



PURVANCHAL VIDYUT VITRAN NIGAM LTD.

CIN: U31200UP2003SGC027461

BALANCE SHEET

AS AT

31st March 2024

&

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED

31st March 2024

Registered Office :- Vidyut Nagar, Bhikharipur, B.L.W. Varanasi.



PURVANCHAL VIDYUT VITRAN NIGAM LTD.
CIN: U31200UP2003SGC027461

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BALANCE SHEET AS AT 31.03.2024

(' in Crore)

Particulars	Note No.	AS AT 31.03.2024 AUDITED	AS AT 31.03.2023 AUDITED	AS AT 01.04.2022 AUDITED
(I) ASSETS				
(1) Non-current Assets				
(a) Property, Plant and Equipment	2	17,024.68	16,474.53	16,536.71
(b) Capital Work-in-Progress	3	4,223.60	2,781.06	2,299.12
(c) Assets not in Possession	4	0.00	0.00	0.00
(d) Intangible Assets	5A	24.35	30.87	0.00
(e) Intangible Assets Under Development	5B	0.00	0.30	37.97
(f) Financial Assets				
(i) Others	6	4,748.42	5,790.18	6,565.30
(2) Current Assets				
(a) Inventories	7	874.91	707.06	1,092.43
(b) Financial Assets				
(i) Trade Receivables	8	24,307.15	28,492.44	31,146.60
(ii) Cash and Cash Equivalents	9-A	740.30	511.68	932.28
(iii) Bank balances other than (ii) above	9-B	0.89	0.78	0.74
(iv) Others	10	1,661.62	1,528.51	2,161.56
(c) Other Current Assets	11	558.12	735.89	508.30
Total Assets		54,164.04	57,053.30	61,281.01
(II) EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	28,024.56	25,193.58	21,234.84
(b) Other Equity	13	-18,553.51	-15,562.86	-6,421.75
Liabilities				
(1) Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	18,834.25	22,687.83	24,779.86
(ii) Other Financial Liabilities	15	2,126.36	1,133.05	1,061.50
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	5,152.44	4,647.30	3,689.40
(ii) Trade Payables	17	10,823.75	11,296.48	9,309.13
(iii) Other Financial Liabilities	18	7,756.19	7,657.92	7,628.04
Material Accounting Policies of Standalone Financial Statement	1			
Notes to Accounts of Standalone Financial Statement	29			
Note 1 to 29 form integral part of Accounts.				
Total Equity and Liabilities		54,164.04	57,053.30	61,281.02

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


Chief Financial Officer



Company Secretary


Director (Finance)
DIN :- 09618850


Director (Technical)
DIN :- 06455119


Managing Director
DIN :- 09764633

Signed in terms of our report of even date.
For ARSAN & Co.
(Firm Registration No. 005216C)
Chartered Accountants


CA Atul Choudhary
(Membership No. 079584)
(Partner)
Place: - Varanasi
Date: - 12/06/24

UDIN :- 24079504BKBOXQ8751

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31.03.2024

(` in Crore)

Particulars	Note No.	For the Year ended 31.03.2024	For the Year ended 31.03.2023
I Revenue From Operations		audited	Audited
II Other Income	19	14,711.83	13,660.98
III Total Income (I+II)	20	7,314.88	6,060.27
IV EXPENSES		22,026.71	19,721.25
1 Purchases of Stock-in-Trade (Power Purchased)	21	16,686.76	16,030.96
2 Employee Benefits Expense	22	658.33	624.38
3 Finance Costs	23	2,598.81	2,744.56
4 Depreciation and Amortization Expenses	24	932.04	1,158.16
5 Administration, General & Other Expense	25	771.57	705.93
6 Repair and Maintenance	26	634.54	713.09
7 Bad Debts & Provisions	27	3,472.98	5,106.15
Total Expenses (IV)		25,755.03	27,083.23
V Profit/(Loss) before Exceptional Items and Tax (III-IV)		-3,728.32	-7,361.98
VI Exceptional Items	28	-31.83	-20.83
VII Profit/(Loss) before Tax (V+/-VI)		-3,760.15	-7,382.81
VIII Tax expense:			
(1) Current tax		0.00	0.00
(2) Deferred tax			
IX Profit (Loss) for the period from continuing operations (VII-VIII)		-3,760.15	-7,382.81
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)		-3,760.15	-7,382.81
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)		-16.70	7.78
(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)		-3,776.85	-7,375.03
XVI Earnings per equity share (continuing operation) :			
(1) Basic		-143.82	-313.87
(2) Diluted		-143.82	-313.87
XVII Earnings per equity share (for discontinued operation) :			
(1) Basic			
(2) Diluted			
XVIII Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		-143.82	-313.87
(2) Diluted		-143.82	-313.87
Material Accounting Policies of Standalone Financial Statement	1		
Notes to Accounts of Standalone Financial Statement	29		
Note 1 to 29 form integral part of Accounts.			

