Company, the rate of Provision in the bracket of 0-6 months is NIL as the Management 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 recovery during this period are significantly higher. Further, As per IND AS109 under the age bucket of More than 3 years 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 current and future initiatives being undertaken by the company for collection, the Management considered to follow a graded provisioning over a period of four years from the financial year i.e FY 2022-23. Under these assumptions, in the previous financial year provisioning @ 40% on trade receivables is calculated under this age bucket for FY 2023 and the same would be increased by another 20% each year till FY 2026. From FY2026 onwards, 100% provision would be applicable under this age bucket. The above deviation is not in accordance of Ind AS109. Further in the current year company didn't make any additional provision and continue with the same provision of Rs 4211.70 Crore of the previous year. We were informed by the management that by following the conservative approach, the Management has decided that the provision stated in Annual Accounts up to 31.03.2023 is appropriate and no new addition/deduction in provision is required for FY 2023-24. The additional provision required is Rs. 1812.35 crores. (Refer to Note no 8 of financial statements and point no. 10(i) of Notes on Accounts)

- ii. 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, DISCOM Auditors are not in a position to comment on the possible impact thereof on the financial statements of the company. (Refer to Point no 10 and 41 of Notes to Accounts)
- iii. 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.
- iv. During the course of audit, DISCOM Auditors observed that a huge amount is lying as debtors, which has been classified into secured/unsecured and good/doubtful/ Govt./Non-Govt. Age wise analysis of outstanding is done in Note No. 8 of DISCOM's 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 DISCOM's 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.
- v. The amount outstanding under the head sundry debtors (AG- 23) is not reconciled with the billing ledger. Outstanding balance in Balance Sheet as on 31st March, 2024 under Trade Receivables could not be verified with consumer ledger or with other available records with the divisions/zone. Under the circumstances, DISCOM Auditors are not in a position to comment on the possible impact thereof on the financial statements of the company.
- vi. As reported to DISCOM Auditors by branch Auditor of Meerut Zone, amount outstanding under the head AG-23 (sundry debtors) is not verified and reconciled with the subsidiary records (Billing Data/Online data of the Consumers) maintained at various units. Chances of recovery are not analysed. Time barring and non -recoverable cases are not identified. No provision is made in the accounts for non-recoverable amount at Zone level and is reportedly made at headquarter level. Sundry debtors include huge old balances of Permanent Disconnected (PD) consumers where notices for recovery have been issued under Section 5.
- vii. During the course of audit, Discom Auditors that a huge amount is lying as debtors, which has been classified into secured/unsecured, good/doubtful 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 at all done in Note No. 8 of Financial statements as per the requirement of amended schedule iii of the Companies Act 2013. Time barring/non-recoverable cases are not identified. The company have arrears of Rs. 7121.45 Crore (Non Govt) outstanding from more than 3 year for which management informed us that all these arrears are recoverable and sufficient provision has been made. The Company makes provision on non-government debtors for 0 to 06 months, 06 month to 12 months, 01 year to 2 years, 2 years to 03 years and above 03 years respectively, which is not in adherence to the provisions of IND AS 37.
- viii. Further, as per IND AS 37, 109 and applicable financial reporting framework, the company is required to make 100% provision for doubtful debts more than 3 years, whereas the company

has made provision of 60% as per company policy. Hence the amount of Provision on Trade receivable is under stated by 1812.35 crores.

(b) Dakshinanchal Vidyut Vitran Nigam Limited-

- i. Though the Company has declared compliance of Ind AS109 on trade receivable under age bracket greater than 3 years, but followed graded provisioning over the period of four years, being 60% in FY 2023-24, with incremental provisioning of 20% each successive year, resulting deficient provisioning for doubtful debts by as follows:

S. No.	Particular	Outstanding Amount (In Crores)	Provision Amount (In Crores)
1.	Provision requirement in different age brackets excluding government debtors		
	A. Up to 6 Months	1,985.16	Nil
	B. 6Months-1Year	724.35	195.58
	C. 1-2 Year	923.80	277.14
	D. 2-3 Year	328.24	124.73
	E. More than 3 Year (Excluding point F below)	11,031.47	11,031.47
	F. Unreconciled differences between Billing Software and Balance Sheet [Total as per Balance Sheet – Rs. 23,223.12 crores (excluding KESCO 203.77 Crores, Torrent Power Limited 22.58 Crores, Prov. Of Unbilled Revenue 563.95 Crores & Cess Lucknow 0.03 Crores), less Total as per Billing Software – Rs. 19,580.83 Crores]	3,642.29 (Including Rs.348.87 crore for financial year 2023-24 Refer Para No-19 of Annexure "A" of Discom auditor report)	3,642.29
	Total	18,635.31	15,271.21
2.	Provision made in Balance Sheet		9,401.70
3.	Additional Provision not made (3-2)		5,869.51

As per DISCOM Auditor's opinion once a debt has been identified as bad and doubtful debt it cannot be carried in Financial Statement as receivable, and hence 100% provisioning of such debt is required.

(c) Madhyanchal Vidyut Vitran Nigam Limited

- i. Party/Consumer wise (debtors from sale of power) details were not available at the zones in support of balances of 'Trade Receivable (Current)' as appearing in Note 8. Further, reconciliation of outstanding balances of consumers as per consumer ledgers maintained by the billing agencies and the balances appearing in the books of accounts of concerned zones has also not been done.

- ii. 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.
- iii. In several cases, legal notices/ recovery proceedings have been initiated against consumers at the zones to recover the outstanding over dues against sale of power. However, all the 'Trade Receivables' in the financial statements have been classified as 'considered good' by deducting the amount of 'total provision for doubtful debts' from the total debtors without identifying these cases or ascertaining their actual position.
- iv. DISCOMS Auditors have drawn attention to Note 21(A) of Note 1B relating to disclosures of trade receivables wherein the company has not ascertained and classified the Trade Receivables into 'Disputed/ Undisputed', as required by amended Schedule III to the Companies Act, 2013.
- v. The segregation of 'Trade Receivable' into Government/ Non-Government and ageing into different age buckets as per para 10 of note 1B have been made only on the basis of online billing data provided by commercial section. 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 2024 did not match with the total 'trade receivables' as shown in the books of accounts of the company. The same has not been considered and reduced from the category of 'non-government consumers' under 'Receivables outstanding for more than 3 years' while categorizing the age buckets for the purpose of provisioning for bad and doubtful debts.

- vi. As referred in para 10 of note 1B to financial statements, the 'Provision of bad and doubtful debts' against 'non-government debtors' has been made as per 'expected credit loss' following simplified approach prescribed in 'Ind AS109' based on age bucket of debtors, trends of past collections etc.

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.

(d) Purvanchal Vidyut Vitran Nigam Ltd.

- i. The company has not accounted for Late Payments Surcharge (LPS) during the year under Audit. The "Other non-operating income" and "Trade Receivables" are understated to this effect. Due to non-availability of data, Discom Auditors are unable to quantify the same.
- ii. As reported by the Zonal Auditors, the management has not provided consumer-wise breakup of Sundry Debtors outstanding hence, Discom Auditors are unable to comment on the genuineness of the same.
- iii. 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 outstanding. As a result, even if a debtor falling in higher age bracket makes a

small payment against old dues, he is being classified in lower age bracket considering the date of last payment. Because of this, the provision for bad & doubtful debts is understated in the Financial Statements. Due to non-availability of accurate data, Discom Auditors are unable to quantify its impact on the Financial Statements of the Company.

- iv. With respect to pre-paid Metres, the Company has failed to provide details of unused recharge balance at the end of the year. As informed to us by the management, the unused recharge balance has not been quantified and the same has been reduced from Trade Receivables. Hence, the "Trade Receivables" and "Current Liabilities" are understated to this extent. In absence of appropriate details, Discom Auditors are unable to ascertain its impact on Financial Statements of the Company.
- v. As reported by the Zonal Auditors, in Bank Reconciliation Statements, huge amount of uncashed/ stale cheques pertaining to revenue account are being carried forward from last several years and they have not been reversed. The cumulative amount of such entries is in several crores. The management has failed to provide the year-wise breakup and total figure of uncashed cheques as on 31/03/2024. Hence, the Trade Receivables and provision for Bad & Doubtful Debts are understated to this extent. In absence of proper information, Discom Auditors are unable to comment upon its impact on Financial Statements.
- vi. 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 (inclusive of Electricity Duty) from Sale of Power of Rs. 15553.70 Crore, total outstanding trade receivable for 1 year and less is Rs. 11207.94 crores, which shows that the realization of trade receivables is very poor. Further, total Trade Receivable outstanding at the year-end is Rs. 37922.15 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.
- vii. As per the direction of Hon'ble High Court, the special audit of Bills Revision in consumer's bills done during the period April 2022 to Sept. 2023 is being conducted at Distribution Division level. However, the management has failed to provide the number of bills and quantum of total amount involved. Since, the audit is still in progress, the ultimate outcome of the same and its impact on the financial statement is yet to be ascertained by DISCOM Auditors.
- viii. 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 are being reconciled with adjusted CS-4 and not 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 CS-4 against the adjusted data of billing system. 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.

(e) **Kanpur Electricity Supply Company Limited**

The company has followed a graded provision for bad & doubtful debts on trade receivables in respect of debts outstanding for a period exceeding 3 years instead of provisioning at the rate of 100% . (Also Refer Note No. 28-10 of "IND ASFS").

The effect of non-compliance/divergence from the "IND AS"(s) as stated in paragraph no. 1 to 6 above has resulted in non-compliance of the provisions of sections 129(1) and 129(5) of the Companies Act,2013 ("The Act"), according to which the financial statements of the Company shall comply with the "IND ASs" and where the financial statements of the Company do not comply with the "IND ASs", the Company shall disclose in its financial statements, the deviation from the "IND ASs", the reasons for such deviation and the financial effects, if any, arising out of such deviation. No such disclosures have been made due to non-availability of relevant information/details and also cumulative effect on "IND AS- FS" of these could also be not ascertained.

As per the instructions issued by UPPCL vide letter no 1376/14-PCL/2021 dt 24.06.2023 in compliance with the orders of Honorable High Court, a Special Audit on various aspects of billing parameters has to be conducted through independent CA/CMA firms for the period FY 2021-22, FY 2022-23 and up to 30.09.2023. The said Orders of the Honorable High Court were not available for our verification. However, as informed the work for the same is under initial stage only and at present, it is not possible to ascertain any impact on the financial statements for the year under audit.

B. Comments on Old Balances

As per report of DISCOMS Auditors, there are certain old balances which have not been reviewed since long including their classification Summarized position of major balances Subsidiary-wise is reproduced below:

(a) **Paschimanchal Vidyut Vitran Nigam Limited**

- 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 including but not limited to UPPCL, UPTCL, UPJVNL, UHBVNL, UPCL, etc , certain borrowing from PFC and reconciliation in respect of certain Bank balances are subject to respective confirmations, reconciliation and consequential adjustments thereof. In absence of proper records/details, DISCOM Auditors 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.
- ii. Refer to Point no. 17 of Notes to accounts, there are various expenses like Employees Expenses, Repair & Maintenance Cost and Administrative & General Expenses etc. occurred at Uttar Pradesh Power Corporation Ltd. (the holding company) which has been allocated to the Company vide Debit/Credit Notes. However, DISCOM Auditors have not verified the same and relied on the Debit/Credit notes received from the holding company.

- iii. 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.
- iv. As referred in Note 10 to the financial statements, of DISCOM receivables from Uttar Pradesh Jal Vidyut Nigam amounting Rs. 0.83 crore and Rs. 33.50 crore from Uttar Pradesh Power Transmission Corporation Limited are shown under Current Assets, which are outstanding for more than 12 months. As a result of this, other current assets are overstated and other non-current assets are understated by Rs. 34.33 crore.
- v. As referred to in Note 18 to the financial statements, of DISCOM Payables to Uttar Pradesh Rajkiya Vidyut Utpadan Nigam Ltd. amounting Rs. 33,080.00, Uttarakhand Power Corporation Ltd. Rs. 0.17 crore, 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.

(b) Dakshinanchal Vidyut Vitran Nigam Ltd.

- i. There is no reasonable certainty for the payment of the following amounts under AG 46.104 'Retention money from Suppliers (Cap), AG 46.124 'Retention Money from Supplier (O&M) & 46.2 Other Deposit Payable' which are outstanding since long period of time without any balancing/reconciliation, hence should be reconciled/written off:

(Rs. in Crores)

S. No.	Zone/Unit	AG 46.104	AG 46.124	AG 46.2	Total
1	Agra Zone	60.49	0.00	0.00	60.49
2	Aligarh Zone	24.61	1.13	1.55	27.29
3	Kanpur Zone	119.44	0.71	0.00	120.15
4	Jhansi & Banda Zone	44.72	0.00	0.00	44.72
5	IPDS	27.98	0.00	11.70	39.68
6	DDUGJY – New	0.00	0.00	32.59	32.59
7	RGGVY-12 th Plan	0.00	0.00	53.34	53.34
8	Saubhagya	42.35	0.00	0.00	42.35
9	Executive Engineer (Admin)	8.47	42.07	0.00	50.54
	Total	328.06	43.91	99.18	471.15

- ii. AG 46.303 Ministry of Power (Against Interest earned) long outstanding credit balance of Rs. 7.52 crores, liability should be reconciled with the Ministry and paid.

(c) Madhyanchal Vidyut Vitran Nigam Ltd.

- i. Discom Auditors have drawn attention to Para 14 of Note 1B (notes to accounts) stating that various balances under 'Current Assets', 'Loans & Advances', 'Current Liabilities', 'Material in transit/ under inspection/ lying with contractors' are subject to confirmation/ reconciliation

and consequential adjustments. Their impact on the financial statements, if any, is not ascertainable at this stage.

- ii. 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	2,764.05
Deposit for electrification	188.45
Advances to Suppliers	105.46

- iii. It was noted that the following balances pertaining to various zones are outstanding in the books of Headquarter 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	8.34
Stock Related Accounts (net)	38.97
Deposit for Electrification	35.21
Capital Work in Progress	(3.46)

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

In absence of availability of relevant party wise ledgers/ relevant records from where data has been extracted and the reconciliation/ balance confirmation from parties, the correctness of balances stated in respect of Liabilities for Capital Works, O & M Works and Other liabilities and provisions, could not be verified in most of the cases.

- iv. During the financial year 2023-24 various old balances appearing in different assets and liabilities heads which were being carried forwards from previous years have been shifted to asset migration account and liability migration account totalling to Rs. 1.29 crores and Rs 21.41 crores respectively.

(d) Purvanchal Vidyut Vitran Nigam Ltd.

- i. An amount of Rs. 840.43 Crores has been disclosed as "Liability Migration Account", which is the net balance of several idle balances relating to Transfer Scheme and other idle balances lying in accounts of the Company. These balances relate to various assets and liabilities for which no details are available. The consequential impact of the same on the Financial Statements, if any, is presently not ascertainable.
- ii. The Company is carrying old balances in various tax heads like Sales Tax, Service Tax, State Sales Tax, Central Sales Tax etc., in spite of the fact that these taxes have been discontinued from July, 2017 or before. The details are as under :-

iii. Head of Account	iv. AG Code	v. Amount (In Lacs)

vi. Central Sales Tax	vii. 46.926	viii. 2.55
ix. State Sales Tax	x. 46.927	xi. 1082.73
xii. Sale Tax (Cont. Bill)	xiii. 46.928	xiv. 30.26
xv. Service Tax	xvi. 46.929	xvii. 75.06
viii. Provision for FBT	xix. 46.81	xx. 9.93
xxi. Income Tax Collected at Source Sales	xxii. 46.932	xxiii. 2.06
xiv. TCS Withholding on Sales	xxv. 46.934	xxvi. 26.63
xvii. Subsidy Refundable	viii. 46.935	xxix. 1.01

However, as per information furnished to us by the Management, there is no any dues payable w.r.t. service tax, VAT, other taxes of old regime. But the management has failed to provide proper explanation of these credit balances. In absence of proper information and explanation, we are unable to comment upon its impact on the Financial Statements.

C. 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) Paschimanchal Vidyut Vitran Nigam Ltd.

- i. 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.
- ii. During the course of audit, DISCOM Auditors observed that Bank Charges were outstanding in BRS year to year. DISCOM Auditors were informed that these charges are first debited by bank and later on are recovered from the Bank. Hence, these continue in BRS year to year. Discom Auditors have suggested to create a code in the Balance Sheet and keep these amounts in Bank Charges Recoverable from Bank A/c with sub-ledger Bank wise instead of continuing in BRS, which is not correct.
- iii. DISCOMS Auditors have mentioned that Financial Assets-Other Current- UP Jal Vidyut Nigam and UPPTCL (.83+.33.50 crore) Rs. 34.33 crore is overstated and Other Financial Assets-Non Current is Understated to that extent. Similarly, Other Financial Liabilities (UPCL)-Current is overstated and Other Financial Liabilities (UPCL) is understated to the extent of Rs.0.17 crore.

(b) Dakshinanchal Vidyut Vitran Nigam Ltd

- i. Balances with Bank to the extent of (as per Cash Book) Rs. 18.93 crores are un-reconciled for which company failed to obtain bank statements or bank balance confirmations, liable for reconciled/written off.
- ii. Under CPC 5, there are unidentified bank receipts of Rs. 0.09 crores parked under AG Code 46.2 'Other Deposits Payable'. In our opinion nature/source of the receipts should be identified and dealt accordingly.

- iii. Under CPC 1, there are unidentified bank receipts of Rs. 0.03 crores are outstanding in Bank Reconciliation Statements, In DISCOM Auditors opinion nature/source of the receipts should be identified and dealt accordingly.
- iv. Under SP Vigilance Unit, Cash Balance of Rs. 88,590/- available with APTS is shown as bank balance in MTB.

(c) Madhyanchal Vidyut Vitran Nigam Ltd.

- i) Bank reconciliation statements at some of the divisions/ units have not been properly 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 in their MTB of Rs.87.87 Crores, while balances as per Bank Statements is Rs. 19.52 Crores. Most of these entries are pending for last many years and have not been adjusted in accounts. Moreover, at LESA CISS Zone, it was observed that the balance of two bank accounts was not found in the Cash Book. There are differences between the MTB and Cash Book amounting to Rs 0.58 crores appearing in MTB which is pending for adjustment for more than eight years.

The exact financial impact of the above on the financial statements could not be ascertained at this stage.

(d) Purvanchal Vidyut Vitran Nigam Ltd.

The Zonal Auditors have observed many irregularities in Bank Reconciliation Statements which includes:-

- i. In BRS, 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.
- ii. Some of the Bank reconciliation has been prepared with opening differences.
- iii. In Revenue Bank reconciliation statement, there are some huge other debit and other Credits which needs proper reconciliation.
- iv. Bank Statement from Bank were not made available by some of the Units

Major irregularities observed by the Zonal Auditors are as under :-

1. Prayagraj Zone

There has been some differences in the Balances as per Bank Statements and the Balances shown in the Cash/Bank Book. The Company is in process to reconcile the differences. Since the entry wise details could not be made available to us, therefore, Discom Auditors are unable to comment on such difference and also they are unable to comment on the impact of such un-reconciled items on the financial result of the Company.

2. Azamgarh Zone

- i. EDD II-Azamgarh- Account Head 24.311 Deposit Work Receipt Account (SBI)- Balance in Trial balance as on 31.03.2024 is Rs.11,26,637.99 and Account Head 24.401 Expenditure Account (SBI)- Balance in Trial balance as on 31.03.2024 is Rs.415820.24 and Account Head 24.301 Revenue Account (SBI)- Balance in Trial balance as on 31.03.2024 is Rs. 14,40,348.66. No opening & Closing balance mentioned in Cash Book, Bank Statement from Bank is also not available to verify Bank balance, No Reconciliation available.
- ii. EDD I-Mau- Account Head 24.301 Revenue Account (SBI)- Balance in Trial balance as on 31.03.2024 is Rs.26,51,958.65 and Account Head 24.303B RC/DC A/c (PNB)- Balance in Trial balance as on 31.03.2024 is Rs.56,54,166.84. No opening & Closing balance mentioned in Cash Book, Bank Statement from Bank is also not available to Verify Bank balance, No Reconciliation available.
- iii. EDD I-Ballia- Account Head 24.312 Deposit Work Receipt Account (CBI)- Balance in Trial balance as on 31.03.2024 is Rs.30,90,220.78 and Account Head 24.312A R D A/C (CBI)- Balance in Trial balance as on 31.03.2024 is Rs. 21,550 and Account Head 24.312B R C A/c (CBI)- Balance in Trial balance as on 31.03.2024 is Rs. 1,17,765. No opening & Closing balance mentioned in Cash Book, Bank Statement from Bank is also not available to Verify Bank balance, No Reconciliation available

3. Gorakhpur Zone

In Bank Reconciliation Statement (B.R.S) of some of the units a long list of 'outstanding' are carried forward since long. Major difference has been noticed in following units/ division

Division	Bank	Balance as per Bank	Balance as per Cash Book	Difference
EDD Deoria	BOB Revenue A/c.	553286	3933285	3379999
ETD Salempur	BRS not prepared			
EDD I GKP	SBI SLC A/c.		14871471	14871471
	ICICI Revenue	42836	41156422	41113586
EDD Sikriganj	PNB Revenue A/c.	379858	1373331	993473
EDD Kasia Kushinagar	PNB A/c.	731359	11232126	10500766
EDD Padrauna	PNB Exp A/c.	13193472	17877536	4684063
	PNB Recpt A/c.	34723	937656	902933
EUDD III Mohaddipur	AXIS Rev A/c.	305002	4637068	4322066
EDD Maharajganj	HDFC Recpt A/c.	0	801580	801580
EDD Nichlaur	SBI Rev A/c.	4915695	6537829	1622136
EDD Hata	Rev A/c.	299391	2548242	2248851
EDD Barhaj	PNB Rev A/c.	15597	2186912	2171315
EDD Chauri Chaura	HDFC Rev A/c.	10000	1352036	1342036

4. Mirzapur Zone

It was found that there are huge differences in Bank Reconciliation Statements in some of the Units. Details as of 31st March 2024 are summarized hereunder;

NAME OF UNIT	BANK A/C NO.	BALANCE AS PER CASH BOOK	BALANCE AS PER BANK	DIFFERENCE	REMARKS
EDD-I MIRZAPUR	CENTRAL BANK OF INDIA-1622601849	65,01,549.12	96,72,837.81	31,71,288.69	1. Other Credit of Rs. 31.42 Lac 2. Other Debit of Rs. 6.23 Lac
	CENTRAL BANK OF INDIA-1622601883	15,20,91,818.02		-15,20,91,818.02	1. Other Credit of Rs. 408.49 Lac 2. Other Debit of Rs. 216.49 Lac
FDD-II MIRZAPUR	CENTRAL BANK OF INDIA-1622601872	30,384.06	30,384.06		
	CENTRAL BANK OF INDIA-1622601883	9,64,630.12	23,032.00	9,41,598.12	1. Other Credit of Rs. 614.62 Lac 2. Other Debit of Rs. 101.21 Lac 3. Twice entry RTGS Rs. 284.26 Lac
EDD CHUNAR	BANK OF BARODA-28450200012791	18,48,975.69	9,78,402.69	8,70,573.00	Auto Sweep difference
	BANK OF BARODA-28450200012790	2,07,46,542.20	83,703.29	-2,06,62,838.91	1. Other Credit of Rs. 943.65 Lac 2. Other Debit of Rs. 737.02 Lac
EDD I BHADRA	ICICI BANK-082005002550	19,92,353.77	8,99,920.90	-10,92,432.87	1. Other Credit of Rs. 2.75 Lac 2. Other Debit of Rs. 15.06 Lac
	ICICI BANK-082005002541	3,23,05,688.65	25,870.00	-3,22,79,818.65	1. Other Credit of Rs. 1026.31 Lac 2. Other Debit of Rs. 186.98 Lac 3. Cheque deposited but not acknowledged by Bank of Rs. 1117.17 Lac
EDD-II GOPIGANJ	HDFC BANK-50200027894171	46,98,293.29	36,98,801.00	-9,99,492.29	1. Old difference of Rs. 9.42 Lac 1. Other Credit of Rs. 345.47 Lac 2. Other Debit of Rs. 7.88 Lac 3. Difference upto 31.03.2021 of Rs. 93.68 Lac
	HDFC BANK-50200027893856	1,22,58,816.11	5,96,057.00	-1,16,62,759.11	
EDD ROBERTSGANJ	HDFC BANK-50200002277691	4,11,57,341.65	3,57,46,058.79	-54,11,282.86	1. Other Credit of Rs. 66.40 Lac 2. Other Debit 20.52 of Rs. Lac
	HDFC BANK-50200002277728	14,65,457.00	41,29,013.29	26,63,556.29	1. Other Credit of Rs. 219.82 Lac 2. Other Debit of Rs. 10.49 Lac
EDD PIPRI	HDFC BANK-19177620000010	13,54,752.78	13,54,693.78	-59.00	Bank Charges.
	HDFC BANK-19177620000037	1,23,23,865.28	1,22,783.00	-1,22,05,082.28	1. Other Credit of Rs. 93.12 Lac 2. Other Debit of Rs. 214.75 Lac
EDC SON BHADRA	ICICI BANK-089105000853	24,24,700.00	26,74,700.00		

5. Varanasi Zone

Units Where unexplained old differences are there:-

Unit Name	Differences	Remark
UEDD-1 Bhelupura (Rev A/c)	32341318.90	Old differences carried forward of BRS as on above March 2003
EDD-1 Sagra Varanasi (Rev A/c)	2514274.41	Old differences carried forward of BRS as on above April 2008
UEDD-V Varanasi (Rev A/c)	9576157.58	Difference as per Bank Reconciliation of March 2022
EUDD-VI Ashapur Varanasi (Rev A/c)	2738790.6	Balance B/f from Bank reconciliation Statement of 2988012100000670 dated 31.03.2017
UEDD-VIII Varanasi (Rev A/c)	2427546.30	Uncashed cheque detail from 03.12.2019 to 31.03.2024
	3361085.00	Untraceable RTGS and cash Deposits from 03.01.2019 to 29.01.2023
	7890677.78	Other credit -no detail from 05.04.2019 to 31.03.2024
	316757.15	Other Debit- included Bank charges and Short cash deposited from 28.02.2020 to 31.03.2024
	-4145649.81	Less/Excess posted in cash book
UEDD-III Varanasi (Rev a/c)	21992059.15	Difference as per Bank Reconciliation of March 2012 carried forwarded
EDD Chandauli (Rev A/c)	327916680.13	Difference between opening Balance of cash book & Bank

EDD Mughalsarai (Rev A/c)	144149834.44 416848896.76 98530144.69	Uncash cheque included Rs 142665612.23 up to march 18. Other credit as bank statement head included Rs 416214484.67 up to march 2021. Other debits include Rs 97915856.97 up to march 2021 and other old entries.
EDD-I Jaunpur (Rev A/c)	87169.00 4576421.61 820268.92	Un cash for the month without any detail Other credit included Rs 2500000 as transfer on dt 31/10/2023 and Rs 1503645.96 By cash on 30.12.2023 Details of Bank Charges - included Rs 665620.29 up to Mar 2019. The cash handling charges remain showing in the reconciliation
EDD-III Jaunpur (Rev A/c)	4254551.22 38482358.04	Un cash cheque balance included Rs701315.22 with remark up to previous year (BRS March) Credited by bank bot not debited by us include Rs 31635615.83 with remark upto previous year march 2022.
EDD-II Jaunpur (Rev A/c)	146536888.90	Other credit included Rs 144763986.51 balance of previous year up to march 2023
EDD -Shahganj (Rev A/c)	2943291.21 634963.58	Other credit as per bank account include balances from 26.10.2016 to 31.03.2024. Other debit balance also includes balances from FY 2016-17 to FY 2023-24
EDD-IV Jamania Ghazipur	23754276.96	Net difference included the figure of Rs 22620684.80 with remark Extra Remittance shown in cash book
EDD-II Ghazipur (Rev A/c)	3323164.00	Amount unacknowledged by bank at the close of previous year
EDD-I Varanasi (Exp A/c)	2509078.00	Include the amount of Rs 2492015.00 with remark other credit deposit /other/SLC/Penalty/EMD/Tender fees as on 2023-24(unidentified as on 31.03.2024) without any
EDD-II Varanasi (Exp A/c)	22617679.00	Outstanding cheques up to 03/24 included balances from 06.02.2020 to 28.03.2024
UEDD-II Varanasi (Exp A/c)	41454.00	Included bank charges of Rs 49568 with remark bank charges up to 03/24
UEDD-VIII Kajakpura Varanasi (Exp A/c)	591118.52	Included figure Rs 382845.00 outstanding cheques up to 03/2024 which includes figure from 06.10.2018 to 06.07.2022. Rs 1223130.52 with caption other credits which includes figure from 02.12.2021 to 18.11.2022.
EDD-IV Jaunpur	4889082.00	Include other major credits as per bank statement from 01.06.2022 Rs 308901.00, 28.03.2023 Rs 55140 and 03.04.2023 Rs 32796.00

ECD Varanasi	-888264.44	Amount debited and credited by Bank Debit Rs 128752207.00 Credit Rs 127044020.20
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6. Basti Zone

- i. In some unit Bank Reconciliation Statement (B.R.S.) contains very old outstanding entries which are carried forward and pending for reversal up to 31.03.2024. Also, there are many cheques pertaining to FY 2010-11 and which have not been collected by the bank as they are more than 90 days old, resulting in 'Stale Cheques'. Thus, the balance of "Receivables" does not show a true position as such cheques have not yet been collected by the bank. These stale cheques should be reconciled and reversal entry taken in cash book. (Total Amount Rs.8,09,62,422.12).
- ii. There are huge differences in the balances with Cash Book & the Pass Books of different units amounting to Rs.3,80,02,560.94 (LIST-B).

D. Capital Work in Progress

Capital WIP includes Rs 842.92 crore (including Rs. 609.33 crore as Advanced to Contractors) outstanding for more than three years which needs to be closely monitored/adjusted as earliest. However, in absence of necessary input and details we are not in a position to quantify its impact on financial statements at this stage.

Observation of DISCOMS Auditors are given below:

(a) Madhyanchal Vidyut Vitran Nigam Ltd.

At Ayodhya Zone, a sum Rs.494.97 Crores has been capitalised during the year (including capitalisation of revenue expenses Rs. 63.50 crores which are on basis of fixed percentage of total cost instead of actual). The zonal auditors have reported that the fixed Assets completion certificates were not furnished to them. Whereas, as explained to us by the management the certificates have been duly furnished during their audit.

(b) Purvanchal Vidyut Vitran Nigam Ltd.

i) GOVERNMENT FUNDED PROJECTS

ADB PROJECT

- The time period of ABD funded UPPDNRP Project has expired on September, 2022. The approval of time extension of the project is not available on record for verification.
- Liquidated Damages recovered from the Vendors during the year amounting to Rs. 6.60 Crores have been treated as Income (AG Code 62.917) whereas, the same should be reduced from Capital Work in Progress. Due to which "Other Income" and CWIP are overstated to this extent.

(ii) RDSS PROJECT

- During the year under Audit, the Company has provisionally deferred the liquidated damages (LD) clause as originally mentioned in their Standard Bid Document (SBD) and refunded the LD deducted to the Vendors. No approval of the Nodal Agency (REC Ltd.) has

been obtained in this regard, which is against Para 23 of General Terms and Condition of Agreement with REC Ltd. Further, the same is also against Para 14(iii) of the Tripartite Memorandum of Agreement dated 29/03/2022 which states as under :-

“State Government/DISCOMS shall suitably incorporate the provisions towards levy of Liquidated Damages in their agreements with contractors for delay in completion of the project(s) and also other relevant contractual provisions pertaining to the procurement of goods and works. Out of the amount recovered towards Liquidated Damages, if any, by State Government/DISCOMS under this provision, the amount proportionate to subsidy shall be remitted to MOP account.”

- Interest on Mobilisation Advance to Vendors amounting to Rs. 7.32 Crores and Rebate aggregating to Rs. 17.74 Crores have been accounted for in AG Code 46.104 and disclosed under “Other Financial Liabilities (Current). The same should be reduced from Capital Work in Progress as per Ind AS16. Hence, the CWIP and Current Liabilities are overstated to this extent.
- (ii) As reported by the Zonal Auditors, the status, situation and condition of Capital Work in Progress is not available for verification.
- (iii) Capital work in progress includes advance to Suppliers/ Contractors amounting to Rs. 941.16 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.

E. 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.

- i. Besides group has not framed any accounting policy for provision of obsolete and non-moving inventory.
- ii. Inventory includes Rs. 2539.01 crore as **Store spares - Capital works** which is to be clubbed with Capital WIP as per requirement of Ind AS-16. Observation of Discom Auditors are given below:

(a) Paschimanchal Vidyut Vitran Nigam Ltd.

- i. As per Para 9 of IND AS2, “Inventories shall be measured at the lower of cost and net realizable value”. The company has the policy of valuing inventories at cost basis, while it is required to be valued at cost or net realizable value, whichever is lower. This policy of company is not in line of respective IND AS2. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.
- ii. 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.

(b) Dakshinanchal Vidyut Vitran Nigam Ltd

Inventory of the company (Rs.622.36 crore) require following adjustments:

i. Un-reconciled difference:

(Rs. in Crores)

S. No.	Particulars	Value as per Valuation Report by independent CA (A)	Value as per Zonal MTB (B) *	Difference (A-B)
1	Agra Zone	192.16	212.66	(20.50)
2	Aligarh Zone	118.84	120.32	(1.48)
3	Kanpur Zone	103.22	106.33	(3.11)
4	Jhansi & Banda Zone	281.75	281.78	(0.03)
	Total	695.97	721.09	(25.12)

* Inventory Value as per Zonal MTB as on 31.03.2024 excludes Provision made for the year after receipt of valuation reports.

- ii. Otherwise also valuation has been made on Replacement Rates, Current Market Value or Purchase Price, whichever is available, in contravention of Ind AS2 'Inventories' which requires valuation to be made on lower of cost or net realisable value.
- iii. AG 22.780 'Transformers sent to Repair' having outstanding balance of Rs 51.96 crores is accounted incorrectly on average rate varying from 4.81 Lakhs to 14.29 Lakhs as shown in table below:

Transactional Details of AG 22.780 'Transformers sent to Repair' of Agra Zone				
S.No.	Particulars	Quantity (in Nos.)	Amount(in Rs.)	Average Rate per Transformer (in Rs.)
1	Opening Balance	132	18,86,45,911.00	14,29,135.00
2	Sent for Repair	392	18,85,79,710.00	4,81,070.00
3	Received after repair	373	18,99,11,914.00	5,09,147.00
4	Closing Balances	151	18,73,13,707.00	12,40,488.00

(c) Madhyanchal Vidyut Vitran Nigam Ltd

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 908.64 Crores in 2023-24 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.

(d) Purvanchal Vidyut Vitran Nigam Ltd

- i. The Company has carried out valuation of stores as on 31/03/2024 by an independent Firm. The major comments/ qualification of Zonal Auditors are as under :-

Gorakhpur Zone :-

As reported by the stock auditors, the Zone has maintained proper records of inventories, however the procedure of stock keeping is not proper as the auditor quotes that "No Bin cards have been prepared for the management of the inventory as well as the haphazard storage and mix of inventory made it inconvenient to provide accuracy of the inventory account." As such discrepancies, if any cannot be ascertained.

The physical verification of stores and spares are done on sampling basis instead of 100 % verification of physical presence of such stock. Their movement also cannot be ascertained.

Basti Zone :-

We have test checked the valuation reports & the certificate dt.03.6.2024 submitted by the said Agency with some limitations and major observations mentioned therein and also some differences in stock as per the system generated reports and the actual stock-in-hand.

But, we are not able to comment whether in case of valuation differences necessary adjustment/ correction entries have been passed with collaboration with the concerned EE/ Accountants of the units in terms of the "SCOPE OF WORK" mentioned in the certificate of the Agency. Also, there is no insurance cover available to insure the stocks as mentioned in the said certificate.

Prayagraj Zone :-

Physical Verification of Inventory has been conducted at the year-end but the coverage and procedure of such verification is not appropriate because it didn't fetch details of discrepancy in quantity or non-moving / out-dated / obsolete items in the inventory.

- ii. Stock shortage/ excess pending investigation amounting to Rs. 71.83 Lacs is outstanding as on 31/03/2024. In absence of proper information, we are unable to comment upon its nature and proper accountal.
- iii. No movement analysis is available to categorize fast moving, slow moving, non-moving and dead stock items.
- iv. No provision for obsolete, unserviceable stores and spares has been made during the year under audit
- v. As reported by the Zonal Auditors, there is no system for identification of scrap and its valuation at fair value.

(e) Kanpur Electricity Supply Company Limited

INVENTORY Dr. ₹ 109.57 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 ₹287.72 Crores grouped under the head 'Capital Work in Progress'(Also Refer Note No. 3 of "IND ASFS")

and 'Advances Recoverable in Cash or in Kind or for value to be received' of ₹0.53 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.

F. Property Plant & Equipment

- i. We draw attention to para 3 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. 1,037.58 Crore of Employee benefit expenses has been capitalized to fixed assets out of total establishment expenditure of Rs. 3,868.09 Crore incurred during the year.
- ii. As mentioned in Para No.52 of Notes to Account, amount paid to UPPTCL towards bay charges have been written off during the year 2023-24 but no reasons for such changes have been disclosed in the Notes on Accounts.

b) Paschimanchal Vidyut Vitran Nigam Ltd.

- i. The records showing full particulars including quantitative details and situation of Property, Plant and Equipment are not updated with the Company as at 31st March, 2024. It was reported that the company is in the process of maintenance of these records. In the absence of complete details, DISCOM Auditors are unable to quantify the impact of the same on the financial statements.
- ii. The management has represented that, to the best of it's knowledge and belief, the title/lease deeds of immovable properties acquired post transfer scheme are held in the name of the Company but properties inherited in transfer scheme are still in the name of UPSEB. However, no title deeds of immovable properties have been produced before us and in absence of such title deeds vis a vis complete details of immovable properties, DISCOM Auditors are unable to comment upon this.
- iii. 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, DISCOM Auditors are not in a position to comment on the correctness of the same (Refer to 2(II) and IV(b) of 'Material Accounting Policies' to the Financial Statements).
- iv. The company has booked expenses related to construction of Transmission Bay by its own fund in the statement of Profit & Loss in the current year under audit as per the changed accounting procedure of company regarding construction of Transmission Bay while it was shown as "Asset Not in Possession "in Balance Sheet till the FY 2022-23. The relevant documents regarding construction of Transmission Bay by the Company's own fund or by consumer contribution like estimates, agreement etc is not made available to us for our audit. In absence of the above, we can't comment upon the amount booked in the statement of Profit & Loss. (Refer point no 48 of Notes to Account)

- v. 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, DISCOM Auditors are not in a position to ascertain impact of the same on the financial statements.
- vi. The company has re-classified the furniture of Rs. 7.67 (Gross Block) and has transferred the same to Building Block, The relevant calculation is not provided to us for our audit. Further, this adjustment has not been made through restated financial statements, being this adjustment is a prior year item. In the absence of sufficient and appropriate audit evidence thereof, DISCOM Auditors are not in a position to ascertain impact of the same on the financial statements.

c) Dakshinanchal Vidyut Vitran Nigam Ltd.

- i. Fixed Assets identified 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 Average Rate defined by holding company, 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 substantial impact of undervaluation of inventories.
- ii. As per Ind AS16 “Property, Plant and Equipment”, a capital asset shall be recognised if, the cost can be measured reliably and it is probable that future economic benefits will flow to the entity. However, the Company taking a different view written off the written down value (cost minus depreciation) of Rs. 46.72 crores (AG 11.105 ‘Assets not pertain to DVVNL’) in profit and loss as prior period expense.
- iii. Otherwise also, if the assets de-recognised is not repairable, it is further debited to AG 22.770 ‘Scrap Material’ at Written Down Value, receipts of scrap sold (Rs. 68.55 crores for FY 2023-24) is directly credited in AG 22.770 instead of crediting it to profit and loss. This practice resulted loss on sale of scrap remain parked in in AG 22.770.

d) Kanpur Electricity Supply Company Limited

PROPERTY, PLANT AND EQUIPMENT Dr. ₹974.07Crores

- (i) The land of the company is on lease from U.P. Power Corporation Ltd. (“UPPCL”) @ ₹ 1 per month in compliance to the UP Transfer of KESA Zone Electricity. Distribution Undertaking Scheme 2000 issued vide notification No 186/XXIV-1-2000 dated 15/01/2000. The above also includes Plot no 4, block 96. area 10198.53 sqm & Plot No 54, block-14, area 5958.24 sqm. The lease period of these two plots ended in the year 1994. After the completion of lease period, the process of converting lease land in to free hold land could not be done due to some administrative constraint. “The Company KESCO” is fully exercising its right on the use of above plots undisputedly and there is no legal litigation over the use of this plot/land in any forum. (Also Refer Note No. 28-6(c) of “IND ASFS”).
- (ii) As informed the value of such land is yet to be ascertained by UPPCL. However, Discom Auditors have not been furnished with the lease agreement and other related records pertaining to such land. As a result, Discom Auditors could not assess the financial impact on “Ind ASF.S.” of the aforesaid.

- (iii) The company has not separately identified / disclosed, capital and rotational spares in its financial statements.

e) **Purvanchal Vidyut Vitran Nigam Ltd.**

- i. In case of Fixed Assets, which are decommissioned during the year, the corresponding accumulated depreciation is reversed on estimate basis, which has no relation with its actual carrying cost. Further, it has been observed that due to this, excess provision for depreciation has been reversed over and above the balance available in provision for depreciation account. The company has accounted for this difference in AG Code 77.710, the aggregate amount of which is Rs. 149.87 Crores and disclosed under the head "Repairs & Maintenance Expenses". As a result, the cost and accumulated depreciation of assets in use are not correctly reflected in the Financial Statements.
- ii. As per Para 26 of Notes to Accounts, regarding impairment of any assets as on balance sheet date as envisaged by Ind-AS 36 of ICAI, the Company has disclosed that the assets of the corporation have been accounted for at their historical cost and most of the assets are very old where the impairment of assets is very unlikely. However, as reported by the Zonal Auditors, physical verification of Fixed Assets has not been conducted in any Zones hence, in absence of relevant audit evidence being made available to us, we could not verify the same and its consequential impact on financial statement is currently not ascertainable.
- iii. 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.
- iv. No identification marks have been placed on the fixed assets.
- v. In Para IV of Material Accounting Policies, it has been mentioned that depreciation on value of additions to/ deductions from fixed assets during the year is charged on Pro rata basis. However, it has been observed that the depreciation on all additions to fixed assets has been charged for half year and not on the basis of actual date of addition/put-to-use.
- vi. The rates of depreciation adopted in all assets are for single shift irrespective of its use, which is not in accordance with the rates specified under the Companies Act, 2013.
- vii. 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.

G. **Impact on Profit & Loss Account**

- i. Note 8- Financial Assets-Other (Non –Current) includes Rs.63.29 crore (Net of Provision) certain old balances as well as Assets Migration Account. In absence of details, Reconciliation and Long Outstanding Balances, Provision should have been made in the accounts for same.
- ii. Other Income Note-24 includes Rs.102.19 crore towards invoking of Bank Guarantee in 2019-20 submitted by M/s Lanco Babandh Power Limited and wrongly credited to security deposit in the Books of UPPCL which continued till 2022-23. During the year, 2023-24 UPPCL transferred the amount to DISCOMS and same have been credited to other income instead

of treating the transaction as Prior Period Error. In view of above, **Other Income** of FY 2023-24 is overstated to that extent and Previous Year figure not re-instated as per Ind AS 8.

Specific observation given by DISCOMS Auditors are given below:-

(a) Paschimanchal Vidyut Vitran Nigam Ltd.

- i. The company accounted for an amount of Rs 386.60 crore as subsidy for operational loss as per RDSS in the Statement of Profit and Loss for the year 2023-24 but during the FY 2022-23 company was in profit of Rs. 985.64 Crore due to which the company is not eligible to get any amount of Subsidy under RDSS in the FY 2023-24. Thus, the Company has booked excess subsidy of Rs 386.60 crore in the FY 2023-24.
- ii. This resulted in overstatement of other income and other Equity by Rs. 386.60 Crore and understatement of 'Current Liabilities' by the same amount with consequent overstatement of Profit for the year by Rs. 386.60 Crore. However, we are not considering this Impact on Consolidated Financial Statement Losses in view of our comments referred in Para No. 8 of Annexure I – Non- Compliance of C&AG comments.

(b) Dakshinanchal Vidyut Vitran Nigam Ltd.

- i. During the year the Company has capitalised Rs. 0.24 crores under Intangible Assets, being ERP Software installed at GPF & CPF Trusts. As per Ind AS-38 'Intangible Assets' as intangible assets is a resource which is controlled by the entity, from which future economic benefits are expected to flow. In our opinion, ERP Software of the Trusts is not an intangible asset for the Company, hence amount of Rs. 0.24 crores should be debited to profit and loss as exceptional item or under Employee Cost as the benefit for the employees.
- ii. The Company following its holding company office memorandum dt. 12.03.2024 has clubbed long outstanding (12.08.2003 - transfer scheme balances) balances of various accounting heads (fundamentally debit balances) under AG 28.869 'Asset Migration Account' of Rs. 54.86 crores and accounting heads (fundamentally credit balances) under AG 46.975 'Liabilities Migration Account' of Rs. 17.59 crores, for which no balancing/reconciliation is available. In DISCOM Auditors opinion in absences of any reasonable certainty for the recovery/payment, both such balances shall be written off to profit & loss.
- iii. 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 written off:

A. Debit Balances

<u>S.No.</u>	<u>AG</u>	<u>Name</u>	<u>Amount (in Crores)</u>
a.	28.401	Amount recoverable from employee	Rs. 0.43
b.	28.401A	Amt. Rec. from Employee	Rs. 5.17
c.	28.401B	Amt. Rec. Emp. (Mat. Cost)	Rs. 13.70
d.	28.877	U.P Rajya Vidyut Utpadan Nigam Ltd.	Rs. 1.55
e.	28.879	U.P Power Trans. Corporation Ltd.	Rs. 10.05
f.	46.927	Lia. (Trade Tax)	Rs. 0.60

g.	25.1	Advance to Supplier/Cont. – RGGVY-12 th Plan	Rs. 3.09
h.	25.5	Advance Interest Free (Capital) - EE Admin	Rs. 8.09
i.	25.7	Control Account (Capital) - EE Admin	Rs. 0.55
		<u>Total Debit</u>	<u>Rs. 43.23</u>

B. Credit Balances

<u>S.No.</u>	<u>AG</u>	<u>Name</u>	<u>Amount (in Crores)</u>
a.	46.987	UP RVUNL	Rs. 0.60
b.	46.989	U.P Power Trans. Corporation Ltd.	Rs. 2.91
c.	44.412	EC Payable (Out of Nigam)	Rs. 3.08
d.	44.410	Other Misc.	Rs. 11.43
e.	42.1	Lia. Supply of Mat. Cap – EE Admin	Rs. 0.12
f.	43.1	Liab. Supp. Of Mat. (O&M) - EE Admin	Rs. 0.15
g.	46.101	Security – RGGVY 12 th Plan	Rs. 5.63
		<u>Total Credit</u>	<u>Rs. 23.92</u>

- iv. Company is undertaking various development works, as per the schemes notified by the central/state Government, wherein 10% of the total cost is to finance through company's equity and balances 90% is financed from loans and subsidy/grants from government. Interest earned on bank deposit, interest on mobilisation advance, liquidated damages recovered, etc. earned out of grant funds are payable back to the Ministry of Power/ Other Nodal Agencies. However, such incomes earned on equity & loan funds are income of the company. Similarly, in case of 100% Loan/Equity financed scheme, entire such amount is the income of the Company. The Company is following inappropriate practice of treating entire receipts of such incomes as its liability, in absence of any subsidiary record for year-on-year calculation of income attributable to subsidy fund & equity/loan fund. Impact of the same cannot be ascertained in absence of subsidiary record and complexity of calculations involved, however in DISCOM Auditors opinion following amounts, duly acknowledged by the company as attributable to equity/loan funds, should have been considered as income of the company:

S. No.	Scheme	AG Code	Amount (Rs. in Crores)
1	Deen Dayal Upadhyay Gram Jyoti Yojna (DDUGJY) New	46.303	5.74
2	Revamped Reforms – Linked Results – Based Distribution Sector Scheme	46.2d	0.43
3	Integrated Power Development System (IPDS)	46.303	1.78
4	ADB Project	42.2	0.14
	Total		8.09

- v. Awards passed by the Adjudicating Authorities/Appellate Authorities/High Court/Supreme Court against the company, which has not been appealed/disputed by

the Company are not provided for in the profit and loss account, details of which are as follows:

a. M/s Mahavir Transmission Udyog Pvt. Ltd.	Rs. 11.63 Crores + Interest
b. M/s Himachal Aluminium & Conductors	Rs. 3.19 Crores + Interest
c. M/s Himachal Wire Industries Pvt. Ltd.	Rs. 0.02 Crores + Interest

(c) Madhyanchal Vidyut Vitran Nigam Ltd.

Advances to suppliers amounting to Rs 105.46 Crores at the HO level are outstanding since more than 8-9 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. Further, at Ayodhya Zone, Advance to suppliers amounting to Rs 2.95 crores is pending for adjustment for last more than three years.

(d) Purvanchal Vidyut Vitran Nigam Ltd.

- i. Interest on Bank Deposits on RDSS account amounting to Rs. 18.38 Lacs has been recognized as "Other Income" during the year. RDSS is a Gol/ UPGov Sponsored project and as per Para 10 of Annexure – E of General Terms and Conditions which states that "Any interest earned on grant shall be remitted to Ministry of Power's bank account at least once in a quarter regularly." Hence, in view of the above, the interest income should be treated as current liability and not income. Thus, "Other Income" is overstated and "Current liabilities" is understated to this extent
- ii. LD Penalty of Rs. 9.28 Crores has been recognized as "Other Income" in various zones. In absence of proper information about LD penalty attributable to Capital Expenditure and Revenue Expenditure, we are unable to comment upon its impact on Financial Statements.
- iii. As per information provided to us, total default of Rs. 94.50 Lacs is outstanding for late filing/ late deposit/short deduction of Income Tax TDS. As the nature of default is not known, we are unable to comment upon its impact on the profitability of the Company.
- iv. The company has not accounted for Late Payments Surcharge (LPS) during the year under Audit. As informed to us by the management, the amount collected against LPS is not available, the same could not be accounted for during the year. The "Other non-operating income" and "Trade Receivables" are understated to this effect. Due to non-availability of data, we are unable to quantify the same.

(e) Kanpur Electricity Supply Company Limited

- i. Depreciation and amortization expenses for the year of Rs 59.41 crores have been depicted after deducting an amount of Rs 19.34 crores in respect of Depreciation on Consumer Contribution, instead of showing the said amount of Rs 19.34 crores as 'Other Income', as per the generally accepted accounting practices.

- ii. Revenue leakage of Rs 1.42 crores has been identified by the Internal Auditor of Circle 3 only, which has not been incorporated in the "IND AS FS" for the Financial Year ended 31st March, 2024. As informed by the management of the company the same shall be incorporated after reconciliation with the respective divisions. Similar, observations of the internal Auditors for earlier years have also not been incorporated in the books of account as the investigation for the earlier years, as informed, is still pending. (Amount unascertained).

I. Non-Reconciliation of Inter Unit transactions.

Other current assets-Note 13 includes Inter Unit Transfers Rs.1,393.40 crore which have been not reconciled since long and needs to be reconciled and adjusted immediately.

J. 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. 20,059.74 Crore as consumer contribution towards capital Assets/Capital Grants which are to be reflected as "Deferred income" under "Non-Current Liabilities." as per Ind AS20. In view of above "Deferred income" is understated and "Other Equity" (negative) is also understated to that extent.
- ii. Capital work in progress includes Rs. 3,582.44 crore (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.
- iii. Para No.19a includes undisputed Trade Receivables- which have significant increase in credit risk to the extent of Rs. 25,459.01 crore which has not been disclosed in the Note No.10- FINANCIAL ASSETS- TRADE RECEIVABLES (CURRENT ASSETS).
- iv. 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 as prescribed under companies act 2013.
- v. Policy no. XVI -Financial Assets regarding subsequent measurement on debt instrument at amortized cost in accordance with Ind AS109.
- vi. Policy no. XVII- Financial Liabilities regarding subsequent measurement of borrowings using effective interest rate method.
- vii. 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.

- viii. Group has not conducted actuarial valuation relating for pension and Gratuity pertaining to employees of erstwhile UPSEB during the financial year 2023-24. (para no. 14(a) to the notes to accounts referred).
- ix. Group has not made necessary disclosures and information as required by Ind AS19 pertaining to Actuarial Valuations in respect of PVVNL, DVVNL, PuVVNL respectively.
- x. Group has not disclosed the disputed amount of Trade Receivable citing the reasons of practical difficulty.
- xi. No accounting policy has been framed by the group for provision of obsolete Inventory. Similarly, no accounting policy has been framed for write off of Assets as required by Ind AS107.
- xii. Interest on demand against electricity duty has not been disclosed in Notes to Accounts as contingent liability except KESCO.
- xiii. Maturity analysis of liabilities to be paid is not disclosed as per requirement of Ind As-107.
- xiv. Credit risk factor as disclosed in Para No. 22 to Notes to Accounts does not disclose major risk factor non realization of trade receivable for which provision for expected loss to the extent of Rs.9,771.88 crore has been made in accounts. This issue also needs to be placed before Risk Management committee.
- xv. Terms and conditions of borrowing obtained directly by DISCOMS and nature of security offered in respect of such borrowings have not been disclosed in the Notes on Accounts. Besides, details of redemption/ conversion of Bonds issue directly by DISCOMS have not been disclosed in the Notes on Accounts.

• **Specific observation given by DISCOMS Auditors are given below:-**

(a) Paschimanchal Vidyut Vitran Nigam Ltd.

- i. 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 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 not ascertainable.
- ii. IND AS- 116 Leases - The company is earning rental income from leasing of their assets mainly electricity pole, but the appropriate disclosure is not made in the Financial Statement.
- iii. There are few cases of late deposits, short deposits of TDS & electricity Duty etc., which may invite interest penalty for the same. Further, the company is deducting and remitting the TDS on payment basis. TDS provision under the Income Tax Act 1961 requires that TDS should be deducted and remitted on accrual or payment basis, whichever is earlier.

Liability in such matters cannot be ascertained at this stage. No provision in respect of default towards late deposits, short deposits, not deposit of TDS and late filling and Interest thereon is made by the Management.

- iv. 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.

v. BORROWINGS

- i. 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 is 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, DISCOM Auditors are unable to quantify the impact of the same on the financial statements. (Refer to note 23 of financial statements).

- ii. Non-current Borrowings of Rs. 6599.69 Crore have been shown in Note No.14 to the Financial Statements. IND AS109 requires management to classify all the financial liabilities and assets at amortized cost using effective interest rate method. Transaction cost has been netted off in borrowing upon initial recognition but the management is unable to comply with the effective interest rate method stating that, being a government company, all loans are backed by the State government guarantee or by charge on Assets. It is also stated that the loan is squared off by many ways such as conversion into bonds, equity and subsidy by State Government. As a result of this, DISCOM Auditors are unable to comment upon it.

vi. 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 'Material Accounting Policies' to the Financial Statements)

vii. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

1. As per Para 16 of IND AS37, 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 AS37. Accordingly, the impact of non-compliance of the above IND Ason the financial statements is not ascertainable. (Refer to Note No. 21(B)(II) of Notes to Accounts)

2. 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. 21(B)(II) of Notes to accounts, regarding contingent liabilities)
4. 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.
5. 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.1387.79 Lakhs.

(b) Dakshinanchal Vidyut Vitran Nigam Ltd.

- i. The Company is not regularly updating and maintaining various statutory registers prescribed under the Companies Act, 2013, like registers of members, registers of charges, registers of fixed assets in the prescribed formats.
- ii. There is no reasonable satisfaction that the Company has filed all the required satisfaction of charges with the Registrar of Companies.
- iii. As company is preparing its accounts on accrual basis as defined in notes to accounts but there are instances where company is booking transaction on cash basis i.e., Medical expenses, Travelling Expenses, Late Payment Surcharge, Interest on Mobilisation advance, etc.
- iv. The Company had consistently adopted an inappropriate method of amortisation of government grants & consumer contributions by charging amortisation on the written down value of capital reserve which results in lower charge of amortisation and residual value of capital reserve, even though the useful life of the corresponding asset has expired. Estimated cumulative effect of this incorrect method during preceding three years has resulted in under amortisation of substantial amount. Otherwise also the Company has failed to maintain any subsidiary record to co-relate grant and consumer contribution with the corresponding asset and for amortisation of full amount of the grant and consumer contribution over the useful life of asset.
- v. The Company is inappropriately disclosing outstanding balances of supplies Rs. 560.08 crores under Note-20 'Other Financial Liabilities (Current)' instead of classifying them as 'Financial Liabilities – Trade Payables'. Similarly, balance of Rs. 70.29 crores (AG 46.410 – 0.36, AG 45.2 - 0.02 and AG 45.3 - 69.91) is inappropriately disclosed under Note-20 'Other Financial Liabilities (Current)' instead of classifying them as 'Financial Liabilities – Trade Payables'. Also, company failed to make appropriate disclosure of MSME creditors out of referred liabilities as per Schedule III.
- vi. There is substantial un-reconciled difference of Rs. 348.87 Crores between revenue assessment of billing software and revenue booked in financial statements, for which

inappropriate explanations were offered, the company should identify, reconcile and recognise correct revenue in Profit & Loss account.

- vii. Contravening the disclosure requirement under the Companies Act, 2013, the Company has not disclosed under capital work in progress, the overdue projects along with expected completion schedule, projects temporarily suspended and projects wherein cost exceed projections.

(a) **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 AS16. In the absence of complete details, effect of the said deviation, from Ind AS, on financial statement could not be ascertained.
- ii. Ageing of inventory has not been done and obsolete items were also not identified and adjusted for in the books of account in some cases. Further, classification of inventories is also not done as per the requirement of Schedule-III of the Company's Act 2013. "Stock excess or short pending investigation" at LESA CISS Zone is Rs. 1.36 Crores and at Ayodhya Zone is Rs. 2.49 Crores, which is pending for adjustment.
- iii. 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)'.
- iv. Financial Assets-Others – 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 non-current assets/ liabilities is not in accordance with Ind AS-1 "Presentation of Financial Statements.
- v. 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 (Non-Current)' and current maturity of Long term borrowing in Note 16 have not been made as required by Companies Act 2013.

(d) **Purvanchal Vidyut Vitran Nigam Limited**

NOTE – 15 : FINANCIAL LIABILITIES-OTHERS (NON-CURRENT)

- i. Entire Security Deposits from Consumers has been classified as Non-Current Liabilities, whereas, the Deposits received against Temporary Connections should be classified as Current Liabilities. As informed to us by the Management, security deposits from consumers have been accounted for in AG code 48.1 on overall basis i.e. for temporary as well as permanent consumers. These is no bifurcation in books of accounts for the same. Since, no

details were provided to us, we are unable to comment upon its impact on the Financial Statements.

- ii. Actuarial Valuation of Gratuity Liability of the employees covered under GPF scheme has not been obtained. The Company has worked out the Gratuity Liability of these employees and has disclosed the entire liability under the Note – 18 “Other Financial Liabilities (Current). The Company has failed to bifurcate the same under “Non-Current” and Current Liability.
- iii. As informed to us, Tariff Subsidy given in Bills and recoverable from Go. UP has been accounted for on Receipt basis and not on accrual basis which is not in accordance with Ind AS 20.
- iv. 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.
- v. The Company has disclosed contingent liabilities to the tune of Rs. 175.88 Crores at para 21(b)(ii) of Notes to Account of Balance Sheet. Since, the status of contingent liability has not been provided to us, DISCOM Auditors could not comment upon the provision required as per Ind AS-37.

(e) Kanpur Electricity Supply Company Limited

a) Note no. 13 of the “IND AS-FS”

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

(i) In respect of non-current borrowings:

- (a) Nature of security in respect of each case of borrowing;
- (b) Terms of repayment of term loans and other loans.

(ii) Details of redemption/ conversion of bonds have not been disclosed as per the requirement of Notification No. 17/62/2015-CL-V Vol-I dated 24.03.2021.

b) Note no. 28-18 of the “IND AS-FS”

As per MCA data the Company is an **active compliant company**. Further, the scrutiny of the master data and other returns of the company filed with the MCA revealed the following:

(a) 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 of filing of MSME Form I.

(c) Director Identification Number (DIN) is not available in respect of the following director appointed to the Board of the Company. This is in contravention of Section 153 and 154 of the Companies Act, 2013:

S. No:	Name of the Director	Date of Appointment
1.	Smt. Mala Srivastava	22/12/2023

(d) DIR-12 has not been filed up to 31/03/2024 in respect of the following Directors, who have been appointed to the Board of the Company:

S. No:	Name of the Director	Date of Appointment
1.	Shri Rakesh Kumar Singh	29/01/2024
2.	Smt. Mala Srivastava	22/12/2023
3.	Shri Sandeep Kumar	21/02/2024

K. Other observations given by statutory Auditors of DISCOMS on specific subject are given below: -

(a) Paschimanchal Vidyut Vitran Nigam Ltd.

I. DEPRECIATION/AMORTISATION

- i. DISCOM Auditors 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 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.
- ii. The company has re-classified the furniture of Rs. 7.67 (Gross Block) and has transferred the same to Building Block, the company has not re-classified the relevant portion of accumulated depreciation from furniture to building this adjustment has not been made through restated financial statements, being this adjustment is a prior year item. 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.

II. POWER PURCHASE

Power purchase and transmission charges are booked on the basis of bills raised by Uttar Pradesh Power Corporation Ltd. and Uttar Pradesh Power Transmission Corporation Ltd. 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. (Refer Note No. 11 of Notes to accounts)

III. OTHERS

- i. 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.

- ii. Interest accrued and due Rs. 9.06 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)
- iii. As during the course of audit we observed that the late payment surcharge recoverable from customers is accounted for on cash 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 transactions on the financial statement.

(b) Dakshinanchal Vidyut Vitran Nigam Ltd.

- I. The company has declared a Debit Balance of Rs. 44.52 crores (PY: 60.62 crores) outstanding in Aligarh Zone under AG 12.542 'Provision of Depreciation – Other Transformers', which is liable to be routed to profit & loss along with the actual depreciation charged till date on those assets.
- II. Long outstanding unreconciled and uncalled Liability towards UP Power Sector Employees Trust of Rs. 202.35 crores, includes Rs. 71.73 crores payable towards Provident Fund of GPF Employees. The such liability is liable for refund to the employees or to the trust. Outstanding interest Provision Rs. 93.37 crores on above amount of Rs. 71.73 crores shall be dealt accordingly. In respect of an amount of Rs. 37.25 crores payable towards Pension & Gratuity of GPF Employees, there is no reasonable certainty for payment of the same.
- III. Similarly, long outstanding unreconciled and uncalled Liability towards CPF Trust of Rs. 14.95 crores, includes Rs. 11.23 crores payable towards Provident Fund of CPF Employees. This includes deduction from the employee(s) salary of Rs. 3.38 crores and employer contribution of Rs. 7.84 crores. In our opinion these amounts and Interest Provision outstanding of Rs. 3.72 crores needs to be reconciled/settled.
- IV. Under Executive Engineer Admin, amount of Rs. 0.55 crores under AG 37.52, is amount of GST available in electronic cash ledger & utilised for payment of output tax liability, but the source of such amount is not yet identified. Amount is liable to be identified and written off accordingly.
- V. Under Executive Engineer Admin, amount of Rs. 0.17 crore was paid during the year out of retention of the supplier held, however, the Company has inappropriately booked the same as current year expense.
- VI. The Company has not made provisions from July, 2017 till date in respect of more than 100 employees not yet migrated to 7th Pay Commission. Quantum of provision is undeterminable from the records of the Company.
- VII. The Company had consistently adopted an inappropriate method of amortisation of government grants & consumer contributions by charging amortisation on the written down value of capital reserve which results in lower charge of amortisation and residual value of capital reserve, even though the useful life of the corresponding asset has expired. Estimated cumulative effect of this incorrect method during preceding three years has

resulted in under amortisation of substantial amount. Otherwise also the Company has failed to maintain any subsidiary record to co-relate grant and consumer contribution with the corresponding asset and for amortisation of full amount of the grant and consumer contribution over the useful life of asset.

c. Madhyanchal Vidyut Vitran Nigam Ltd.

1. Books of Account

- i. Company has a system of maintaining various Sectional Journals such as SJ 1, SJ 2, SJ 3, SJ 4, wherein vouchers relating to day to day transactions are recorded, but ledger accounts are not maintained for individual heads of assets or liabilities and Income or Expenditure Accounts. 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 (MTBs), which in our opinion is inadequate to give the financial position of different account/s at any given time in an organized manner.

Further, these monthly trial balances (MTBs) are generated/ compiled mostly through outsourced agencies, the data for which are not under direct control of the accounts department which poses a risk of security of data in the accounting records. As only printouts of MTBs are usually made available, there is no mechanism to check data entries in the system and to ensure correctness and completeness of the reports (MTBs) so generated.

- ii. Vouchers are not serially numbered in some units and are numbered month wise in some other units. Also, summary of vouchers was not available in most of the units. MTBs are generated through an outsourced vendor/s who use their own software because of which process of verification of accounting being accurate or not, after incorporation of vouchers in MTBs, is not in vogue.
- iii. In Zones CISS Lucknow, Bareilly, Trans Gomti, it has come to our knowledge that in some cases, additional security deposits have not been collected from consumers as per requirement.

d. Purvanchal Vidyut Vitran Nigam Ltd.

- i. The Company has provided interest on G.P.F. liability of Rs. 20.77 Crores and C.P.F. liability of Rs. 0.50 Crores during the year under audit. The liability towards G.P.F. and C.P.F. Trust shown in the Balance Sheet and interest provided on late payment is subject to reconciliation with Trust accounts.
- ii. As reported by the Zonal Auditors, Party-wise and Age-wise breakup of Liability for Capital Supplies/ Works and Liability for O&M Supplies/ Works are not available at Zones. Hence, we are unable to comment upon the same. Further, the liability includes amount of Rs. 40.45 crores on account of expenses debited in the FY 2022-23 on the basis of forged documents. As informed to us, the investigation is still under process hence the impact of the same could not be ascertained presently.
- iii. The debit balance of Rs. 50.17 crores lying in AG Code 46.922 (advance sale of scrap) has been adjusted in Deposits & Retentions from Suppliers & Others under "Other Financial Liabilities" in Financial Statements. The management has failed to provide proper explanation about the nature of such balance and reason for its adjustment in Deposits &

Retention from Suppliers & Others. In absence of proper information and explanation, we are unable to comment upon its impact on the Financial Statements.

- iv. Labour Cess liability (AG Code 46.930) of Rs. 5.51 crores include Rs. 3.78 crores pending for payment due to fraud detected after the Balance Sheet date by one of the employees of the Company.

f) Kanpur Electricity Supply Company Limited

- i. Trade Receivables, Trade Payables, other receivables, payables, UPSEB period balances and other personal accounts are subject to confirmation and reconciliation thereof. The consequential adjustments, if any, arising out of the aforesaid exercise, is not ascertainable.
- ii. Account Number 0731002100037949 opened with Punjab National Bank in the year 2019 under the name and style of "Kesco Tax Circle-3 account and Pramod Kumar Singh" was opened without the approval of the Board. The said account, up to the F.Y. 2022-23, was being depicted along with Account Number 0255001800000036-III with the name and style "Expenditure PNB account". The rationale for opening this account without Board approval was not provided to us. The said account is however, reconciled and confirmed as at 31st March, 2024.
- iii. KESCO is maintaining a Bank account with ICICI Bank under the name & style of "KESCO Online Payment Gateway A/e No. 628805023346" under which payment made by consumers through various online mode were received by the company. As per practice, the amount received from the bank was being matched daily with the report generated from the KESCO website. In the month of July 2023, KESCO Billing Software Agency M/s Fluent Grid sent freezed MIS report of June 2023 on 04-07-2023. On matching the freezed MIS report with the amount received from the bank it was found that Rs 44.93 lakhs was not credited by ICICI Bank in the above account of KESCO. The above transactions were not included in the daily report being generated through the KESCO website, due to which no difference in the amount was found in the daily reconciliation. Similarly for the month of July 2023 Rs 1.48 crore were credited to the consumer ledger account but not received in the bank account of KESCO. The matter was taken up with the bank and after matching of settlement report sent by bank it was noticed that bank account and IC-ID were different in all above transactions.

Looking to the fact a FIR was lodged on 25.07.2023 against the bank. On enquiry of the Cyber Cell of UP Police it was found that it was a case of cyber-attack by a group of people who had also opened a different account with ICICI bank in the name of KESCO and Rs 91.22 lakhs were recovered after arrest of those persons.

The company has ensured recovery of the loss caused in this regard through the following modes-

- (I) Cash recovery of Rs 91.22 lakh has already been made by the Police and handing over of the same to "The Company/KESCO" is under process.
- (II) Withholding of bills for work executed by M/s Fluent grid Recovery to the tune of Rs 1.40 crore. The company is also having a Bank Guarantee submitted by the firm for Rs 61/- lakhs.

(III) ICICI bank has also provided a lien marked FDR for Rs 1.63 crore to KESCO

Thus, the company has made adequate measures to recover the loss caused in this regard and no financial loss to the company is envisaged. In view of the above fact no provision has been made for the loss.

(Also refer Note No. 28-46 of "IND ASFS").

L. SPECIFIC OBSERVATIONS OF ZONAL AUDITORS ARE BELOW:-

a. PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED:

MEERUT ZONE:

LAND & LAND RIGHTS (AG Code 10.101) and PROPERTY PLANT AND EQUIPMENTS (FIXED ASSETS) & DEPRECIATION

Fixed assets are shown at historical cost, the depreciation has been booked in the HO records but is not reported back to ZO for accounting. However, accounting for depreciation reversed on disposal of goods is being made at unit level.

The Zonal Office has not identified amount of impairment of assets, required as per IND AS36.

- i. As per the stated accounting policies, Employees cost is capitalized at a fixed percentage of total expenditure of capital works in contravention to Ind AS16 which permits inclusion of only directly attributable costs of bringing the asset to working condition for its intended use. However, the same have been taken care off as per framed policy of the company.

The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to the book records were not material. In our opinion, the frequency of Verification is reasonable. However, un-serviceable/slow-moving/non-moving items forming part of the inventories are mixed with the regular stock and are valued as normal stock of inventory is neither computed nor accounted.

Fixed Assets to the tune of Rs. 11.97 Cr. was shown under the head AG 11 as on 31-03-2023. It was reported the same was in possession of M/s UP. Power Transmission Corporation Limited. Out of said sum, an amount of Rs. 2.05 Crore created out of own funds charged to P&L account (Prior Period Expense) & Assets of Rs. 9.92 Crore (Constructed from consumer contributions) transferred to Reserves & surplus. Now the said balance stood as NIL as at 31" March 2024.

SUNDRY RECEIVABLES

Amount outstanding under the head AG-23(sundry debtors) is not verified and reconciled with the subsidiary records (Billing Data/Online data of the Consumers) maintained at various units. Chances of recovery are not analysed. Time barring and non-recoverable cases are not identified. No provision is made in the accounts for non-recoverable amount at Zone level and is reportedly made at headquarter level.

- i. Sundry debtors include huge old balances of Permanent Disconnected (PD) consumers where notices for recovery have been issued under section 5.

- ii. Remittance of Funds by Vitran Nigam to UPPCL
 - a. Remittance of Funds by Vitran Nigam to UPPCL (AG code 28.889) Rs. 24386.51 Cr (Previous Year 21467.90 Cr) on account of remittance of Power Purchase has remained unadjusted. The book entry to adjust/set off these balances has not been made.
 - b. Subsidy Receivable from Government shows unadjusted negative Balance of Rs. 4.90 Cr (Previous Year 4.90 Cr). Proper book entry to adjust/set off these balances has not been made in the year.

CASH & BANK BALANCES

Bank Reconciliation Statement (BRS)

- i. 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

REVENUE FROM SALE OF POWER

- i. Revenue booked under theft cases for the year under the head AG 61.601 amounting to Rs.22.72 Cr (Previous Year Rs 42.38 Cr). The figures of the last fortnight are provisional one. No provision has been made against unsettled cases outstanding at the end of the year

Others

- i. The Provisions of expenses made at the yearend are subject to TDS but tax has not been deducted. It has been deducted at the time of payment.
- ii. AS per practice, interest on consumer deposits has been provided as per prevailing bank rate on average balance basis. The actual payment of Interest to the consumers is not reconciled / adjusted with the provisions made during the year.
- iii. Advance Income Tax & TDS (code 27.4) amounting to Rs. 74.40 Lac (Previous Year Rs 70.87 lac) is not reconciled and transferred to head office.

MORADABAD ZDNE:

i. WIP

Package: Increase in Capacity of 35/11kv SS Dhiyoti-Amroha

Estimated Cost: 71.83 Lakhs

Completed Value: 44.63 Lakhs

As per information and explanation given to DISCOM Auditors, the work has already completed and the asset is put to use but the same is not yet capitalized till the completion of audit. No work completion certificate was provided to us. The profit is over stated by the amount of depreciation on this asset and the Fixed Assets are under stated by the amount of WDV of such fixed asset. The quantification could not be identified as depreciation of Fixed Assets are being charged at HO level.

ii. SUNDRY RECEIVABLES

The aging of these receivables was provided to us but in the absence of any further information and documentary evidence for the aging, we could not verify it . Hence, we are unable to express our opinion on the asset quality.

iii. **Advance to Supplier**

Out of total advances, 104.91 lakhs are outstanding for >1 years.

iv. **INTER UNIT BALANCE**

No reconciliation for IU (Out of Zone) accounts was provided to us. Hence we are unable to express our opinion on various IU accounts

v. **ED AND OTHER LEVIES**

During the year Total ED & Other Levies Collected-21181.37 Lakhs however ED & Other Levies Paid- 6626.34 Lakhs. That mean either 14555.03 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 81225.80 lakhs.

vi. **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.

BULANSHAHAR ZONE

- i. 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 months which requires reversal after proper & exact reconciliation and may have impact on trial balance.
- ii. Without prejudice to para no. 1, bank reconciliation statements of various divisions need special attention on some issues which are as per annexure – 1.
- iii. The Zone is not maintaining proper fixed assets register showing full particulars including quantitative details and situations of fixed assets. The deletion of the fixed assets from the respective block is done at the estimated value and corresponding reversal of depreciation is done on estimated average life of the asset withdrawn. Hence, the Value of fixed assets as on 31st March 2024 may vary to that extent.
- iv. The management has informed to us that physical verification of inventories has been done by the officer authorized at every division / office of the zone and the same is valued on the historical cost but the detailed working & actual stock register was not provided to us for necessary verification. Hence, DISCOM Auditors are unable to quantify the impact of the same in the valuation of the inventory.
On the basis of information given by various divisions / offices of Bulandshahr Zone, Contingent Liability as on 31/03/2023 was Rs 19,45,89,854/-.

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 up to 31st March, 2024. 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 accrual of income and realization thereof, hence DISCOM Auditors are unable to comment thereon and quantify its impact on the accounts;

- ii. In respect of post-paid customers, in terms of the company's accounting policies, revenue is supposed to have been recognized on accrual basis, however, it is noticed that in the case of the billing pertaining to the period spreading to the next financial year, the branch has recognized income of the broken period falling in the next financial year based on average of preceding three months. The different customers are having different billing period, however, it is explained that the Zone does not generate any report as of 31st March, 2024 showing accrual of income in such cases. Hence, in the absence of such report, the recognition of income in such cases could not be checked hence its impact on the account could not be ascertained and quantified by DISCOM Auditors.
- iii. 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. 50.86 Crores (Code AG-61.6) where against only Rs. 15.81 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 by DISCOM Auditors.
- iv. In the case of permanent disconnection cases, the Branch estimates the unrealized amount pertaining to period as back as five to six years and account for the amount as "P.D. Debtors" (Code AG-23.5) by reducing the same amount from Normal Debtors (Code AG-23.1). Such transfer of amount is done on ad hoc basis without ensuring recognition of corresponding income in earlier years. Its impact on the accounts cannot be quantified by DISCOM Auditors.
- v. In respect of revenue from new meter connection (AG Code 55.1), the accounting policy "Consumer contribution, grants and subsidies towards cost of capital assets are treated as capital reserve and subsequently amortized in the proportion in which depreciation on related assets is charged", however, its accounting in the books of the Branch could be neither found nor explained. Its impact on the accounts of the Zone, if any, could not be quantified by DISCOM Auditors.
- vi. In respect of fixed assets and stock, neither certificate of physical verification thereof nor working papers of such verification are provided to us, hence we are unable to comment on the correctness of reporting thereof and on provision if any required for shortage, slow moving, non-moving, impairment. It impacts on the accounts, if any, could not be ascertained and quantified. Further, the physical verification of Store Centre Ghaziabad arranged by the Zone, revealed a difference of Rs 32.52 Crore being shortage. As per the system software, the stock is Rs.59.41 crore however, as per the itemised inventory list, the stock is Rs 26.89 crore. No explanation was given with regards to such difference.
- vii. In respect of high power supply projects e.g. hospitals, heavy manufacturing units, etc., the branch collect the charges (Code AG 55.1) and pass on the entire amount to UP

Transco (Code AG 11) towards other capital expenditure/fixed asset payments. While the receipts are recognized as capital receipts which is amortized against depreciation and the payment to UP Transco is recognized as Capital assets, however, it is noticed that the advance payment are capitalized as fixed assets even without completion of the project and without commencement of generation of income from such asset. This is against the IndAs 16. Its impact on the accounts, if any, could not be quantified by DISCOM Auditors.

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

1. uncashed cheques of Rs 14.41 Cr;
2. Old difference Rs 47.42 Cr
3. Other credits not traced Rs 41.92 crores

No details, age and explanations could be provided to us hence DISCOM Auditors are unable to comment on its impact on the accounts;

- ix. AG code 18.4 i.e. 'Intangible Assets' theft of fixed asset pending investigation amounts to Rs.24.68 crores as on Balance sheet date includes Rs 4.28 crores for the year (i.e. FY 23-24). Though a copy of FIRs and related reports were produced at the time of preparation of this report, how its accounting is done, could not be explained hence DISCOM Auditors are unable to comment on its accounting and its impact on the accounts.
- x. Balance confirmations from external group companies and inter zone are not produced before us by the Branch for verification, hence DISCOM Auditors are unable to comment on its impact, if any on the accounts.
- xi. 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;
- xii. The security deposit from customers under code AG 48.1 is Rs. 1082.65 crores whereas the same as per customer's master data for all divisions, it is Rs. 1683.60 crore. No explanation could be offered for such a huge difference hence we are unable to comment on its impact on the accounts. Our audit performed in accordance with generally accepted auditing techniques revealed short collection of Security deposit in respect of commercial meters, by Rs. 110 crores.
- xiii. The internal audits are done on test check basis i.e. for one or two month in the year report.
- xiv. 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 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.

- xv. The divisions under the Zone are maintaining Books of accounts in two accounting software i.e. one is of Oracle and other SAP. The Cash & Bank transactions are recorded in Oracle and at month end, consolidated voucher is posted in the books of accounts under SAP software. No explanations could be given why both the software are not integrated;
- xvi. Our audit of the accounts of EUDD-II Ghaziabad revealed significant no. of cases where system suo moto generated dummy (temporary) ID and such ID recorded consumption of energy, resulting in recognition of revenue. We are unable to ascertain the impact of such on the revenue and the state of affairs of the Zone.
- xvii. Our audit revealed that the purchase and sale of energy is not reconciled to check the same is correctly accounted for and there is no case of abnormal leakages/loss. In the case of sample checking, it was noticed in the case of EUDD-V Ghaziabad, abnormal surge in sales is noticed in the month of June 23 as against the average sale of peak summer sale of approx. Rs.33 Crores as can be seen from the following as a result the surge is noticed in the receivable of Rs.110 Crores at the end of the year. In the absence of requisite data of other sub division, similar analysis could not be carried out. No explanation could be given to DISCOM Auditors for such abnormality.

SAHARANPUR ZONE:

- i. Report on short security collected from large and heavy consumer named M/S RAVI ORGANICS of division Electricity Distribution Division II Muzaffarnagar from whom due security Amount Rs 853470.00 is not collected since F.Y-2021-22 which is to be collected immediately.
- ii. Report on issue of section -5 notice wherein we observed that section -5 notices were not issued within stipulated time period. In the division Electricity Distribution division I Saharanpur, total 1160 cases of theft found during the raid upto 31.03.2024. Out of total 1160 cases in 274 cases section-5 notices not yet sent to consumers even after more than 90 days from notice issued u/s section-3. In the division Electricity Distribution Division II Saharanpur, Permanent Disconnection register updated from 01.04.24 to 31.03.24 there were 89 cases where in general no section-5 notice were shown. During the audit of division Electricity Urban Distribution division II Muzaffar nagar, it was observed that, division is not issued revenue bills to consumer on time, resulting in revenue loss to company.
- iii. 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. The consolidated Trial Balance presented to us is showing a liability is INR 890,74,81,185.35/-. 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 31.03.2024
42.1	Supply of Material/ Cap.	4900806433.14
43.1	Supply of Material (O&M)	4006674752.21

Remarks: Out of this Liability of Rs.890.75 Crore, some payments already made to the vendors by HQ. These payments must be lying at debit balance in these heads in HQ accounts. In our opinion these payments must be considered while financialization of the financial statements of the company as a whole.

- iv. 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.
- v. AG Code 26.7 represent Cont. Mat. Control A/C having balance as on 31.03.2024 is INR 1,13,84,537.54 belongs to material advanced to contractor Mr. Shailesh Kumar is still pending 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.
- vi. **PROPERTY PLANT AND EQUIPMENT:**
- a. During the year a substantial part of unproductive Property, Plant, Equipment and Intangible Assets have not been disposed off by the company, which may affect the 'going concern' assumption.
 - b. Further, Property, Plant and Equipment of INR 14687502.41 were stolen from sites during the year and cumulated amount of Property, Plant and Equipment Stolen is INR 43,71,16,264.21 as on 31.03.2024 and provision for loss should be made at head office level. As informed to us FIRs for the same had also been lodged in concerned police stations.
 - c. The zone is in the process of maintaining proper fixed assets register showing full particulars including quantitative details and situations of fixed assets. The deletion of the fixed assets from the respective block is done at estimated average life of the assets withdrawn.

b. PURVANCHAL VIDYUT VITRAN NIGAM LIMITED:

Material observations other than above as made by the Zonal Auditors of the respective Zones/ Units are given hereunder: -

- (i) In **Azamgarh Zone** it has been observed that: -
- a) 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.
 - b) Zone Auditor of DISCOM have tried to match the balance of Receivables against Supply Account Group 23 with Commercial Statement (CS-4) in all the Divisions. No justification given by divisions in this regard.
 - c) Since the work register being incomplete, the amount debited in capital work in progress is not Verifiable.
- (ii) In **Basti Zone** it has been observed that: -
- (a) TI/PI which is open earlier year/during the year and still pending as on 31st March, 2024.
 - (b) R.C register not reconciled with SDM office record in EDD II Basti.
 - (c) There is a Contingent Liability amounting to Rs.1,11,10,000.00 in EDD-Siddhartha Nagar pending since long for which no provision has been made at Zonal Office level.
 - (d) DISCOM Auditors have test checked the Internal Auditors Report of some of the units/ divisions of the Zone for Mar.2024. There were some serious financial irregularities and other irregularities in the Internal Auditors Report for Mar.2024 of ETD, Sant Kabir Nagar.
- (iii) In **Gorakhpur Zone** it has been observed that: -
- (a) At some of the unit's records like dishonour register, receipt book issue & received register, stamp & postage register is either not maintained or not properly Updated.
 - (b) At almost all the units, log books of vehicles were maintained but on verification it was found that all the entry for the year has been done on a single day but not on daily basis
 - (c) The procedure of physical verification of inventories followed by the management are not reasonable and adequate. Also, Units are required to prepare stock adjustments every month for the stock received from JE's as on month end whose entries are meant to be passed on account of stock adjustments on account of stock received from Site, WDV of assets scrapped and burnt cables, meter and other such assets. Such entries are required to be passed to adjust the stock to scrap. Such entries are not passed for January to March 2024 in most of the units. On perusal, it was stated that JE s are not able to take proper Stock from ERP as manual stock adjustments from January was abolished. No effect of such stocks is being taken in March final trail. (AG 22-50, 22.51,12.542,77.710,16.106,10.631).
 - (d) Civil Distribution division has failed to provide Hydrel 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 **Mirzapur Zone** it has been observed that: -

- (a) At some of the units, records like Log Books of Vehicles, Bill Revision Register, Consumer Complaint Register, Service Books are either not properly maintained or not updated.
- (b) During the audit, it came to our attention that certain units have recorded advances to employees as outstanding against materials. The magnitude of these amounts is considerable in some cases.

For D Pathak & Co
Chartered Accountants
FRN: 001439C



(A K Dwivedi)
Partner
M No.: 071584
UDIN: 24071584BKMAXU9541
Place: Lucknow
Date: 26/06/2024



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. 1 Relating to property, Plant & Equipment
- ii. Para No. 2 (b) Relating to submission of quarterly statements to Bank regarding working capital limits.
- iii. Para No. 3(c) Regarding terms & conditions for repayment of loans debited to subsidiaries.
- iv. Para No. 4 Regarding Board approval for 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. 11c Relating to not establishing whistle blower mechanism.
- viii. Para No. 13 Relating to approval of related parties' transaction by Audit Committee.
- ix. Para No. 14 Relating to deficiencies in internal audit system.

Subsidiaries

a. 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
- iv. Para No. (xi) Related to fraud /deficiencies in internal control system.
- v. Para No. (xiii) Related to Non compliances of Section 177 and section 188 of Companies act 2013.
- vi. Para No. (xiv) Related to deficiencies in internal audit system.

b. Madhyanchal 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.
- iv. Para No. (xiv) Regarding deficiencies in Internal Audit system.

c. Purvanchal 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. (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.
- ii. 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. (ix) Regarding loan taken through UPPCL Holding Company.
- vi. Para No. (x) (b) regarding disclaimer of section 42 and section 62 of companies act 2013.
- vii. Para No. (xi) Relating to cyber fraud
- viii. Para No. (xiv) (a) Regarding Strengthening of Internal Audit system.
- ix. Para No (xix) Disclalmer regarding payment of liabilities within one year from the balance sheet date.

e. Pashchimanchal Vidyut Vitran Nigam Ltd.

- i. Para 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. Para No. (x) (b) regarding non-compliance of section 42 and section 62 of companies act 2013.
- v. Para No. (xi) (a) Relating to cases of earlier years for fraud at Ghaziabad and Bulandsahar Zone respectively.

For D Pathak & Co
Chartered Accountants
FRN: 001439C



(A K Dwivedi)
Partner
M No.: 071584
UDIN: 24071584BKMAXU9541
Place: Lucknow
Date: 26/06/2024

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 U.P. Power Corporation Limited ("the Company") as of 31st March, 2024, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations provided to us and based on the reports on Internal Financial Controls Over Financial Reporting of Holding company audited by us and its Subsidiaries, audited by the other auditors, which have been reproduced to us by the Management, the following control deficiencies have been identified in operating effectiveness of the Group's internal financial control over financial reporting as at 31st March 2024.

A. Holding Company (UPPCL)

- i. Company has no internal control policies over payment to Generators. 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. We have already reported about non reconciliation of old balances of Generators (Kindly refer para no.-1 and 15(K) of Annexure-1 of our audit report.) Reconciliation with Generators are pending since long. Considering the above position, system of Internal Control over purchases, payment to vendors and trade payables needs to be more strengthened and streamline to avoid any material misstatements in Financial Statements.