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

Chief Financial Officer

Director (Finance)
DIN :- 09618850

Company Secretary

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DIN :- 09764633

Signed in terms of our report of even date.
For ARSAN & Co.
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Chartered Accountants

CA Atul Choudhary
(Membership No. 079584)
(Partner)

Place: - Varanasi

Date: - 12/06/24

UDIN: - 24079584BKBOXQ8751

PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW, Varanasi.
CIN:U31200UP2003SGC027461

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL AS AT 31.03.2024

(` in Crore)

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
25,193.58	2,830.99	0.00	28,024.56

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	692.00	2863.95	0.00	0.00	(19118.81)	(15562.86)
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	692.00	2,863.95	0.00	0.00	-19,118.81	-15,562.86
Profit/(Loss) for the Period	0.00	0.00	0.00	0.00	-3,760.15	-3,760.15
Other Comprehensive Income for the Period	0.00	0.00	0.00	0.00	-16.70	-16.70
Net Total Comprehensive Income/(Loss) for the Year	0.00	0.00	0.00	0.00	-3,776.85	-3,776.85
Addition during the Year	0.00	244.61	0.00	0.00	0.00	244.61
Share Application Money Received	3,372.58	0.00	0.00	0.00	0.00	3,372.58
Share Allotted against Application Money	-2,830.99	0.00	0.00	0.00	0.00	-2,830.99
Balance at the end of the reporting period	1,233.59	3,108.56	0.00	0.00	-22,895.66	-18,553.51
Net Balance at the end of the reporting period						-18553.51

(` 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
21,234.84	3,958.73	0.00	25,193.58

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	2,870.30	2,451.73	0.00	0.00	-19,043.74	-13,721.71
Changes in accounting policy or prior period errors	0.00	0.00	0.00	0.00	7,299.96	7,299.96
Restated balance at the beginning of the reporting period	2,870.30	2,451.73	0.00	0.00	-11,743.78	-6,421.75
Profit/(Loss) for the Period	0.00	0.00	0.00	0.00	-7,382.81	-7,382.81
Other Comprehensive Income for the Period	0.00	0.00	0.00	0.00	7.78	7.78
Net Total Comprehensive Income/(Loss) for the Year	0.00	0.00	0.00	0.00	-7,375.03	-7,375.03
Addition during the Year	0.00	593.15	0.00	0.00	0.00	593.15
Reduction during the Year	0.00	-180.93	0.00	0.00	0.00	-180.93
Share Application Money Received	1,780.43	0.00	0.00	0.00	0.00	1,780.43
Share Allotted against Application Money	-3,958.73	0.00	0.00	0.00	0.00	-3,958.73
Balance at the end of the reporting period	692.00	2,863.95	0.00	0.00	-19,118.81	-15,562.86
Net Balance at the end of the reporting period						(15562.86)

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PURVANCHAL VIDYUT VITRAN NIGAM LIMITED
(A wholly owned subsidiary of U. P. Power Corporation Limited)
VIDYUT NAGAR, B. L. W., VARANASI

**COMPANY INFORMATION & MATERIAL ACCOUNTING POLICIES OF
STANDALONE FINANCIAL STATEMENT**

1. REPORTING ENTITY

- (a) The Company is a wholly owned subsidiary of U.P. Power Corporation Limited, Lucknow (A State Govt. Company) domiciled in India (CIN U31200UP2003SGC027461) and is engaged in the distribution of electricity in its specified area.
- (b) The Company was incorporated under the Companies Act, 1956 on 01-05-2003 and commenced the business operation w.e.f. 12-08-2003 in terms of Government of Uttar Pradesh Notification No. 2740/P-1/ 2003-24-14P/ 2003 dated 12-08-2003. The address of the Company's registered office is Vidyut Nagar, Bhikharipur, P.O - B.L.W. Varanasi, Uttar Pradesh-221004.

2. GENERAL/BASIS OF PREPARATION

- (a) The 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

The 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 05.06.2024.

(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 crores (up to two decimals), except as stated otherwise.

3/10/24



Signature of the authorized signatory.

(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 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

- The Company 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- 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.

2/3/2024



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- (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 functions 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 except stated otherwise.
- (f) Borrowing cost during construction stage of capital assets are capitalized as per provisions of Ind AS-23.

II- 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.

III- 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.

IV- 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/deductions from Property, Plant and Equipment during the year is charged on Pro rata basis.

V- 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.

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- (c) Any shortage /excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.

VI- 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.

VII- POWER PURCHASE

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

- (a) The Bulk purchase of power is made available by the holding company (U.P. Power Corporation Limited) and the cost of Power Purchase is accounted for on accrual basis at the rates approved/bills raised by UPPCL.
- (b) 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.

VIII- EMPLOYEE BENEFITS

- (a) Liability for Pension & Gratuity and Leave encashment 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.

IX- 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 are disclosed in the Notes to Accounts.
- (c) The Contingent assets of unrealisable income are not recognised.

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X- 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.

XI- 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.

XII- 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".