- ii. Age wise classification of Trade Receivables and Trade Payable do not seem to be correct since it is not based on bill wise details.
- iii. 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.
- iv. There is no effective system in place to verify power purchase for completeness, only those bills are accounted in the books of accounts which are received, no system is in place for quantitative reconciliation of the power actually purchased vis-à-vis power purchase accounted in the books of accounts, reconciliation of power purchased with suppliers are not done neither it was provided to us. Balance confirmation and reconciliation with the suppliers was not carried out therefore, the impact on power purchase, power sales and eventually on the position of sundry payables and receivable cannot be commented upon.
- v. 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. No party wise details are available for other payables like security deposits, retention money.
- vi. 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 details of the nature and particulars of the unmatched items. Since total unreconciled IUT is Rs. 152.13 crore.
- vii. 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.
- viii. 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.
- ix. In many cases, DISCOM Auditors have reported unreconciled Bank Balances running into crores for which no action has been taken by Management. This is a risk prone area and needs to be reviewed by Audit Committee and Risk Management Committee.

Observations in Material Management Zone Audit Report on Internal Control over Financial reporting

According to the information and explanations given by management and based on audit, the following material weaknesses have been identified as at March 31, 2024:

- i. Review of the concurrent audit reports depicts various persistent observations i.e. pending recovery of Rs. 13694 lakh from M/s Lanco Anpara Power Limited (LAPL), Non production of documents for verification of bills of M/s UP Rajya Vidyut Utpadan Nigam Limited, non-availability of PPA/ PSA of various Co-Gen & Captive Plants, Excess expenditure in respect of

- O & M by M/s PPGCL, reconciliation & confirmation of old outstanding balances under various heads appearing in financial statements, submission of certificate from CAs other than statutory Auditors for verification of variable cost of various generators, submission of provisional bills by power generators in few cases etc. and as such system of compliance of various observations on regular basis needed to be streamlined & strengthened.
- ii. The company is in the process of implementation of SAP/ ERP system and units other than EIE & PC unit (330), SP Vigilance Unit (UC 972) and ADG Vigilance Unit (UC 983) have commenced the maintenance of its books of accounts through SAP/ ERP, which has also been dealt in our audit report. Company is in the process of establishing necessary controls and documentation regarding the audit trail. Further, regular training of all concerned staff of various wings requires to be ensured for implementation of ERP.
 - iii. System of ascertaining Reasons for Deviations in power purchases by 13812.41 MU (9.71% of total power purchased) with respect to business plan for procurement of Power for 2023-24 as provided in Approval of Aggregate Revenue Requirement and Tariff for FY 2023-24 and approval thereof by competent authority requires to be streamlined / strengthened for ensuring proper and effective monitoring and control over such deviations in purchase of power.
 - iv. Status of Billing of AMC charges @1.5% of total cost on power evacuation and rebate / LPS as per PPA with CO Gen Parties needs to be ascertained for ensuring effective monitoring & accounting of the same.
 - v. Late payment surcharge is being accounted for on the basis of bills received by unit. System of determination of Late payment surcharge after the specified time period as per PPA in respect of unpaid bills is not in place to ensure accounting of LPS on accrual basis.
 - vi. During review of bills in respect of banked energy, it was observed that banked energy lapsed for withdrawal and available for drawl is not being bifurcated as per CRE guidelines. In some cases it was observed that withdrawal of energy was made in spite unavailable banked energy, which is not in accordance with CRE guidelines. Non-bifurcation of energy in lapsed and available for drawl may result in lack of control over supply of energy in excess of Banked energy available for drawl resulting in loss of revenue. Further, test checks of the provisions made on the said account was found to be varying with the details of energy banked & drawn available in records of generators. Hence, the aspect of determination of lapsed & available energy needs reconciliation in respect of all such co-generators for ensuring proper control over the banked energy and creating provision in books of account.
 - vii. Test checks of procurement of goods and services through Tender reveals various shortcomings in control system i.e. preparation of detailed estimates, inviting bids in respect of OEM items from vendors as well as its distributor / agents, submission of complete documents as per eligibility criteria, proper up-keeping of tender documents, award of work on lowest cost without ascertaining reasonableness and analysis of variance with estimated cost etc. requires to be streamlined / strengthened.
 - viii. System of regular reconciliation of TDS receivable as per books of account with figures appearing in 26 AS, Analysis of year wise breakup w.r.t. status of completion of the income tax assessments needs to be strengthened.

- ix. Present system of identification and reconciliation of Inter Unit transaction between unit to unit, unit to head office appearing under various heads is not adequate and as such system of reconciliation with complete details of the nature and particulars of the unmatched items need to be ensured on regular basis.
- x. System of reconciliation and confirmation of balances in accounts of vendors, contractors, Government Department etc including those balances pertaining to receivables, payables, Loan and Advances on a regular basis requires to be streamlined and strengthened.

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

In opinion of Branch Auditors, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Zone 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 of March 31st 2024 based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Branch Auditors have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2024 of financial statements of the Zone, and these material weaknesses do not affect their opinion on the financial statements of the Zone.

B. Subsidiaries

- a. The Auditors of PVVNL have reported that:
 - I. The Company did not have an appropriate internal control system for reconciliation of quantitative details and value of property, plant and equipment reflected in the financial statements, stating the same is under process. Consequently, its impact on the financial statements cannot be ascertained.
 - II. The Company did not have an appropriate internal control system for obtaining external balance confirmation on periodic basis. This could potentially result in inaccurate assets & liabilities disclosed in the books of accounts.
 - III. 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. Moreover company do not have proper details of the capital projects overruns beyond the stipulated time.

- IV. 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.
- V. Company do not have an effective system for realizing revenue from customers as the amount of receivables as on 31st March, 2024 is Rs. 14940 crore, which is equivalent to around 240 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.
- VI. The Company do not have an appropriate internal control regarding realization of arrears. Company is making bad debts provision as per their policy but the percentage of provision in the age group of more than 3 years is not in line of Ind AS109..
- VII. The Company did not have an appropriate internal control system to minimize electricity theft and line losses.
- VIII. Reconciliation of power received and power sold during year has not been done. Billing is not raised timely and correctly.
- IX. There is huge amount pending for recovery of advances from employees, contractors and suppliers.
- X. Bank Reconciliation Statement (BRS) in respect to bank accounts in some divisions, contains outstanding of earlier years entries, which includes stale cheques, uncashed cheques, other debits and credit, which requires special attention of the management for necessary adjustments.
- XI. The Company has shown Rs. 606.90 crore as Inter Unit Transfer under the head of other financial liabilities (Current) 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.
- XII. Based on our examination the company following hybrid system of accounting where in its books of accounts is mainly maintaining manually and few transactions like HR payment third, party payment is processing through ERP but the ERP software is under implantation. So, in this situation we are not in position to comment upon preservation of audit trail.

Auditors of Bulandshahar Zone has reported following qualifications in their report:

The following material weaknesses has/have been identified as at March 31st 2024:

- In our opinion, the internal control system needs to be more strengthened with regards to purchase of stores, Plant & Machinery, Equipment's.
- No Biometric System has been installed for keeping the records of attendance of employees.
- No CCTV camera has been placed to protect the assets and records.
- Service book is not updated on regular interval of time.

Auditors of Ghaziabad Zone has reported following qualifications in their report:

The following material weakness has been identified in the operating effectiveness of the Zone's internal financial control over financial reporting as at 31st March, 2024:

- The Zone did not have an appropriate internal control system for reconciliation of quantitative details and value of property, plant and equipment reflected in the financial statements, stating the same is under process. Consequently, its impact on balances of Trial Balance cannot be ascertained.
- The divisions under the Zone did not have an appropriate internal control system for obtaining external balance confirmation on periodic basis. This could potentially result in inaccurate assets & liabilities disclosed in the books of accounts
- 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 has been implemented but is currently co-existing under training phase with the manual system.
- The divisions under the Zone do not have an effective system for realization revenue from customers as the amount of receivables as on 31 March, 2024 is over 18% of the sales for the year albeit the Zone has effective means to quicken the realization.
- The divisions under the Zone did not have an appropriate internal control system to minimize electricity theft and line losses.
- The Bank Reconciliation Statement (BRS) in respect to bank accounts in some division contains outstanding entries of earlier years, which includes stale cheques, uncashed cheques, other debits and credits.
- Samvidha Employee Transfer Internal Control needs to be reviewed and effective control system to be instituted
- the divisions under the Zone did not have an appropriate internal control system to minimize electricity theft and line losses.

Auditors of Saharanpur Zone has reported following qualifications in their report:

In our opinion and according to the information and explanations given to us and based on our audit procedure performed, the following material weakness has been identified in the operating effectiveness of the Company's internal financial control over financial reporting as at 31st March, 2024:

- The Zone did not have an appropriate internal control system for reconciliation of quantitative details and value of property. plant and equipment reflected in the financial statements/trial balance, stating the same is under process. Consequently, its impact on balances of Trial Balance cannot be ascertained.
- 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 has been implemented since last two years but is currently co-existing under training phase with the manual system
- The Company do not have an effective system for realizing revenue form customer from which payment has not been received for more than one year as on 31.03.2024. Total amount of sundry debtors outstanding for more than a year as on 31.03.2024 is INR 662.77 Crore and for more than two years is INR 1167.17 Crores.

- No Biometric System has been installed for keeping the records of attendance of employees.

Qualified Opinion

In our opinion, except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Company has in all material respects maintained adequate internal financial control system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based on 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.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31st March 2023 and the material weakness has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

b. The Auditors of DVVNL have reported that:

- I. 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 kept on conventional method of accounting using sectional journals, ledgers, etc. wherein audit trail is missing, which is potential threat to unauthorized changes subsequently.
- II. 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 wherein manual accounts (Trial 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 of Rs. 0.95 crores in the nature of Inter Unit Transfer (IUT Difference) subject to matters reported Basis of Qualified Opinion section of our report, and could potentially result in misstatement in consolidated figures.
- III. 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.
- IV. The Company did not have an appropriate internal control system for physical verification, maintenance of inventory registers, and valuation of inventories, which could potentially result in material misstatement in the Company's inventories balances.
- V. 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.

- VI. The Company did not have an appropriate internal control system for physical verification of fixed asset, identification of discarded assets and identification of impairment losses, which could potentially result in misstatement in the Company's fixed assets balances.
- VII. 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 as reported in Basis of Qualified Opinion section of our report.
- VIII. 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.
- IX. The Company did not have an appropriate control for identifying very long outstanding receivables and/or payables. These could result in misstatement in the Company's Financial Assets-Others (Current), Other Current Assets, Other Financial Liabilities (Current).
- X. 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.
- XI. The Company did not have an appropriate internal control system for recording 'Recovery Certificates' (Section 5 of Revenue Recovery Act, 1890) sent, received back unrealized, pending realization, which could result in mis-statement in trade receivable and provision of doubtful debt.
- XII. The Company internal control system over remittance & acceptance of accounting transactions and material (goods) movements between its different units was not operating effectively, which could result in large consolidation suspense and adjustments.
- XIII. The Company internal control system over preparation of accounting vouchers was not operating effectively, there are some instances wherein, vouchers were not serially numbered and signed by the authorized signatories, which could result Company recording an unauthorized transaction.
- XIV. The Company internal control system over provisioning of expenses, booking of accounting transactions under various heads, etc. was not operating effectively, which could potentially result in misstatement of Company's financial statement. Our test check observations having material impact, in this regard were duly rectified during the course of audit.

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

In our opinion, except of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company 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 of March 31st, 2024 based on the internal control over financial reporting criteria established by the Company considering

the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31st, 2024 financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Company.

c. The Auditors of MVVNL have reported that:

- i. 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 accounts 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 agency, 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 so being generated.

- ii. System of compilation of Bank Reconciliation statement is weak in as much as many old un-reconciled/ unidentified entries are pending in the BRS for adjustment and its appropriate accounting in the books of account.
- iii. The company has to establish a strong mechanism and process for 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. There are net IUT additions also during the current financial year.
- iv. Party wise details, ageing and breakups/ 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.
- v. It was noted that billing of power is generated through an IT system but the billing system is independent of accounts 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 accounts department to reconcile trade receivable as per books of account with the data of commercial department wherein there are huge differences.

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 to us and as such we are unable to comment on the efficacy of the same.

- vi. It was noted that various payments for AMCs/ online billing system/ other expenses of the UPPCL etc 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. Similarly, loans taken, repaid, bonds issued, subsidies received, interest cost etc are being accounted for only on the basis of debit notes/ credit notes from the UPPCL. However, there was no system in the company to independently ascertain and ensure the direct attributability and accuracy of the provisioning of total expenditures so done or entries received pertaining to the financial year.
- vii. As reported by zonal auditors of Ayodhya Zone, the Zone does not have an appropriate internal control system in respect of capital work in progress (CWIP). All CWIP are capitalised without taking into completion certificate from appropriate authorities.

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

In our opinion, **except for** the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2024 based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at March 31st, 2024, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and therefore we have issued a Qualified Opinion on the standalone financial statements of the Company.

d. The Auditors of PuVVNL have reported that:

According to the information and explanations provided to us and based on the reports on Internal Financial Controls Over Financial Reporting of Company audited by us and its Six Zones, audited by the zonal auditors, the following control deficiencies have been identified in operating effectiveness of the internal financial control over financial reporting as at 31st March 2024 :-

- i. 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.
- ii. 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.

- iii. The present system of identification and reconciliation of Inter Unit transaction is not adequate. The reconciliation needs to be done on a regular basis with complete details of the nature and particulars of the unmatched items.
- iv. 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.
- v. 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.
- vi. 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.
- vii. 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.
- viii. 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.
- ix. 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.
- x. 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 are being reconciled with adjusted CS-4 and not 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 CS-4 against the adjusted data of billing system. 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.
- xi. There is no proper system for timely action and follow up of Internal Audit Reports of Zones. The Internal Audit Report for the Financial year 2020-21 is still pending for closure till the date of audit.

Other Matters

There is no system of Internal Audit of Headquarter/ Central Payment Cell. It is strongly recommended to implement the same.



Opinion

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, 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 March 31, 2024, 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.

e. **The Auditors of KESCO have reported that:**

In our opinion, except for the matters specified in Para No: B(III)(4),(VI)(b)&(c) and E(3) of The Independent Auditor's Report and Para No: (xiv) of Companies (Auditor's Report) Order, 2020, the Company has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, 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 ICAI".

For D Pathak & Co
Chartered Accountants
FRN: 001439C



(A K Dwivedi)
Partner
M No.: 071584
UDIN: 24071584BKMAXU9541
Place: Lucknow
Date: 26/06/2024



Uttar Pradesh Power Corporation Limited
Shakti Bhawan, 14-Ashok Marg, Lucknow
CIN: U32201UP1999SG024928

CONSOLIDATED BALANCE SHEET AS AT 31.03.2024

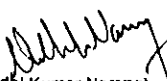
(₹ in Crores)

Particulars	Note No.	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
(I) ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	2	69221.82	67917.98	65133.81
(b) Capital work-in-progress	3	6984.02	3812.10	3381.69
(c) Assets not in Possession	4	0.00	6.89	8.38
(d) Intangible assets	5A	127.67	150.91	82.52
(e) Intangible Assets Under Development	5B	0.00	1.29	60.36
(f) Financial Assets				
(i) Investments	6	2169.84	2168.64	2170.86
(ii) Loans	7	0.00	0.00	0.00
(iii) Others	8	12987.33	16399.90	18444.62
(2) Current assets				
(a) Inventories	9	3256.47	2419.15	3784.94
(b) Financial Assets				
(i) Trade receivables	10	69075.19	78216.64	86914.34
(ii) Cash and cash equivalents	11-A	3931.16	4226.36	5977.58
(iii) Bank balances other than (ii) above	11-B	1445.75	708.95	647.55
(iv) Others	12	4877.81	5085.99	4944.65
(c) Other Current Assets	13	3922.94	3683.24	2731.80
Total Assets		180000.00	184798.04	194283.10
(II) EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	14	129272.06	118467.77	109679.38
(b) Other Equity	15	(83151.27)	(79795.71)	(63392.53)
Liability				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	52650.10	63936.82	71111.30
(ii) Trade payables	17	807.93	2632.28	0.00
(b) Other financial liabilities	18	8013.58	6535.30	6104.99
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	16343.84	15449.53	11985.66
(ii) Trade payables	20	24563.32	29639.26	29992.11
(iii) Other financial liabilities	21	31500.44	27932.79	28802.19
(b) Provisions	22	0.00	0.00	0.00
Material Accounting Policies of Consolidated Financial Statement	1			
Notes on Accounts of Consolidated Financial Statement	33			
Total Equity and Liabilities		180000.00	184798.04	194283.10

The accompanying notes 1 to 33 form an integral part of the financial statements.


(Priti Arora)
Company Secretary
M.No. F-9696


(Nitin Nijhawan)
Chief Finance Officer

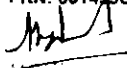

(Nidhi Kumar Narang)
Director (Finance)
DIN : 03473420

For and on Behalf of the Board of Directors

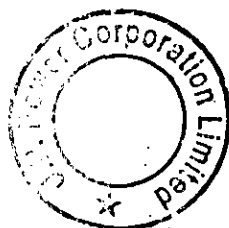

(Pankaj Kumar)
Managing Director
DIN : 08895154

Subject to our report of even date

For D. Pathak & Co.
Chartered Accountants
FRN: 001429C


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

Place: Lucknow
Date: 26.06.2024



UDIN 24071584BKM AXU9541



Uttar Pradesh Power Corporation Limited
Shakti Bhawan, 14-Ashok Marg, Lucknow
CIN: U32201UP1999SG024928

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2024

(₹ in Crores)

Particulars	Note No.	For the Year ended 31.03.2024	For the Year ended 31.03.2023
I Revenue From Operations	23	71579.78	64634.70
ii Other Income	24	28655.63	23794.02
III Total Income (I+ii)		100235.41	88428.72
IV Expenses			
1 Purchase of Power (Electricity) for Trading	25	77402.26	71955.76
2 Employee Benefits Expense	26	2699.27	2407.46
3 Finance Costs	27	7640.18	8062.23
4 Depreciation and Amortization Expenses	28	3597.19	3572.50
5 Administration, General & Other Expense	29	3139.36	2991.36
6 Repair and Maintenance	30	2442.55	2491.04
7 Bad Debts & Provisions	31	10484.42	14561.27
IV Total expenses (IV)		107405.23	106041.62
V Profit/(Loss) before exceptional items and tax (III-IV)		(7169.82)	(17612.90)
VI Exceptional Items	32	(122.04)	(98.68)
VII Profit/(Loss) before tax (V+/-VI)		(7291.86)	(17711.58)
VIII Tax expense:			
(1) Current tax		0.00	0.00
(2) Deferred tax			
IX Profit (Loss) for the period from continuing operations (VII-VIII)		(7291.86)	(17711.58)
X Profit/(Loss) from discontinued operations			
XI Tax expense of discontinued operations			
XII Profit/(Loss) from discontinued operations (after tax) (X-XI)			
XIII Profit/(Loss) for the period (IX+XII)		(7291.86)	(17711.58)
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss- Remeasurement of Defined Benefit Plans (Actuarial Gain or Loss)		(48.26)	(11.20)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive income for the period (XIII+XIV)			
XV (Comprising Profit/(Loss) and Other Comprehensive income for the period)		(7340.12)	(17722.78)
XVI Earnings per equity share (continuing operation) :			
(1) Basic		(59.39)	(154.22)
(2) Diluted		(59.39)	(154.22)
XVII Earnings per equity share (for discontinued operation) :			
(1) Basic			
(2) Diluted			
XVIII Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		(59.39)	(154.22)
(2) Diluted		(59.39)	(154.22)
Material Accounting Policies of Consolidated Financial Statement	1		
Notes on Accounts of Consolidated Financial Statement	33		

The accompanying notes 1 to 33 form an integral part of the financial statements.

(Priti Arora)
Company Secretary
M.No. F-9696

(Nitin Nijhawan)
Chief Finance Officer

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

For and on Behalf of the Board of Directors

(Pankaj Kumar)
Managing Director
DIN : 08095154

Subject to our report of even date

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

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

Place: Lucknow
Date: 26.06.2024

UDIN: 24071584BKRMAXU9541



Uttar Pradesh Power Corporation Limited
Shakti Bhawan, 14-Ashok Marg, Lucknow
CIN: U32201UP1999SG024928

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(₹ in Crore)

A. EQUITY SHARE CAPITAL AS AT 31.03.2024

Balance at the beginning of the reporting 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 reporting period
118467.77	10804.29	0	129272.06

B. OTHER EQUITY AS AT 31.03.2024

Particulars	Share application money pending allotment	Capital Reserve	Restructuring Reserve	General Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	1157.66	18937.43	554.77	0.00	(100445.77)	(79795.71)
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	0.00	0.00
Restated balance at the beginning of the reporting period	1157.66	18937.43	554.77	0.00	(100445.77)	(79795.71)
Profit/(Loss) for the Period	0.00	0.00	0.00	0.00	(12852.13)	(12852.13)
Add: Adjustment as per Point no 49 of Notes on Accounts	0.00	0.00	0.00	0.00	11.99	11.99
Other Comprehensive Income for the Period	0.00	0.00	0.00	0.00	(48.26)	(48.26)
Reversal of Provisions of Impairment on investment, Trade	0.00	0.00	0.00	0.00	5548.26	5548.26
Net Total Comprehensive Income/(Loss) for the Year	0.00	0.00	0.00	0.00	(7340.12)	(7340.12)
Addition during the Year	0.00	2414.54	0.00	0.00	0.00	2414.54
Reduction during the Year	0.00	(963.84)	0.00	0.00	0.00	(963.84)
Share Application Money Received	13336.15	0.00	0.00	0.00	0.00	13336.15
Share Allotted against Application Money	(10804.29)	0.00	0.00	0.00	0.00	(10804.29)
Balance at the end of the reporting period	3691.72	20388.13	554.77	0.00	(107785.89)	(83151.27)
Net Balance at the end of the reporting period						(93151.27)

(₹ in Crore)

A. EQUITY SHARE CAPITAL AS AT 31.03.2023

Balance at the beginning of the reporting 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 reporting period
109679.38	8768.39	0	118467.77

B. OTHER EQUITY AS AT 31.03.2023

Particulars	Share application money pending allotment	Capital Reserve	Restructuring Reserve	General Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	2533.01	16131.87	554.77	0.00	(82612.16)	(63392.53)
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	(110.62)	(110.62)
Restated balance at the beginning of the reporting period	2533.01	16131.87	554.77	0.00	(92723.00)	(63503.35)
Profit/(Loss) for the Period	0.00	0.00	0.00	0.00	(32301.30)	(32301.30)
Add: Adjustment as per Point no 49 of Notes on Accounts	0.00	0.00	0.00	0.00	0.00	0.00
Other Comprehensive Income for the Period	0.00	0.00	0.00	0.00	(11.20)	(11.20)
Reversal of Provisions of Impairment on investment, Trade	0.00	0.00	0.00	0.00	14569.73	14569.73
Net Total Comprehensive Income/(Loss) for the Year	0.00	0.00	0.00	0.00	(17722.77)	(17722.77)
Addition during the Year	0.00	3564.48	0.00	0.00	0.00	3564.48
Reduction during the Year	0.00	(758.92)	0.00	0.00	0.00	(758.92)
Share Application Money Received	7413.24	0.00	0.00	0.00	0.00	7413.24
Share Allotted against Application Money	(8788.39)	0.00	0.00	0.00	0.00	(8788.39)
Balance at the end of the reporting period	1157.66	18937.43	554.77	0.00	(100445.77)	(79795.71)
Net Balance at the end of the reporting period						(79795.71)

(Priti Arora)
Company Secretary
M.No. F-9696

(Nittin Nijhawan)
Chief Finance Officer

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

For and on Behalf of the Board of Directors

(Pankaj Kumar)
Managing Director
DIN : 08096154

Subject to our report of even date

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

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

Place: Lucknow
Date: 28.06.2024

UDIN:- 24071504 BKMAXU9541

NOTE NO. 1

**COMPANY INFORMATION & MATERIAL 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 26.06.2024

(e) Functional and presentation currency

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



(f) Use of estimates and management judgments

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

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

(g) Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

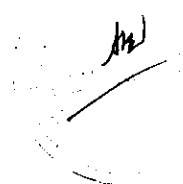
3. MATERIAL ACCOUNTING POLICIES

I- BASIS OF CONSOLIDATION

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

(a) Basis of Accounting:

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



Ind AS-28- 'Investments in Associates and Joint Ventures' as specified in Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015.

(b) Principles of consolidation:

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

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

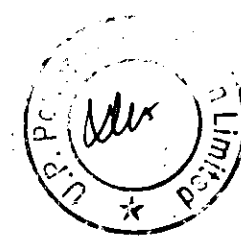
II- Property, Plant and Equipment

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

III- Capital Work-In-Progress

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

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



IV- INTANGIBLE ASSETS

Intangible assets are measured on initial recognition at cost. Subsequently the intangible assets are carried at cost less accumulated amortization/accumulated impairment losses. The amortization has been charged over its useful life in accordance with Ind AS-38.

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

V- DEPRECIATION

- (a) In terms of Part-B of Schedule-II of the Companies Act, 2013 the company has followed depreciation rate/useful life using the straight line method and residual value of Property, Plant and Equipment as notified by the UPERC Tariff Regulations. In case of change in rates/useful life and residual value, the effect of change is recognized prospectively.
- (b) Depreciation on additions to/deduction from Property, Plant and Equipment during the year is charged on pro-rata basis.

VI- INVESTMENTS

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

VII- STORES & SPARES

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

VIII- REVENUE/ EXPENDITURE RECOGNITION

- (a) Revenue from sale of energy is accounted for on accrual basis.
- (b) Late payment surcharge recoverable from consumers on energy bills is accounted for on cash basis due to uncertainty of realisation.
- (c) The sale of Electricity does not include Electricity Duty payable to the State Government.
- (d) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission.
- (e) In case of detection of theft of energy, the consumer is billed on laid down norms as specified in Electricity Supply Code.



- (f) Penal interest, over due interest, commitment charges, restructuring charges and incentive/rebates on loans are accounted for on cash basis after final ascertainment.

IX- POWER PURCHASE

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

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

X- EMPLOYEE BENEFITS

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

XI- PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

XII- GOVERNMENT GRANT, SUBSIDIES AND CONSUMER CONTRIBUTIONS

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

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

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XIII- FOREIGN CURRENCY TRANSACTIONS

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

XIV- DEFERRED TAX LIABILITY

Deferred tax liability of Income Tax (reflecting the tax effects of timing difference between accounting income and taxable income for the period) is provided on the profitability of the Company and no provision is made in case of current loss and past accumulated losses as per Para 34 of Ind AS 12 "Income Taxes".

XV- STATEMENT OF CASH FLOW

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

XVI- FINANCIAL ASSETS

Initial recognition and measurement:

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

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

Subsequent Measurement:

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

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

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

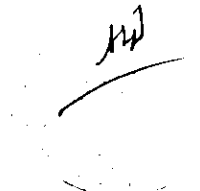
XVII- FINANCIAL LIABILITIES

Initial recognition and measurement:

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

Subsequent Measurement:

Borrowings have been measured at fair value using effective interest rate (EIR) method. Effective interest rate method is a method of calculating the amortised cost of



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

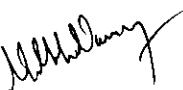
A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

XVIII- MATERIAL PRIOR PERIOD ERRORS

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

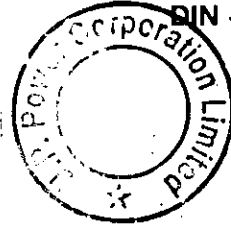

(Priti Arora)
Company Secretary
M.No.F-9696


(Nitin Nijhawan)
Chief Financial
Officer


(Nidhi Kumar Narang)
Director
DIN - 03473420


(Pankaj Kumar)
Managing Director
DIN - 08095154

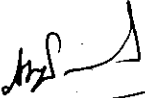
Place : Lucknow
Date : 26.06.2024



Subject to our report of even date

UDIN:- 24071584(BKMAXU954)

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


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



PROPERTY, PLANT & EQUIPMENT

NOTE-2

(₹ in Crores)

Particulars	Gross Block			Depreciation				Net Block		
	AS AT 01.04.2023	Addition	Adjustment/ Deletion	AS AT 31.03.2024	AS AT 01.04.2023	Addition	Adjustment/ Deletion	AS AT 31.03.2024	AS AT 31.03.2024	AS AT 31.03.2023
Land & Land Rights	10.73	0.00	0.00	10.73	1.08	(0.26)	0.00	0.82	9.91	9.65
Buildings	1544.96	92.59	0.04	1637.51	420.81	51.46	0.01	472.26	1165.25	1124.15
Plant & Pipe Lines	0.97	0.00	0.00	0.97	0.85	0.01	0.00	0.86	0.11	0.12
Other Civil Works	56.16	0.04	0.00	56.20	31.41	1.03	0.00	32.44	23.76	24.75
Plant & Machinery	30502.58	5339.03	3294.53	32547.08	5496.16	1621.81	771.43	6346.54	26200.54	25006.42
Lines, Cable Networks etc.	56532.19	3344.32	161.62	59714.89	14942.11	3201.75	103.21	18040.65	41674.24	41590.08
Vehicles	17.21	0.00	1.48	15.73	14.16	0.44	0.56	14.02	1.71	3.05
Furniture & Fixtures*	53.99	2.34	0.07	56.26	28.38	(0.00)	(0.22)	28.60	27.66	25.61
Office Equipments	341.49	10.13	0.41	351.21	207.34	25.59	0.36	232.57	118.64	134.15
Total	89060.28	8788.45	3458.15	94390.58	21142.30	4901.83	875.37	25168.76	69221.82	67917.98

*PVVNL has regrouped and reclassified its Opening Balances of Furniture & Fixtures and Building Block which was misclassified in earlier years. Now the same has been corrected in FY 2023-24 after due reconciliation.

PROPERTY, PLANT & EQUIPMENT

NOTE-2

(₹ in Crores)

Particulars	Gross Block			Depreciation				Net Block		
	AS AT 01.04.2022	Addition	Adjustment/ Deletion	AS AT 31.03.2023	AS AT 01.04.2022	Addition	Adjustment/ Deletion	AS AT 31.03.2023	AS AT 31.03.2023	AS AT 01.04.2022
Land & Land Rights	10.73	0.00	0.00	10.73	1.48	0.00	0.40	1.06	9.65	9.25
Buildings	1401.23	139.86	3.80	1537.29	359.49	64.88	3.56	420.81	1116.48	1041.74
Plant & Pipe Lines	0.95	0.02	0.00	0.97	0.85	0.00	0.00	0.85	0.12	0.10
Other Civil Works	56.16	0.00	0.00	56.16	29.72	1.69	0.00	31.41	24.75	26.44
Plant & Machinery	26184.33	5400.43	3082.18	30502.58	4033.05	1979.72	516.61	5496.16	25006.42	24151.28
Lines, Cable Networks etc.	52529.49	4250.17	247.47	56532.19	12777.51	2254.62	90.02	14942.11	41590.08	39751.98
Vehicles	17.41	0.30	0.50	17.21	14.59	0.29	0.72	14.16	3.05	2.82
Furniture & Fixtures	59.86	1.81	0.01	61.66	26.27	3.12	1.01	28.38	33.28	33.59
Office Equipments	302.12	39.52	0.15	341.49	185.51	22.74	0.91	207.34	134.15	116.61
Total	82562.28	9832.11	3334.11	89060.28	17428.47	4327.06	613.23	21142.30	67917.98	65133.81

Shree

Shree





Uttar Pradesh Power Corporation Limited

Note-3

CAPITAL WORKS IN PROGRESS

(₹ in Crores)

Particulars	AS AT 01.04.2023	Additions	Deductions/ Adjustments	Capitalised During the Year	AS AT 31.03.2024
Capital Work in Progress*	2422.48	11766.89	0.66	(8788.45)	5401.58
Advance to Supplier/Contractor (Material issued for construction of Capital Works)	1389.62	3094.41	(901.59)	0.00	3582.44
Total	3812.10	14861.30	(900.93)	(8788.45)	8984.02

*It includes establishment cost related to works.

Note-3

CAPITAL WORKS IN PROGRESS

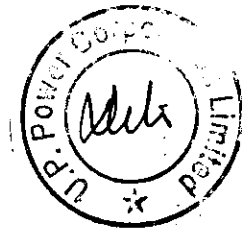
(₹ in Crores)

Particulars	AS AT 01.04.2022	Additions	Deductions/ Adjustments	Capitalised During the Year	AS AT 31.03.2023
Capital Work in Progress	2445.66	9901.97	(97.89)	(9827.26)	2422.48
Advance to Supplier/Contractor (Material issued for construction of Capital Works)	936.03	1082.12	(628.53)	0.00	1389.62
Total	3381.69	10984.09	(726.42)	(9827.26)	3812.10

*It includes establishment cost related to works.

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ASSETS NOT IN POSSESSION

Note-4

(₹ in Crores)

Particulars	AS AT 01.04.2023	Gross Block		AS AT 31.03.2024	AS AT 01.04.2023	Depreciation		AS AT 31.03.2024	Net Block	
		Addition	Adjustment/ Deletion			Addition	Adjustment/ Deletion		AS AT 31.03.2024	AS AT 31.03.2023
Assets not in Possession of Company	11.96	0.00	11.96	0.00	5.07	0.00	5.07	0.00	0.00	6.89
Total	11.96	0.00	11.96	0.00	5.07	0.00	5.07	0.00	0.00	6.89

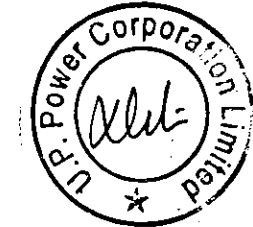
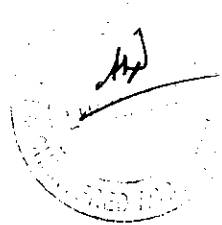
ASSETS NOT IN POSSESSION

Note-4

(₹ in Crores)

Particulars	AS AT 01.04.2022	Gross Block		AS AT 31.03.2023	AS AT 01.04.2022	Depreciation		AS AT 31.03.2023	Net Block	
		Addition	Adjustment/ Deletion			Addition	Adjustment/ Deletion		AS AT 31.03.2023	AS AT 01.04.2022
Assets not in Possession of Company	11.96	-0.54	-0.54	11.96	3.58	3.53	2.04	5.07	6.89	8.38
Total	11.96	-0.54	-0.54	11.96	3.58	3.53	2.04	5.07	6.89	8.38

Signature





INTANGIBLE ASSETS

(₹ in Crores)

Particulars	AS AT 01.04.2023	Gross Block		AS AT 31.03.2024	AS AT 01.04.2023	Amortisation		AS AT 31.03.2024	Net Block	
		Addition	Adjustment/ Deletion			Addition	Adjustment/ Deletion		AS AT 31.03.2024	AS AT 31.03.2023
Software	200.30	14.02	0	214.32	49.39	37.26	0	86.65	127.67	150.91
Total	200.30	14.02	0.00	214.32	49.39	37.26	0.00	86.65	127.67	150.91

INTANGIBLE ASSETS

(₹ in Crores)

Particulars	AS AT 01.04.2022	Gross Block		AS AT 31.03.2023	AS AT 01.04.2022	Amortisation		AS AT 31.03.2023	Net Block	
		Addition	Adjustment/ Deletion			Addition	Adjustment/ Deletion		AS AT 31.03.2023	AS AT 01.04.2022
Software	91.89	108.41	0.00	200.30	9.37	40.02	0.00	49.39	150.91	82.52
Total	91.89	108.41	0.00	200.30	9.37	40.02	0.00	49.39	150.91	82.52

Note 5B

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crores)

Particulars	AS AT 01.04.2023	Gross Block		AS AT 31.03.2024
		Addition	Adjustment/ Capitalised	
Software	1.29	12.73	14.02	0.00
Total	1.29	12.73	14.02	0.00

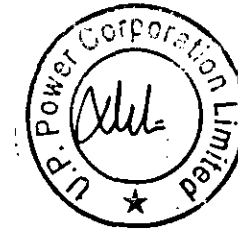
Note 5B

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crores)

Particulars	AS AT 01.04.2022	Gross Block		AS AT 31.03.2023
		Addition	Adjustment/ Capitalised	
Software	60.36	48.85	107.92	1.29
Total	60.36	48.85	107.92	1.29

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FINANCIAL ASSETS - INVESTMENTS (NON-CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
A. Investment in UPPTCL*	2213.34	2213.34	2213.34
22133352 Equity Shares (Prev Yr 22133352) of Rs. 1000/- each fully paidup			
Provision for Impairment on Investment	<u>(166.50)</u>	<u>(167.70)</u>	<u>(165.48)</u>
	2046.84	2045.64	2047.86
B. Investment in Southern U.P. Power Transmission Co. Ltd.	0.00	2.22	2.22
Provision for Impairment on Investment	<u>0.00</u>	<u>(2.22)</u>	<u>(2.22)</u>
	0.00	0.00	0.00
C. Other Investments-			
7.75% PFC Bonds Series-164 (Maturity date 22.03.2027)	123.00	123.00	123.00
Total	2169.84	2168.64	2170.86
Aggregate amount of unquoted investments in Equity Instruments at cost	2,213.34	2,215.56	2,215.56
Aggregate amount of unquoted investments in Debt Instruments at cost	123.00	123.00	123.00
Aggregate amount of impairment in value of investments	2336.34	2338.56	2338.56

*UPPTCL had previously allotted 1,84,29,700 number of shares for consideration other than cash.

Note:

1. Considering the net worth of UPPTCL, allowances for impairment has been reversed Rs. 1.20 Cr
2. Due to non-availability of audited financial statements of F.Y. 2023-24, the provision for the impairment of the investments in UPPTCL is based on the net worth as per the audited financial statements of F.Y. 2022-23

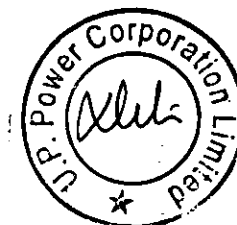
FINANCIAL ASSETS - LOANS (NON-CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
Loan/Advances- Unsecured, Considered Doubtful			
NPCL LOAN	5.69	5.69	5.69
Interest Accrued and Due	222.70	193.03	167.21
Allowances for Bad & Doubtful Debts Loan & Interest	<u>(228.39)</u>	<u>(198.72)</u>	<u>(172.90)</u>
	0.00	0.00	0.00
Total	0.00	0.00	0.00

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FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
Advance paid to State Govt. for freehold title of Land	7.44	7.44	7.44
Share Application Money Pending Allotment- UPPTCL	180.72	180.72	180.72
Deposits			
1. Deposits with Banks			
Deposits having maturity more than 12 months:			
a. Earmarked:			
Debt Service Reserve Accounts (against bond issued)	307.17	1055.87	1069.77
UPNEDA Corpus Fund*	49.47	46.02	44.05
b. Other than Earmarked	0.00	0.00	42.85
2. Other Deposits			
Deposit with BSE for REF	0.25	0.25	0.25
Receivable from Govt. of U.P (Aatmnirbhar Scheme)**	12252.01	14940.01	16940.00
UMPP (Unsecured & Considered Good)***	126.98	118.22	126.98
UMPP (Unsecured & Considered Doubtful)***	0.00	12.02	0.00
Interest on advance to UMPP	18.81	18.81	0.00
Other Deposits	17.01	17.01	17.01
Asset Migration Account****	185.10	0.00	0.00
Less: Allowance for doubtful receivables	(157.63)	(12.02)	0.00
Securities from Suppliers/Contractors	0.00	5.19	5.19
Overlay Charges	0.00	10.36	10.36
Total	12987.33	16399.90	18444.62

* It relates to the Corpus fund received from UP New and Renewable Energy Development Agency (UPNEDA) for providing the facility of Letter of Credit to solar energy developers.

** Refer point no 37(c) of Note no 33 "Notes on Accounts"

*** It is related to the commitment advance of ₹126.98 Crore given to Ultra Mega Power Projects for the development of power projects.

**** Refer point no 48(a) of Note no 33 "Notes on Accounts"

Note:-

1. An amount of Rs 180.72 Crores is pending with the UPPTCL for Share Allotment. UPPTCL has informed that the share against this application money has been wrongly allotted to GoUP instead of UPPCL and they have taken up this matter with the GoUP. Necessary reclassification of the same shall be done accordingly after the share allotment by UPPTCL.

2. In compliance to SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22nd October, 2021, the Company has deposited the fund with the Bombay Stock Exchange towards contribution to Recovery Expense Fund (REF).

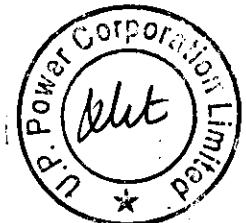
INVENTORIES

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
(a) Stores and Spares			
Stock of Materials - Capital Works	2539.01	1825.90	1576.30
Stock of Materials - O&M	653.90	3192.91	551.26
(b) Others*		286.40	2377.16
Sub-Total	3479.31	2664.91	1927.17
Provision for Unserviceable Stores	(222.84)	(245.76)	(232.16)
Total	3256.47	2419.15	3784.94

*Other materials include material issued to fabricators, obsolete material, scrap, Transformer Sent for Repairs, Store Excess/ Shortage pending for investigation

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**Uttar Pradesh
Power Corporation Limited**

FINANCIAL ASSETS - TRADE RECEIVABLES (CURRENT)

Note-10

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
Trade Receivables outstanding from Customers on account of Sale of Power			
Secured & Considered goods	4043.06	3755.21	3514.12
Unsecured & considered good	58633.41	67483.26	75739.32
Unsecured & Credit Impaired	36335.47	27549.05	14424.61
	99011.94	98787.52	93678.05
Trade Receivables outstanding from Customers on account of Electricity Duty			
Secured & Considered goods	418.82	367.48	324.40
Unsecured & considered good	6136.58	6897.24	7666.76
Unsecured & Credit Impaired	3786.36	2800.90	1406.86
	10341.76	10065.62	9398.02
Others			
Sundry Debtors	522.98	522.98	522.98
Unallocated Revenue*	(156.68)	(286.55)	(330.25)
Sub-Total	109720.00	109089.57	103268.80
Allowance for Bad & Doubtful Debts	(40644.81)	(30872.93)	(16354.46)
Total	69075.19	78216.64	86914.34

Note:

The carrying amount of Trade Receivables includes Unbilled Revenue of ₹2940.75 Crore in FY 2023-24 (FY 2022-23 ₹2912.17 crore)

* It is the amount of collection from Consumers received at UPPCL against which the Discoms are not identified as on Balance Sheet date.

Note-11-A

FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
(a) Balance with Banks			
In Current & Other Account	3188.71	3038.28	4791.67
In Fixed Deposit Accounts (with original maturity upto 3 months)			
Earmarked Bank A/c	644.11	691.52	694.74
Others	14.52	409.01	434.16
	658.63	1100.53	1128.90
(b) Cash/ Cheques/ Drafts in Hand			
Cash in Hand (Including Stamps in Hands)	70.23	83.85	49.48
Cheque/Drafts in Hand	12.52	2.19	6.28
Cash imprest with Staff	1.07	1.51	1.25
	83.82	87.55	57.01
Total	3931.16	4226.36	5977.58

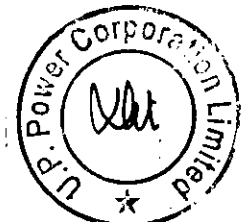
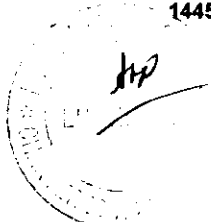
Note-11-B

FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE (CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
Deposit with original maturity of more than 3 months but less than 12 months			
A. Earmarked Balances			
RPO Fund Account	0.00	0.00	6.23
Debt Service Reserve Accounts (against Bonds issued)	1429.21	531.51	452.77
	1429.21	531.51	459.00
B. Other than Earmarked Balances			
	16.54	177.44	188.55
Total	1445.75	708.95	647.55

Signature





**Uttar Pradesh
Power Corporation Limited**

Note-12

FINANCIAL ASSETS - OTHERS (CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
<u>Receivables (unsecured)</u>			
Uttar Pradesh Government	1315.18	1405.95	1407.48
Receivable from Govt. of UP (Aatmnirbhar Scheme)	2400.00	2000.00	2000.00
Receivable from IREDA*	14.96	11.51	9.16
<u>UPPTCL</u>			
Receivable -UPPTCL	572.60	557.48	542.34
Payable -UPPTCL	(3.04)	(2.84)	(2.70)
Employees (Receivables)	158.38	166.47	145.01
Allowances for Doubtful receivables from Employees	(32.86)	(33.29)	(68.88)
Other Receivables	1019.02	1072.71	995.07
Allowances for Doubtful Receivables	(566.43)	(92.00)	(82.83)
Theft of Fixed Assets Pending Investigation	207.17	188.21	177.62
Allowances for estimated Losses	(207.17)	(188.21)	(177.62)
Total	4877.81	5085.99	4944.65

* Receivables from Indian Renewable Energy Development Agency Ltd. (IREDA) (GoI Enterprise) related to subsidy against Power Purchase from renewable energy developers

Note-13

OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
<u>Advances (Unsecured/Considered Good)</u>			
Suppliers/Contractors*	439.32	491.93	368.06
Less: Allowances for Doubtful Advances	(9.02)	(8.61)	(8.56)
Advance for Transmission Bay	4.24	0.00	0.00
Other Deposits**	14.75	2.95	0.00
Energy Exchange	25.18	20.00	46.08
Tax Deducted at source***	201.85	125.24	98.06
Tax Collected at Source	35.08	43.87	88.32
Fringe Benefit Tax Advance Tax	0.25	0.25	0.25
Provision	(0.25)	(0.25)	0.00
Receivable from GST Department	4.65	4.65	0.00
Less-Allowance for doubtful GST refund	(4.65)	0.00	0.00
Receivable against Power Purchase	1773.42	1567.89	0.51
<u>Misc. Recovery</u>			
Unsecured Considered Good	0.49	0.36	0.75
Unsecured Considered Doubtful	4.37	4.39	3.99
Allowances for Doubtful Loans & Advances	(4.37)	(4.39)	(3.99)
Income Accrued & Due	15.52	14.69	15.33
Income Accrued & but not Due	26.51	11.13	10.10
Prepaid Expenses	2.21	3.01	1.76
Inter Unit Transfers****	1393.39	1406.13	2111.14
Total	3922.94	3683.24	2731.80

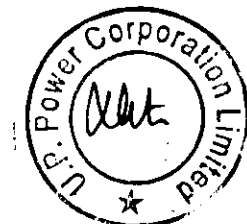
* Advance to Suppliers /contractors includes ₹ 1.88 Crore paid as a advance to National Informatics Center (NIC).

**The deposit has been made in compliance to the direction of the Hon'ble Supreme Court in the case of UPPCL vs M/s Jaiprakash Power Ventures Ltd.

***TDS receivable as on 31st March, 2023 includes ₹85.42 Crore relating to F.Y. 2022-23, against which refund was claimed. However, after the assessment Income Tax Department has allowed credit of TDS for ₹72.58 Crore only. The Company has filed an appeal before the CIT (Appeals) against the said assessment order.

****Includes Kesco Inter-Unit Accounts-Other (UPSEB Period) Rs.6.95 Cr.for the year 2022-23 (Previous year 2021-22 Rs. 6.95 Cr.) on which provision balance is Rs. 6.95 Cr.

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EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
(A) AUTHORISED :			
2000000000 (Previous Year 1250000000 respectively) Equity shares of par value of Rs. 1000/- each	2,00,000.00	1,25,000.00	1,25,000.00
(B) ISSUED SUBSCRIBED AND FULLY PAID UP			
1292720595 (Previous Year 1184677704) Equity shares of par value Rs. 1000/- each	1,29,272.06	1,18,467.77	1,09,679.38
(Out of the above shares 36113400 were allotted as fully paid up pursuant to UP Power Sector Reform Scheme 2000 for consideration other than cash)			
Total	1,29,272.06	1,18,467.77	1,09,679.38

- a) During the period, The Company has issued 108042891 Equity Shares of Rs. 1000 each only and has not bought back any shares.
b) The Company has only one class of equity shares having a par value Rs. 1000/- per share. The holders of the equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.
c) During the period ended 31st March 2024 (Prev year 31st March 2023) , no dividend has been declared by board due to heavy accumulated losses.

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

Shareholder's Name	AS AT 31.03.2024		AS AT 31.03.2023		AS AT 01.04.2022	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings	No. of Shares	% of Holdings
Government of UP	1292720595	100	1184677704	100	1096793838	100

e) Reconciliation of No. of Shares

No. of Shares as on 01.04.2023 1184677704	Issued During the Period 108042891	Buy Back during the Period 0	No. of Shares as on 31.03.2024 1292720595
No. of Shares as on 01.04.2022 1096793838	Issued During the Period 87883866	Buy Back during the Period 0	No. of Shares as on 31.03.2023 1184677704



f) Details of shareholding of promoters:

Promoter Name	Shares held by Promoters AS AT 31.03.2024			AS AT 31.03.2023			AS AT 01.04.2022		
	No. of shares	%age of total shares	%age changes during the year	No. of shares	%age of total shares	%age changes during the year	No. of shares	%age of total shares	%age changes during the year
Government of UP	1292720595	100%	NIL	1184677704	100%	NIL	1096793838	100%	NIL

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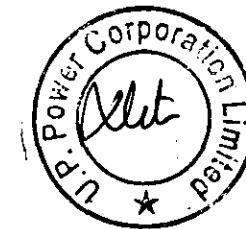
OTHER EQUITY

Particulars	AS AT 31.03.2024		AS AT 31.03.2023		AS AT 01.04.2022	
A. Share Application Money (Pending For Allotment)						
As per last Financial Statement		1157.86		2533.01		2533.01
Add: Received during the quarter/year		13338.15		7413.24		0.00
Less: Shares allotted during the year		(10804.29)	3691.72	(8788.39)	1157.86	0.00
						2533.01
B. Capital Reserve						
(i) Consumers Contributions towards Service Line and other charges						
As per last Financial Statement	11233.34		9386.02		9409.35	
Prior Period Error Adjustments	0.00		0.00		(23.33)	
Restated Opening Balance	11233.34		9386.02		9386.02	
Add: Received during the quarter/year	1733.82		2491.13		0.00	
Less: Transfer to Statement of P&L Account	(775.15)	12192.01	(643.82)	11233.33	0.00	9386.02
(ii) Subsidies towards Cost of Capital Assets./Repayment of Loan						
As per last Financial Statement	7375.37		6416.78		6416.78	
Add: Received during the quarter/year	680.72		1073.35		0.00	
Less: Transfer to Statement of P&L Account	(188.36)	7867.73	(114.75)	7375.38	0.00	6416.78
(iii) APDRP Grant/Other Grants						
As per last Financial Statement	131.39		131.74		131.74	
Add: Received during the quarter/year	0.00		0.00		0.00	
Less: Transfer to Statement of P&L Account	(0.33)	131.06	(0.35)	131.39	0.00	131.74
(iv) Amount Received Under IPDS						
As per last Financial Statement	1.38		1.38		1.38	
Add: Received during the quarter/year	0.00		0.00		0.00	
Less: Transfer to Statement of P&L Account	0.00	1.38	0.00	1.38	0.00	1.38
(v) Capital Reserve-Others						
As per last Financial Statement	195.95		195.95		195.95	
Add: Received during the quarter/year	0.00		0.00		0.00	
Less: Transfer to Statement of P&L Account	0.00	195.95	0.00	195.95	18937.43	195.95
			20388.13		554.77	16131.87
			554.77		554.77	554.77
C. Restructuring Reserve						
D. Surplus in Statement of P&L						
Opening Balance	(100445.77)		(82612.18)		(95545.09)	
Prior Period Expenditure/(Income)	0.00		(110.82)		12932.91	
Restated Opening Balance	(100445.77)		(82723.00)		(82612.18)	
Add: Adjustment against Reserves & Surplus	0.00		0.00		0.00	
Add: Profit/(Loss) for the year	(7303.85)		(17711.57)		0.00	
Add: Adjustment as per Point no 51 of Notes on Accounts	11.99		0.00		0.00	
Add: Other Comprehensive income/(Loss)	(48.26)	(107785.89)	(11.20)	(100445.77)	0.00	(82612.18)
E. General Reserve						
Opening Balance of General Reserve	0.00		0.00		13005.43	
Prior Period Error Adjustments	0.00		0.00		(13005.43)	
Restated Opening Balance	0.00		0.00		0.00	
Add: Received during the year	0.00		0.00		0.00	
Less: Transfer to statement of P & L	0.00	0.00	0.00	0.00	0.00	0.00
Total		(83151.27)		(79795.71)		(63392.53)

* It includes Rs. 10226.28 Crore against Atmnirbhar Subsidy, Rs. 1477.72 Cr. UDAY Adjustment and Rs. 1301.43 Cr. reallocation adjustment of subsidy earlier incorporated in General Reserve.
Note: The Shares against Share Application Money amounting to Rs. 3691.72 crore have been allotted to GoUP vide Board Meeting dated 20th April, 2024.

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FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
(A) Loans directly availed by subsidiaries (Discoms)			
(1) SECURED LOANS			
(i) Rural Electrification Corporation Ltd.(REC)			
R-APDRP Part-A (REC)	553.20	1067.97	1261.67
R-APDRP Part-B (REC)	757.13	572.71	710.39
Sub Station Loan	7.69	11.20	14.71
Saubhagya	1582.47	1802.92	2116.05
DDUGGY	651.67	742.10	860.19
AB CABLE	426.71	479.27	503.49
	3978.87	4676.17	5466.50
(ii) Power Finance Corporation Ltd.(PFC)			
R-APDRP Part-A (PFC)	184.91	379.43	629.21
R-APDRP Part-B (PFC)	831.04	745.09	1249.34
IPDS	1027.14	1127.12	1223.42
DDUGGY	902.26	939.09	924.56
AB CABLE	593.19	639.44	665.92
(iii) Others			
UPSIDC	0.00	0.00	0.01
	3538.54	3830.17	4692.46
(B) UNSECURED LOANS/ BONDS*			
9.70 % UDAY Bond / Bonds	6724.62	7757.28	8789.89
REC (Unsecured Loans)	12779.33	15003.25	17121.28
PFC (Unsecured Loans)	12869.13	16376.74	19263.00
UP GOVERNMENT LOAN (OTHERS)#	0.00	0.00	369.27
	32373.08	39137.27	45543.44
(C) BONDS/ LOANS RELATE TO DISCOMS(Secured)*			
9.70% Rated Listed Bonds	3457.30	3951.20	3951.20
8.97% Rated Listed Bonds	1860.00	2790.00	3720.00
10.15% Rated Listed Bonds	1938.00	2584.01	3230.00
9.75% Rated Listed Bonds	1455.29	1984.50	2513.71
8.48% Rated Listed Bonds	997.01	1495.50	1993.99
9.95% Rated Listed Bonds	3052.01	3488.00	0.00
	12759.61	16293.21	15408.90
Total	52650.10	63936.82	71111.30

The repayments against loan from GoUP (on behalf of DISCOMs) has been made in FY 2022-23 and now there is no balance of loan.

*The terms of repayment, default details and security/guarantee details have been annexed with this note. (Refer Annexure-I to Note - 16)

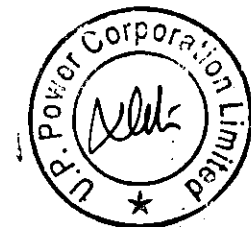
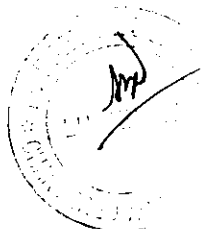
FINANCIAL LIABILITIES - TRADE PAYABLES (NON-CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
Liability for Purchase of Power*	807.93	2,632.28	-
Total	807.93	2632.28	0.00

*Reclassification related to Trade Payable beyond one year.

10/11/24

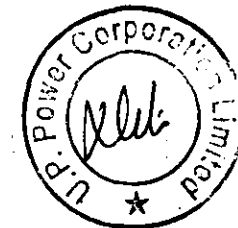
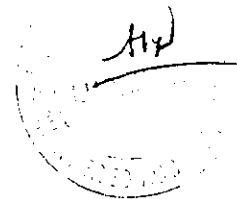




DISCLOSURE OF BORROWINGS
(as required in revised Schedule-III of the Companies Act, 2013)

Name of Bank	Repayment Terms			ROI (%)	Guaranteed By	Outstanding as on 31st March, 2024				Default as on 31st March, 2024		Aggregate Amount of Guaranteed Loans	Security	
	Drawl Date	Instalment (Months)	Repayment Due From			Principal	Interest	Total	Current Maturity	After Current Maturity	Principal			Interest
Long Term Borrowing														
BONDS- SECURED														
PUVVNL	17.02.17/					5226.38	-	5,226.38	1124.88	4,101.50	-	-		Hypothecation on Current Assets including receivables, ESCROW, and Govt Guarantee (as per terms of DOH of respective issuances)
MVVNL	27.03.17/			8.48%		4327.46	-	4,327.46	857.35	3,470.11	-	-		
DVVNL	05.12.17/	28/32/34	Jul-19	to		4458.92	-	4,458.92	1046.57	3,412.35	-	-		
PVVNL	27.03.18/03.03.22/0	Quarterly		10.15%		1447.34	-	1,447.34	348.22	1,099.12	-	-		
KESCO	7.10.22					833.10	-	833.10	156.57	676.53	-	-		
	Sub-Total					16293.20		16,293.20	3,633.59	12,769.61				
BONDS- UNSECURED														
PUVVNL						1790.70	-	1,790.70	238.35	1,552.35	-	-		Guarantee of GoUP
MVVNL	04.07.16/					1445.26	-	1,445.26	192.38	1,252.88	-	-		
DVVNL	28.09.16/	20/24 Half Yearly	Sep-20	9.70%		3009.57	-	3,009.57	400.77	2,608.80	-	-		
PVVNL	30.03.17					1086.26	-	1,086.26	144.52	941.74	-	-		
KESCD						425.48	-	425.48	56.63	368.85	-	-		
	Sub-Total					7757.27		7,757.27	1,032.55	6,724.62				
	Total							24,050.47	4,666.24	19,484.23				
REC														
PUVVNL						7096.39	-	7,096.39	1502.52	5,593.87	-	-		ESCRDW and Guarantee of GoUP
MVVNL				9.50%		3798.37	-	3,798.37	1065.84	2,732.53	-	-		
DVVNL	Since March 2017	6/84/108 MI & 28/32 QTY	Apr-20	to		3780.30	-	3,780.30	1054.49	2,725.81	-	-		
PVVNL				10.40%		1748.32	-	1,748.32	335.37	1,412.95	-	-		
KESCO						447.28	-	447.28	133.11	314.17	-	-		
	Sub Total					16870.66		16,670.66	4,091.33	12,779.33				
PFC														
PUVVNL						7723.21	-	7,723.21	1962.55	5,760.66	-	-		ESCRDW and Guarantee of GoUP
MVVNL				9.50%		4241.56	-	4,241.56	1468.39	2,773.17	-	-		
DVVNL	Since June 2017	6/60/72/84/108 MI & 20/28 QTY	Oct-19	to		4335.43	-	4,335.43	1541.54	2,793.89	-	-		
PVVNL				10.97%		1532.54	-	1,532.54	442.27	1,090.27	-	-		
KESCO						688.35	-	688.35	237.21	451.14	-	-		
	Sub Total					16521.09		16,521.09	5,651.96	12,060.13				
	Total (REC+PFC)							35,391.75	9,743.29	25,648.46				
	Grand Total (REC+PFC+Bonds)							59,442.22	14,309.63	45,132.69				

Signature





Note-18

FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
Security Deposits From Consumers	4,461.88	4,122.69	3,840.47
Liability/Provision for Leave Encashment	1,623.48	1,423.83	1,310.24
Liability for Gratuity on CPF Employees	840.75	696.67	603.68
Liability Migration Account*	897.28	0.00	0.00
Corpus Fund from UPEDA**	49.47	46.02	44.05
Interest accrued but not due on borrowings	140.72	246.09	306.55
Total	8,013.58	6,535.30	6,104.99

* Refer point no 48(a) of Note no 33 "Notes on Accounts"

** It relates to the Corpus fund received from UP New and Renewable Energy Development Agency (UPNEDA) for providing the facility of Letter of Credit to solar energy developers.

Note-19

FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
A. CC/ Overdraft from Banks:			
Punjab National Bank	0.00	50.68	0.03
Bank of India		0.01	0.00
Indian Bank	31.77	50.69	0.03
B. Working Capital Short Term Loan:			
Indian Bank	168.00	150.00	0.00
C. Other			
Current Maturity of Long Term Borrowings*	15286.57	14320.04	10824.57
Interest accrued & due on borrowings	0.00	49.06	66.80
Interest Accrued but not Due on Borrowings	857.50	879.74	1094.26
Total	16343.84	15449.53	11985.66

*Details of current maturity of long term borrowings is annexed with this note (Refer Annexure to Note-19)

Note-20

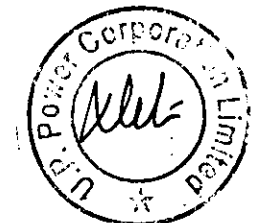
FINANCIAL LIABILITIES - TRADE PAYABLE (CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
Liability for Purchase of Power	18653.78	22977.94	23364.96
Liability for Power Purchase from Others	34.95	32.75	28
Liability for Transmission/Wheeling charges	5874.59	6628.57	6599.15
Total	24,563.32	29,639.26	29,992.11

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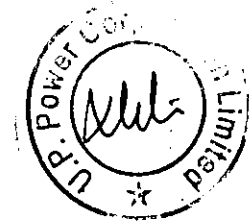
Statement of Current Maturity of Long-Term Borrowings

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
(A) Loans directly availed by subsidiaries (Discoms)			
(1) SECURED LOANS			
(i) Rural Electrification Corporation Ltd.(REC)			
R-APDRP Part-A (REC)	131.52	131.52	131.52
R-APDRP Part-B (REC)	216.39	216.39	215.37
Sub Station Loan	3.51	3.51	3.51
Saubhagya	198.06	193.22	162.37
DDUGGY	89.94	103.46	56.27
AB CABLE	52.56	52.56	0.00
(ii) Power Finance Corporation Ltd.(PFC)			
R-APDRP Part-A (PFC)	17.66	16.17	15.50
R-APDRP Part-B (PFC)	88.35	84.35	55.38
IPDS	99.62	99.26	91.05
DDUGGY	36.40	7.95	0.00
AB CABLE	43.03	26.47	0.00
(iii) Others			
UPSIDC	0.00	977.04	0.00
			934.86
			0.01
			730.98
(B) UNSECURED LOANS/ BONDS			
9.70 % UDAY Bond / Bonds	1,021.67	575.25	336.91
REC (Unsecured Loans)	4,091.33	3,921.79	3,410.33
PFC (Unsecured Loans)	5,651.95	5,827.04	2,985.37
UP GOVERNMENT LOAN (OTHERS)	0.00	0.00	61.54
(C) BONDS/ LOANS RELATE TO DISCOMS(Secured)			
9.70% Rated Listed Bonds	504.87	457.40	695.75
8.97% Rated Listed Bonds	930.00	930.00	930.00
10.15% Rated Listed Bonds	646.01	646.01	646.00
9.75% Rated Listed Bonds	529.21	529.20	529.20
8.48% Rated Listed Bonds	498.49	498.49	498.49
9.95% Rated Listed Bonds	436.00	14,309.53	0.00
			13,385.18
			0.00
			10,093.59
Total	15,286.57	14,320.04	10,824.57

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OTHER FINANCIAL LIABILITIES(CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
Liability for Supplies/Works:			
-Capital Nature supplies/ works	3336.97	4184.21	5683.32
-O&M Nature supplies/ works	628.55	679.96	713.38
Deposits & Retentions :			
- From Suppliers & others	5250.33	3638.80	4056.12
- For Electrification works	1573.70	1080.05	1524.47
Liability towards CPF Trust:			
-UPPCL CPF Trust	49.85	49.25	62.06
-Provision for interest on CPF	4.75	3.44	2.30
Liabilities towards UP Power Sector Employees Trust:			
-Provident Fund *	771.21	716.86	814.99
-Pension & Gratuity on GPF	416.68	424.42	441.75
-Provision for interest on GPF	281.40	255.66	83.31
Provision for Loss incurred by CPF Trust		733.89	685.25
Provision for Loss incurred by GPF Trust		1106.86	1033.48
Gratuity on CPF		21.42	16.18
Liability for Leave Encashment		101.88	89.75
Staff related liabilities		570.24	593.41
Interest on Security Deposit from Consumer		429.70	342.43
Sundry Liabilities		1336.06	1165.18
Liabilities for GST		15.19	4.57
Electricity Duty & other levies payable to govt.		13907.13	12584.71
Auditor's Remuneration & Expenses Payable		0.11	0.11
Liabilities for Expenses		239.83	258.58
Deferred Subsidy Income		0.00	0.00
Payable to UPNEDA**		16.66	11.17
UPRVUNL***			
-Receivable -UPRVUNL	(2.45)	(2.53)	(11.19)
-Payable -UPRVUNL	76.28	78.00	87.68
Uttaranchal PCL:			
-Receivable - Uttrakhand PCL	(0.01)	(0.01)	(0.01)
-Payable - Uttrakhand PCL	0.17	0.17	0.17
Advance from consumers		27.14	0.00
Inter Unit Transfers		606.90	39.69
Inter Company Balances under Reconciliation		0.00	(0.00)
Total	31500.44	27932.79	28802.19

*It includes ₹160.58 Crore receivable from U.P. Power Sector Employees Trust on account of settlement of amount payable by UPPSET to Uttarakhand Power Corporation Ltd and balance towards GPF contribution amounting to ₹ 17.55 Cr.

**Amount received in advance from UP New and Renewable Energy Development Agency towards subsidy against purchase of power from new and renewable energy generators.

*** Refer point no. 21 of Notes on Accounts

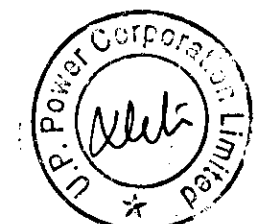
PROVISIONS (CURRENT)

(₹ in Crores)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023	AS AT 01.04.2022
Total	0.00	0.00	0.00

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Uttar Pradesh Power Corporation Limited

Note-23

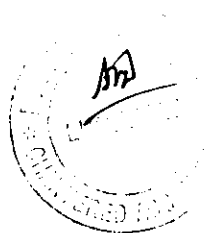
REVENUE FROM OPERATIONS (GROSS)

(₹ in Crores)

Particulars	For the Year ended 31.03.2024		For the Year ended 31.03.2023	
Supply in Bulk				
Torrent Power Ltd.		1003.98		1026.06
Others (through Energy exchange) **		2722.90		0.00
Adjustment of purchased cost	(333.80)		(11.59)	
Adjustment as per Point no. 49 of Note 33	333.80	0.00	11.59	0.00
Large Supply Consumer				
Industrial	15658.08		14368.65	
Traction	126.47		90.32	
Irrigation	612.66		720.23	
Public Water Works	2064.68	18461.89	1642.77	16821.97
Small & Other Consumers				
Domestic	26396.92		26512.65	
Commercial	8935.85		8730.74	
Industrial Low & Medium Voltage	2571.87		2660.79	
Public Lighting	1528.43		655.26	
STW & Pump Canals	1645.81		1454.66	
PTW & Sewage Pumping	4339.89		2753.25	
Institution	620.24		621.89	
Small Power (LMV VI)	294.38		288.62	
Water Work (LMV VII)	161.65		122.16	
Temp Connection (LMV IX)	73.12		27.57	
EV Charging Station (LMV-XI)	4.68		0.07	
Large & Heavy (HV I)	243.71		240.94	
Large & Heavy (HV II)	693.19		674.54	
Miscellaneous Charges form Consumers	273.08		612.00	
Energy Internally Consumed	1280.48		1190.17	
Electricity Duty	3665.09	52728.39	3459.22	50004.53
Other Operating Revenue				
Extra State Consumer	70.14		24.59	
Wheeling Charges from open access consumers	122.34		67.08	
Cross Subsidy from open access consumers	135.23	327.71	149.69	241.36
		75244.87		68093.92
Less: Electricity Duty		(3665.09)		(3459.22)
Total		71579.78		64634.70

** Sale of power through the Energy Exchange amounting to ₹3,656.50 crore was netted off from the power purchase through Energy Exchange in the year ended 31st March, 2023.

Signature





**Uttar Pradesh
Power Corporation Limited**

Note-24

OTHER INCOME

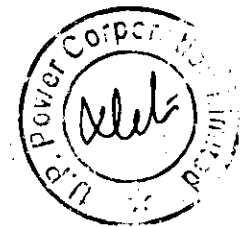
(₹ in Crores)

Particulars	For the Year ended 31.03.2024		For the Year ended 31.03.2023	
(a) Subsidy :				
(i) Tariff Subsidy				
Agriculture or RE Subsidy from Govt. of U.P.	1920.00		1499.99	
Revenue Subsidy from Govt. of U.P.	12299.09		11545.61	
Subsidy adjusted against Electricity Duty	2300.00		1550.58	
Subsidy from Govt. against UPERC order*	574.64		15.74	
(ii) Other Subsidy				
Subsidy for Operational Losses	9700.00		8007.72	
Subsidy for Repayment of Interest on Loan	0.00		9.22	
Subsidy against UDAY	362.69		0.00	
Subsidy Under Atmnirbhar Bharat Scheme	0.00	27156.42	0.00	22628.86
(b) Interest from :				
Loans to Staff	0.01		0.03	
Loans to NPCL (licencee)	29.68		25.82	
Fixed Deposits	181.57		141.71	
Banks (Other than on Fixed Deposits)	4.93		10.84	
Bonds	9.53		9.53	
Others	24.24		14.56	
Income Tax Refund	0.00	249.96	0.76	203.25
(c) Other non operating income				
Late Payment Surcharges	718.17		726.02	
Income from Contractors/Suppliers	237.35		113.32	
Rental from Staff	2.00		1.72	
School fee/ Recruitment Examination Fee	1.23		26.11	
Miscellaneous Income/ Receipts	257.37		88.49	
Other Recoveries from Consumers	0.46		3.56	
Sale of Scrap	2.99		0.42	
Sale of Tender Forms	2.19		2.27	
Liabilities/Provision written back**	27.49	1249.25	0.00	961.91
Total		28655.63		23794.02

* Against UPERC True up order

** Includes

- 1) Liabilities amounting to Rs. 6.89 cr
- 2) Provision written back is on account of Provision for 6th Pay Commission, Provision for Pension & Gratuity for 6th Pay Commission written off during the current year.





**Uttar Pradesh
Power Corporation Limited**

Note-25

Purchase of Power (Electricity) for Trading

(₹ in Crores)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Transmission Charges	3506.95	3296.26
PURCHASE FROM OTHERS	<u>2.56</u>	<u>5.57</u>
Power Purchase from:		
Generators & Traders	69253.54	61805.05
Surcharge	261.76	583.47
Unsheduled Interchange & Reactive Energy Charges *	(93.57)	(67.89)
Transmission & Related Charges**	5081.69	6846.58
Sub Total	78012.93	72469.04
Rebate/Subsidy against Power Purchase	(610.67)	(513.28)
Total	77402.26	71955.76

* Due to nature of transaction under unscheduled interchanges, the figure can be negative or positive.

** Refer point no 19 (B)(a) of Note no 33 "Notes on Accounts"





**Uttar Pradesh
Power Corporation Limited**

Note-26

EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Salaries & Allowances	2060.88	2073.19
Dearness Allowances	806.51	665.92
Other Allowances	111.74	111.94
Bonus/Ex.Gratia	5.07	16.86
Medical Expenses (Reimbursement)	66.48	47.42
Earned Leave Encashment	283.33	195.19
Compensation	1.10	0.82
Staff Welfare Expenses	1.61	1.88
Pension & Gratuity	211.87	193.37
Other Terminal Benefits	131.45	87.31
Interest on GPF (General Provident Fund)	79.03	74.33
Interest on CPF (Contributory Provident Fund)	2.83	2.47
Gratuity (CPF)	25.46	34.24
Other Terminal Benefit (CPF)	1.07	1.02
Contributions to provident and other funds	78.65	70.96
Others	1.01	0.58
Sub Total	3868.09	3577.50
Expense Capitalised	(1037.58)	(1040.30)
Employee Cost Allocated to DISCOMs and Others by UPPCL	(131.24)	(129.74)
Total	2699.27	2407.46

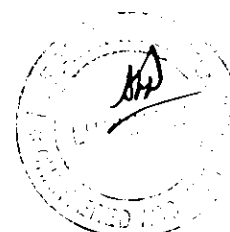
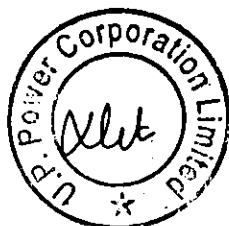
Note-27

FINANCE COST

(₹ in Crores)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
(a) Interest on Loans		
Working Capital	2.28	0.05
Interest expenses on Borrowings	9.46	10.29
Less- Rebate of Timely Payment of Interest	(0.25)	(0.25)
(b) other borrowing costs		
Finance Charges/Cost of Raising Fund	21.98	76.33
Bank Charges	29.27	67.76
Guarantee Charges	0.03	0.00
(c) Interest on Loans		
Interest on Govt Loan	0.00	23.77
Interest on Bonds	2518.35	2660.52
PFC	2252.67	2353.09
R-APDRP	78.09	90.96
REC	2203.77	2303.76
Interest to Consumers	262.98	174.35
Provision of Int. on ED/Licence Fee/GPF	0.00	0.32
Interest on Secured Loan	253.07	276.50
Interest/Stamp Duty on Bill Discounted for PP	8.48	24.78
Sub Total	7640.18	8062.23
Interest Capitalised	0.00	0.00
Total	7640.18	8062.23

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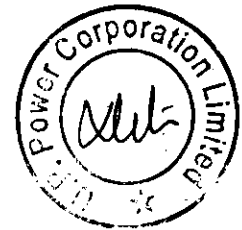
Uttar Pradesh
Power Corporation Limited

Note-28

DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Crores)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
<u>Depreciation on -</u>		
Buildings	51.49	52.35
Other Civil Works	1.04	5.56
Plant & Machinery	1601.00	1647.41
Lines Cables Networks etc.	2849.31	2534.96
Vehicles	0.44	3.87
Furnitures & Fixtures	(0.00)	3.95
Office Equipments	25.57	25.92
Amortisation of Intangible Assets	37.26	32.84
Equivalent amount of dep. on assets aquired out of the consumer's contribution & GoUP subsidy	(963.85)	(737.90)
Capital Expenditure Assets not pertains to Corporation/Nigam		(5.07)
		3.54
Total	3597.19	3572.50





**Uttar Pradesh
Power Corporation Limited**

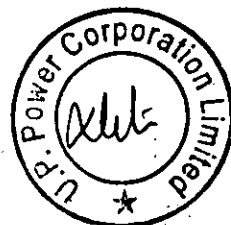
Note-29

ADMINISTRATIVE, GENERAL & OTHER EXPENSES

(₹ in Crore)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Interest Expense on Electricity duty	0.00	103.97
Rent	4.55	3.76
Rates & Taxes	23.22	9.45
Insurance	5.69	4.31
Communication Charges	28.13	35.03
Legal Charges	49.45	28.13
Auditors Remuneration & Expenses	2.97	2.08
Consultancy Charges	26.86	38.18
Licence Fees	23.21	22.91
Technical Fees & Professional Charges	57.09	58.48
Travelling & Conveyance	74.44	70.55
Printing & Stationary	20.68	23.24
Advertisement Expenses	8.00	9.86
Electricity Charges	1106.67	1010.38
Water Charges	0.41	0.71
Entertainment	0.02	0.02
Expenditure on Trust	0.05	0.01
Compensation for Injuries	0.00	0.00
Debit Balance Written off	0.25	0.00
Miscellaneous Expenses	341.96	353.48
Expenses incurred for Revenue Realisation	106.62	81.39
Workmen Compensation	51.92	53.75
Vehicle Expenses	7.70	8.35
Fees & Subscription	11.84	10.49
Online, Spot Billing & Camp Charges	488.09	571.38
Loss on sale of Assets Scrapped	0.09	0.01
Security charges	0.00	0.00
Rebate to consumer	19.37	13.82
Payment to Contractual Persons	721.64	514.14
Honorariums	0.00	0.08
Transmission Bay Charges	5.70	1.90
Professional Charges	1.85	3.14
Sub Total	3188.47	3033.00
Expenses Allocated to DISCOMs and Others by UPPCL	(49.11)	(41.64)
Total	3139.36	2991.36

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Signature



**Uttar Pradesh
Power Corporation Limited**

Note-30

REPAIRS AND MAINTENANCE

(₹ in Crore)

Particulars	For the Year ended 31.03.2024		For the Year ended 31.03.2023	
Plant & Machinery	722.29		641.77	
Buildings	40.89		39.28	
Other Civil Works	27.84		14.85	
Lines, Cables Networks etc.	1453.89		1595.69	
Energy Internally Consumed	179.02		186.01	
Vehicles - Expenditure	58.55		69.35	
Less: Transferred to different Capital & O&M Works/ Administrative Exp.	(58.55)	2423.93	(69.35)	2477.60
Furnitures & Fixtures	0.13		1.23	
Office Equipments	21.11		14.36	
Payment to Contractual Persons	183.32		166.80	
Transferred to different Capital & O&M Works/ Administrative Exp.	(183.32)	21.24	(166.80)	15.59
Sub Total		2445.17		2493.19
Expenses Allocated to DISCOMS and Others by UPPCL		(2.62)		(2.15)
Total		2442.55		2491.04

Note-31

BAD DEBTS & PROVISIONS

(₹ in Crore)

Particulars	For the Year ended 31.03.2024		For the Year ended 31.03.2023	
(A) Provision for Bad & Doubt Debts on				
(i) Non Current Assets				
Financial Assets- Investments (Impairment)	(1.20)		2.21	
Financial Assets-Loans (Non-Current)	29.67		37.84	
Financial Assets-Others (Non-Current)	145.61	174.08	0.00	40.05
(ii) Current Assets				
Current Assets- Inventories	40.19		12.95	
Financial Assets- Trade Receivables	9771.88		14518.47	
Financial Assets-Others (Current)	493.24		(33.97)	
Other Current Assets	5.03	10310.34	23.77	14521.22
Total (A+B)		10484.42		14561.27

Refer Note No. 31 of the Notes to Accounts for the movement in the provisions during the year

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**Uttar Pradesh
Power Corporation Limited**

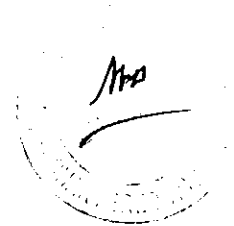
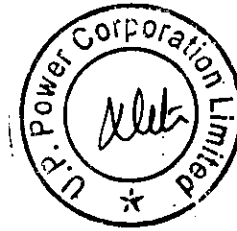
Note-32

EXCEPTIONAL ITEMS

(₹ in Crore)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Provision for loss being incurred by GPF Trust	72.08	52.05
Provision for loss being incurred by CPF Trust	49.96	46.63
Total	122.04	98.68

Signature



U.P. Power Corporation Limited
CIN: U32201UP1999SGC024928

Note No. 33

Notes to Accounts forming part of Consolidated Financial Statements for the F.Y 2023-24
(Period 01-04-2023 to 31-03-2024)

1. Brief:

1.1 Under the U.P. Electricity Reforms Act, 1999 by Govt. of Uttar Pradesh (GoUP), the erstwhile Uttar Pradesh State Electricity Board (UPSEB) was unbundled into the following three separate entities through the first reforms Transfer Scheme dated January 14, 2000:

- Uttar Pradesh Power Corporation Limited (UPPCL): vested with the function of Transmission and Distribution within the State.
- Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL): vested with the function of Thermal Generation within the State.
- Uttar Pradesh Jal Vidyut 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.f. 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 UPPCL. The assets, liabilities and personnel of KESA were transferred to KESCO w.e.f. January 15, 2000, vide GoUP notification no. 186/XXIV- 1-2000 dated, January 15, 2000.

1.4 Due to division of State of Uttar Pradesh a separate State named as Uttaranchal (now Uttarakhand) came into existence w.e.f. November 09, 2001 and a separate company as Uttaranchal Power Corporation Ltd. (now Uttarakhand Power Corporation Ltd.) (UPPCI) 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 liabilities and personnel relating to UPPCL w.e.f. November 11, 2001 were transferred vide agreement dated October 12, 2003 with Uttarakhand Power Corporation Ltd.

1.5 After the enactment of the Electricity Act, 2003, the further unbundling of the UPPCL (Responsible for business of both transmission and distribution) was done. Therefore, the following four new distribution companies (DISCOMs) were created as per the Uttar 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. 12.08.2003

- Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL).
- Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL).
- Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL).
- Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL).

Under this Scheme the role of UPPCL was specified as Bulk Supply Licensee "as per the license granted by the commission and as "State Transmission Utility" under sub-section (1) of section 27- B of the Indian Electricity Act, 1910.



1.6 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 Uttar 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 (GoUP), in exercise of power under the Section 30 of the EA 2003, vide notification No. 122/U.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 Reforms (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. 1529/24-P-2-2015-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 notified by Provisional Transfer Schemes of DISCOMs and TRANSCO which were referred to in 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.

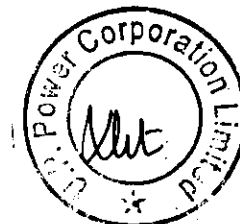
2. The Holding, Subsidiary, and Associate companies considered in the Consolidated Financial Statements are as follows:

Sl. No.	Name of Company	Status	Proportion (in %) of Shareholding as on*	
			31-03-2024	31-03-2023
1	U.P. Power Corporation Limited	Holding	NA	NA
2	Purvanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
3	Pashchimanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
4	Madhyanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
5	Dakshinanchal Vidyut Vitran Nigam Limited**	Subsidiary	100	100
6	Kanpur Electricity Supply Company Limited**	Subsidiary	100	100

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

** It represents the Distribution Companies (DISCOMs).

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



4. The Board of Directors of Discoms have escrowed all the Revenue receipt accounts in favour of U.P. Power Corporation Limited, Lucknow. The Holding Company has been further authorized to these escrowed revenue accounts for raising or borrowing the funds for & on behalf of distribution companies for all necessary present and future financial needs including Power Purchase obligation.
5. Accounting entries after reconciliation (IUT) have been incorporated in the current year. Reconciliation of outstanding balances of IUT is under progress and will be accounted for in coming years.
6. **Property, Plant & Equipment:**
 - a. The Property, Plant & Equipment including Land remained with the company after notification of final transfer scheme are inherited from erstwhile UPSEB which had been the title holder of such Non-Current Assets. The company is making efforts to recognize and identify the location of land along with its title deed as well as of other Property, Plant & Equipment, transferred under various Transfer Schemes for the purpose of maintaining fixed assets registers. 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. UPPCL is accruing lease rent every year @ ₹1 per month in respect of land under possession of Kesco in compliance to the UP Transfer of KESA Zone Electricity Distribution Undertaking Scheme, 2000 issued vide notification No 186/XXIV-1-2000 dated 15/01/2000. The above also includes Plot no 4, block 96, area 10198.53 sqm & Plot No 54, block-14, area 5958.24 sqm. The lease period of these two plots were completed in the year 1994. After the completion of lease period, the process of converting lease land in to free hold land could not be done due to some administrative constraint. The company Kesco is fully exercising its right on the use of above plots undisputedly and there is no legal litigation over the use of this plot/land at present in any forum.
 - c. Where historical cost of a discarded/retired/obsolete Property, Plant & Equipment is not available, the estimated value of such asset and depreciation thereon has been adjusted and accounted for.
 - d. In terms of powers conferred by the Notification no. GSR 627(E) dated 29 August, 2014 of Ministry of Corporate Affairs, Govt. of India, the depreciation/amortization on Property, Plant & Equipment/Intangible Assets have been calculated taking into consideration the rate/useful life of assets as approved by the regulator in the regulation of UPERC (Multi Year Tariff for Distribution and Transmission) Regulation, 2019.
7. No loan has been taken by the Subsidiary Companies (Discoms) through REC, PFC & Bonds during the current financial year. Loan of ₹6,610.00 Crore were received through the Holding Company i.e. UPPCL (The UPPCL takes loan from financial institution and issues bonds for and on behalf of Discoms) as per details given below:

(₹ in crore)

Sl. No.	Particulars	DVVNL	PuVVNL	PVVNL	MVNNL	Kesco	UPPCL	Total
1	REC	-	-	-	-	-	3106.00	3106.00
2	PFC	-	-	-	-	-	3504.00	3504.00

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3	Bond	-	-	-	-	-	0.00	0.00
	Total	0.00	0.00	0.00	0.00	-	6610.00	6610.00

8. Borrowing cost capitalized during the year is NIL. (31st March, 2023 Rs. NIL.).

9. Provision for Bad & Doubtful Debts on Trade Receivables

(i) The Company has reviewed the estimation of provision for Bad & Doubtful Debts consistently followed according to the policy in order to ensure compliance as well as accounting in accordance with the provisions contained in the Ind AS-109 and companies Act, 2013. The objective of the same is to provide a scientific approach and logical mode of calculation for creating provision on the receivable reflecting at the Financial Year end i.e. 31.03.2024. The Company has adopted simplified approach described in the above Ind AS to calculate the expected credit loss as tabulated below:

(₹ in crore)

Ageing Bucket	Arrear Amount	Provisioning %	Provisioning Amount
PuVVNL			
Up to 6 Months	7124.00	0%	0.00
Greater than 6 months and up to 1 year	3074.00	34%	1045.00
Greater than 1 year and up to 2 years	2572.00	37%	952.00
Greater than 2 year and up to 3 years	1590.00	43%	684.00
Greater than 3 years	18223.00	60%	10934.00
Total	32583.00		13615.00
MVVNL			
Up to 6 Months	4129.03	0.00%	0.00
Greater than 6 months and up to 1 year	1066.58	31.05%	331.16
Greater than 1 year and up to 2 years	1893.24	33.94%	642.62
Greater than 2 year and up to 3 years	594.45	42.31%	251.50
Greater than 3 years	17003.25	60.00%	10201.95
Total	24686.56		11427.23
DVVNL			
Up to 6 Months	2549.11	0%	0.00
Greater than 6 months and up to 1 year	724.35	27%	195.57
Greater than 1 year and up to 2 years	923.80	30%	277.14
Greater than 2 year and up to 3 years	328.24	38%	124.73
Greater than 3 years	14673.76	60%	8804.26
Total	19199.26		9401.70
Note: In DVVNL Up to 6 months' figure is Rs. 2549.11 (Rs. 1985.16+563.95)			
PVVNL			
Up to 6 months	5066.01	0%	0.00
Greater than 6 months and up to 1 year	1145.75	12%	137.49
Greater than 1 year and up to 2 years	845.56	15%	126.83
Greater than 2 year and up to 3 years	325.27	22%	71.56
Greater than 3 years	5688.17	60%	3412.90

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Total **13070.76** **3748.79**

*Dues receivables from Government Consumers have not been considered for provisioning for Bad & Doubtful Debts. The difference between Arrears as per IT and as per Accounts has been adjusted in More than 3 years Ageing bar.

KESCO

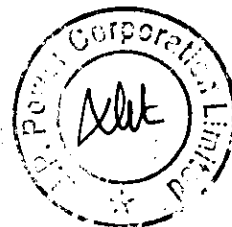
Upto 6 months	143.66	0%	0.00
Greater than 6 months and upto 1 year	20.17	17.00%	3.43
Greater than 1 year and upto 2 years	31.74	19.00%	6.03
Greater than 2 years and upto 3 years	16.93	27.00%	4.57
Greater than 3 years	2420.28	60%	1452.17
Total	2632.78		1466.20

Note: - Following assumption/management estimate has been considered while formulating the above mentioned provisioning rates:

- a. Electricity dues/receivables from Government Consumers as at the financial year end has not been considered for provisioning towards Bad & Doubtful Debts considering that the GoUP makes the provision regularly in its budget towards payment against electricity dues/receivables from the Departments of GoUP 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 bucket 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 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 years:** Based on the collection efforts and the current 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 i.e. F.Y. 2022-23. Under these assumptions, in the current financial year provisioning @ 60% on trade receivables is proposed under this age bucket for F.Y. 2023-24 and the same would be increased by another 20% each year till FY 2026. From F.Y. 2026 onwards, 100% provision would be applicable under this age bucket.

(ii) The details of provision for doubtful loans & 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, Purvanchal Vidyut Vitran Nigam Limited, Pashchimanchal Vidyut Vitran Nigam Limited and an amount of Provision ₹0.26 Crore increased by Kanpur Electricity Supply Company Limited against the unadjusted advances for more than two years as shown and clubbed in the Note no. 13 (in Rs. 9.02 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).

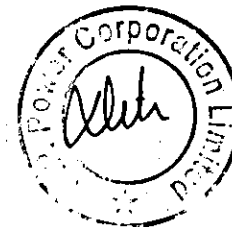


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- (c) Provision @ 100% is being provided by the UPPCL on its SFS as per the management estimates on the amounts relating to "Interest on advances to UMPP", "Other Deposits", and "Assets Migration Account" under Note-08 'Financial Assets- Others (Non-Current)'.
- (iii) A provision for doubtful receivables to the extent of 10% on the balances appearing under the different heads of "Financial Assets- Others- Current" Note no. 12 by UP Power Corporation Limited and Pashchimanchal Vidyut Vitran Nigam Limited. 10% Provision on incremental Receivable from Employees by Purvanchal Vidyut Vitran Nigam Limited and an amount of ₹0.03 Crores decreased by Kanpur Electricity Supply Company Limited against the doubtful receivables from Employees & Others for more than two years as shown in "Financial Assets-Other- Current" Note no. 12 and provision @ 100% has been provided on the balances lying pending for more than three years appearing under the head "Others" in UPPCL SFS.
- (iv) The provision for unserviceable store (Note no. 09) has been made @10% of closing balance by Pashchimanchal Vidyut Vitran Nigam Limited and the 100% Provision for loss on account of theft of fixed assets pending investigation (Note no. 12) have been made for balance at the close of financial year by Discoms.
10. Government dues payable in respect of Electricity Duty and other Levies amounting to ₹13907.13 crore shown in Note-21 include ₹852.64 crore on account of Other Levies realized from consumers.
11. Liability towards staff training expenses, medical expenses and LTC has been provided to the extent established.
12. (a) Some balances appearing under the heads 'Financial Assets-Other (Current)', 'Financial Assets- Loans (Non-Current)', 'Other Current Assets', 'Other Financial Liabilities (Current)' and 'Financial Liabilities- Trade Payables (Current)' are subject to confirmation/reconciliation and subsequent adjustments, as may be required.
- (b) On an overall basis the assets have a value on realisation in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.
13. Basic and diluted earnings per share has been shown in the Statement of Profit & Loss in accordance with Ind AS-33 "Earnings Per Share". Basic earnings per share have been computed by dividing net loss after tax by the weighted average number of equity shares outstanding during the year. Number used for calculating diluted earnings per equity share includes the amount of share application money (pending for allotment).

			(₹ in crore)
<u>Earning per share:</u>			
		<u>31.03.2024</u>	<u>31.03.2023*</u>
(a)	Net Profit/(Loss) after tax (numerator used for calculation)	(7340.12)	(17722.78)
(b)	Weighted average number of Equity Shares* (denominator for calculating Basic EPS)	1235981653	1149194985
(c)	Weighted average number of Equity Shares* (denominator for calculating Diluted EPS)	1250122247	1156627616
(d)	Basic earnings per share of Rs. 1000/-	(59.39)	(154.22)



	each (EPS Amount in Rupees)		
(e)	Diluted earnings per share of Rs. 1000/-	(59.39)	(154.22)
	each (EPS Amount in Rupees)		

*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-Dilutive as their conversion to Equity Share would decrease loss per share, therefore, effect of Anti-Dilutive Potential Equity Shares is ignored in calculating Diluted Earnings Per Share) * Calculated on monthly basis.

14. (a) Based on actuarial valuation report dated 09.11.2000 submitted by M/s Price Waterhouse Coopers to UPPCL (the Holding Company) provision for accrued liability on account of Pension and Gratuity for the employees recruited prior to creation of the UPPCL i.e. for GPI employees has been made @16.70% and 2.38% respectively on the amount of Basic pay and DA paid to employees.

(b) As required by IND AS 19 (Employee Benefits), the Companies covered under this Consolidated Financial Statements (UPPCL and Discoms) have measured its liabilities arising from Gratuity for the employees covered under CPF Scheme & Leave encashment of all employees and stated the same in Balance Sheet and Statement of P&L in the financial year 2023-24 on the basis of Actuarial Reports.

15. 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 31.03.2024 and accordingly the same has been taken by the Subsidiaries and other power sector companies owned by GoUP.

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 NIL. (Previous year NIL).

19. (A) Disclosure as per Schedule-III of the Companies Act, 2013 areas under:

1) Ageing of Trade Receivable

Balance of Trade Receivables as
on 31.03.2024

Particulars	Outstanding for following periods from due date of payment					TOTAL
	Less than 6 Months	6 months -1 year	1-2 years	2-3 years	More than 3 years	

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(i) Undisputed Trade receivables - considered good	25,725.15	4,377.68	3,574.93	1,538.91	21,322.02	56,538.69
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	3,074.08	2,571.73	1,590.27	18,222.93	25,459.01
(iii) Undisputed Trade receivables - credit impaired	-	452.40	1,064.12	490.74	25,022.55	27,029.81
(iv) Unallocated Revenue (Trade receivables - credit impaired)	-	-	-	-	-	-
(v) Disputed Trade receivables - considered good	-	-	-	-	-	-
(vi) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(vii) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
(viii) Unallocated Revenue- considered good	-	-	-	-	-	-156.68
TOTAL						1,08,870.83

Balance of Trade Receivables as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment					TOTAL
	Less than 6 Months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	14,071.81	3,259.01	6,129.56	3,268.14	33,061.24	59,789.76
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	1,755.00	1,004.90	1,094.18	23,365.58	27,219.66
(iii) Undisputed Trade receivables - credit impaired	-	158.08	676.78	559.91	19,336.15	20,730.92
(iv) Unallocated Revenue (Trade receivables - credit impaired)	-	-	-	-	-	-
(v) Disputed Trade receivables - considered good	-	-	-	-	-	-
(vi) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(vii) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
(viii) Prior Period Adjustment made during current year	-	-	-	-	-	-
(ix) Unallocated Revenue- considered good	-	-	-	-	-	-286.55
TOTAL						1,07,453.79

From

MD



II) Ageing of Trade Payable

**Balance of Trade Payables
(Current & Non-current) as on
31.03.2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
(i) MSME*	3.16	0	0	0	3.16
(ii) Others	21,557.48	3,103.70	292.95	389.63	25,343.76
(iii) Disputed Dues-MSME	0.87	0	0	0	0.87
(iv) Disputed dues-Others	23.46	0.00	0.00	0.00	23.46
(v) Outstanding with Debit Balances	0	0	0	0	0
Total	21,584.96	3,103.70	292.95	389.63	25,371.25

**Balance of Trade Payables
(Current & Non-current) as on
31.03.2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
(i) MSME*	3.32	0	0	0	3.32
(ii) Others	27,937.44	3,385.99	552.79	357.70	32,233.92
(iii) Disputed Dues-MSME	6.72	0	0	0	6.72
(iv) Disputed dues-Others	28.99	0.00	0.00	0.00	28.99
(v) Outstanding with Debit Balances	-1.41	0	0	0	-1.41
Total	27,975.06	3,385.99	552.79	357.70	32,271.54

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III) Ageing of CWIP

Particulars	Amount in CWIP for a period ended 31.03.2024				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Project in progress	4065.69	843.22	259.08	233.59	5401.58
Project temporarily suspended	0	0	0	0	0
Other	0	0	0	0	0
Advances to Contractors (Net) (material issued for construction of capital works)	2417.89	434.56	120.66	609.33	3582.44
GRAND TOTAL					8 984.02

Particulars	Amount in CWIP for a period ended 31.03.2023				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Project in progress	865.49	364.82	181.13	1011.00	2422.44
Project temporarily suspended	0	0	0	0	0
Other	0	0	0	0.04	0.04
Advances to Contractors (Net) (material issued for construction of capital works)	601.67	156.34	174.74	456.86	1389.62
GRAND TOTAL					3812.10

Ageing of Intangible Assets under development

Particulars	Amount in CWIP for a period ended 31.03.2024				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Project in progress	0	0	0	0	0
Project temporarily suspended	0	0	0	0	0
GRAND TOTAL					0

Particulars	Amount in CWIP for a period ended 31.03.2023				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Project in progress	1.29	0	0	0	1.29
Project temporarily suspended	0	0	0	0	0
GRAND TOTAL					1.29

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(B) Additional Information required under the Schedule-III of the companies Act, 2013 are as under:

(a) Quantitative Details of Energy Purchased and Sold:

Sl. No.	Details	F.Y 2023-24 (Units in MU)	F.Y 2022-23 (Units in MU)
(i)	Total number of units purchased	1,41,931.690	1,37,289.920
(ii)	Total number of units sold	1,13,477.459	1,08,409.932
(iii)	Transmission & Distribution Losses	28,454.233	28,879.988

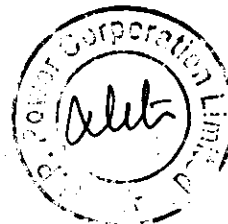
Detail of Power Purchased by UPPCL (Holding Company) during the year ended 31.03.2024:

Particulars	Amount (₹ Crore)
Power Purchase	
Thermal	55,507.20
Hydro	5,445.44
Solar	2,009.88
Wind	1,327.59
Nuclear	647.29
Others	4,496.83
Sub-total (i)	69,434.23
Transmission & related Charges	
Inter-State	3,831.38
Intra-State	1,250.31
Sub-total (ii)	5,081.69
Total (i+ii)	74,515.92
Less: Rebate & Others	426.37
Subsidy against Power Purchase & Others	196.80
Grand Total	73,892.75

During the year Transmission charges have been decreased to ₹5,081.69 crore from ₹6,846.54 crore. The main reason for such decrease is that the procedure for applicability of transmission charges were changed w.e.f. 1/10/2023 by implementation of new regulations wherein the transmission charges applicability changed from LTA quantum to drawl basis (GNA regulation). In such case the transmission charges were limited on GNA quantum sought i.e. average drawl being done by UPPCL. In earlier case, based on LTA quantum, Discoms had to pay charges against full LTA quantum even if they didn't draw full power & so the new regulation was implemented to distribute transmission charges between various state Discoms based on power drawn by them.

(b) Commitments, Contingent Liabilities/Assets:

Sl. No.	Details	Amount (₹ In crore)	
		F.Y 2023-24	F.Y 2022-23
	Commitments:		
I	Estimated amount of contracts remaining to be executed on capital account and not provided for	15.12	2.51



Contingent Liabilities

1	Guarantees	3.05	-
2	Power Purchase	6,531.68	6488.21
3	Amount involved in court cases	13.92	22.01
4	Statutory Dues	1064.53	1.03
5	Indemnity bond submitted to ACMM Kanpur for release of Cash recovered in ICICI case	0.92	-
6	Other Contingent Liabilities	1,213.27	672.58
	Total	8,842.49	7186.34
	Contingent Assets*	0.00	0.00

* In compliance of Hon'ble Supreme Court of India interim order under civil appeal no. 974/2023 (UPPCL Vs. Sahasradhara Energy Pvt Ltd & ORS), provision for differential liability is being created in the books of accounts (i.e. PPA Rate- UPERC approved rate) for M/s Sahasradhara Energy Pvt Ltd and M/s Adani Green Energy Pvt Ltd. However, Generation Based Incentive receivable from UPNEDA is not being recognised till final decision of Hon'ble Supreme Court. As on 31.03.2024, amount of ₹20.62 Crore is receivable from UPNEDA subject to final outcome.

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

Sl. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities as at 31.03.2024		Share in Profit or Loss for the Year 2023-24		Share in other comprehensive income for the Year 2023-24		Share in Total Comprehensive income for the Year 2023-24	
		As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated other comprehensive income	Amount (₹ in Crore)	As % of Consolidated Total Comprehensive income	Amount (₹ in Crore)
A	<u>Parent</u>								
	U.P. Power Corporation Ltd., Lucknow	37.13	9347.79	84.03	(6127.52)	3.17	(1.53)	83.50	(6129.05)
	Add: Reversal of Provision through P&L	0.00	0.00	(76.09)	5548.26	0.00	0.00	-75.59	5548.26
	Restated Balance	37.13	9347.79	7.94	(579.26)	3.17	(1.53)	7.91	(580.79)
B	<u>Subsidiaries (Restated)</u>								
	Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow	16.33	4111.13	18.64	(1359.21)	22.42	(10.82)	18.66	(1370.03)
	Purvanchal Vidyut Vitran Nigam Ltd., Varanasi	25.27	6362.49	51.57	(3760.15)	34.60	(16.70)	51.45	(3776.85)
	Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut	44.94	11314.95	(11.83)	862.74	13.78	(6.65)	-11.66	856.09
	Dakshinanchal Vidyut Vitran Nigam Ltd., Agra	(15.79)	(3974.91)	30.94	(2255.80)	26.13	(12.61)	30.90	(2268.41)
	Kanpur Electricity Supply Company Ltd., Kanpur	(7.88)	(1983.56)	7.49	(545.97)	(0.10)	0.05	7.44	(545.92)
C	<u>CFS Adjustments</u>								
	CFS Adjustments (refer Note 15)			(4.74)	345.79			-4.71	345.79
	Total	100.00	25177.89	100.00	(7291.86)	100.00	(48.26)	100.00	(7340.12)



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

21. RELATED PARTY DISCLOSURE:

Part-I

1. Names of the Related Parties and Description of Relationship:

(a) Related Parties where control exists:

i. Subsidiaries* (DISCOMs)

1. Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL)
2. Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL)
3. Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL)
4. Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL)
5. Kanpur Electricity Supply Company Ltd. (KESCO)

*The government of Uttar Pradesh vide its cabinet note no.412/1793734/2024 dated 14.03.2024, provided instruction to the company (i.e U.P. power Corporation Limited) to incorporate a 100% wholly owned subsidiaries in the name of "UP Renewable and EV Infrastructure Limited". The object of the company is to provide infrastructure and service for charging of Electric Vehicle (EV) and related incidental services in the state of Uttar Pradesh. In view of above instruction, the company "UP Renewable and EV Infrastructure Limited" has been incorporated on 27.05.2024.

ii. Employment Benefit Funds

1. U.P. Power Sector Employees Trust (GPF)
2. U.P. Power Corporation Contributory Provident Fund Trust (CPF)

(b) Other Related Parties

(Where Transactions have been taken place during the year or previous year/balances outstanding)

1. Associates and Related Entities - Nil
2. Joint Venture Corporation - Nil

(c) GoUP-Related Power Sector Entities (under the same government):

1. U.P. Rajya Vidyut Utpadan Nigam Ltd. (UPRVUNL)*
2. U.P. Power Transmission Corporation Ltd. (UPPTCL)
3. U.P. State Load Dispatch Center Limited (UPSIDC)

*The Government of Uttar Pradesh vide Gazette Notification dated 03.11.2023 has notified the Scheme as THE UTTAR PRADESH ELECTRICITY REFORMS (AMALGAMATION AND MERGER OF STATE GENERATING COMPANIES) SCHEME, 2023 (Scheme). Accordingly, Jawaharpur Vidyut Utpadan Nigam Ltd. (JVUNL) has been merged with Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd. (UPRVUNL) and then UPRVUNL has been merged into UP Jal Vidyut Nigam Ltd. (UPJVNL). As per clause 10 of the Scheme, for change in the name, Form 'Run' was filed by UPJVNL and MCA has given its 'no objection' confirmation for the new name i.e. U.P. Rajya Vidyut Utpadan Nigam Ltd on 31.01.2024



(d) Disclosure as per Ind AS 27 (Separate Financial Statements):

i. Key Management Personnel:

Name	Name of Post	From	To
U.P Power Corporation Limited.			
(a) Key Management Personnel: -			
Dr. Ashish Kumar Goel	Chairman	27.07.2023	Till Date
Shri M. Devaraj	Chairman	02.02.2021	27.07.2023
Shri Pankaj Kumar	Managing Director	10.03.2021	Till Date
Shri Nidhi Kumar Narang	Director (Finance)	01.06.2022	Till Date
Shri Amit Kumar Srivastava	Director (Commercial)	24.05.2022	Till Date
Shri Kamalesh Bahadur Singh	Director (Corporate Planning) and Director (P & MA) (In Additional Charge)	18.06.2022	Till Date
Shri Sourajit Ghosh	Director (I.T.)	18.06.2022	Till Date
Shri Mrugank Shekhar Dash Bhattamishra	Director (Personnel and Administration)	12.07.2022	07.12.2023
Shri Gyanendra Dhar Dwivedi	Director (Distribution)	11.10.2023	Till Date
Shri Nitin Nijhawan	Chief Finance Officer	01.12.2022	Till Date
Sri Jitesh Grover	Company Secretary (Additional Charge)	22.08.2022	Till Date*

* Ms. Priti Arora, full time Company Secretary has joined the company on 07.06.2024

(b) Nominee Directors :

Shri Guru Prasad Porala	Nominee Directors	23.07.2021	04.03.2024
Shri Ranvir Prasad	Nominee Directors	04.03.2024	Till Date
Shri Anupam Shukla	Nominee Directors	10.08.2022	Till Date
Smt. Neha Sharma	Nominee Directors	02.09.2022	Till Date
Shri Neel Ratan Kumar	Nominee Directors	16.04.2013	Till Date
Shri Sanjai Kumar Singh	Nominee Directors	14.02.2023	03.05.2023
Shri Abhishek Singh	Nominee Directors	03.05.2023	Till Date
Shri Ali Shah	Nominee Directors	16.06.2023	21.02.2024
Shri Sandeep Kumar	Nominee Directors	21.02.2024	Till Date
Shri R.P. Vaishnav	Nominee Directors	16.06.2023	Till Date

Purvanchal Vidyut Vitran Nigam Limited

(a) List of Directors & Key Managerial Personnel

Shri M Devaraj	Chairman	02-Feb-21	27.07.2023
Dr. Ashish Kumar Goel	Chairman	27.07.2023	Till Date
Shri Shambhu Kumar	Managing Director	08.10.2022	Till Date
Smt. Annapurna Garg	Women Director	29.08.2022	Till Date
Shri Santosh Kumar Jadia	Director (Finance)	23.05.2022	Till Date
Shri Rajendra Prasad	Director(Commercial)	27.05.2022	Till Date
	Director (P&A) (Additional Charge)	22.03.2023	10.10.2023



	Director (Technical) (Additional Charge)	07.06.2023	08.01.2024
Shri Ravindra Kumar Jain	Director (P&A)	10.10.2023	Till Date
Shri Jitendra Nalwaya	Director (Technical)	08.01.2024	Till Date
Shri Amit Rohila	Chief Finance Officer	13.01.2023	Till Date
Shri S.C. Tiwari	Company Secretary	01.09.2015	Till Date
(b) Nominee Directors :			
Shri Guru Prasad Porala	Nominee Director	23.07.2021	04.03.2024
Shri Ranvir Prasad	Nominee Director	04.03.2024	Till Date
Shri Pankaj Kumar	Nominee Director	10.03.2021	Till Date
Shri Anupam Shukla	Nominee Director	04.11.2022	Till Date
Shri Nidhi Kumar Narang	Nominee Director	01.06.2022	Till Date
Shri Rameshwar Prasad Vaishnav	Nominee Director	13.06.2023	Till Date
Shri Ali Shah	Nominee Director	13.06.2023	21.02.2024
Shri Sandeep Kumar	Nominee Director	21.02.2024	Till Date

**Madhyanchal Vidyut Vitran Nigam
Ltd: -**

(a) Key Management Personnel: -

Shri M. Devaraj	Chairman	01.02.2021	27.07.2023
Dr. Ashish Kumar Goel	Chairman	27.07.2023	Till Date
Shri Bhawani Singh Khangarot	Managing Director	08.06.2022	Till Date
Shri Yogesh Kumar	Director (PM & A)	07.10.2022	04.11.2023
Shri Vikas Chandra Agarwal	Director (PM & A)	04.11.2023	Till Date
Shri Yogesh Kumar	Director (Commercial)	21.05.2022	Till Date
Shri Ajay Kumar Srivastava	Director (Technical)	07.06.2022	Till Date
Shri Santosh Kumar Jadia	Director (Finance)	26.09.2022	25.11.2023
Shri Manoj Bansal	Director (Finance)	25.11.2023	Till Date
Smt. Sandeep Kaur	Women Director	29.08.2022	Till Date
Shri Sanjeev Kumar Verma	Chief Financial officer	22.12.2022	Till Date

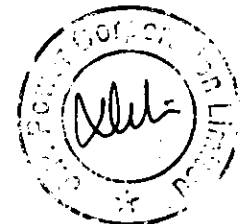
(b) Nominee Directors :

Shri Pankaj Kumar	Nominee Director	10.03.2021	Till Date
Shri P. Guruprasad	Nominee Director	23.07.2021	04.03.2024
Shri Ranvir Prasad	Nominee Director	04.03.2024	Till Date
Shri Nidhi Kumar Narang	Nominee Director	01.06.2022	Till Date
Shri Ali Shah	Nominee Director	26.05.2023	21.02.2024
Shri Sandeep Kumar	Nominee Director	21.02.2024	Till Date
Shri Rameshwar Prasad Vaishnav	Nominee Director	26.05.2023	Till Date

**Dakshinanchal Vidyut Vitran Nigam
Ltd: -**

(a) Key management personnel:

Shri Amit Kishore	Managing Director	05.03.2021	Till Date
Shri Hamendra Kumar Agarwal	Director (Finance)	21.05.2022	Till Date
Shri Rajeev Sharma	Director (P&A)	20.05.2022	Till Date
Shri Brij Mohan Sharma	Director (Technical)	19.02.2021	19.01.2024
Shri Ajay Agrawal	Director (Commercial)	09.10.2023	Till Date
Shri Hamendra Kumar Agarwal	Chief Financial Officer	14.07.2022	Till Date



Smt. Namrata Srivastava	Company Secretary	22.03.2023	Till Date
(b) Nominee Directors :			
Smt. J. Reebha	Nominee Director	29.08.2022	Till Date
Shri Ranvir Prasad	Nominee Director	04.03.2024	Till Date
Shri R.P Vaishnav	Nominee Director	17.07.2023	Till Date
Shri Ali Shah	Nominee Director	17.07.2023	21.02.2024
Shri Sandeep Kumar	Nominee Director	21.02.2024	Till Date
Shri P. Guruprasad	Nominee Director	23.07.2021	27.02.2024
Shri Pankaj Kumar	Nominee Director	10.03.2021	Till Date
Shri Nidhi Kumar Narang	Nominee Director	01.06.2022	Till Date

Pashchimanchal Vidyut Vitran Nigam Ltd.

(a) Key management personnel:

Dr. Ashish Kumar Goel	Chairman	27.07.2023	31.03.2024
Shri M. Devaraj	Chairman	02.02.2021	27.07.2023
Smt. Chaitra V.	Managing Director	20.01.2023	04.03.2024
Smt. Isha Duhan	Managing Director	04.03.2024	31.03.2024
Shri Shachindra Kumar Purvar	Director	21.05.2022	31.03.2024
Shri Hamendra Kumar Agarwal	Director	08.06.2023	19.10.2023
Shri Nand Kishor Mishra	Director	16.10.2023	31.03.2024
Shri Sanjay Jain	Director	16.10.2023	31.03.2024
Shri Swatantra Kumar Tomar	Director	19.10.2023	31.03.2024
Shri Jitesh Grover	Company Secretary	19.05.2021	31.03.2024
Shri Sachin Kamboj	Chief Financial Officer	28.05.2022	31.03.2024

(b) Nominee Directors :

Shri P. Guruprashad	Nominee Director	23.07.2021	31.03.2024
Shri Ranvir Prasad	Nominee Director	04.03.2024	31.03.2024
Shri Pankaj Kumar	Nominee Director	10.03.2021	31.03.2024
Smt. Nidhi Srivastava	Nominee Women Director	29.08.2022	31.03.2024
Shri Anupam Shukla	Nominee Director	02.02.2023	31.03.2024
Shri Ali Shah	Nominee Director	06.06.2023	21.02.2024
Shri R.P. Vaishnav	Nominee Director	06.06.2023	31.03.2024
Shri Sandeep Kumar	Nominee Director	21.02.2024	31.03.2024
Shri Nidhi Kumar Narang	Nominee Director	01.06.2022	31.03.2024

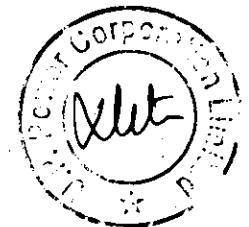
KESCO

(a) Key managerial personnel:

Dr. Ashish Kumar Goel	Chairman	27.07.2023	Till Date
Shri M Devaraj	Chairman	10.03.2022	27.07.2023
Shri Samuel Paul N.	Managing Director	23.02.2023	Till Date
Shri Hamendra Kumar Agarwal	Director (Finance)	12.12.2022	Till Date
Shri Rakesh Varshney	Director (Commercial)	16.10.2023	Till Date
Shri Sanjay Srivastava	Director (Technical)	20.01.2021	31.07.2023
Shri Anand Kumar	Chief Finance Officer	22.12.2022	Till Date
Smt Pallavi Khurana Malhotra	Company Secretary	03.02.2023	Till Date

(b) Nominee Directors :

Shri Pankaj Kumar	Nominee Director	10.03.2021	Till Date
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Shri Nidhi Kumar Narang	Nominee Director	01.06.2022	Till Date
Shri Rakesh Kumar Singh	Nominee Director	29.01.2024	Till Date
Shri Vishakh G	Nominee Director	08.06.2022	29.01.2024
Smt Mala Srivastava	Women Director	22.12.2023	Till Date
Smt Yashu Rustagi	Women Director	29.08.2022	22.12.2023
Shri R P Vaishnav	Nominee Director	17.07.2023	Till Date
Shri Sandcep Kumar	Nominee Director	21.02.2024	Till Date
Shri Ali Shah	Nominee Director	17.07.2023	21.02.2024

ii. Relative of Key Managerial Personnel (if any)

(Where transaction have taken place during the year or previous year/balances outstanding)

-NIL

Part-II

Transactions with Related Parties are as follows:

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

Particulars	(₹ in crore)	
	2023-24	2022-23
Salary & Allowances	8.91	8.02
Leave Encashment	0.32	0.93
Contribution to Gratuity/ Pension/ PF	0.95	0.79

(b) Transactions with GoUP Related Power Sector Entities for the year ended on 31.03.2024

(₹ in crore)

Sl. No	Particulars	GoUP Related Power Sector Entities (Under Same Government)	
		UPRVUNL	UPPTCL
1.	Purchase of Power	13772.86	(1.66)
2.	Transmission Charges	-	3506.94
3.	Allocation of Common Expenditure	1.56	19.71
4.	Investment in Equity	-	-
5.	Share Application Money	-	-
6.	Other Receivables	-	21.47
7.	Other Payables	(191.31)	-

Part-IV

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

Particulars	(₹ In crore)	
	31 st March, 2024	31 st March, 2023
Amount Recoverable		
From Others		
> UPPTCL*	2967.20	2950.62
Amount Payable		
To Others		
> UPPSET	2576.15	2430.42
> UPPTCL (Trade Payable)	5874.59	6628.57



➤ UPRVUNL	8714.09	8522.70
➤ UPPCL CPF	788.49	737.94

*It includes investment in equity of ₹2,213.34 Crore and Share application money of ₹180.72 Crore.

22. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, 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 include 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 cash & cash equivalents and deposits with banks and financial institutions. In order to manage the risk, company accepts only high rated bank/FIs.

Maturity Profile of UPPCL Borrowings on behalf of DISCOMs

- 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, while optimizing the return. The Company has no material foreign currency transaction hence there is no Market Risk w.r.t foreign currency translation.
- iii. **Market Risk- Interest Rate Risk:** The Company is exposed to interest rate risk arising from borrowing with floating rates because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The 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-bearing financial instruments is as under:

Particulars	₹ in Crore)	
	As at 31.03.2024	As at 31.03.2023
Financial Assets		
Fixed Interest Rate Instruments- Deposits with Bank	3339.95	3666.35
Total	3339.95	3666.35
Financial Liabilities		
Fixed Interest Rate Instruments- Financial Instrument Loan	67936.67	78256.86
Variable Interest Rate Instruments- Cash Credit from Banks	199.77	200.69
Total	68136.44	78457.55

* It 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 cash flows will fluctuate because of a change in market interest rates.

- v. **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

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cash 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 ₹2460.72 crore includes ₹1875.15 crore placed with ICICI bank out of which ₹1825.67 crore are in terms of Debt Service Reserve Account (DSRA)/Bond Service Reserve Account (BSRA) as per bond issuance terms/agreements executed with the debenture trustees M/s Beacon Trusteeship Ltd. / M/s Vistra ITC Ltd. for various issues of Bonds by UPPCL. However, there is a risk factor associated with placement of major portion of deposits with any one bank.

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

23. Capital Management

The 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.

24. 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.

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

26. Consequent to the applicability of Ind-AS the financial statements for the year ended 2023-24 has been prepared as per Ind-AS. Accordingly previous year's figures have been regrouped/ rearranged wherever necessary to confirm to this year classification.

27. The Consolidated Annual Accounts of 2022-23 has been adopted in Annual General meeting held on 30.03.2024.

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

29. 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.

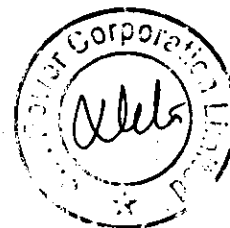
30. Prior period error in total income or total expenditure has been considered material if it exceeds ½% of the revenue from the operations of the immediate preceding financial year. If error or omission related to income exceeds the ½% ceiling limit as explained above, then all prior period error (whether related to income or expenditure) has been considered material and dealt in accordance with Ind AS 8. In the same manner, If error or omission related to expenditure exceeds the ½% ceiling limit as explained above, then all prior period error



(whether related to income or expenditure) has been considered material and dealt in accordance with Ind As 8. Immaterial Prior Period Errors/omissions discovered during the year have been adjusted during the current year. Statement showing the details of correction and restatement are given below:

RECONCILIATION OF CONSOLIDATED BALANCE SHEET AS AT 01.04.2022

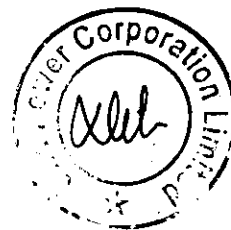
<i>(Rs. in Crore)</i>					
Particulars	Note No.	Audited figures as on 01.04.2022	Adjustments	Restated figures as on 01.04.2022	Remarks
(1) ASSETS					
(1) Non-current assets					
(a) Property, Plant and Equipment	2	65,161.39	-27.58	65,133.81	PPE
(b) Capital work-in-progress	3	3,381.71	-0.02	3,381.69	Round off
(c) Assets not in Possession	4	132.58	-124.20	8.38	PPE
(d) Intangible assets	5A	82.53	-0.01	82.52	Round off
(e) Intangible Assets Under Development	5B	60.36	-	60.36	
(f) Financial Assets					
(i) Investments	6	2,170.86	-	2,170.86	
(ii) Loans	7				
(iii) Others	8	18,444.62	-	18,444.62	
(2) Current assets					
(a) Inventories	9	3,784.94	-	3,784.94	
(b) Financial Assets					
(i) Trade receivables	10	87,244.59	-330.25	86,914.34	CFS Adjustment
(ii) Cash and cash equivalents	11-A	5,977.58	-	5,977.58	
(iii) Bank balances other than (ii) above	11-B	647.55	-	647.55	
(iv) Others	12	4,955.26	-10.61	4,944.65	PPE, Regrouping & Round off
(c) Other Current Assets	13	2,731.82	-0.02	2,731.80	PPE & Round off
Total Assets		1,94,775.79	-492.69	1,94,283.10	
(II) EQUITY AND LIABILITIES					
<u>Equity</u>					
(a) Equity Share Capital	14	1,09,679.38	-	1,09,679.38	
(b) Other Equity	15	-63,296.68	-95.85	-63,392.53	PPE
<u>LIABILITIES</u>					
(1) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	16	71,111.30	-	71,111.30	
(ii) Trade payables	17				
(b) Other financial liabilities	18	6,104.99	-	6,104.99	
(2) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	19	11,985.66	-	11,985.66	
(ii) Trade payables	20	29,992.11	-	29,992.11	
(iii) Other financial liabilities	21	29,199.03	-396.84	28,802.19	PPE, CFS Adjustment, Regrouping & Round off
(b) Provisions	22				
Total Equity and Liabilities		1,94,775.79	-492.69	1,94,283.10	



RECONCILIATION OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2023

(Rs. in Crore)

Particulars	Note No.	Audited figures as on 31.03.2023	Adjustments	Restated figures as on 31.03.2023	Remarks
(I) ASSETS					
(1) Non-current assets					
(a) Property, Plant and Equipment	2	67945.59	(27.61)	67917.98	PPE & Round off
(b) Capital work-in-progress	3	3812.10	0.00	3812.10	
(c) Assets not in Possession	4	128.04	(121.15)	6.89	PPE
(d) Intangible assets	5A	150.91	0.00	150.91	
(e) Intangible Assets Under Development	5B	1.29	0.00	1.29	
(f) Financial Assets					
(i) Investments	6	2168.64	0.00	2,168.64	
(ii) Loans	7	0.00	0.00	0.00	
(iii) Others	8	16335.06	64.84	16,399.90	Regrouping & Round off
(2) Current assets					
(a) Inventories	9	2419.15	0.00	2419.15	
(b) Financial Assets					
(i) Trade receivables	10	78493.53	(276.89)	78216.64	PPE, Regrouping & CFS Adjustment
(ii) Cash and cash equivalents	11-A	4226.29	0.07	4226.36	PPE & Round off
(iii) Bank balances other than (ii) above	11-B	754.97	(46.02)	708.95	Regrouping
(iv) Others	12	5097.30	(11.31)	5085.99	PPE, Regrouping, Round off
(c) Other Current Assets	13	3641.25	41.99	3683.24	PPE & Round off
Total Assets		1,85,174.12	(376.08)	1,84,798.04	0.00
(II) EQUITY AND LIABILITIES					
<u>Equity</u>					
(a) Equity Share Capital	14	118467.77	0.00	118467.77	
(b) Other Equity	15	(79698.92)	(96.79)	(79795.71)	PPE & Round off
<u>LIABILITIES</u>					
(1) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	16	63936.82	0.00	63936.82	
(ii) Trade payables	17		2,632.28	2,632.28	Regrouping
(b) Other financial liabilities	18	6535.31	(0.01)	6535.30	Round off
(2) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	19	15449.52	0.01	15449.53	Round off
(ii) Trade payables	20	32271.48	(2632.22)	29639.26	Regrouping
(iii) Other financial liabilities	21	28212.14	(354.82)	27857.32	PPE, Regrouping & CFS Adjustment, Round off
(b) Provisions	22	0.00	0.00	0.00	
Total Equity and Liabilities		1,85,174.12	(376.08)	1,84,798.04	0.00

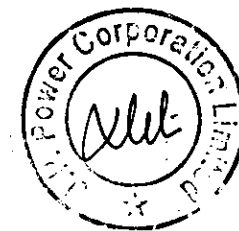


Reconciliation of Statement of Profit & Loss for the Year ended 2022-23

<i>(Rs. in Crore)</i>								
A	B	C	D	E	F	G	H	I=F
	Particulars	Note No.	Audited figures for the year ended 31.03.2023	Adjustment of PPE/ Regrouping		Total Adjustments	Restated figures for the year ended 31.03.2023	Adjustment of Prior Period Error for the period ended 31.03.2022 and before adjusted in Retained Earning
				Related to the Year ended 31.03.2023	Related to the Year ended 31.03.2022 and before			
I	Revenue From Operations	23	64461.32	173.38	16.46	189.84	64634.70	16.46
II	Other Income	24	25810.31	(2016.29)	20345.83	18329.54	23794.02	20345.83
III	Total Income (I+II)		90271.63	(1842.91)	20362.29	18519.38	88428.72	20362.29
IV	EXPENSES							
1	Cost of materials consumed							
2	Purchases of Stock-in-Trade (Power Purchased)	25	71955.76	0.00	0	0.00	71955.76	0.00
3	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress							
4	Employee benefits expense	26	2410.00	(2.54)	(57.36)	(59.90)	2407.46	(57.36)
5	Finance costs	27	8062.29	(0.06)	0.59	0.53	8062.23	0.59
6	Depreciation and amortization expenses	28	3577.75	(5.25)	15.23	9.98	3572.50	15.23
7	Administration, General & Other Expense	29	2973.37	17.99	73.54	91.53	2991.36	73.54
8	Repair and Maintenance	30	2491.13	(0.09)	56.96	56.87	2491.04	56.96
9	Bad Debts & Provisions	31	14561.18	0.09	0.00	0.09	14561.27	0.00
10	Other expenses							
IV	Total expenses (IV)		106031.48	10.14	88.96	99.10	106041.62	88.96
V	Profit/(Loss) before exceptional items and tax (III-IV)		(15759.85)	(1853.05)	20273.33	18420.28	(17612.90)	20273.33
VI	Exceptional Items	32	98.68			0.00	98.68	
VII	Profit/(Loss) before tax (V(+/-)VI)		(15858.53)	(1853.05)	20273.33	18420.28	(17711.58)	20273.33
VIII	Tax expense:							
	(1) Current tax							
	(2) Deferred tax							

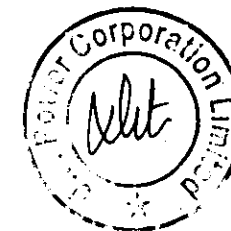
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IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(15858.53)	(1853.05)	20273.33	18420.28	(17711.58)	20273.33
X	Profit/(Loss) from discontinued operations	-	-	-	-	-	-
XI	Tax expense of discontinued operations	-	-	-	-	-	-
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)	-	-	-	-	-	-
XIII	Profit/(Loss) for the period (IX+XII)	(15858.53)	(1853.05)	20273.33	18420.28	(17711.58)	20273.33
XIV	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss- Remeasurement of Defined Benefit Plans (Actuarial Gain or Loss)	(11.20)	0.00	0.00	0.00	(11.20)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)	(15869.73)	(1853.05)	20273.33	18420.28	(17722.78)	20273.33
	EPS	(138.09)	(16.13)			(154.22)	

Note: Restatement on account of prior period errors has been made in PUVVNL, DVVNL and PVVNL only.



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

Particulars	Opening balance as on 01.04.2023	Provision made during the year	Withdrawal/ adjustment of provision during the year at UPPCL & Discoms through PL	Withdrawal/ adjustment of provision during the year at UPPCL & Discoms through Other	Closing Balance at UPPCL & Discoms as on 31.03.2024
CWIP- Capital Advance	11.70	-	0.01	-	11.69
Provision for Trade Receivable Note- 10	30,872.93	9,771.88	-	-	40,644.81
Provision for impairment in investment Note- 06	167.70	-	1.20	-	166.50
Provision for bad & doubtful debts- Financial Assets-Loans (Non-current) Note-7	198.71	29.67	-	-	228.38
Provision for Financial Assets-Others (Non-Current) Note-8	12.02	157.63	12.02	-	157.63
Provision of Obsolete stores Note-9	245.76	40.19	-	63.11	222.84
Provision for estimated loss on theft of fixed assets pending investigation Note 12	188.21	19.05	-	0.09	207.17
Provision for bad & doubtful debts- Financial Assets-others (current) Note- 12	125.29	477.78	3.58	0.20	599.29
Sub-Total- Note-12	313.50	496.83	3.58	0.29	806.46
Provision for Other Current Assets Note-13	20.20	5.10	0.06	-	25.24
Total	31,842.52	10,501.30	16.87	63.39	42,263.56

32. 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 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 Trusts (CPF & GPF) on investment in DIIFI as 'Exceptional Items' in the profit and loss account as detailed below:

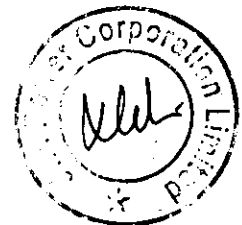
Breakup of Exceptional Item for the FY 2023-24

(Rs. in Crore)

Letter No.	Name of Item	UPPCL	PuVVNL	MVVNL	DVVNL	PVVNL	Kesco	Total
CPF 576 dated 15-04-2024	Interest	1.91	14.53	11.74	8.22	12.26	1.30	49.96
GPF 404 dated 15-04-2024	Interest	8.92	17.30	16.46	11.01	12.75	5.64	72.08
								122.04

for

for



Breakup of Exceptional Item for the FY 2022-23

(Rs. in Crore)

Letter No.	Name of Item	UPPCL	PuVVNL	MVNNL	DVVNL	PVVNL	Kesco	Total
CPF 455 dated 06-05-2023	Interest	1.78	13.57	10.96	7.67	11.44	1.21	46.63
GPF 637 dated 31-05-2023	Interest	7.11	7.26	9.17	19.43	6.70	2.38	52.05
								98.68

33. Disclosures related to Additional Borrowing space of 0.50 percent of GSDP linked to performance in power sector scheme and Revamped Reform-linked Results-Based 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 2023-24.

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. (GoUP) 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 borrowings arranged by the Holding Company (UPPCL):

(₹ In Crore)

Guarantee taken by UPPCL (Holding company) on behalf of Discoms

Particulars	2023-24	2022-23
PuVVNL	33732.38	34217.86
MVNNL	21207.45	21924.46
DVVNL	24832.35	24507.51
PVVNL	9834.02	11780.94
Kesco	3606.79	3782.22
Total	93212.99	96212.99

C. Electricity Dues

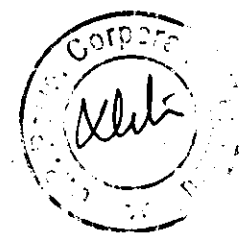
Total Electricity Dues recoverable from the Govt. departments/State PSU's/Subordinate offices and Local Bodies as on 31.03.2024 is as follows:

(₹ in Crore)

Particulars	PuVVNL	MVNNL	DVVNL	PVVNL	Kesco	Total
Upto 6 months	668.61	2561.65	2737.45	383.96	262.48	6614.15
Greater than 6 months and upto 1 year	341.16	167.57	620.48	16.22	474.12	1619.55
Greater than 1 year and upto 2 years	414.33	259.27	243.83	28.34	4.76	950.53
Greater than 2 year and upto 3 years	228.77	191.51	322.01	7.44	12.62	762.35
Greater than 3 years	2837.03	865.50	890.41	1433.28	357.59	6383.81
Total	4489.90	4045.50	4814.18	1869.24	1111.57	16330.39

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D. Subsidy:

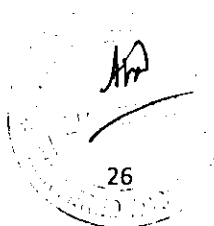
(a) Status of Subsidy paid by the GoUP is as under: -

DISCOMS	Name of subsidized consumer category	(₹ in Crore)				
		Subsidy Receivable as on 01.04.2023	Subsidy Received against Receivable as on 01.04.2023	Subsidy Claimed during the year	Subsidy received against subsidy claimed during the year	Closing balance as on 31.03.2024
PuVVNL	LMV-1 (Domestic Light & Fan) and LMV-5 (Private Tube Well)	0.00	0.00	4358.37	4358.37	0.00
MVVNL		0.00	0.00	3945.53	3945.53	0.00
DVVNL		0.00	0.00	3883.37	3883.37	0.00
PVVNL		0.00	0.00	4272.81	4272.81	0.00
KESCO		0.00	0.00	0.00	0.00	0.00

E. AT & C Losses:

The details of AT & C losses are given below:

S.No.	Particulars	PuVVNL	MVVNL	DVVNL	PVVNL	Kesco
A	Input Energy (MkWh)	32929.608	28301.092	29628.434	39107.838	4289.154
B	Transmission Losses (MkWh)	0.00	0.00	0.00	0.00	0.00
C	Net Input Energy (MkWh)	32929.608	28301.092	29628.434	39107.838	4289.154
D	Energy Sold (MkWh)	27223.527	24064.240	24166.021	34132.907	3877.508
E	Revenue from sale of Power(Including subsidy booked)(₹ Cr.)	19230.31	18561.66	18004.27	27094.89	3177.70
F	Adjusted revenue from sale of energy on subsidy received basis (₹ Cr.)	19230.31	18561.66	18005.17	27094.89	3177.70
G	Opening debtors for sale of energy (₹ Cr.)	33654.01	25293.69	20844.88	12175.68	3815.50
H	Closing debtors for sale of energy (₹ Cr.)	33046.77	25546.32	21189.47	12655.94	3577.38
I	Adjusted Closing debtors for sale of energy (₹ Cr.)	33046.77	25546.32	21189.47	12655.94	3577.38
J	Collection Efficiency (%) {J=(F+G-I)/E}	103.16%	98.64%	98.09%	98.23%	107.49%
K	Units Realised (MkWh)=[Energy sold*Collection efficiency]	28083.161	23736.711	23703.499	33527.900	3877.508
L	Units Unrealised (MkWh)=[Net Input Energy - Units realised]	4846.447	4564.381	5924.935	5579.938	411.646
M	AT & C Losses (%)=[{Units Unrealised/Net Input Energy}*100]	14.72%	16.13%	20.00%	14.27%	9.60%

F. Average Cost of Supply & Average Realisable Revenue:

The details of Average cost of supply (ACS) – Average Realisable Revenue (ARR) Gap are given below:

Particulars	Unit	PuVVNL	MVNNL	DVVNL	PVVNL	Kesco
Total Input Energy (A)	MU	32929.608	28314.364	29628.434	39107.838	4289.154
Total Expenditure (B)	Rs. Crore	25755.03	24030.98	23761.08	26855.43	3888.83
Average Cost of Supply (C=B/A*10)	Rs.	7.82	8.49	8.02	6.87	9.07
Total Revenue from Sale of Power (Excluding Subsidy Booked plus subsidy received) (D)	Rs. Crore	19070.21	18603.55	17947.53	27094.89	3177.70
Subsidy Booked (E)	Rs. Crore	4358.37	4023.07	4348.95	4363.34	-
Subsidy Received (F)	Rs. Crore	4358.37	4023.07	4349.85	4363.34	-
Other Income (Excluding regulatory income & UDAY Grant)	Rs. Crore	2848.19	3939.77	3455.07	648.29	162.32
Revenue (Subsidy Received Based) (D-E+F+G)	Rs. Crore	21918.39	22543.32	21403.50	27743.19	3340.02
Average Realizable Revenue (H/A*10)	Rs. Crore	6.66	7.96	7.22	7.09	7.79
ACS-ARR Gap (C-I)	Rs. Crore	1.16	0.53	0.80	-0.22	1.28

G. Creditors Days:

Discoms	Trade Payables (Power Purchase Dues) as on 31.03.24 (Rs. in Crore)	Total Power Purchase and Transmission Cost as on 31.03.24 (Rs. in Crore)	Creditors Days (in Days)
	A	B	A/B*365
PuVVNL	10823.75	16686.76	237
MVNNL	8683.88	16260.78	195
DVVNL	11021.63	16455.36	244
PVVNL	1646.11	22911.19	26
Kesco	1326.25	2699.07	179

H. Debtors Days:

Discoms	Net Trade Receivables as on 31.03.24 (Rs. in Crore)	Revenue from Operations (inclusive of ED) as on 31.03.24 (Rs. in Crore)	Debtors Days (in Days)
	A	B	A/B*365
PuVVNL	24307.15	15553.70	570
MVNNL	17304.81	15273.98	414
DVVNL	14611.75	14353.65	372
PVVNL	10728.30	23982.31	163
Kesco	2279.86	3358.33	248

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34. Disclosure regarding RDSS Scheme (PQ/SOP) compliance.

Purvanchal Vidyut Vitran Nigam Limited

Profit & Loss	Year	
	2023-24	2022-23
Table 1: Revenue Details		
Revenue from Operations (A = A1+A2+A3+A4+A5+A6)	14,712	13,661
<i>A1: Revenue from Sale of Power</i>	14,653	13,661
<i>A2: Fixed Charges/Recovery from theft etc.</i>	-	-
<i>A3: Revenue from Distribution Franchisee</i>	-	-
<i>A4: Revenue from Inter-state sale and Trading</i>	58	-
<i>A5: Revenue from Open Access and Wheeling</i>	-	-
<i>A6: Any other Operating Revenue</i>	-	-
Revenue - Subsidies and Grants (B = B1+B2+B3)	7,219	5,906
<i>B1: Tariff Subsidy Booked</i>	4,358	3,224
<i>B2: Revenue Grant under UDAY</i>	108	-
<i>B3: Other Subsidies and Grants</i>	2,752	2,681
Other Income (C = C1+C2+C3)	96	155
<i>C1: Income booked against deferred revenue*</i>	-	-
<i>Interest from Fixed Deposits</i>	-	-
<i>C2: Misc Non-tariff income from consumers (including DPS)</i>	66	141
<i>C3: Other Non-operating income</i>	30	14
Total Revenue on subsidy booked basis (D = A + B + C)	22,027	19,721
Tariff Subsidy Received (E)	4,358	3,224
Total Revenue on subsidy received basis (F = D - B1 + E)	22,027	19,721
Whether State Government has made advance payment of subsidy for the quarter(Yes/No)		

Table 2: Expenditure Details	Year	
	2023-24	2022-23
Cost of Power (G = G1 + G2+ G3)	16,687	16,031
<i>G1: Generation Cost (Only for GEDCOS)</i>		
<i>G2: Purchase of Power</i>	15,827	15,241
<i>G3: Transmission Charges</i>	860	790
O&M Expenses (H = H1 + H2 + H3 + H4 + H5 + H6 + H7)	9,117	11,065
<i>H1: Repairs & Maintenance</i>	635	713
<i>H2: Employee Cost</i>	658	624
<i>H3: Admn & General Expenses</i>	772	706
<i>H4: Depreciation</i>	932	1,158
<i>H5: Total Interest Cost</i>	2,599	2,745
<i>H6: Other expenses</i>	3,490	5,098
<i>H7: Exceptional Items</i>	32	21
Total Expenses (I = G + H)	25,804	27,096
Profit before tax (J = D - I)	-3,776	-7,375
	<i>K1: Income Tax</i>	



Note

HP

	K2: Deferred Tax	
Profit after tax (L = J - K1 - K2)	-3,776	-7,375
Other Comprehensive Income		
Net Profit/(Loss) for the Period	-3,776	-7,375

Balance Sheet	2023-24	2022-23
Table 3: Total Assets	As on 31st Mar	As on 31st Mar
M1: Net Tangible Assets & CWIP	21,272	19,287
M2: Other Non-Current Assets	-	-
M3: Net Trade Receivables	24,307	28,492
<i>M3a: Gross Trade Receivable Govt. Dept.</i>	6,782	6,846
<i>M3b: Gross Trade Receivable Other-than Govt. Dept.</i>	31,141	31,789
<i>M3c: Provision for bad debts</i>	-13,615	-10,142
M4: Subsidy Receivable	-	-
M5: Other Current Assets	8,585	9,145
Total Assets (M = M1 + M2 + M3 + M4 + M5)	54,164	56,924

Table 4: Total Equity and Liabilities	2023-24	2022-23
	As on 31st Mar	As on 31st Mar
N1: Share Capital & General Reserves	28,025	25,194
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	-18,554	-15,563
N3: Government Grants for Capital Assets	0	0
N4: Non-current liabilities	2,126	1,133
N5: Capex Borrowings	18,834	22,688
<i>N6a: Long Term Loans - State Govt</i>	0	0
<i>N6b: Long Term Loans - Banks & FIs</i>	18,834	22,688
<i>N6c: Short Term/ Medium Term - State Govt</i>		
<i>N6d: Short Term/ Medium Term - Banks & FIs</i>		
N6: Non-Capex Borrowings	-	-
<i>N7a: Short Term Borrowings/ from Banks/ FIs</i>		
<i>N7b: Cash Credit/ OD from Banks/ FIs</i>		
N8: Payables for Purchase of Power	10,824	11,296
N9: Other Current Liabilities	12,909	12,176
Total Equity and Liabilities (N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)	54,164	56,924

Table 5: Technical Details	Year	
	2023-24	2022-23
O1: Total Installed Capacity (MW) (Quarter Ended) (Only for GEDCOs)	-	-
<i>O1a: Hydel</i>		
<i>O1b: Thermal</i>		
<i>O1c: Gas</i>		
<i>O1d: Others</i>		
O2: Total Generation (MU) (Quarter Ended) (Only for GEDCOs)	-	-
<i>O2a: Hydel</i>		

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O2b: Thermal

O2c: Gas

O2d: Others

O3: Total Auxiliary Consumption (MU) (Year Ended)		
O4 : Gross Power Purchase (MU) (Year Ended)	32,930	31,132
Gross Input Energy (MU) (O5 = O2 - O3 + O4)	32,930	31,132
O6: Transmission Losses (MU)(Interstate & Intrastate)		
O7: Gross Energy sold (MU)	27,224	25,714
<i>O7a: Energy Sold to own consumers</i>	27,148	25,714
<i>O7b: Bulk Sale to Distribution Franchisee</i>	-	-
<i>O7c: Interstate Sale/ Energy Traded/Net UI Export</i>	76	-
Net Input Energy (MU) (O8 = O5 - O6 - O7c)	32,930	31,132
Net Energy Sold (MU) (O9 = O7 - O7c)	27,224	25,714
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	19,012	16,885
O11: Opening Gross Trade Receivables (including any adjustments) (Rs crore)	34,486	32,520
O12: Adjusted Gross Closing Trade Receivables (Rs crore)	33,718	34,486
Revenue Collected including subsidy received (O13 = A1 + A2 + A3 + E + O11 - O12)	19,779	14,919
Billing Efficiency (%) (O14 = O9/O8*100)	82.67	82.6
Collection Efficiency (%) (O15 = O13/O10*100)	104.03	88.36
Energy Realised (MU) (O15a = O15*O9)	28,321	22,720
AT&C Loss (%) (O16 = 100 - O14*O15/100)	14.00	27.02

	Year	
Table 6: Key Parameters	2023-24	2022-23
ACS (Rs./kWh) (P1 = I*10/O5)	7.84	8.7
ARR on Subsidy Booked Basis (Rs./kWh) (P2 = D*10/O5)	6.69	5.99
Gap on Subsidy Booked Basis (Rs./kWh) (P3 = P1 - P2)	1.15	2.71
ARR on Subsidy Received Basis (Rs./kWh) (P4 = F*10/O5)	6.69	5.99
Gap on Subsidy Received Basis (Rs./kWh) (P5 = P1 - P4)	1.15	2.71
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (Rs./kWh) (P6 = (F-B-C1)*10/O5)	6.66	4.2
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P7 = P1 - P6)	1.18	4.51
Receivables (Days) (P8 = 365*M5/A)	603	761
Payables (Days) (P9 = 365*N8/G)	237	257
Total Borrowings (P10 = N6 + N8 + N9)	23,733	23,473

	Year	
Table 7: Consumer Category wise Details of Sale (MU)	2023-24	2022-23
Q1: Domestic	14,813	14,766
Q2: Commercial	3,234	2,340
Q3: Agricultural	3,021	2,962
Q4: Industrial	2,550	2,505



Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	1,926	2,380
Q6: Others	1,680	760
<i>Railways</i>	-	-
<i>Bulk Supply</i>	-	-
<i>Miscellaneous</i>	1,604	760
<i>Distribution Franchisee</i>	-	-
<i>Interstate/ Trading/ UI</i>	76	
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	27,224	25,714

	Year	
Table 8: Consumer Category-wise Details of Sale (Rs. Cr.)	2023-24	2022-23
Q1: Domestic	6,572	6,177
Q2: Commercial	2,639	2,665
Q3: Agricultural	757	384
Q4: Industrial	2,518	2,273
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	1,794	1,603
Q6: Others	432	553
<i>Railways</i>		-
<i>Bulk Supply</i>	-	-
<i>Miscellaneous</i>	374	553
<i>Distribution Franchisee</i>	-	-
<i>Interstate/ Trading/ UI</i>	58	
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	14,712	13,653

Madhyanchal Vidyut Vitran Nigam Limited

Profit & Loss	Year	
Table 1: Revenue Details	2023-24	2022-23
Revenue from Operations (A = A1+A2+A3+A4+A5+A6)	14580.00	13708.00
<i>A1: Revenue from Sale of Power</i>	14539.00	13663.00
<i>A2: Fixed Charges/Recovery from theft etc.</i>	-	-
<i>A3: Revenue from Distribution Franchisee</i>	-	-
<i>A4: Revenue from Inter-state sale and Trading</i>	12.00	25.00
<i>A5: Revenue from Open Access and Wheeling</i>	30.00	20.00
<i>A6: Any other Operating Revenue</i>	-	-
Revenue - Subsidies and Grants (B = B1+B2+B3)	7370.00	6099.00
<i>B1: Tariff Subsidy Booked</i>	4023.00	3692.00
<i>B2: Revenue Grant under UDAY</i>	-	-
<i>B3: Other Subsidies and Grants</i>	3347.00	2407.00
Other Income (C = C1+C2+C3)	710.00	434.00
<i>C1: Income booked against deferred revenue*</i>	-	-
<i>Interest from Fixed Deposits</i>	-	-
<i>C2: Misc Non-tariff income from consumers (including DPS)</i>	508.00	336.00
<i>C3: Other Non-operating income</i>	202.00	98.00
Total Revenue on subsidy booked basis (D = A + B + C)	22661.00	20241.00

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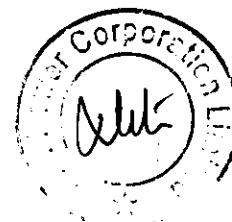


Tariff Subsidy Received (E)	4023.00	3692.00
Total Revenue on subsidy received basis (F = D - B1 + E)	22661.00	20241.00
Whether State Government has made advance payment of subsidy for the quarter(Yes/No)	No	No

Table 2: Expenditure Details	Year	
	2023-24	2022-23
Cost of Power (G = G1 + G2+ G3)	16261.00	16370.00
<i>G1: Generation Cost (Only for GEDCOS)</i>	-	-
<i>G2: Purchase of Power</i>	15522.00	15677.00
<i>G3: Transmission Charges</i>	739.00	693.00
O&M Expenses (H = H1 + H2 + H3 + H4 + H5 + H6 + H7)	7770.00	8695.00
<i>H1: Repairs & Maintenance</i>	374.00	477.00
<i>H2: Employee Cost</i>	659.00	558.00
<i>H3: Admn & General Expenses</i>	939.00	813.00
<i>H4: Depreciation</i>	883.00	840.00
<i>H5: Total Interest Cost</i>	1740.00	1808.00
<i>H6: Other expenses</i>	3137.00	4175.00
<i>H7: Exceptional Items</i>	39.00	25.00
Total Expenses (I = G + H)	24031.00	25065.00
Profit before tax (J = D - I)	-1370.00	-4825.00
	<i>K1: Income Tax</i>	
	<i>K2: Deferred Tax</i>	
Profit after tax (L = J - K1 - K2)	-1370.00	-4825.00
Other Comprehensive Income		
Net Profit/(Loss) for the Period	-1370.00	-4825.00

Balance Sheet	2023-24	2022-23
Table 3: Total Assets	As on 31st Mar	As on 31st Mar
M1: Net Tangible Assets & CWIP	19506	17938
M2: Other Non-Current Assets	574	698
M3: Net Trade Receivables	17305	20223
<i>M3a: Gross Trade Receivable Govt. Dept.</i>	4045	5559
<i>M3b: Gross Trade Receivable Other-than Govt. Dept.</i>	24687	22954
<i>M3c: Provision for bad debts</i>	11427	8291
M4: Subsidy Receivable	112	93
M5: Other Current Assets	4745	4154
Total Assets (M = M1 + M2 + M3 + M4 + M5)	42241	43106

Table 4: Total Equity and Liabilities	2023-24	2022-23
	As on 31st Mar	As on 31st Mar
N1: Share Capital & General Reserves	25.826	23.391
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	-21.715	-20.345
N3: Government Grants for Capital Assets	4.134	3.833
N4: Non-current liabilities	1.509	1.329



N5: Capex Borrowings	15,652	17,816
<i>N5a: Long Term Loans - State Govt</i>		
<i>N5b: Long Term Loans - Banks & FIs</i>	11,850	14,355
<i>N5c: Short Term/ Medium Term - State Govt</i>		
<i>N5d: Short Term/ Medium Term - Banks & FIs</i>	3,803	3,461
N6: Non-Capex Borrowings	-	-
<i>N6a: Short Term Borrowings/ from Banks/ FIs</i>	-	-
<i>N6b: Cash Credit/ OD from Banks/ FIs</i>	-	-
N7: Payables for Purchase of Power	8,684	9,886
N8: Other Current Liabilities	8,150	7,196
Total Equity and Liabilities (N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8)	42,241	43,106

	Year	
Table 5: Technical Details	2023-24	2022-23
O1: Total Installed Capacity (MW) (Quarter Ended) (Only for GEDCOs)	-	-
<i>O1a: Hydel</i>		
<i>O1b: Thermal</i>		
<i>O1c: Gas</i>		
<i>O1d: Others</i>		
O2: Total Generation (MU) (Quarter Ended) (Only for GEDCOs)	-	-
<i>O2a: Hydel</i>		
<i>O2b: Thermal</i>		
<i>O2c: Gas</i>		
<i>O2d: Others</i>		
O3: Total Auxiliary Consumption (MU) (Year Ended)		
O4 : Gross Power Purchase (MU) (Year Ended)	28,314	27,347
Gross Input Energy (MU) (O5 = O2 - O3 + O4)	28,314	27,347
O6: Transmission Losses (MU)(Interstate & Intrastate)		
O7: Gross Energy sold (MU)	24,078	23,228
<i>O7a: Energy Sold to own consumers</i>	24,064	23,202
<i>O7b: Bulk Sale to Distribution Franchisee</i>		
<i>O7c: Interstate Sale/ Energy Traded/Net UI Export</i>	13	26
Net Input Energy (MU) (O8 = O5 - O6 - O7c)	28,301	27,321
Net Energy Sold (MU) (O9 = O7 - O7c)	24,064	23,202
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	18,562	17,356
O11: Opening Gross Trade Receivables (including any adjustments) (Rs crore)	25,294	23,428
O12: Adjusted Gross Closing Trade Receivables (Rs crore)	25,546	25,294
Revenue Collected including subsidy received (O13 = A1 + A2 + A3 + E + O11 - O12)	18,309	15,490
Billing Efficiency (%) (O14 = O9/O8*100)	85.03	84.92
Collection Efficiency (%) (O15 = O13/O10*100)	98.64	89.25
Energy Realised (MU) (O15a = O15*O9)	23,737	20,708
AT&C Loss (%) (O16 = 100 - O14*O15/100)	16.13	24.21

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Table 6: Key Parameters	Year	
	2023-24	2022-23
ACS (Rs./kWh) (P1 = I*10/O5)	8.49	9.17
ARR on Subsidy Booked Basis (Rs./kWh) (P2 = D*10/O5)	8.00	7.40
Gap on Subsidy Booked Basis (Rs./kWh) (P3 = P1 - P2)	0.48	1.76
ARR on Subsidy Received Basis (Rs./kWh) (P4 = F*10/O5)	8.00	7.40
Gap on Subsidy Received Basis (Rs./kWh) (P5 = P1 - P4)	0.48	1.76
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (Rs./kWh) (P6 = (F-B2-C1)*10/O5)	8.00	7.40
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P7 = P1 - P6)	0.48	1.76
Receivables (Days) (P8 = 365*M3/A)	433	538
Payables (Days) (P9 = 365*N7/G)	195	220
Total Borrowings (P10 = N5 + N6)	15,652	17,816

Table 7: Consumer Category wise Details of Sale (MU)	Year	
	2023-24	2022-23
Q1: Domestic	13,127	13,149
Q2: Commercial	3,594	2,812
Q3: Agricultural	2,583	2,527
Q4: Industrial	2,855	2,497
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	1,809	1,921
Q6: Others	109	322
<i>Railways</i>	17	31
<i>Bulk Supply</i>	-	-
<i>Miscellaneous</i>	79	265
<i>Distribution Franchisee</i>	-	-
<i>Interstate/ Trading/ UI</i>	13	26
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	24,078	23,228

Table 8: Consumer Category-wise Details of Sale (Rs. Cr.)	Year	
	2023-24	2022-23
Q1: Domestic	6,430	6,652
Q2: Commercial	2,102	2,212
Q3: Agricultural	527	772
Q4: Industrial	3,462	3,040
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	1,980	907
Q6: Others	79	125
<i>Railways</i>	17	13
<i>Bulk Supply</i>	-	-
<i>Miscellaneous</i>	50	88
<i>Distribution Franchisee</i>	-	-
<i>Interstate/ Trading/ UI</i>	12	25
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	14,580	13,708

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Profit & Loss

Table 1: Revenue Details

	Year	
	2023-24	2022-23
Revenue from Operations (A = A1+A2+A3+A4+A5+A6)	13,655	12,496
<i>A1: Revenue from Sale of Power</i>	12,595	11,422
<i>A2: Fixed Charges/Recovery from theft etc.</i>	-	-
<i>A3: Revenue from Distribution Franchisee</i>	1,004	1,026
<i>A4: Revenue from Inter-state sale and Trading</i>	-	-
<i>A5: Revenue from Open Access and Wheeling</i>	57	48
<i>A6: Any other Operating Revenue</i>	-	-
Revenue - Subsidies and Grants (B = B1+B2+B3)	7,723	4,563
<i>B1: Tariff Subsidy Booked</i>	4,349	3,604
<i>B2: Revenue Grant under UDAY</i>	122	-
<i>B3: Other Subsidies and Grants</i>	3,252	959
Other Income (C = C1+C2+C3)	147	132
<i>C1: Income booked against deferred revenue*</i>	-	-
<i>Interest from Fixed Deposits</i>	-	-
<i>C2: Misc Non-tariff income from consumers (including DPS)</i>	53	94
<i>C3: Other Non-operating income</i>	94	38
Total Revenue on subsidy booked basis (D = A + B + C)	21,525	17,190
Tariff Subsidy Received (E)	4,350	3,604
Total Revenue on subsidy received basis (F = D - B1 + E)	21,526	17,190
Whether State Government has made advance payment of subsidy for the quarter(Yes/No)		

Table 2: Expenditure Details

	Year	
	2023-24	2022-23
Cost of Power (G = G1 + G2+ G3)	16,455	15,211
<i>G1: Generation Cost (Only for GEDCOS)</i>	-	-
<i>G2: Purchase of Power</i>	15,681	14,493
<i>G3: Transmission Charges</i>	774	718
O&M Expenses (H = H1 + H2 + H3 + H4 + H5 + H6 + H7)	7,325	7,259
<i>H1: Repairs & Maintenance</i>	626	542
<i>H2: Employee Cost</i>	435	400
<i>H3: Admn & General Expenses</i>	796	724
<i>H4: Depreciation</i>	836	817
<i>H5: Total Interest Cost</i>	1,963	2,076
<i>H6: Other expenses</i>	2,651	2,673
<i>H7: Exceptional Items</i>	19	27
Total Expenses (I = G + H)	23,780	22,470
Profit before tax (J = D - I)	-2,256	-5,280
	<i>K1: Income Tax</i>	
	<i>K2: Deferred Tax</i>	
Profit after tax (L = J - K1 - K2)	-2,256	-5,280

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Other Comprehensive Income		
Net Profit/(Loss) for the Period	-2,256	-5,280

Balance Sheet

DVVNL

Table 3: Total Assets

	2023-24	2022-23
	As on 31st Mar	As on 31st Mar
M1: Net Tangible Assets & CWIP	19,102	17,326
M2: Other Non-Current Assets	1,332	1,559
M3: Net Trade Receivables	14,612	16,725
<i>M3a: Gross Trade Receivable Govt. Dept.</i>	4,814	4,457
<i>M3b: Gross Trade Receivable Other-than Govt. Dept.</i>	19,199	19,034
<i>M3c: Provision for bad debts</i>	9,402	6,766
M4: Subsidy Receivable		
M5: Other Current Assets	1,716	1,447
Total Assets (M = M1 + M2 + M3 + M4 + M5)	36,762	37,057

Table 4: Total Equity and Liabilities

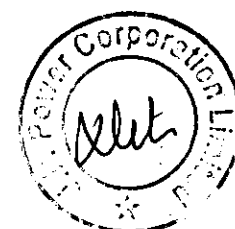
	2023-24	2022-23
	As on 31st Mar	As on 31st Mar
N1: Share Capital & General Reserves	25,863	25,736
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	-30,666	-30,050
N3: Government Grants for Capital Assets	2,080	1,986
N4: Non-current liabilities	5,461	4,276
N5: Capex Borrowings	13,478	16,408
<i>N6a: Long Term Loans - State Govt</i>		
<i>N6b: Long Term Loans - Banks & FIs</i>	13,478	16,408
<i>N6c: Short Term/ Medium Term - State Govt</i>		
<i>N6d: Short Term/ Medium Term - Banks & FIs</i>		
N6: Non-Capex Borrowings	-	-
<i>N7a: Short Term Borrowings/ from Banks/ FIs</i>		
<i>N7b: Cash Credit/ OD from Banks/ FIs</i>		
N8: Payables for Purchase of Power	11,022	10,688
N9: Other Current Liabilities	9,524	8,014
Total Equity and Liabilities (N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)	36,762	37,058

Table 5: Technical Details

	2023-24	2022-23
	Year	Year
O1: Total Installed Capacity (MW) (Quarter Ended) (Only for GEDCOs)	-	-
<i>O1a: Hydel</i>		
<i>O1b: Thermal</i>		
<i>O1c: Gas</i>		
<i>O1d: Others</i>		
O2: Total Generation (MU) (Quarter Ended) (Only for GEDCOs)	-	-
<i>O2a: Hydel</i>		
<i>O2b: Thermal</i>		
<i>O2c: Gas</i>		

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O2d: Others

O3: Total Auxiliary Consumption (MU) (Year Ended)		
O4 : Gross Power Purchase (MU) (Year Ended)	29,628	28,307
Gross Input Energy (MU) (O5 = O2 - O3 + O4)	29,628	28,307
O6: Transmission Losses (MU)(Interstate & Intrastate)		
O7: Gross Energy sold (MU)	24,166	22,195
<i>O7a: Energy Sold to own consumers</i>	21,865	19,969
<i>O7b: Bulk Sale to Distribution Franchisee</i>	2,301	2,226
<i>O7c: Interstate Sale/ Energy Traded/Net UI Export</i>		
Net Input Energy (MU) (O8 = O5 - O6 - O7c)	29,628	28,307
Net Energy Sold (MU) (O9 = O7 - O7c)	24,166	22,195
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	17,948	16,052
O11: Opening Gross Trade Receivables (including any adjustments) (Rs crore)	20,845	20,343
O12: Adjusted Gross Closing Trade Receivables (Rs crore)	21,189	20,845
Revenue Collected including subsidy received (O13 = A1 + A2 + A3 + E + O11 - O12)	17,604	15,550
Billing Efficiency (%) (O14 = O9/O8*100)	81.56	78.41
Collection Efficiency (%) (O15 = O13/O10*100)	98.08	96.87
Energy Realised (MU) (O15a = O15*O9)	23,880	21,571
AT&C Loss (%) (O16 = 100 - O14*O15/100)	20	24.04

	Year	
	2023-24	2022-23
Table 6: Key Parameters		
ACS (Rs./kWh) (P1 = I*10/O5)	8.03	7.94
ARR on Subsidy Booked Basis (Rs./kWh) (P2 = D*10/O5)	7.26	6.07
Gap on Subsidy Booked Basis (Rs./kWh) (P3 = P1 - P2)	0.76	1.87
ARR on Subsidy Received Basis (Rs./kWh) (P4 = F*10/O5)	7.27	6.07
Gap on Subsidy Received Basis (Rs./kWh) (P5 = P1 - P4)	0.76	1.87
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (Rs./kWh) (P6 = (F-B-C1)*10/O5)	7.22	6.07
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P7 = P1 - P6)	0.8	1.87
Receivables (Days) (P8 = 365*M5/A)	391	490
Payables (Days) (P9 = 365*N10/G)	244	256
Total Borrowings (P10 = N6 + N8 + N9)	24,502	27,096

	Year	
	2023-24	2022-23
Table 7: Consumer Category wise Details of Sale (MU)		
Q1: Domestic	8,131	8,059
Q2: Commercial	1,786	1,444
Q3: Agricultural	6,188	5,011
Q4: Industrial	4,275	3,990
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	1,355	1,332
Q6: Others	2,430	2,359
<i>Railways</i>	3	-
<i>Bulk Supply</i>	-	-



	<i>Miscellaneous</i>	127	133
	<i>Distribution Franchisee</i>	2,301	2,226
	<i>Interstate/ Trading/ UI</i>		
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)		24,166	22,195

Table 8: Consumer Category-wise Details of Sale (Rs. Cr.)	Year		
	2023-24	2022-23	
Q1: Domestic	4,222	4,614	
Q2: Commercial	1,744	1,515	
Q3: Agricultural	1,629	746	
Q4: Industrial	3,616	3,316	
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	1,363	1,210	
Q6: Others	1,024	1,046	
	<i>Railways</i>	6	-
	<i>Bulk Supply</i>	-	-
	<i>Miscellaneous</i>	15	20
	<i>Distribution Franchisee</i>	1,004	1,026
	<i>Interstate/ Trading/ UI</i>		
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	13,599	12,448	

Pashchimanchal Vidyut Vitran Nigam Limited

Profit & Loss	Year	
	2023-24	2022-23
Table 1: Revenue Details		
Revenue from Operations (A = A1+A2+A3+A4+A5+A6)	22,731.55	21,483.30
<i>A1: Revenue from Sale of Power</i>	22,731.55	21,483.30
<i>A2: Fixed Charges/Recovery from theft etc.</i>	-	-
<i>A3: Revenue from Distribution Franchisee</i>	-	-
<i>A4: Revenue from Inter-state sale and Trading</i>	-	-
<i>A5: Revenue from Open Access and Wheeling</i>	-	-
<i>A6: Any other Operating Revenue</i>	-	-
Revenue - Subsidies and Grants (B = B1+B2+B3)	4,749.94	6,634.01
<i>B1: Tariff Subsidy Booked</i>	4,363.34	4,091.19
<i>B2: Revenue Grant under UDAY</i>	-	873.59
<i>B3: Other Subsidies and Grants</i>	386.6	1669.23
Other Income (C = C1+C2+C3)	261.69	232.14
<i>C1: Income booked against deferred revenue*</i>	-	-
<i>Interest from Fixed Deposits</i>	-	-
<i>C2: Misc Non-tariff income from consumers (including DPS)</i>	113.89	98.67
<i>C3: Other Non-operating income</i>	147.8	133.47
Total Revenue on subsidy booked basis (D = A + B + C)	27743.18	28349.45
Tariff Subsidy Received (E)	4363.34	4091.19
Total Revenue on subsidy received basis (F = D - B1 + E)	27743.18	28349.45

Whether State Government has made advance payment of subsidy for the quarter(Yes/No)

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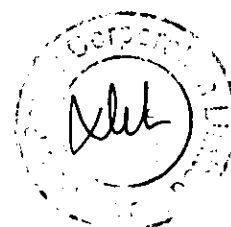
Table 2: Expenditure Details	Year	
	2023-24	2022-23
Cost of Power (G = G1 + G2+ G3)	22911.19	21514.2
<i>G1: Generation Cost (Only for GEDCOS)</i>	0	0
<i>G2: Purchase of Power</i>	21890.05	20525.5
<i>G3: Transmission Charges</i>	1021.14	988.7
O&M Expenses (H = H1 + H2 + H3 + H4 + H5 + H6 + H7)	3975.9	5849.61
<i>H1: Repairs & Maintenance</i>	743.04	707.06
<i>H2: Employee Cost</i>	725.68	620.06
<i>H3: Admn & General Expenses</i>	495.51	477.73
<i>H4: Depreciation</i>	881.25	699.81
<i>H5: Total Interest Cost</i>	1035.93	1101.53
<i>H6: Other expenses</i>	69.48	2225.28
<i>H7: Exceptional Items</i>	25.01	18.14
Total Expenses (I = G + H)	26887.09	27363.81
Profit before tax (J = D - I)	856.09	985.64
<i>K1: Income Tax</i>		
<i>K2: Deferred Tax</i>		
Profit after tax (L = J - K1 - K2)	856.09	985.64
Other Comprehensive Income		
Net Profit/(Loss) for the Period	856.09	985.64
Balance Sheet	2023-24	2022-23
Table 3: Total Assets	As on 31st Mar	As on 31st Mar
M1: Net Tangible Assets & CWIP	16990.61	16135.67
M2: Other Non-Current Assets	5386.87	6583.57
M3: Net Trade Receivables	10728.3	9995.26
<i>M3a: Gross Trade Receivable Govt. Dept.</i>	1869.25	2266.25
<i>M3b: Gross Trade Receivable Other-than Govt. Dept.</i>	13070.75	11940.71
<i>M3c: Provision for bad debts</i>	4211.7	4211.7
M4: Subsidy Receivable		
M5: Other Current Assets	6735.84	4373.74
Total Assets (M = M1 + M2 + M3 + M4 + M5)	39841.62	37088.24
Table 4: Total Equity and Liabilities	2023-24	2022-23
	As on 31st Mar	As on 31st Mar
N1: Share Capital & General Reserves	20967.02	26403.36
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	-9652.07	-17969.53
N3: Government Grants for Capital Assets	7292.48	6731.77
N4: Non-current liabilities	2483.35	2351.97
N5: Capex Borrowings	8259.43	10500.82
<i>N6a: Long Term Loans - State Govt</i>	0	0
<i>N6b: Long Term Loans - Banks & FIs</i>	6599.69	8170.25
<i>N6c: Short Term/ Medium Term - State Govt</i>		
<i>N6d: Short Term/ Medium Term - Banks & FIs</i>	1659.74	2330.57



N6: Non-Capex Borrowings	0	0
<i>N7a: Short Term Borrowings/ from Banks/ FIs</i>		
<i>N7b: Cash Credit/ OD from Banks/ FIs</i>		
N8: Payables for Purchase of Power	1646.11	1934.36
N9: Other Current Liabilities	8845.3	7135.49
Total Equity and Liabilities (N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)	39841.62	37088.24

Table 5: Technical Details	Year	
	2023-24	2022-23
O1: Total Installed Capacity (MW) (Quarter Ended) (Only for GEDCOs)	0	0
<i>O1a: Hydel</i>		
<i>O1b: Thermal</i>		
<i>O1c: Gas</i>		
<i>O1d: Others</i>		
O2: Total Generation (MU) (Quarter Ended) (Only for GEDCOs)	0	0
<i>O2a: Hydel</i>		
<i>O2b: Thermal</i>		
<i>O2c: Gas</i>		
<i>O2d: Others</i>		
O3: Total Auxiliary Consumption (MU) (Year Ended)		
O4 : Gross Power Purchase (MU) (Year Ended)	39107.838	39043.244
Gross Input Energy (MU) (O5 = O2 - O3 + O4)	39107.84	39043.24
O6: Transmission Losses (MU)(Interstate & Intrastate)		
O7: Gross Energy sold (MU)	34132.907	33437.008
<i>O7a: Energy Sold to own consumers</i>	34132.907	33437.008
<i>O7b: Bulk Sale to Distribution Franchisee</i>	0	0
<i>O7c: Interstate Sale/ Energy Traded/Net UI Export</i>	0	0
Net Input Energy (MU) (O8 = O5 - O6 - O7c)	39107.838	39043.244
Net Energy Sold (MU) (O9 = O7 - O7c)	34132.907	33437.008
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	27094.89	25574.49
O11: Opening Gross Trade Receivables (including any adjustments) (Rs crore)	12911.04	12254.77
O12: Adjusted Gross Closing Trade Receivables (Rs crore)	13506.37	12911.04
Revenue Collected including subsidy received (O13 = A1 + A2 + A3 + E + O11 - O12)	26499.56	24918.22
Billing Efficiency (%) (O14 = O9/O8*100)	87.28	85.64
Collection Efficiency (%) (O15 = O13/O10*100)	97.8	97.43
Energy Realised (MU) (O15a = O15*O9)	33382.94	32578.98
AT&C Loss (%) (O16 = 100 - O14*O15/100)	14.64	16.56

Table 6: Key Parameters	Year	
	2023-24	2022-23
ACS (Rs./kWh) (P1 = I*10/O5)	6.88	7.01
ARR on Subsidy Booked Basis (Rs./kWh) (P2 = D*10/O5)	7.09	7.26
Gap on Subsidy Booked Basis (Rs./kWh) (P3 = P1 - P2)	-0.22	-0.25



ARR on Subsidy Received Basis (Rs./kWh) (P4 = F*10/O5)	7.09	7.26
Gap on Subsidy Received Basis (Rs./kWh) (P5 = P1 - P4)	-0.22	-0.25
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (Rs./kWh) (P6 = (F-B-C1)*10/O5)	7.09	7.04
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P7 = P1 - P6)	-0.22	-0.03
Receivables (Days) (P8 = 365*M3/A)	172	170
Payables (Days) (P9 = 365*N8/G)	26	33
Total Borrowings (P10 = N6 + N8 + N9)	10491.41	9069.85

Table 7: Consumer Category wise Details of Sale (MU)	Year	
	2023-24	2022-23
Q1: Domestic	13329.988	13568.958
Q2: Commercial	2205.888	2048.336
Q3: Agricultural	6923.315	6693.049
Q4: Industrial	7995.222	7866.764
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	900.454	836.617
Q6: Others	2778.04	2423.284
	<i>Railways</i>	107.877
	<i>Bulk Supply</i>	-
	<i>Miscellaneous</i>	2670.163
	<i>Distribution Franchisee</i>	-
	<i>Interstate/ Trading/ UI</i>	-
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	34132.907	33437.008

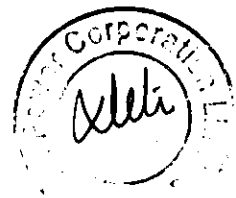
Table 8: Consumer Category-wise Details of Sale (Rs. Cr.)	Year	
	2023-24	2022-23
Q1: Domestic	7732.45	8820
Q2: Commercial	2173.28	2303
Q3: Agricultural	745	953
Q4: Industrial	6403.76	6783
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	942.98	1059
Q6: Others	4734.08	1565.3
	<i>Railways</i>	89.63
	<i>Bulk Supply</i>	0
	<i>Miscellaneous</i>	4644.45
	<i>Distribution Franchisee</i>	0
	<i>Interstate/ Trading/ UI</i>	0
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	22731.55	21483.3

Kanpur Electricity Supply Company Limited

Profit & Loss Table 1: Revenue Details	Year	
	2023-24	2022-23
Revenue from Operations (A = A1+A2+A3+A4+A5+A6)	3,177.70	3,161.48
<i>A1: Revenue from Sale of Power</i>	3,177.70	3,161.48

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<i>A2: Fixed Charges/Recovery from theft etc.</i>	-	-
<i>A3: Revenue from Distribution Franchisee</i>	-	-
<i>A4: Revenue from Inter-state sale and Trading</i>	-	-
<i>A5: Revenue from Open Access and Wheeling</i>	-	-
<i>A6: Any other Operating Revenue</i>	-	-
Revenue - Subsidies and Grants (B = B1+B2+B3)	82.72	376.24
<i>B1: Tariff Subsidy Booked</i>	-	-
<i>B2: Revenue Grant under UDAY</i>	-	-
<i>B3: Other Subsidies and Grants</i>	82.72	376.24
Other Income (C = C1+C2+C3)	82.44	63.95
<i>C1: Income booked against deferred revenue*</i>	-	-
<i>Interest from Fixed Deposits</i>	-	-
<i>C2: Misc Non-tariff income from consumers (including DPS)</i>	43.81	58.8
<i>C3: Other Non-operating income</i>	38.63	5.15
Total Revenue on subsidy booked basis (D = A + B + C)	3342.86	3601.67
Tariff Subsidy Received (E)		
Total Revenue on subsidy received basis (F = D - B1 + E)	3342.86	3601.67
Whether State Government has made advance payment of subsidy for the quarter(Yes/No)		

	Year	
	2023-24	2022-23
Table 2: Expenditure Details		
Cost of Power (G = G1 + G2+ G3)	2699.07	2465.67
<i>G1: Generation Cost (Only for GEDCOS)</i>		
<i>G2: Purchase of Power</i>	2587.12	2358.59
<i>G3: Transmission Charges</i>	111.95	107.08
O&M Expenses (H = H1 + H2 + H3 + H4 + H5 + H6 + H7)	1189.76	1135.49
<i>H1: Repairs & Maintenance</i>	56.34	44.6
<i>H2: Employee Cost</i>	142.46	129.96
<i>H3: Admn & General Expenses</i>	113.46	225.1
<i>H4: Depreciation</i>	59.41	56.52
<i>H5: Total Interest Cost</i>	284.6	284.93
<i>H6: Other expenses</i>	526.55	390.79
<i>H7: Exceptional Items</i>	6.94	3.59
Total Expenses (I = G + H)	3888.83	3601.16
Profit before tax (J = D - I)	-545.97	0.51
<i>K1: Income Tax</i>		
<i>K2: Deferred Tax</i>		
Profit after tax (L = J - K1 - K2)	-545.97	0.51
Other Comprehensive Income		
Net Profit/(Loss) for the Period	-545.97	0.51

	2023-24	2022-23
Balance Sheet		
Table 3: Total Assets	As on 31st Mar	As on 31st Mar
M1: Net Tangible Assets & CWIP	1343.25	1174.41



M2: Other Non-Current Assets	14.58	7.44
M3: Net Trade Receivables	2279.86	3058.14
<i>M3a: Gross Trade Receivable Govt. Dept.</i>		
<i>M3b: Gross Trade Receivable Other-than Govt. Dept.</i>	3746.06	3998.02
<i>M3c: Provision for bad debts</i>	1466.2	939.88
M4: Subsidy Receivable	378.01	437.04
M5: Other Current Assets	511.71	370.98
Total Assets (M = M1 + M2 + M3 + M4 + M5)	4527.41	5048.01

Table 4: Total Equity and Liabilities

	2023-24	2022-23
	As on 31st Mar	As on 31st Mar
N1: Share Capital & General Reserves	3155.11	2846.18
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	-4732.85	-4186.93
N3: Government Grants for Capital Assets		
N4: Non-current liabilities	288.8	254.99
N5: Capex Borrowings	2481.7	2949.67
<i>N5a: Long Term Loans - State Govt</i>	0	0
<i>N5b: Long Term Loans - Banks & FIs</i>	1888.14	2315.93
<i>N5c: Short Term/ Medium Term - State Govt</i>		
<i>N5d: Short Term/ Medium Term - Banks & FIs</i>	593.56	633.74
N6: Non-Capex Borrowings	0	0
<i>N7a: Short Term Borrowings/ from Banks/ FIs</i>		
<i>N7b: Cash Credit/ OD from Banks/ FIs</i>		
N8: Payables for Purchase of Power	1326.25	1344.51
N9: Other Current Liabilities	2008.4	1839.59
Total Equity and Liabilities (N = N1 + N2 + N3 + N4 + N5 + N6 + N7 + N8 + N9)	4527.41	5048.01

Table 5: Technical Details

	Year	
	2023-24	2022-23
O1: Total Installed Capacity (MW) (Quarter Ended) (Only for GEDCOs)	-	-
<i>O1a: Hydel</i>		
<i>O1b: Thermal</i>		
<i>O1c: Gas</i>		
<i>O1d: Others</i>		
O2: Total Generation (MU) (Quarter Ended) (Only for GEDCOs)	-	-
<i>O2a: Hydel</i>		
<i>O2b: Thermal</i>		
<i>O2c: Gas</i>		
<i>O2d: Others</i>		
O3: Total Auxiliary Consumption (MU) (Year Ended)		
O4 : Gross Power Purchase (MU) (Year Ended)	4289.154	4228.568
Gross Input Energy (MU) (O5 = O2 - O3 + O4)	4289.154	4228.568
O6: Transmission Losses (MU)(Interstate & Intrastate)		
O7: Gross Energy sold (MU)	3877.508	3835.674
<i>O7a: Energy Sold to own consumers</i>	3877.508	3835.674

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O7b: Bulk Sale to Distribution Franchisee

O7c: Interstate Sale/ Energy Traded/Net UI Export

Net Input Energy (MU) (O8 = O5 - O6 - O7c)	4289.154	4228.568
Net Energy Sold (MU) (O9 = O7 - O7c)	3877.508	3835.674
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	3177.7	3161.48
O11: Opening Gross Trade Receivables (including any adjustments) (Rs crore)	3815.5	3744.44
O12: Adjusted Gross Closing Trade Receivables (Rs crore)	3577.38	3815.5
Revenue Collected including subsidy received (O13 = A1 + A2 + A3 + E + O11 - O12)	3415.82	3090.42
Billing Efficiency (%) (O14 = O9/O8*100)	90.4	90.71
Collection Efficiency (%) (O15 = O13/O10*100)	107.49	97.75
Energy Realised (MU) (O15a = O15*O9)	4168.07	3749.46
AT&C Loss (%) (O16 = 100 - O14*O15/100)	9.6	11.33

Table 6: Key Parameters

	Year	
	2023-24	2022-23
ACS (Rs./kWh) (P1 = I*10/O5)	9.07	8.52
ARR on Subsidy Booked Basis (Rs./kWh) (P2 = D*10/O5)	7.79	8.52
Gap on Subsidy Booked Basis (Rs./kWh) (P3 = P1 - P2)	1.28	0
ARR on Subsidy Received Basis (Rs./kWh) (P4 = I*10/O5)	7.79	8.52
Gap on Subsidy Received Basis (Rs./kWh) (P5 = P1 - P4)	1.28	0
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (Rs./kWh) (P6 = (I-B-C1)*10/O5)	7.79	8.52
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P7 = P1 - P6)	1.28	0
Sale of Power as per (A)	3177.7	3161.48
Add: ED on sale of Power	180.63	192.77
Gross Sale of Power With ED	3,358.33	3,354.25
Receivables (Days) (P8 = 365*M3/A)	248	333
Payables (Days) (P9 = 365*N10/G)	179	199
Total Borrowings (P10 = N5)	2,481.70	2,949.67

Table 7: Consumer Category wise Details of Sale (MU)

	Year	
	2023-24	2022-23
Q1: Domestic	1,830.19	1,836.99
Q2: Commercial	352.203	319.059
Q3: Agricultural	0	0
Q4: Industrial	1,471.91	1,428.46
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	155.291	144.368
Q6: Others	67.916	106.81

Railways

Bulk Supply

Miscellaneous

Distribution Franchisee

Interstate/ Trading/ UI

Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	3877.508	3835.67
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Table 8: Consumer Category-wise Details of Sale (Rs. Cr.)	Year	
	2023-24	2022-23
Q1: Domestic	1,230.52	1,261.55
Q2: Commercial	384.41	399.67
Q3: Agricultural	0	0
Q4: Industrial	1,231.28	1,204.10
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	222.55	174.7
Q6: Others	108.94	121.46
	<i>Railways</i>	
	<i>Bulk Supply</i>	
	<i>Miscellaneous</i>	18.23
	<i>Distribution Franchisee</i>	90.71
	<i>Interstate/ Trading/ UI</i>	
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	3177.70	3161.48

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

1. The company does not have any Benami property.
2. 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) or entity (ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - i. 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
 - ii. 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:
 - i. 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 GoUP invested in the subsidiary(DISCOMs) as per its requirement and loans are taken and bonds are issued on behalf of the Subsidiaries(DISCOMs) or
 - ii. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
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).
6. The company has invested in equity of its wholly owned subsidiaries and other companies as mentioned in Note no. 5 of the Financial Statements.
7. The company is not being declared willful defaulter by the bank or financial institution or lender during the year.

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8. Details of charges filed with ROC against borrowing from Bank and Generators outstanding as on 31.03.2024 is as under

Sl. No	Name of Borrower/Generator	Particulars of Charge
1.	Lalitpur Power Generation Company Limited	First Pari Passu charge with LC bankers on the revenues routed through the default Escrow a/c. As per terms of agreement to hypothecate cum deed of hypothecation to the extent of letter of credit to be opened as per terms of power purchase agreement.
2.	Indian bank	Pari Passu charge on all the Receivables, other current assets and non-current assets, present and future with other banks in consortium, PFC/REC, ICICI and other lenders.
3.	Bajaj Energy Private Limited	Hypothecation of Receivable/Book Debts to the extent of 100% of the power purchase amount on Pari Passu basis of corporation.

Notes

1. Allahabad Bank was merged into Indian Bank effective from 1st April, 2020.

The Lender Bank/FI/Trustee to the bonds to the company have been given/provided charge on various type of assets at different points of time in which certain disharmony w.r.t charge creation was noticed. The company has taken up steps towards harmonization of security which is under process and is expected to be completed in F.Y. 2024-25.

9. The company has obtained fund based/non-fund based credit limits from multiple banks aggregating to 1,930 Crore against security of receivables. Accordingly, as per the terms of sanction, Quarterly /Half Yearly statements (on the basis of unaudited/ provisional balance sheet) in respect of gross trade receivables have been submitted to respective banks which stood as below in different quarters of F.Y. 2023-2024: -

Quarter	Period	Particulars of Security	(₹ Crore)
			Amount
Q1	Apr. to Jun 2023	Trade Receivables	27,857.41
Q2	Jul to Sept 2023		28,662.36
Q3	Oct to Dec 2023		23,953.02
Q4	Jan to Mar 2024		27,248.89

10. Fund based and Non fund based utilization as on 31.03.2024 is as under:

Bank Name	Fund Based & Non Fund based Utilization as on 31.03.2024			Total Availed
	Sanction Limit	Non-Fund Based	Fund Based	
Punjab National Bank	465.00	142.79	-	142.79
Central Bank of India	105.00	92.05	-	92.05
ICICI Bank	400.00	221.00	-	221.00
Indian Bank	430.00	150.00	199.75	349.75
Bank of India	500.00	116.67	-	116.67
HDFC Bank	30.00	25.00	-	25.00
TOTAL	1,930.00	747.51	199.75	947.26

Bank Name	Fund Based & Non Fund based Utilization as on 31.03.2023			Total Availed
	Sanction Limit	Non-Fund Based	Fund Based	
Punjab National Bank	465.00	142.79	50.68	193.47
Central Bank of India	105.00	93.72	-	93.72



ICICI Bank	400.00	227.38	-	227.38
Indian Bank	430.00	150.00	150.00	300.00
Bank of India	500.00	116.67	0.01	116.68
HDFC Bank	30.00	25.00	-	25.00
TOTAL	1,930.00	755.56	200.69	956.25

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

11. The company has not made any transactions during the year with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

Name of the Struck off Company	Nature of transactions with struck off company	Balance Outstanding as on 31.03.2024	(₹ Crore) Relationship with the struck off company. If any, to be disclosed
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NIL

Name of the Struck off Company	Nature of transactions with struck off company	Balance Outstanding as on 31.03.2023	(₹ Crore) Relationship with the struck off company. If any, to be disclosed
Southern U.P Power Transmission Co. Limited	Investment in Securities	2.22	Subsidiaries

12. The company does not have any investment property.
13. The company has not revalued any Property, Plant and Equipment (including Right-of-Use Assets)
14. The company has not revalued its Intangible Assets.
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 favor 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 ₹0.05 Crore is not available with the company.
16. 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 this notes) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

36. Recent pronouncements/ Amendments:

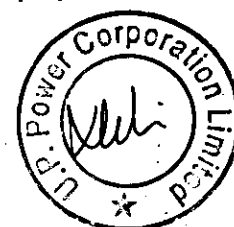
No notification has been issued by the MCA during the year 2023-24.

Further, vide notification dated March 31, 2023, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards, and are effective from April 1, 2023. The summary of the major amendments and its impact on the Company are given hereunder:

- i. Disclosure of accounting policies – amendments to Ind AS 1 – Presentation of financial statements: This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. These amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial

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statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information do not need to be disclosed. If disclosed, they should not obscure material accounting information.

The Company has evaluated the amendment and suitably modified its Material Accounting Policies. However, impact of the said amendment on the Company's financial statements is not significant.

- ii. Definition of accounting estimates – amendments to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events (as well as the current period).

The Company has evaluated the amendment and there is no impact on the Company's financial statements.

- iii. Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12 - Income Taxes: This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company has evaluated the amendment and there is no impact on the Company's financial statements.

Amendments/ revisions in other standards are either not applicable or do not have any material impact on the financial statements.

37. Government Grants and Subsidies:

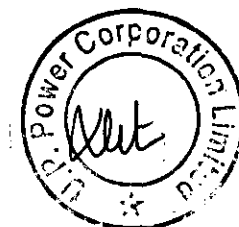
- a. Grants / Subsidies received under different schemes for DISCOMs are treated initially as payable to DISCOMs and subsequently are transferred to DISCOMs concerned.
- b. During the period Capital Grant ₹583.52 Crore, Revenue Grant/Subsidy of ₹26,662.69 Crore and Additional Subsidy for Operational Loss funding (RDSS) of ₹9,700.00 Crore have been received from Govt. of U.P. (including other department) 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 heads. The DISCOMS wise details are furnished below:

FY2023-24

Particulars	PuVVNL	MVVNL	DVVNL	PVVNL	KESCO	(₹Crore)
						Total
Capital Grant/ Subsidy	147.88	155.90	181.29	98.46	-	583.52
Revenue Grant/ Subsidy	8,573.09	5,319.32	5,676.94	7,007.14	86.20	26,662.69
Additional Subsidy for Operational Loss funding (RDSS)	2,752.38	3,229.45	3,251.69	386.60	79.88	9,700.00
Total	11,473.35	8,704.67	9,109.92	7,492.20	166.08	36,946.21

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Particulars	PuVVNL	MVVNL	DVVNL	PVVNL	KESCO	(₹ Crore)
						Total
Capital Grant/ Subsidy	127.00	130.50	148.50	92.00	-	498.00
Revenue Grant/ Subsidy	6,101.68	4,751.03	4,825.10	6,053.28	71.28	21,802.37
Additional Subsidy for Operational Loss funding (RDSS)	2,681.12	2,404.36	957.04	1,588.96	376.24	8,007.72
Total	8,909.80	7,285.89	5,930.64	7,734.24	447.52	30,308.09

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- i. 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 grants provided to the DISCOMs by the GoUP under UDAY in earlier years. The balance amount of ₹14,661.54 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:

S.No.	Name of DISCOM	(₹ Crore) Amount
1	PuVVNL	12,367.00
2	MVVNL	3,490.00
3	DVVNL	9,213.00
4	PVVNL	14,673.00
5	KESCO	0.00
	Total	39,743.00

- iii. As per the above GO, the subsidies of ₹20940.00 Crore (₹ 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	(₹ Crore) Amount
1	PuVVNL	8,115.54
2	MVVNL	978.08
3	DVVNL	2,159.69
4	PVVNL	9,146.45
5	KESCO	540.24
	Total	20,940.00

- iv. The details of the amount received against the subsidiaries of ₹20,940.00 Crore are as under:



Particulars	(₹ Crore)					
	PuVVNL	MVVNL	DVVNL	PVVNL	KESCO	Total
Balance as on 31.03.2022	7,340.42	884.66	1,953.42	8,272.86	488.64	18,940.00
Received during 2022-23	775.12	93.42	206.27	873.59	51.60	2,000.00
Balance as on 31.03.2023	6,565.30	791.25	1,747.14	7,399.27	437.04	16,940.00
Received during 2023-24	886.75	106.87	235.98	999.38	59.02	2,288.00
Balance as on 31.03.2024	5,678.55	684.38	1,511.16	6,399.89	378.02	14,652.00

Breakup of above subsidy receivable in terms of Non-Current & Current Receivable is given as below:

Discom	(₹ Crore)		Total
	Non-Current Receivables	Current Receivables	
PuVVNL	4748.41	930.15	5678.55
MVVNL	572.28	112.10	684.38
DVVNL	1263.63	247.53	1511.16
PVVNL	5351.60	1048.30	6399.89
KESCO	316.09	61.92	378.02
Total	12252.01	2400.00	14652.00

- d. Grants/Subsidies received under different schemes for DISCOMs (subsidiaries) are treated initially as payable to DISCOMs and subsequently are transferred to/ adjusted against DISCOMs.
- e. 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 Sahasthradhara 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.

38. Disclosure regarding audit observation of C&AG's office in respect of accounting of subsidies UDAY, RDSS and Additional Revenue Subsidy.

- a. C&AG's office has issued audit comments on the financial statements of FY 2022-23 challenging the "True & Fair View" of DISCOMs (except DVVNL) and CFS of UPPCL mainly on the ground that excess subsidy has been claimed by UPPCL amounting to ₹4,112.25 Crore (at CFS level) under RDSS during the period FY 2022-23.

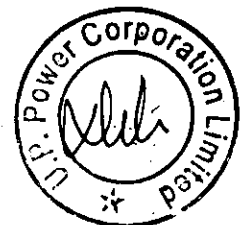
However, the management is of the view that the subsidy under RDSS was correctly calculated and claimed on the basis of agreed methodology (on operational funding requirement i.e. OFR basis) and accounted for in accordance with the requirements of Ind AS 20 and consequent to due approvals by the Government of Uttar Pradesh and receipt of the funds through the State Budget. In any case, the accounting of such subsidy in the books is correct & there is no misrepresentation/misstatement.

The matter has been referred to C&AG through the Govt. of U.P vide letter no.562/24-P-1-2024-51/2024 dated 09.04.2024 for a review. After review of the same, CAG vide its letter no. CAG/NCR/UP/DISCOMs/Accounts-2022-2023/Corresp/2024-25/87 dated 14.05.2024 has informed that they have not considered the request of dropping/modifying the comments in respect of funding of loss under RDSS. Further, it has been advised by CAG to seek clarification/approval from State Govt and Ministry of Power Government of India on methodology for computation, detailing all the factors taken therein for claiming and funding of financial losses of discoms under the RDSS. In view of the above UPPCL vide its letter no.211/अधिनियम-प/आय व्ययक 2024-25/453 dated 18.05.2024 has sought clarification/confirmation from State Govt. regarding calculation methodology (on OFR basis) of subsidy under RDSS as the entire loss funding subsidy is funded by the State Govt. through state budget.

- b. As per GO no. 445-1-21-731 (Budget)/2020 dated 05/03/2021, GoUP has accepted to provide additional revenue subsidy of ₹39,743.00 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. The

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above GO also provided that, out of total additional revenue subsidy of ₹39,743.00 Crore, ₹25,081.46 Crore shall be deemed to be paid from the grants provided to the DISCOMs by the GoUP under UDAY in earlier years. The balance amount of ₹14,661.53 Crore shall be paid to the DISCOMs by GoUP in the next 10 years, commencing from 2021-22. Apart from this, the balance amount of loss funding subsidy of ₹6,278.47 crores for the period FY 2016-17 to 2019-20 were also payable by the GoUP under UDAY. Thus, the total subsidy of ₹20,940.00 crores (₹14,661.53 Crore of revenue subsidy and ₹6,278.47 Crore of loss funding under UDAY) are 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. The aforesaid subsidy of ₹20,940.00 Crore had been allocated to DISCOMs (subsidiary) after making the necessary adjustments as tabulated below:

(₹ Crore)

S.N.	Name of DISCOM	Tariff subsidy	UDAY Subsidy	Total Subsidy
1	PuVVNL	6,401.50	1,714.04	8,115.54
2	MVVNL	-	978.08	978.08
3	DVVNL	-	2,159.69	2,159.69
4	PVVNL	8,260.03	886.42	9,146.45
5	KESCO	-	540.24	540.24
	Total	14,661.53	6,278.47	20,940.00

C&AG's office has issued a comment on the accounting of the above subsidy of ₹20,940.00 Crore in the financial year 2020-21 which was not in agreement with the accounting done by the company. Therefore, to clarify such difference of opinion between C&AG's office and management, in respect of accounting of above subsidy, the management has sought the opinion of Expert Advisory Committee (EAC) of ICAI in respect of accounting treatment of such receivable subsidy amount vide letter no.385/PCL/CA/N-312/EAC opinion/2023-24 dated 15.09.2023. The EAC of ICAI has provided the opinion vide letter TD/EAC/1857/23 dated 01.05.2024 and according to the opinion of EAC of ICAI, the DISCOMs (subsidiaries) have made necessary accounting required in the books of account of F.Y. 2023-24 in accordance with Ind AS 20 & Ind AS 8.

39. Equity share capital includes ₹1,568.24 Crore received from GoUP under the Uttar Pradesh Power Distribution Network Project (UPPDNP) against which company has already invested ₹1,602.59 Crore with DISCOMs.

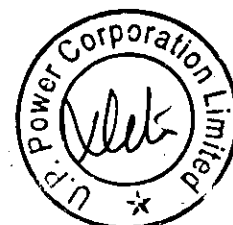
DISCOM wise break up of investment is given below:

(₹ Crore)

Sr. No.	Name of DISCOM	Equity received from Govt as on 31.03.24 against UPPDNP	Fund released as investment in equity of DISCOMs (F.Y. 2023-2024)	Fund released as investment in equity of DISCOMs (F.Y. 2022-2023)	Fund released as investment in equity of DISCOMs (F.Y. 2021-22)	Fund released as investment in equity of DISCOMs (F.Y. 2020-21)	Total
			A	B	C	D	A+B+C+D
1	PuVVNL	561.93	97.15	307.80	114.21	48.68	567.84
2	MVVNL	320.51	7.99	184.16	79.27	49.65	321.07
3	DVVNL	597.26	226.62	292.37	68.91	34.42	622.32
4	PVVNL	88.54	12.64	18.09	22.97	37.66	91.36
	Total	1,568.24	344.40	802.42	285.36	170.41	1,602.59

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The balance amount of ₹34.35 Crore (₹1,602.59 Crore - ₹1,568.24 Crore) is to be reimbursed by the Government of U.P. and shown as Equity Investment in DISCOMs.

40. Receivable related to Power Purchase

The above includes the following towards the debit balances related to power purchases from generators as detailed below:

F.Y.2023-24

Sl No	Balances	Remarks	(₹ crore)
i.	717.56	It relates to debit notes issued to M/s Rosa Power Company Private Limited in the month of April 2018 towards the recovery as per UPERC's order but the recovery against the above debit notes is still stayed as per APTEL's order dated 29.09.2018.	
ii.	379.00	It relates to unscheduled interchange charges receivable from generators (Northern Railway, NPCIL, and Chunar Cement Factory Ltd.) The UI charges may be payable or receivable depending upon deviation from the schedule and also subject to the Grid condition at that point of time.	
iii.	4.86	It relates to the negative bills given by the UPPTCL, Powergrid Rampur Sambhal, and TANGEDCO.	
iv.	606.03	It relates to debit balances against different generators and the same are under reconciliation.	
v.	65.97	It relates to the amount receivable from Indian Energy Exchange Ltd. Against purchase and sales through it.	
Total	1,773.42		

F.Y.2022-23

Sl No	Balances	Remarks	(₹ crore)
iv.	707.68	It relates to debit notes issued to M/s Rosa Power Company Private Limited in the month of April 2018 towards the recovery as per UPERC's order but the recovery against the above debit notes is still stayed as per APTEL's order dated 29.09.2018.	
v.	397.95	It relates to unscheduled interchange charges receivable from generators (Northern Railway, NPCIL, and Chunar Cement Factory Ltd.) The UI charges may be payable or receivable depending upon deviation from the schedule and also subject to the Grid condition at that point of time.	
vi.	4.83	It relates to the negative bills given by the UPPTCL, Powergrid Rampur Sambhal, and TANGEDCO.	
iv.	431.68	It relates to debit balances against different generators and 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.	
Total	1,567.90		

41. Due to heavy accumulated losses i.e. ₹ 1,07,785.89 Crore on 31.03.2024 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 ICAI.

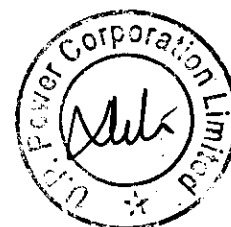
42. Statement containing salient features of the financial statements of Subsidiaries and Associates of UP Power Corporation Limited pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, in form AOC-I is attached.

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

Subsidiaries

The Group's subsidiaries at 31st March 2024 are set out below. They have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group.

Name of Entity	Place of Business/ Country of Origin	Ownership interest held by the Group (%)		Ownership interest held by Non-controlling interest (%)		Principal activities
		31-03-24	31-03-23	31-03-24	31-03-23	
MVVNL	India	100	100	-	-	Distribution of energy
DVVNL	India	100	100	-	-	Distribution of energy



PVVNL	India	100	100	-	-	Distribution of energy
PUVNNL	India	100	100	-	-	Distribution of energy
Kesco	India	100	100	-	-	Distribution of energy

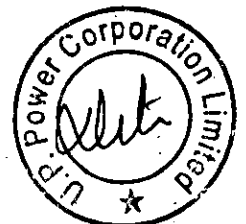
44. Consequent to the applicability of Ind-AS the financial statements for the year ended 2023-24 has been prepared as per Ind-AS. Accordingly previous year's figures have been regrouped/ rearranged wherever necessary to confirm to this year's classification.
45. The Expenses allocated by the U.P Power Corporation Limited for the year 2023-24 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.
46. 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 Crore in consideration of converting borrowings. The Board of the company, in its meeting dated 13.09.2018, has accorded to apply under section 248 of the Companies Act 2013, read with rule 4(1) of the companies (Removal of Name of Companies from Register of Companies) Rule, 2016 to strike off its name from Register maintained by the Registrar of Companies, Uttar Pradesh. Correspondingly the Company has shown this equity shares under the head of Investments and full impairment has been provided. Further, the Southern U.P. Power Transmission Company Limited has been struck off in the records of the register of the companies in the month of May 2022.

47. Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to make them comparable/ better presentation with the current year figures
48. (a) Various old balances appearing in different asset and liability account heads and which were being carried forward from previous years, despite attempts to reconcile/adjust, have been shifted/Parked to Asset Migration head (Refer Note No.08) and Liability Migration head (Refer Note No.18) during the year. The details of such adjustments are as under:



ASSET MIGRATION

Note No.	Description	UPPCL	MVVNL	PuVVNL	PVVNL	DVVNL	KESCO
3	CWIP (Advance to Supplier/Contractor)	0.16	-	-	-	-	-
13	Inter Unit Transfer	74.05	0.65	-	-	-	-
3	Advance to Contractors (Material issued for construction of Capital Works)	5.19	-	-	-	-0.19	-
8	Overlay Charges	10.36	-	-	-	-	-
9	Stock of Materials - Capital Works	-	-	-	-	-0.20	-
9	Stock of Materials - O&M	-	-	-	-	11.31	-
9	Stock of Materials - Others	-	0.01	-	-	-	-
10	Trade Receivables outstanding from Customers on account of Sale of Power	-	1.01	-	-	3.71	-
11B	Deposit with original maturity of more than 3 months but less than 12 months	-	-	-	-	0.07	-
12	Claims receivable from GoUP	-	-	-	-	0.11	-
12	Employees (Receivables)	-	-0.02	-	-	0.04	-
12	Other Receivables	32.05	-0.70	-	-	4.30	0.19
13	Income Accrued & but not Due	-	-	-	-	2.74	6.95
13	Inter Unit Transfer	-	-	-	-	2.65	-
13	Suppliers/Contractors	-	-	-	-	29.52	-
21	Deposits & Retentions (For Electrification works)	-	0.34	-	-	0.19	-
21	Deposits & Retentions (From Suppliers & others)	-	-	-	-	-1.24	-
21	Staff related liabilities	-	-	-	-	1.86	-
21	Sundry Liabilities	-	-	-	-	-0.01	-
	Total	121.81	1.29	-	-	54.86	7.14
	Grand Total				185.10		

LIABILITY MIGRATION

Note No.	Description	UPPCL	MVVNL	PuVVNL	PVVNL	DVVNL	KESCO
2	PROPERTY, PLANT & EQUIPMENT (Depreciation)	-	0.26	-0.71	-	-	-
3	CAPITAL WORKS IN PROGRESS	-	-	-44.47	-	-	-
3	CWIP (Advance to Supplier/Contractor)	-	-	0.19	-	-	-
6	FINANCIAL ASSETS - OTHERS NON-CURRENT	-	-	0.05	-	-	-
9	Stock of Materials - Capital Works	-	-	62.98	-	-	-
10	Trade Receivables outstanding from Customers on account of Sale of Power	-	-	-5.84	-	-	-
12	Employees Receivables	-	-	-5.37	-	-	-
12	Provision for Doubtful receivables from Employees	-	-	-	-	-	0.19

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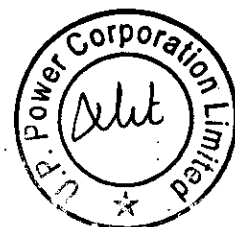
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12	Other Receivables	-	0.21	-3.88	-	-	-
13	Inter Unit Transfer	-	8.11	166.85	-	-0.20	6.95
18	Liability/Provision for Leave Encashment	-	-	-	-	0.13	-
18	Security Deposits From Consumers	-	0.09	0.92	-	3.79	-
20	Trade Payables	-0.09	-	-	-	-	-
21	Deposits & Retentions For Electrification works	-	0.63	6.47	-	1.70	-
21	Deposits & Retentions From Suppliers & others	7.03	0.11	0.67	-	13.66	0.52
21	Electricity Duty & other levies payable to govt.	-	1.94	10.56	-	0.67	-
21	Liability for Supplies/Works (Capital Nature supplies/ works)	-	-	653.28	-	-2.21	0.45
21	Liability for Supplies/Works (O&M Nature supplies/ works)	0.01	-	0.49	-	-0.06	-
21	Staff related liabilities	-	10.05	-1.86	-	0.30	-
21	Sundry Liabilities	0.01	-0.11	-0.02	-	-0.19	-
21	Liabilities towards UP Power Sector Employees Trust	-	-	-	-	-	2.78
21	Contributory Provident Fund Liability	-	0.02	-	-	-	-
21	Liabilities For Expenses	-	0.10	0.12	-	-	-
	Total	6.96	21.41	840.43	-	17.59	10.89
	Grand Total			897.28			

(b) Various old balances appearing in the Standalone Financial Statement of UPPCL under different asset and liability account heads and which were being carried forward from various previous years, despite attempts to reconcile/adjust, have been written back /written off. The details of such adjustments are as under:

Description	Amount (₹ Crore)	Shifted from Note No.	Shifted to Note No.
Written Back			
Provision for Unserviceable stores	0.13	09 (INVENTORIES)	
Deposits & retentions from suppliers & others	0.02	21 (OTHER FINANCIAL LIABILITIES- CURRENT)	24 (OTHER INCOME)
Sundry Liabilities	6.47		
Staff Related Liabilities	0.27		
Total	6.89		
Written Off			
CWIP	0.03	03 (CAPITAL WORK-IN-PROGRESS)	
Receivable from Employees	0.04	12 (FINANCIAL ASSETS-OTHERS (CURRENT))	29 (ADMINISTRATIVE, GENERAL & OTHER EXPENSES)
Other Receivables	0.03		
Stock of Material	0.14	09 (INVENTORIES)	
Advance to supplier & contractors (O&M)	0.01	13 (OTHER CURRENT ASSETS)	
Total	0.25		



49. CFS adjustments is as under:

Adjustments made in CFS (F.Y. 2022-23) as tabulated below:

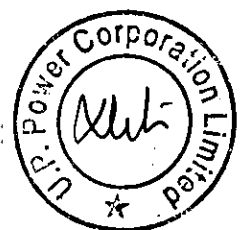
					(Rs. in Crore)
Note	Name of Note	Balance/Amount Before Adjustments	Adjustments Made	Balance/Amount After Adjustments	Particulars of Adjustments made
10	Financial Assets-(Trade Receivables)	78,207.26	9.38	78,216.64	It relates to the unadjusted power purchase cost of Rs. 9.38 crore (Rs. 11.59 crore for the current year and Rs. 2.21 crore for the prior period) after issuing the bills of sale of power to the DISCOMs. Since the adjustments of the above power purchase cost has remained unadjusted, unbilled, the same has been eliminated in CFS and shown under the respective head in the CFS.
15	Other Equity	-79805.09	9.38	-79,795.71	
23	Revenue from operation	64,623.11	11.59	64,634.70	
13	Other Current Assets	5,253.61	-1570.37	3,683.24	It relates to the Receivables from UPPCL of Rs. 1570.37 crore, which has been shown/ depicted by the PVVNL under the Head of Other Current Assets. Hence, it has been transfer from receivable against Power Purchase to Receivable from UPPCL and the same has also been eliminated as a group transaction.
31	Bad Debts & Provisions	29,151	-14,589.73	14,561.27	It relates to the corresponding reversal entries against group transactions made by the UPPCL as follows: (i) Rs. 14,530.50 crore- towards impairment of investment in DISCOMs. (ii) Rs. 50.81 crore- towards reversal of provision for doubtful receivables against sale of power to DISCOMs. (iii) Rs. 8.42 crore- towards reversal of provision for other doubtful receivable from DISCOMs. Total: 14,589.73 crore.

Adjustments made in CFS (F.Y. 2023-24) as tabulated below:

					(Rs. in Crore)
Note	Name of Note	Balance/Amount Before Adjustments	Adjustments Made	Balance/Amount After Adjustments	Particulars of Adjustments made
10	Financial Assets-(Trade Receivables)	68,732.01	343.18	69,075.19	It includes and relates to the unadjusted power purchase cost of Rs. 343.18 (including Rs. 9.38 Crore unbilled revenue of previous year billed this year) crore after issuing the bills of sale of power to the DISCOMs. Since the adjustments of the above power purchase cost has remained unadjusted, unbilled, the same has been eliminated
15	Other Equity	-83,506.44	355.17	-83,151.27	

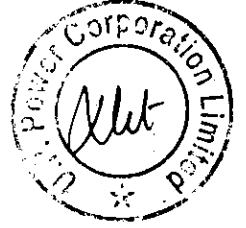
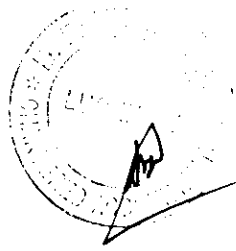
23	Revenue from operation	71,245.98	333.80	71,579.78	in CFS and shown under the respective head in the CFS.
13	Other Current Assets	7,294.77	-3371.82	3,922.95	It relates to the Receivables from UPPCL of Rs. 3371.82 crore, which has been shown/ depicted by the PVVNL under the Head of Other Current Assets. Hence, it has been transfer from receivable against Power Purchase to Receivable from UPPCL and the same has also been eliminated as a group transaction.
24	Other Income/ Subsidy Under UDAY	30053.10	-1397.47	28655.63	(i) Rs. 11.99 Crore (Rs. 355.17-Rs. 343.18 already explained above) relates to the amount of adjustment of additional UDAY subsidy which has been wrongly accounted for with the Atmnrhbar Subsidy balances during the Year 2023-24 by the PVVNL. This has been rectified at CFS level with corresponding effect in Profit & Loss and Financial Assets Others (Non-Current)
15	Other Equity	-83,506.44	355.17	-83151.27	(ii) Rs. 1409.46 crore- towards nullify the SFS reversal of provision for doubtful receivables against sale of power to DISCOMs.
8	Financial Assets- Others (Non-Current)	12975.34	11.99	12987.33	It relates to the corresponding reversal entries against group transactions made by the UPPCL/Discoms as follows:
	Bad Debts & Provisions	17442.16	-6,957.74	10484.42	(i) Rs. 7081.64 crore- towards impairment of investment in DISCOMs.
31					(ii) Rs. 123.92 crore- towards nullify the reversal of provision for other doubtful receivable from DISCOMs.
					Total: Net reversal is Rs. 6957.74 crore.

50. The Subsidiary Discoms have not created Regulatory Assets in the latest Tariff determination cycle.
51. Unbilled Revenue in respect of sale of electricity is recognised on the basis of fifteen days' assessment considering the average assessment for the preceding three completed calendar months (i.e. December to February in respect of March).
52. Amount paid to UPPTCL towards Bay Charges during the F.Y. 2023-24 has been dealt as under:
1. The amount paid for Bay Charges out of own funds has been charged to P & I A/c.
 2. The amount paid for Bay Charges out of Consumer Contributions has been adjusted against Liabilities towards Deposit Works.



Amount paid to UPPTCL towards Bay Charges during the F.Y. 2022-23 and before were shown under "Asset not in Possession" Hence the same has been rectified in current year by treating it Prior Period Error, in accordance with Ind AS-8.

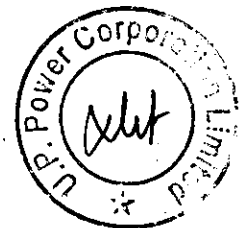
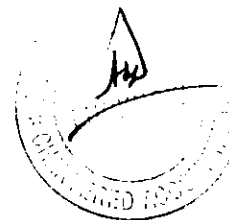
53. Unutilized balances lying in the prepaid meters of consumers are shown as current liability under the head "Other Financial Liabilities-Current". Earlier it was shown under "Financial Assets-Trade Receivables-Current".



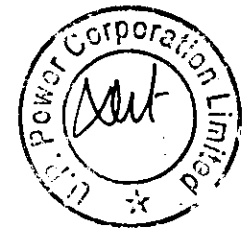
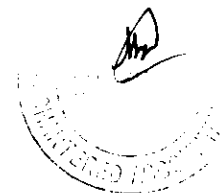
54. Ratios:

S.No.	Particulars of Disclosures	Numerator	Denominator	March' 24	March' 23	Variation in Ratio (%)	Reason of variation for more than 25%
1	Current ratio	Current Assets	Current Liability	1.19	1.29	-7.75	N.A.
2	Debt-Equity Ratio	Total Debt (Non current borrowings-Current Borrowings)	Shareholder's equity (Equity Share Capital-Other Equity)	2.70	4.08	-33.82	Shareholders equity has been increased by 31.27% on account of allotment of share capital and corresponding debt portion has been reduced by 13.19% only, resulting overall decrease in Debt Equity Ratio by 33.82%
3	Debt Service Coverage Ratio	Net Profit/(Loss) for the year+Finance Cost+Depreciation & amortization+Provision for bad debts+Exceptional Items)	Scheduled principal repayment of non current borrowings	0.62	0.37	67.57	Due to decrease in net loss as compared to last year, operating margin is increased by 70.62%. Further, total debt obligation (including interest) has been increased by 2.12% only. These results in positive variation in Debt Service Coverage Ratio by 67.57%
4	Return on Equity	Net Profit/(Loss) for the year	Average Shareholder's equity (Equity Share Capital-Other Equity)	-0.33	-0.73	54.79	Net loss has been decreased by 58.83% during the year on account of increase in subsidy, decrease in provision created during the year for bad & doubtful debts and increase in revenue from sale of power as compared to increase in power purchase. These factors collectively results in positive impact on Return on Equity.

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5	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 Public. Hence, the company does not have any trade inventory. The company maintains inventory only for internal use i.e. for construction and maintenance of fixed assets. Hence, disclosure in respect of inventory turnover ratio is not required.
6	Trade Receivable Turnover ratio	Revenue from operations	Average Trade Receivables	0.97	0.78	24.36	N.A.
7	Trade Payables turnover Ratio	Total Purchase	Average Trade Payables	2.86	2.41	18.67	N.A.
8	Net Capital Turnover Ratio	Revenue from operations	Working Capital	5.08	3.03	67.66	Working capital during the year has been decreased on account of approx. ₹9000 Crore increase in provision for bad and doubtful debts on trade receivables. Further, total turnover during the year has been increased by 10.75%. These two factors collectively results in overall increase in the ratio.
9	Net Profit Margin(%)	Net Profit(Loss) for the year	Revenue from Operations	-10.19%	-27.40%	-62.81	Net loss has been decreased by 58.83% during the year on account of increase in subsidy, decrease in provision created during the year for bad & doubtful debts and increase in revenue from sale of power as compared to increase in power purchase.
10	Return on Capital Employed (%)	EBIT	Capital Employed=Net worth (excluding Capital Reserve)+Long term Borrowing+Current Borrowings	0.37%	-9.79%	-103.78	This is mainly on account of approximate increase in turnover by ₹6900 Crore and Other income (Subsidy) by ₹4500 Crore. Also there is decrease in capital employed of ₹4394 Crore (Net worth increase by ₹5998 Crore. Borrowings decrease by ₹10392 Crore).
11 (a)	Return on Investment (on Bond Interest) (%)	Interest on Bonds	Average Bond Value	7.75%	7.75%	0.00	N.A.



11 (b)	Return on Investment (for investment with Subsidiaries & Joint Ventures) (%)	Return/Impairment on Investments	Average Investment value excluding bond value	-0.06%	0.11%	-154.55	It is mainly due to reversal of impairment on investment in share of UPPTCL by ₹1.20 Crorc.
12	Long term debt to working capital ratio	Long term borrowing including current maturity of long term borrowing	Working Capital	4.82	3.67	31.34	Working capital during the year has been decreased on account of approx. ₹9000 Crore increase in provision for bad and doubtful debts on trade receivables. Further the Long term borrowings (incl. current maturity) have also been decreased by approx. ₹10000 Crore, which collectively resulted in overall increase in the ratio.
13	Bad Debts to Accounts Receivables Ratio	Provision for Bad debts	Gross Average Trade Receivables	0.37	0.29	27.59	Provision for bad & doubtful debts has been increased.
14	Current Liability ratio	Current Liabilities	Total Liability (excluding Equity)	0.54	0.51	5.88	N.A.
15	Total Debts to Total Asset	Long term borrowing & current maturity of long term borrowing	Total Assets	0.38	0.43	-11.63	N.A.
16	Operating Margin(%)	Operating Profit/(Loss)	Revenue from Operations	-35.40%	-41.53%	-14.76	N.A.
17	Interest Service Coverage Ratio	EBIT	Interest Expenses	0.04	-1.20	-103.28	This is mainly on account of approximate increase in turnover by ₹6900 Crore and Other income (Subsidy) by ₹4500 Crore
18	Net Worth (Share Capital + Other Equity excluding Capital Reserve)			25177.89	19179.86	31.27	During the year share allotment and share application money pending allotment collectively increased by ₹13338.15 Crore and Loss has been increased by ₹7291.86 Crore. Consolidated impact of above resulted in increase of net worth by ₹5998.03 Crore.

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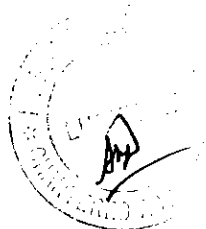
55. Other separate relevant notes given by the Holding and Subsidiary are given below:

U.P Power Corporation Limited (Holding Company)

1. In compliance of section 31 of the Electricity Act, 2003, the GoUP vide its Notification NO. 108/24-ऊ.नि.नि.प्र./22-525/2008 टीसी dated 22th July, 2022 and under the UPSLDC Regulations 2000 and relevant statute has decided to separate the State Load Dispatch Centre from UPPFCL. Under section 131 (4) of the Electricity Act, 2003 and the U.P. Electricity Reform Act, 1999, the transfer scheme for UPSLDC Limited has been notified by the GoUP vide its Notification No. 30/XXIV-U.N.N.P-23-525-2008 dated 24th May, 2023. The effective date of incorporation of UPSLDC Limited is 22nd August, 2022
2. The receivable from Utrakhand Power Corporation Ltd. amounting to 192.61 Crore as on 31.03.2019 has been mutually settled and the same has been approved by the Board of Directors of the company in their meeting held on 18th December, 2019. Accordingly, the amount of ₹ 160.58 Crore payable to Utrakhand Power Corporation Ltd. by U.P. Power Sector Employees Trust on account of GPF contribution has been adjusted against the above receivable amounting to ₹ 192.61 Crore and the same has been accounted for by the company in the ensuing accounts in hand i.e. F.Y. 2018-19 as receivable from U.P. Power Sector Employees Trust (Ref Note-12) and the balance amount of ₹ 32.03 Crore i.e. (₹ 192.61 Crore - ₹160.58 Crore) has finally been written off and accounted for as Bad Debts in the F.Y.2018-19.
3. Equity received from GoUP for distribution works is invested in each DISCOM based on physical / financial targets and is shown as investment in respective DISCOMs.
4. **Employee Benefits:**
 - a. As required by Ind AS 19 (Employee 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 22.04.2024 for the F.Y. 2023-24.
 - b. The provision for Earned Leave Encashment (Terminal Benefits) for all employees (i.e. GPF & CPF employees) has been made as per Actuarial Valuation Report dated 22.04.2024 for the F.Y. 2023-24.
 - c. The Disclosure with respect to the above point no 5(b) & 5(c) is as below: (₹ Crore)

S.No	Defined benefit plans	Gratuity		Leave Encashment	
		As on 31.03.2024	As on 31.03.2023	As on 31.03.2024	As on 31.03.2023
1	Assumptions				
	Discount Rate	7.23%	7.52%	7.21%	7.46%
	Rate of increase in Compensation levels	7.00%	7.00%	7.00%	7.00%
	Rate of return on Plan assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Average future service (in Years)	23.69 Years	24.89 Years	17.50 Years	17.85 Years
2	Service Cost				
	Current Service Cost	1.74	1.70	2.21	1.91
	Past Service Cost (including curtailment Gains/ Losses)	0.00	0.00	0.00	0.00
	Gains or losses on Non Routine settlements	0.00	0.00	0.00	0.00
3	Net Interest Cost				
	Interest Cost on Defined Benefit Obligation	1.61	1.28	6.45	6.25
	Interest Income on Plan Assets	0.00	0.00	0.00	0.00
	Net Interest Cost (Income)	1.61	1.28	6.45	6.25
4	Change in present value of obligations				
	Opening of defined benefit obligations	21.35	17.42	86.51	89.80
	Interest cost	1.61	1.28	6.45	6.25
	Service Cost	1.74	1.70	2.21	1.91

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	Benefits Paid	(0.16)	(0.32)	(10.69)	(11.75)
	Actuarial (gain)/Loss on total liabilities	1.53	1.27	5.35	0.30
	<i>due to change in financial assumptions</i>	1.16	(0.58)	1.96	(3.80)
	<i>due to change in demographic assumptions</i>	0.00	0.00	0.00	0.00
	<i>due to experience Changes</i>	0.37	0.85	3.39	4.10
	Closing of defined benefit obligation	26.07	21.35	89.83	86.51
5	Change in the fair value of plan assets				
	Opening Fair value of plan assets	0.00	0.00	0.00	0.00
	Actual return on plan assets	0.00	0.00	0.00	0.00
	Employer Contribution	0.16	0.32	10.69	11.75
	Benefits paid	(0.16)	(0.32)	10.69	(11.75)
	Closing Fair value of plan assets	0.00	0.00	0.00	0.00
6	Actuarial (Gain)/Loss on Plan Asset				
	Expected Interest Income	0.00	0.00	0.00	0.00
	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	Other Comprehensive Income				
	Opening amount recognized in OCI outside P&L account	0.00	0.00	N/A	N/A
	Actuarial gain/(loss) on liabilities	(1.53)	(1.27)	N/A	N/A
	Actuarial gain/(loss) on assets	0.00	0.00	N/A	N/A
	Closing amount recognized in OCI outside P&L account	(1.53)	(1.27)	N/A	N/A
8	The amounts to be recognized in the Balance Sheet Statement				
	Present value of obligations	26.07	21.35	89.83	86.51
	Fair value of plan assets	0.00	0.00	0.00	0.00
	Net Obligations	26.07	21.35	89.83	86.51
	Amount not recognized due to assets limit	0.00	0.00	0.00	0.00
	Net defined benefit liability/(assets) recognized in balance sheet	26.07	21.35	89.83	86.51
9	Expenses recognized in Statement of Profit & loss				
	Service cost	1.74	1.70	2.21	1.91
	Net Interest cost	1.61	1.28	6.45	6.25
	Net actuarial (gain)/loss	0.00	0.00	5.35	0.30
	Expenses recognized in statement of Profit & Loss	3.35	2.98	14.01	8.46
10	Change in Net Defined Obligations				
	Opening of Net defined benefit liability	21.35	17.42	86.51	89.80
	Service Cost	1.74	1.70	2.21	1.91
	Net Interest Cost	1.61	1.28	6.45	6.25
	Re-measurements	1.53	1.27	5.35	0.30
	Contributions paid to fund	(0.16)	(0.32)	(10.69)	(11.75)
	Closing of Net defined benefit liability	26.07	21.35	89.83	86.51
11	Sensitivity Analysis				
	Item	As on	Impact	As on	Impact
		31.03.2024		31.03.2024	
	Base liability	26.07		89.83	
	Increase in Discount rate by 0.50%	24.10	(1.96)	86.00	(3.84)
	Decrease in Discount rate by 0.50%	28.25	2.18	94.04	4.20
	Increase in salary inflation by 1%	28.04	1.97	98.23	8.39
	Decrease in salary inflation by 1%	23.90	(2.17)	82.70	(7.13)
	Increase withdrawal rate by 0.5%	26.59	0.52	90.04	0.20
	Decrease withdrawal rate by 0.5%	25.51	(0.56)	89.62	(0.21)

5. Nothing adverse has been reported by the units/zone concerned regarding non-compliance of the provisions in respect of unpaid liabilities and interest thereon under the MSMED Act 2006.

6. As per requirement of Section 135 and Schedule VII of the Companies Act, 2013 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 immediately 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.

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7. Earmarked Bank Balances, ESCROW Accounts, and Bank Credits (working capital):

a. The details of banks accounts earmarked for repayment of Bonds/Corpus Fund are as under:

(₹ Crore)

S. No.	Bank Name	Account Name	Account Number	Bank Balance	FDR Balance	Accrued Interest
A	HDFC (Vistra)	DSRA SERIES I A/C	50200004167832	0.00	194.14	2.27
		BOND SER ESCROW I A/C	50200004167842	0.00	194.04	0.78
		BOND SER ESCROW II A/C	50200017358973	0.00	33.35	0.05
		DSRA SERIES II A/C	50200017358986	0.00	133.26	1.31
		Total 'A'		0.00	554.79	4.41
B	ICICI	UP Power Corporation Ltd. RPO Regulatory Fund	628105501311	0.61	0.00	0.00
		Total 'B'		0.61	0.00	0.00
C	ICICI (Beacon)	Distribution Network Rehabilitation A/c.	628101109809	0.00	0.00	0.00
		UPPCL Bond Servicing Series I A/c.	628105501279	0.00	180.41	1.06
		UPPCL Debt Service Reserve I A/c.	628105501280	0.00	357.71	4.27
		UPPCL Bond Servicing Series II A/c	628105501282	0.00	226.71	1.33
		UPPCL Debt Service Reserve II A/c.	628105501283	0.00	449.45	5.36
		UPPCL Bond Service A/c (Series I)2022	628105501314	0.00	5.04	0.00
		UPPCL Debt Service Reserve A/c Bond (Series I)2022	628105501315	0.00	317.30	4.31
		UPPCL Bond Service A/c (Series II)2022	628105501317	0.00	4.54	0.00
		UPPCL Debt Service Reserve A/c Bond (Series II)2022	628105501318	0.00	284.52	3.86
		Total 'C'			1,825.68	20.19
D	Corpus Fund	ICICI (NEDA SOLAR)		0.00	49.47	0.00
		Total 'D'		0.00	49.47	0.00
Grand Total(A+B+C+D)				0.61	2,429.94	24.60

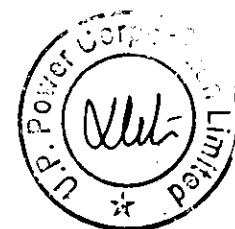
b. Bank balances of ESCROW Accounts for Power Purchases:

Bank name	Account name	A/c no.	(₹ Crore) Balance
SBI ASHOK MARG	UPPCL ESCROW A/C ROSA	30952651649	0.04
	UPPCL ESCROW A/C BAJAJ	32977504067	0.12
	UPPCL ESCROW A/C LALITPUR	35095155057	-
PNB Hazratganj	ROSA POWER SUPPLY PAYMENTS ESCROW	294002900000031	7.59
	BAJAJ ENERGY DEFAULT ESCROW	294002110007897	0.01
	UPPCL LALITPUR ESCROW A/C	294002110008638	6.37
CBI Hazratganj	U P POWER CORPORATION LTD (BAJAJ)	3251225201	2.54
	U P POWER CORPORATION LTD (LALITPUR)	3472978707	0.01
ICICI Bank	UPPCL ROSA POWER SUPPLY PAYMENT ESC.AC	628105030625	11.66
	UPPCL BAJAJ ENERGY DEFAULT ESCROW A/C	628105032232	2.35
HDFC Bank	UPPCL ROSA DEFAULT ESCROW A/C	12672240000014	13.74
Total			44.43

c. UPPCL has availed working capital facilities amounting to ₹1,930.00 crores from various banks. As per the sanction terms and conditions PNB has sanctioned ₹450.00 crores as CC limit and the

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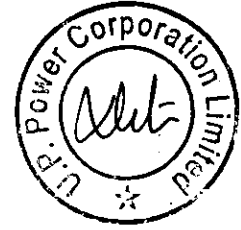
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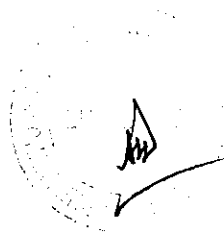
remaining bank (i.e. Indian Bank (₹430.00 Crore), ICICI Bank (₹400.00 Crore), Central Bank of India (₹105.00 Crore), HDFC bank (₹30.00 Crore) and Bank of India (₹500.00 Crore) and PNB (₹15.00 Crore), have sanctioned residual limit of ₹1,480.00 Crore as OD/WCL facility.

As on 31.03.2024, UPPCL availed ₹199.77 Cr from below mentioned banks-

Bank Name	WCL	OD/CC	(₹ Crore)
Indian Bank(OD)	168.00		31.77
PNB(CC)	0.00		0.00
PNB(OD)	0.00		0.00
PNB Mid	0.00		0.00
Corporate			
BOI(OD)	0.00		0.00
Total	168.00		31.77



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

(a) The status of Bonds issued by the Company for the DISCOMs as on 31.03.2024 is as under:

S. No	Details of Bonds/Details of Bonds	Amount of Bonds (₹ in Crore)	No. of Bonds	Maturity date	Date of issue	Face Value (₹ in Lakh)	Rate of interest	Previous due date of interest payment	Paid/or not	Next date of Interest payment	Amount of interest Payable on next due date (₹ Crore)	Next due date of principal payment	Principal Amount Payable on next due date (₹ Crore)	Security	Outstanding As at 31.03.2024 (₹ Crore)	Outstanding As at 31.03.2023 (₹ Crore)
1.	UPPCL State Govt Serviced Bond series II/2022	3,488.00	34,880	22.03.2032	07.10.2022	10	9.95%	30.03.2024	Paid	01.07.2024	89.13	01.07.2024	109.00	Assets including Receivables, ESCROW, and Govt Guarantee (as per terms of DRII of respective issuance) Hypothecation on Current	3,488.00	3,488.00
2.	UPPCL State Govt Serviced Bond series I/2022	3,951.20	39,512	22.03.2032	30.03.2022	10	9.70%	30.03.2024	Paid	01.07.2024	98.43	01.07.2024	123.48		3,951.20	3,951.20
3.	UPPCL Bond Series II/2017-18	5,491.00	54,910	20.01.2028	27.03.2018	10	10.15%	19.01.2024	Paid	19.04.2024	65.21	19.04.2024	161.50		2,584.00	3,230.00
4.	UPPCL Bond Series I/2017-18	4,498.20	44,982	20.10.2027	05.12.2017	10	9.75%	19.01.2024	Paid	19.04.2024	48.11	19.04.2024	132.30		1,984.50	2,513.70
5.	UPPCL Bond Series IV/2016-17	3,489.50	34,895	15.03.2027	27.03.2017	10	8.48%	15.03.2024	Paid	14.06.2024	31.53	14.06.2024	124.63		1,495.50	1,994.00
6.	UPPCL Bond Series III/2016-17	6,510.00	65,100	15.02.2027	17.02.2017	10	8.97%	15.02.2024	Paid	15.05.2024	61.54	15.05.2024	232.50		2,790.00	3,720.00
	Total!	27,427.90	2,74,279	-	-	-	-	-	-	-	393.95	-	883.41		16,293.20	18,896.90

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(b) Credit Rating:

The position of Credit Rating obtained from various agencies is given below:

Current Rating (as on 31.03.2024):

Particulars	Ratings		
Bond Amount (₹ Crore)	4,498.20 & 5,491.00	6,510.00 & 3,489.50	3,951.20 & 3,488.00
CRISIL Rating	A+(CE)/Stable	-	A+(CE)/Stable
India Rating	IND A+(CE)/Stable	IND A+(CE)/Stable*	IND A+(CE)/Stable
Brickwork Rating	BWR AA-(CE)Stable	BWR AA(CE)/Stable	-

* ratings have been re-assessed and upgraded by M/s India Ratings to "IND AA (CE)/Stable dated 21.06.2024

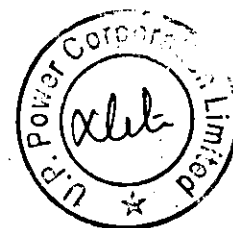
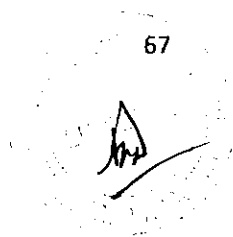
Previous Rating (as on 31.03.2023):

Particulars	Ratings		
Bond Amount (₹ Crore)	4,498.20 & 5,491.00	6,510.00 & 3,489.50	3,951.20 & 3,488
CRISIL Rating	A+(CE)/Stable	-	A+(CE)/Stable
India Rating	IND A+(CE)/Stable	IND AA(CE)/Stable	IND A+(CE)/Stable
Brickwork Rating	BWR AA-(CE)Stable	BWR AA(CE)/Stable	-

There is change in Credit Rating as compared to previous year.

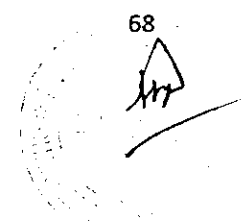
(c) The following bonds issued by the company are secured as per the details: -

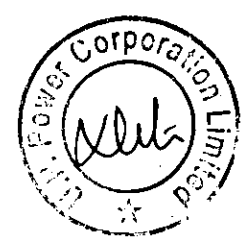
ISIN	Scrip Code	Date of Maturity	Security	(₹ Crore)	
				Amount	Present Outstanding (as on 31.03.2024)
INE540P07046	955766	15.02.2021		930.00	0.00
INE540P07053	955767	14.02.2022		930.00	0.00
INE540P07061	955768	15.02.2023		930.00	0.00
INE540P07079	955769	15.02.2024		930.00	0.00
INE540P07087	955770	14.02.2025		930.00	930.00
INE540P07095	955771	13.02.2026		930.00	930.00
INE540P07103	955772	15.02.2027		930.00	930.00
INE540P07111	956144	15.03.2021		498.50	0.00
INE540P07129	956145	15.03.2022		498.50	0.00
INE540P07137	956146	15.03.2023		498.50	0.00
INE540P07145	956147	15.03.2024		498.50	0.00
INE540P07152	956148	14.03.2025		498.50	498.50
INE540P07160	956149	13.03.2026	Hypothecation on current assets including receivables, Escrow and Government	498.50	498.50
INE540P07178	956150	15.03.2027	Guarantee(as per terms of DOH for respective Issuances)	498.50	498.50
INE540P07186	957201	18.10.2019		264.60	0.00
INE540P07194	957202	20.10.2020		529.20	0.00
INE540P07202	957203	20.10.2021		529.20	0.00
INE540P07210	957204	20.10.2022		529.20	0.00
INE540P07228	957205	20.10.2023		529.20	0.00
INE540P07236	957206	18.10.2024		529.20	369.90



INE540P07244	957207	20.10.2025	529.20	529.20
INE540P07251	957208	20.10.2026	529.20	529.20
INE540P07269	957209	20.10.2027	529.20	529.20
INE540P07277	957800	20.01.2020	323.00	0.00
INE540P07285	957802	20.01.2021	646.00	0.00
INE540P07293	957803	20.01.2022	646.00	0.00
INE540P07301	957804	20.01.2023	646.00	0.00
INE540P07319	957806	19.01.2024	646.00	0.00
INE540P07327	957807	20.01.2025	646.00	646.00
INE540P07335	957808	20.01.2026	646.00	646.00
INE540P07343	957809	20.01.2027	646.00	646.00
INE540P07350	957810	20.01.2028	646.00	646.00
INE540P07368	973877	31.03.2025	493.90	493.90
INE540P07376	973879	30.03.2026	493.90	493.90
INE540P07384	973880	31.03.2027	493.90	493.90
INE540P07392	973882	31.03.2028	493.90	493.90
INE540P07400	973876	30.03.2029	493.90	493.90
INE540P07418	973878	29.03.2030	493.90	493.90
INE540P07426	973881	31.03.2031	493.90	493.90
INE540P07434	973883	22.03.2032	493.90	493.90
INE540P07442	974281	31.03.2025	436.00	436.00
INE540P07459	974282	30.03.2026	436.00	436.00
INE540P07467	974283	31.03.2027	436.00	436.00
INE540P07475	974284	31.03.2028	436.00	436.00
INE540P07483	974285	30.03.2029	436.00	436.00
INE540P07491	974286	29.03.2030	436.00	436.00
INE540P07509	974287	31.03.2031	436.00	436.00
INE540P07517	974288	22.03.2032	436.00	436.00

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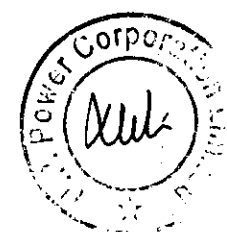
INE540P08028	04.07.2031	5,376.82	
			Govt. Guaranteed
			4,032.62
INE540P08036	28.09.2031	4,699.98	
			3,524.99
INE540P08051	31.03.2032	299.49	199.66
	Total		24,050.46

The assets of the company provide coverage of the interest and principal amount, as detailed below which is in accordance with terms of issue/debenture trust deed for Secured debt securities:

Particulars	Security Coverage
Beacon Trusteeship Ltd. (Debenture Trustee for Bonds)	1.91
Vistra ITCL India Ltd. (Debenture Trustee for Bonds)	1.16
Other Secured Debts and other Secured Payables	6.05

(d) The market value of Bonds shown under the head Financial Assets - Investments (Non- Current) in Note No.05 of the Financial Statements is as under:

Settlement Date	Security	Valuation date	Original Maturity date	Residual maturity year	FIMMDA Yield as on 31.03.2024	Price	No. of bonds	(₹ Crores) Total amount/ clean price
27.03.2017	7.75% PFC Bonds Series-164 (22.03.2027)	28.03.2024	22.03.2027	3	7.68	100.54	250	25.14
27.03.2017	7.75% PFC Bonds Series-164 (22.03.2027)	28.03.2024	22.03.2027	3	7.68	100.545	250	25.14
27.03.2017	7.75% PFC Bonds Series-164 (22.03.2027)	28.03.2024	22.03.2027	3	7.68	100.545	250	25.14
27.03.2017	7.75% PFC Bonds Series-164 (22.03.2027)	28.03.2024	22.03.2027	3	7.68	100.545	250	25.14
11.05.2017	7.75% PFC Bonds Series-164 (22.03.2027)	28.03.2024	22.03.2027	3	7.68	100.545	230	23.12
	Total						1230	123.68



(e) Disclosure pursuant to regulation 52(7) & 52(7A) of SEBI (LODR), Regulations, 2015 with respect to utilization of Issue proceeds:

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues / Private Placement)	Type of Instrument	Listed at	Date of Raising Funds	Amount Raised	Fund Utilized	Any Deviation (Yes/No)	If 9 is Yes then specify the purpose for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10	11
U.P. Power Corporation Ltd.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA	NA

9. Details of Loan taken/Outstanding on Behalf of DISCOMs:

Loan No	Rate of Interest (%)	Drawl Date	Balance as on 31.03.2024	MVVNL	PuVVNL	PVVNL	DVVNL	KESCO	(₹ Crore) Total
Power Finance Corporation (PFC)									
8523002	10.97	21-06-2017	1,000.00	250.00	250.00	250.00	250.00	0.00	1,000.00
8523001	10.50	21-07-2018	600.00	120.00	75.00	195.00	150.00	60.00	600.00
8573002	10.60	07-02-2019	800.00	180.00	300.00	120.00	200.00	0.00	800.00
8573003	10.50	23-07-2019	303.34	60.67	42.01	139.99	60.67	0.00	303.34
8573004	10.50	25-09-2019	224.46	67.34	112.23	0.00	44.89	0.00	224.46
8573005	10.50	28-11-2019	225.16	59.26	82.95	23.71	59.24	0.00	225.16
8573006	10.75	20-12-2019	170.30	29.19	72.99	38.93	29.19	0.00	170.30
8573008	10.90	13-03-2020	261.30	11.60	11.60	23.23	17.43	197.44	261.30
8569001	09.75	30-07-2020	7,157.17	1,538.81	3,448.33	430.13	1,545.96	193.94	7,157.17
8570001	09.50	30-03-2021	5,027.27	1,080.86	2,422.14	302.14	1,085.89	136.24	5,027.27
8575001	10.00	20-10-2022	2,752.07	843.83	905.96	9.40	892.15	100.73	2,752.07
Total (A)			18,521.07	4,241.56	7,723.21	1,532.53	4,335.42	688.35	18,521.07
Rural Electrification Corporation (REC)									
4712381	10.40	30/03/2017	642.86	118.54	143.04	203.66	150.17	27.45	642.86
476002105	10.25	COVID Loan	91.40	16.85	20.34	28.96	21.35	3.90	91.40
4714417	10.25	11/10/2018	415.62	59.39	89.03	207.81	59.39	0.00	415.62
476002596	10.34	COVID Loan	16.51	2.36	3.53	8.26	2.36	0.00	16.51
4714897	10.34	18/03/2019	1,428.57	339.29	267.86	535.71	285.71	0.00	1,428.57
4715972	09.75	30/07/2020	7,223.74	1,553.11	3,480.58	434.09	1,560.14	195.82	7,223.74
47116279	09.75	26/03/2021	4,900.13	1,053.53	2,360.88	294.50	1,058.43	132.79	4,900.13
4717221	10.00	30/09/2022	2,151.82	655.29	731.13	35.33	642.75	87.32	2,151.82
Total (B)			16,870.65	3,798.36	7,096.39	1,748.32	3,780.30	447.28	16,870.65
Grand Total (A+B)			35,391.72	8,039.92	14,819.60	3,280.85	8,115.72	1,135.63	35,391.72

*Details of loan drawn during the year under RBPF Scheme (included in above):

RoI	Drawl Date	Total	MVVNL	PuVVNL	PVVNL	DVVNL	KESCO
PFC							
9.50%	Quarter-I	810.00	242.21	299.96	25.17	205.17	37.49
9.50%	Quarter-II	1,497.00	460.78	499.10	-	486.97	50.15
10.00%	Quarter-III	1,197.00	367.84	376.34	-	408.06	44.77
	Total	3,504.00	1,070.83	1,175.40	25.17	1,100.20	132.41
REC							
9.50%	Quarter-I	1,844.00	551.39	682.87	57.31	467.09	85.34
9.50%	Quarter-II	536.00	164.98	178.70	-	174.36	17.96



10.00%	Quarter-III	726.00	223.10	228.25	-	247.49	27.15
	Total	3,106.00	939.47	1089.82	57.31	888.94	130.45
	Gross Total	6,610.00	2,010.30	2,265.22	82.48	1,989.14	262.86

10. The common expenditures and common facility costs towards the Employee Cost, Administrative, General & Other Expense and Repair & Maintenance expenses amounting to ₹182.97 Crore have been allocated and transferred to subsidiaries companies and other related companies during the period ended 31.03.2024 as compared to ₹173.54 Crore during the year ended 31.03.2023 based on ratio of financial year 2022-23.

Details of the allocation of common expenses are as under:

Particulars	(₹ Crore)							
	Employee Cost (Note 23)		Admin. Cost (Note 26)		R&M Cost (Note 27)		Total	
	2023-24 i	2022-23 ii	2023-24 iii	2022-23 iv	2023-24 v	2022-23 vi	2023-24 (i+iii+v)	2022-23 (ii+iv+vi)
PuVVNL	27.16	27.36	11.70	10.19	0.34	0.26	39.20	37.81
MVVNL	25.57	25.56	10.30	8.69	0.29	0.22	36.16	34.47
DVVNL	24.80	24.53	10.50	9.07	0.31	0.24	35.61	33.84
PVVNL	28.70	28.59	14.34	12.17	0.42	0.30	43.46	41.06
KESSCo	5.61	5.44	1.61	1.34	0.05	0.04	7.27	6.82
Sub-Total (a)	111.84	111.48	48.45	41.46	1.41	1.06	161.70	154.00
UPRVUNL	0.82	0.55	0.12	0.03	0.62	0.54	1.56	1.12
UPPTCL	18.58	17.71	0.54	0.15	0.59	0.55	19.71	18.41
Sub-Total (b)	19.40	18.26	0.66	0.18	1.21	1.09	21.27	19.53
Total (a+b)	131.24	129.74	49.11	41.64	2.62	2.15	182.97	173.53

11. 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.
12. In view of UPERC order dated 10.03.2022 in petition no. 1431/2019, through which capital cost of M/s Lalitpur Power Generation Company Ltd. had been revised, two debit notes amounting to ₹ (2,225.76) Crore & ₹ (353.45) Crore have been verified and issued to M/s Lalitpur Power Generation Company Ltd. However, as per APTEL order dated 01.04.2022 (A. No. 451 of 2022 in DFR No. 114 of 2022 & IA No. 450 of 2022) the debit notes earlier issued amounting to ₹ (2,225.76) Crore & ₹ (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'ble APTEL/Court/UPERC.
13. 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 ₹ 2.22 Crore in consideration of converting borrowings. The Board of the company, in its meeting dated 13.09.2018, has accorded to apply under section 248 of the Companies Act 2013, read with rule 4(1) of the companies (Removal of Name of Companies from Register of Companies) Rule, 2016 to strike off its name from Register maintained by the Registrar of Companies, Uttar Pradesh. Correspondingly the Company has shown this equity shares under the head of Investments and full impairment has been provided. Further, the Southern U.P. Power Transmission Company Limited has been struck off in the records of the register of the companies in the month of May 2022.

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

Purvanchal Vidyut Vitran Nigam

1. With respect to True-up order for FY 2020-21, GoUP has admitted the claim of ₹1000 Crore in FY 2022-23 (PuVVNL Share negative ₹345.57 Crore) and ₹574 Crore in FY 2023-24 (PuVVNL Share negative ₹59.01 Crore). The same has been properly dealt with in books of accounts.
2. Provision for leave encashment (for all employees) and gratuity (for CPF employees) has been made on the basis of actuarial valuation report issued for the financial year 2023-24 by independent actuarial valuer firm.

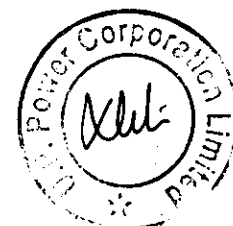
Madhyanchal Vidyut Vitran Nigam

1. As required by Ind AS 19, the provision for accrued liability of Gratuity of employees covered under CPF scheme and provision for accrued liability for Earned Leave Encashment of all employees has been made on the basis of actuarial valuation report dated 08.04.2024 submitted by M/s Mithras Consultants, Gurgaon, Haryana. The disclosures in this regard are as below:-

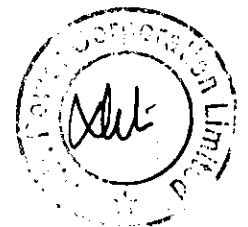
(₹ in Crores)

S. No.	Defined benefit plans:-	Gratuity		Leave Encashment	
		As on 31.03.2023	As on 31.03.2024	As on 31.03.2023	As on 31.03.2024
1.	Assumptions				
	Discount Rate	7.48% p.a.	7.21% p.a.	7.48% p.a.	7.21% p.a.
	Rate of increase in Compensation levels	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
	Rate of Return on Plan Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Average future service(in years)	23.00 Years	22.68 Years	20.01 Years	20.13 Years
2.	Service Cost				
	Current Service Cost	13.96	14.69	10.80	12.67
	Past Service Cost (including curtailment)	0	0	0	0

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	Gains/ Losses)				
	Gains or losses on Non Routine settlements	0	0	0	0
	Total	13.96	14.69	10.80	12.67
3.	Net Interest Cost				
	Interest Cost on Defined Benefit Obligation	12.14	14.47	26.52	28.13
	Interest Income on Plan Assets	0	0	0	0
	Net Interest Cost (Income)	12.14	14.47	26.52	28.13
4.	Change in present value of obligations				
	Opening of defined benefit obligations	166.58	193.42	366.23	376.08
	Liability Transfer In/(Out)	0	0	0	0
	Service cost	13.96	14.69	10.80	12.67
	Interest Cost	12.14	14.47	26.52	28.13
	Benefit Paid	-3.91	-2.51	-25.66	-22.58
	Actuarial (Gain)/Loss on total liabilities:	4.65	10.82	-1.82	31.18
	- due to change in financial assumptions	-4.78	7.66	-10.20	13.00
	- due to change in demographic assumptions	0	0	0	0
	- due to experience variance	9.44	3.16	8.38	18.19
	Closing of defined benefit obligation	193.42	230.89	376.08	425.48
5.	Change in the fair value of plan assets				
	Opening fair value of plan assets	0	0	0	0
	Asset Transfer In/ (Out)	0	0	0	0
	Actual Return on Plan Assets	0	0	0	0
	Employer Contribution	3.91	2.51	25.66	22.58
	Benefit Paid	-3.91	-2.51	-25.66	-22.58
	Closing fair value of plan assets	0.00	0.00	0.00	0.00
6.	Actuarial (Gain)/Loss on Plan Asset				
	Expected interest income	0	0	0	0
	Actual income on Plan Asset	0	0	0	0
	Actuarial gain /(loss) on Assets	0	0	0	0
7.	Other Comprehensive income				
	Opening amount recognized in OCI outside P&L account	0	0	Not Applicable	Not Applicable
	Actuarial Gain / (loss) on liabilities	-4.65	-10.82	Not Applicable	Not Applicable
	Actuarial gain / (loss) on assets	0.00	0.00	Not Applicable	Not Applicable
	Closing amount recognized in OCI outside P&L account	-4.65	-10.82	Not Applicable	Not Applicable
8.	The amount to be recognized in Balance Sheet Statement				
	Present Value of Obligations	193.42	230.89	376.08	425.48



Fair value of plan assets	0	0		
Net Obligations	193.42	230.89	376.08	425.48
Amount not recognized due to asset limit	0	0	0	0
Net defined benefit liability / (assets) recognized in balance sheet	193.42	230.89	376.08	425.48
9. Expense recognized in Statement of profit and Loss				
Service cost	13.96	14.69	10.80	12.67
Net interest cost	12.14	14.47	26.52	28.13
Net actuarial (gain)/ loss	Not Applicable	Not Applicable	-1.82	31.18
Expenses Recognized in the statement of profit & Loss	26.10	29.16	35.50	71.99
10. Change in Net Defined Obligations				
Opening of Net defined benefit liability	166.58	193.42	366.23	376.08
Service cost	13.96	14.69	10.80	12.67
Net interest Cost	12.14	14.47	26.52	28.13
Re-measurements	4.65	10.82	-1.82	31.18
Liability Transferred In / (out) - Net	0	0	0	0
Contribution paid to fund	-3.91	-2.51	-25.66	-22.58
Closing of Net defined benefit liability	193.42	230.89	376.08	425.48
11. Sensitivity Analysis				
Item	As on 31.03.2024	Impact	As on 31.03.2024	Impact
Base Liability	230.89		425.48	
Increase Discount Rate by 1.00%	204.30	-26.59	380.39	-45.09
Decrease Discount Rate by 1.00%	262.91	32.02	479.77	54.29
Increase Salary inflation by 1.00%	245.92	15.03	477.30	51.81
Decrease Salary inflation by 1.00%	214.56	-16.33	381.47	-44.01
Increase Withdrawal Rate by 1.00%	233.78	2.89	423.52	-1.97
Decrease Withdrawal Rate by 1.00%	227.32	-3.57	427.68	2.19

Dakshinanchal Vidyut Vitran Nigam

- As per the Provision of Distribution Franchise Agreement with Torrent Power Limited (TPI), the bills for non-achievement of AT&C Loss Target and AT&C Loss Incentive for the F.Y. 2023-24 could not be issued to TPL due to want of audit report. Hence the same will be accounted for in the year in which such report provided by the audit.
- The Amortization of Consumer's Contribution and Grants from Government for Capital Work has been made based on applicable depreciation rates (5.28%) on related Assets i.e. Plant & Machinery and Lines and Cable.

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Pashchimanchal Vidyut Vitran Nigam

1. The company has large nos. of Stock items located at various divisions/sub-divisions/store centres etc. To establish the realizable value, as such, is practically very difficult. Same has been valued at cost.
2. The Security deposit collected from the consumers on the basis of 45 days average billing. On overdue of the payment of bills raised, a notice is to be served to the consumers. The company has most of the consumers with capacity to meet their obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are passed due are still collectable. Hence, no impairment loss has been recognized during the reporting period in respect of Trade Receivables.
3. Based on Actuarial valuation report dated 15.05.2024 (Gratuity CPF employees) and dated 15.05.2024 (Leave Encashment GPF & CPF employees) submitted by M/s Kapadia Global Actuaries to this company for provision for accrued liability on account of Gratuity (CPF Employee) is ₹149.20 crore and liability on account of Leave encashment is ₹344.88 crore has been account for in the books of the company.
4. The following frauds/embezzlement as reported by concerned Branch Auditors in their Audit Report are as follows:

S. No.	Name of Zone	Particulars	₹ in Crores
1	Ghaziabad Zone	Cash embezzlement under the division EUDD-7, Ghaziabad by the accused Mr. Sumit Gupta, Head Cash Revenue in the period of July 2020 to November 2020.	5.64
		Cashier of EDD, Greater Noida Satender Pratap Singh TGII S/o Shri Ramesh Singh, R/o Mohalla Lodhan 2, Jahangirabad Rural, Bulandshahar, Uttar Pradesh posted at 33/11 KV Sub Division Rabupura embezzled cash of ₹82,21,974/- during the month of March, 2021, April 2021 and June 2021.	0.82
		Observed that an amount of ₹20,09,095/- embezzled by cashier of EUDD-IV, Ghaziabad Harinath TG-II during the year 2018-19 (since then, the amount have been kept as Sundry Advance against the accused Harinath TG-II)	0.20
2	Bulandshahar Zone	No fraud is detected during FY 2023-24 but the frauds of embezzlement detected upto FY 2022-23 has involved total amount of Rs. 345.65 lacs which are still to be recovered as the departmental proceedings is going on.	3.46

KESCO

1. KESCO is maintaining a Bank account with ICICI Bank under the under the name & style of "KESCO Online Payment Gateway A/c No. 628805023346" under which payment made by consumers through various online mode were received by the company. The company was making best possible efforts to ensure effective controls and ensured timely reconciliation of the bank account with the statement received from Billing software "M Power". The amount received as above is reconciled daily on the basis of report generated from KESCO website. After the end of the month, the Transaction ID wise report received from the bank is re-matched by the accounts department with the Freezed Online Payment Receipts MIS report received from KESCO IT team. Freezed Online Payment Receipts is the final and complete basis for making MIS report Reconciliation. In the above-mentioned case, as per practice, the amount received from the bank was being matched daily with the report generated from the KESCO website. In the month of July 2023, KESCO Billing Software Agency M/s Fluent

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Grid sent freezed MIS report of June 2023 on 04-07-2023. On matching the freezed MIS report with the amount received from the bank, a total of 679 transactions (amounting to Rs 44.93 lakh) were found whose amount was not settled by ICICI Bank to KESCO. It is noteworthy that the above transactions were not included in the daily report being generated through the KESCO website, due to which no difference in the amount was found in the daily reconciliation. Similar cases were reported in July-23 and in total there were 1102 unsettled transactions amounting to Rs 1.63 crore which were credited to the consumer ledger account but not received in the bank account of KESCO.

The case was immediately brought to the notice of IT Cell KESCO and M/s ICICI bank after which the bank sent the Settlement Report regarding all the above transactions in which the bank account and ICID were different and M/s ICICI requested some time to deeply examine the entire case and assured their full support in the case. Considering the seriousness of the case, FIR dated 25-07-202 was lodged against the bank by Kesco. In the meanwhile, the matter was thereafter handled by expert Cyber Cell of UP Police and it was found that it was a case of cyber attack by a group of people who had also opened a different account with M/s ICICI in the name of KESCO. The police cyber cell took prompt and effective action in this regard which included arrest of some involved persons and recovery of Rs 91.22 lakhs.

The company has ensured adequate recovery of the loss caused in this regard through the following modes-

- (I) Cash recovery of Rs 91.22 lakh has already been made by the Police and handing over of the same is under process.
- (II) Withholding of bills for work executed by M/s Fluentgrid Recovery to the tune of Rs 1.40 crore. The company is also having a Bank Guarantee submitted by the firm for Rs 61 lakhs.
- (III) ICICI bank has also provided a lien marked FDR for Rs 1.63 crore to KESCO

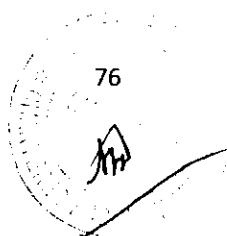
Thus, the company has made adequate measures to recover the loss caused in this regard and no financial loss to the company is envisaged. Further, the company has also taken adequate steps to enhance its cyber security controls and has developed cyber security firewall in its system and other steps to ensure that such type of cyber-attack is not repeated in the future.

The company has not booked Interest on ED during the current FY 2023-24 in accordance with the decision made at 104th BoD held on 22.05.2024 in which, after considering the various facts, it has been decided that interest on ED shall not be booked from FY 2023-24 onwards.

2. With respect to employees appointed under KESCO. after 14.01.2000, the provision for accrued liability on account of Gratuity has been made as per separate actuarial valuation report by Actuarial valuator and liability on account of earned leave encashment for all employees has also been made as per actuarial valuation report and the relevant disclosures of the actuarial valuation report are as follows-

S. No	Defined benefit plans: - (Amount ₹ in Crores)	Gratuity		Leave Encashment	
		As on 31/03/2024	As on 31/03/2023	As on 31/03/2024	As on 31/03/2023
I	Assumptions				
	Discount Rate	7.21%	7.48%	7.21%	7.48%
	Rate of increase in Compensation levels	7.50%	7.50%	7.50%	7.50%
	Rate of return on Plan assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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	Average future service (in Years)	23.04 Years	22.52 Years	17.19 Years	17.27 Years
2 Service Cost					
Current Service Cost		1.56	1.40	1.72	1.35
Past Service Cost (including curtailment Gains/Losses)		0.00	0.00	0.00	0.00
Gains or losses on Non Routine settlements		0.00	0.00	0.00	0.00
3 Net Interest Cost					
Interest Cost on Defined Benefit Obligation		1.76	1.38	4.20	4.34
Interest Income on Plan Assets		0.00	0.00	0.00	0.00
Net Interest Cost (Income)		1.76	1.38	4.20	4.34
4 Change in present value of obligations					
Opening of defined benefit obligations		23.57	18.95	56.20	59.58
Interest cost		1.76	1.38	4.20	4.34
Service Cost		1.56	1.40	1.73	1.35
Benefits Paid		(0.14)	(0.18)	(5.90)	(5.23)
Actuarial (gain)/Loss on total liabilities		(0.05)	2.02	12.58	(3.84)
<i>due to change in financial assumptions</i>		1.07	0.43	1.95	1.83
<i>due to change in demographic assumptions</i>		0.00	0.00	0.00	0.00
<i>due to experience Changes</i>		(1.11)	1.59	10.63	(5.67)
Closing of defined benefit obligation		26.71	23.57	68.81	56.20
5 Change in the fair value of plan assets					
Opening Fair value of plan assets		0.00	0.00	0.00	0.00
Actual return on plan assets		0.00	0.00	0.00	0.00
Employer Contribution		0.14	0.18	5.90	5.23
Benefits paid		(0.14)	(0.18)	(5.90)	(5.23)
Closing Fair value of plan assets		0.00	0.00	0.00	0.00
6 Actuarial (Gain)/Loss on Plan Asset					
Expected Interest Income		0.00	0.00	0.00	0.00
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 Other Comprehensive Income					
Opening amount recognized in OCI outside P&L account		0.00	0.00	N/A	N/A
Actuarial gain/(loss) on liabilities		0.05	(2.02)	N/A	N/A
Actuarial gain/(loss) on assets		0.00	0.00	N/A	N/A
Closing amount recognized in OCI outside P&L account		0.05	(2.02)	N/A	N/A
8 The amounts to be recognized in the Balance Sheet Statement					
Present value of obligations		26.71	23.57	68.81	56.20
Fair value of plan assets		0.00	0.00	0.00	0.00
Net Obligations		26.71	23.57	68.81	56.20
Amount not recognized due to assets limit		0.00	0.00	0.00	0.00
Net defined benefit liability/(assets) recognized in balance sheet		26.71	23.57	68.81	56.20
9 Expenses recognized in Statement of Profit & loss					
Service cost		1.56	1.40	1.73	1.35
Net Interest cost		1.76	1.38	4.20	4.34
Net actuarial (gain)/loss		0.00	0.00	12.58	(3.84)
Expenses recognized in statement of Profit & Loss		3.33	2.78	18.51	1.85
10 Change in Net Defined Obligations					
Opening of Net defined benefit liability		23.57	18.95	56.20	59.58
Service Cost		1.56	1.40	1.73	1.35
Net Interest Cost		1.76	1.38	4.20	4.34
Re-measurements		(0.05)	2.02	12.58	(3.84)



Contributions paid to fund	(0.14)	(0.18)	(5.90)	(5.23)
Closing of Net defined benefit liability	26.71	23.57	68.81	56.20

11 Sensitivity analysis

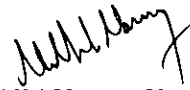
Item	As on 31/03/2024	Impact	As on 31/03/2024	Impact
Base liability	26.71		68.81	
Increase in Discount rate by 0.50%	24.78	(1.93)	65.27	(3.54)
Decrease in Discount rate by 0.50%	28.85	2.13	72.69	3.81
Increase in salary inflation by 0.50%	27.72	1.00	72.52	3.71
Decrease in salary inflation by 0.50%	25.66	(1.05)	65.39	(3.43)
Increase withdrawal rate by 0.50%	27.03	0.31	68.84	0.02
Decrease withdrawal rate by 0.50%	26.37	(0.34)	68.78	(0.03)



(Priti Arora)
Company Secretary
M.No. F-9696



(Nitin Nijhawan)
Chief Financial Officer

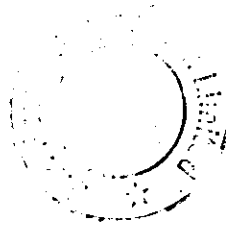


(Nidhi Kumar Narang)
Director (Finance)
DIN - 03473420



(Pankaj Kumar)
Managing Director
DIN - 08095154

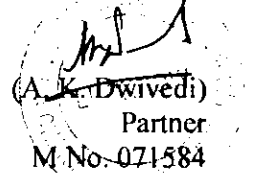
Place : Lucknow
Date : 26.06.2024



Subject to our report of even date

UDIN: 24071584 BKMAXU 9541

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



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



Uttar Pradesh Power Corporation Limited
Shakti Bhawan, 14-Ashok Marg, Lucknow
CIN: U32201UP1999SG024928

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2024

Particulars	For the Year ended	
	31.03.2024	31.03.2023
(₹ in Crores)		
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Before Taxation & Exceptional items	(7169.82)	(17612.90)
Adjustment For:		
a Depreciation	3597.19	3572.50
b Interest & Financial Charges	7640.18	8062.23
c Bad Debts & Provision	10484.42	14561.27
d Interest Income	249.96	203.25
Sub Total	21971.75	26399.25
Operating Profit Before Working Capital Change	14801.93	8786.35
Adjustment for:		
a Inventories	(877.51)	1352.84
b Trade Receivable	(630.43)	(5820.77)
c Other Current Assets	(244.73)	(975.20)
d Financial assets-others	(285.06)	(107.37)
e Other financial Liab.	3397.35	(979.28)
f Financial Liabilities-Borrowings	894.31	3463.87
g Trade Payable	(6900.29)	2279.43
h Bank balance other than cash	(736.80)	(61.40)
Sub Total	(5383.16)	(847.88)
NET CASH FROM OPERATING ACTIVITIES (A)	9418.77	7938.47
B CASH FLOW FROM INVESTING ACTIVITIES		
a Decrease (Increase) in Property, Plant & Equipment	(4868.84)	(6320.29)
b Decrease (Increase) in Work in Progress	(5171.92)	(430.41)
c Decrease/(Increase) in Loans & Other financial assets Non-current Assets	3237.29	2006.88
d Interest Incomes	(249.96)	(203.25)
e Decrease (Increase) in Intangible assets	(14.02)	(101.23)
f Decrease (Increase) in Intangible assets under development	1.29	59.07
g Decrease (Increase) in Asset not in possession	11.96	(2.05)
NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	(7054.20)	(4991.27)
C CASH FLOW FROM FINANCING ACTIVITIES		
a Repayment of Borrowing	(11286.72)	(7174.48)
b Proceeds from Share Capital	10804.29	8788.39
c Changes in Other Equity	3984.56	1319.59
d Other long term liabilities	1478.28	430.31
e Interest & Financial Charges	(7640.18)	(8062.23)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	(2659.77)	(4698.42)
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(295.20)	(1751.22)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4226.36	5977.58
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note no.11A)	3931.16	4226.36

(i) This Statement has been prepared under indirect method as prescribed by Ind AS-07

(ii) Cash and cash equivalent consists of cash in hand, bank balances with scheduled banks and fixed deposits with banks.

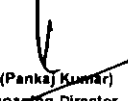
(iii) Previous year figures have been regrouped and reclassified wherever considered necessary.


(Priti Arora)
Company Secretary
M.No. F-9696


(Nitin Nijhawan)
Chief Finance Officer


(Nidhi Kumar Narang)
Director (Finance)
DIN : 83473420

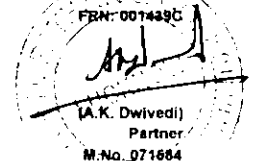
For and on Behalf of the Board of Directors


(Pankaj Kumar)
Managing Director
DIN : 88895154



Subject to our report of even date.

For D. Pathak & Co.
Chartered Accountants



Place: Lucknow
Date: 26.06.2024

UDIN:- 24071584BKMAXU9541

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 2024

Part A:- Subsidiaries

(₹ in Crore)

Sl. No.	Particulars	1	2	3	4	5
1	Name of the subsidiary	MVVNL, Lucknow	PurVVNL, Varanasi	PVVNL, Meerut	DVVNL, Agra	KESCo, Kanpur
2	The date since when subsidiary was acquired	12.08.2003	12.08.2003	12.08.2003	12.08.2003	15.01.2000
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N/A	N/A	N/A	N/A	N/A
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N/A	N/A	N/A	N/A	N/A
5	Share capital (including Share Application Money pending Allotment)	25826.21	29258.15	20967.02	26691.03	2749.29
6	Reserves and surplus	(17580.76)	(19787.10)	(2359.59)	(25400.48)	(4327.03)
7	Total assets	42240.63	54164.04	39841.62	36761.69	4527.41
8	Total Liabilities	33995.18	44692.99	21234.19	35471.14	6105.15
9	Investments	-	-	-	-	-
10	Turnover	14580.48	14711.83	22731.55	13655.32	3177.70
11	Profit/(Loss) before taxation	(1370.03)	(3776.85)	856.09	(2268.41)	(545.92)
12	Provision for taxation	-	-	-	-	-
13	Profit/(Loss) after taxation	(1370.03)	(3776.85)	856.09	(2268.41)	(545.92)
14	Proposed Dividend	-	-	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%

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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 joint ventures as at 31st
March 2024

Part B:- Associates and Joint Ventures

(₹ in Crore)

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

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