XIII- CASH FLOW STATEMENT

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

XIV- 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.

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XV- 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 are existing 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.

XVI- MATERIAL PRIOR PERIOD ERROR

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.


Chief Financial Officer


Director(Finance)
DIN :- 09618850


Company Secretary


Director(Technical)
DIN :- 06455119


Managing Director
DIN :-09764633

Signed in terms of our report of even date.
For ARSAN & Co.
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Chartered Accountants



CA Atul Choudhary
(Membership No. 079584)
(Partner)

Place: - Varanasi

Date: - 12/06/24



PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW, Varanasi.
CIN:U31200UP2003SGC027461

PROPERTY, PLANT & EQUIPMENT

NOTE-2

Particulars	(' in Crore)									
	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	1.04	-	-	1.04	-	-	-	-	1.04	
Buildings	312.57	30.62	-	343.19	94.31	10.59	-	104.90	238.29	218.26
Other Civil Works	15.41	0.04	-	15.45	0.75	0.25	-	1.00	14.45	14.66
Plant & Machinery	12,644.76	1,902.02	963.49	13,583.29	2,610.89	648.62	145.16	3,114.35	10,468.94	10,033.87
Lines, Cable Networks etc.	9,396.56	583.59	24.42	9,955.73	3,241.89	462.70	2.26	3,702.33	6,253.40	6,154.67
Vehicles	1.57	-	-	1.57	0.98	-	-0.44	1.42	0.15	0.59
Furniture & Fixtures	3.59	0.62	-	4.21	1.37	0.18	-0.27	1.82	2.39	2.22
Office Equipments	65.77	0.67	0.02	66.42	16.55	3.87	0.02	20.40	46.02	49.22
Total	22,441.27	2,517.56	987.93	23,970.90	5,966.74	1,126.21	146.73	6,946.22	17,024.68	16,474.53

PROPERTY, PLANT & EQUIPMENT

NOTE-2

Particulars	(‘ in Crore)									
	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	1.04	-	-	1.04	-	-	-	-	1.04	1.04
Buildings	252.42	60.21	0.06	312.57	77.55	16.76	-	94.31	218.26	174.87
Other Civil Works	15.41	-	-	15.41	-	0.75	-	0.75	14.66	15.41
Plant & Machinery	12,018.88	1,500.68	874.80	12,644.76	1,946.25	827.87	163.23	2,610.89	10,033.87	10,072.63
Lines, Cable Networks etc.	8,996.79	421.72	21.95	9,396.56	2,778.03	473.48	9.62	3,241.89	6,154.67	6,218.76
Vehicles	1.57	-	-	1.57	1.00	-0.02	-	0.98	0.59	0.57
Furniture & Fixtures	3.10	0.49	-	3.59	1.26	0.12	0.01	1.37	2.22	1.84
Office Equipments	64.52	1.25	-	65.77	12.93	3.64	0.02	16.55	49.22	51.59
Total	21,353.73	1,984.35	896.81	22,441.27	4,817.02	1,322.60	172.88	5,966.74	16,474.53	16,536.71

3/10/23



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PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.
CIN:U31200UP2003SGC027461

Note-3

CAPITAL WORKS IN PROGRESS

(' in Crore)

Particulars	AS AT 01.04.2023	Additions	Deductions/ Adjustments	Capitalised During the Year	AS AT 31.03.2024
Capital Work in Progress	1,955.82	3,844.18	0.00	-2,517.56	3,282.44
Advance to Supplier/Contractor	825.24	356.76	-240.84	0.00	941.16
Total	2,781.06	4,200.94	-240.84	-2,517.56	4,223.60

Note-3

CAPITAL WORKS IN PROGRESS

(' in Crore)

Particulars	AS AT 01.04.2022	Additions	Deductions/ Adjustments	Capitalised During the Year	AS AT 31.03.2023
Capital Work in Progress	1,748.33	2,191.84	0.00	-1,984.35	1,955.82
Advance to Supplier/Contractor	550.79	431.86	-157.41	0.00	825.24
Total	2,299.12	2,623.70	-157.41	-1,984.35	2,781.06

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PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW, Varanasi.
CIN:U31200UP2003SGC027461

Assets not in Possession

Note-4

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
Assets not in Possession of Company	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Assets not in Possession

Note-4

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
Assets not in Possession of Company	0.00	-0.54	-0.54	0.00	0.00	2.04	2.04	0.00	0.00	0.00
Total	0.00	-0.54	-0.54	0.00	0.00	2.04	2.04	0.00	0.00	0.00

Intangible Assets

Note- 5A

Particulars	Gross Block				Amortisation			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
Software	45.30	0.32	0.00	45.62	14.43	6.84	0.00	21.27	24.35	30.87
Total	45.30	0.32	0.00	45.62	14.43	6.84	0.00	21.27	24.35	30.87

Intangible Assets

Note- 5A

Particulars	Gross Block				Amortisation				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
Software	0.00	45.30	0.00	45.30	0.00	14.43	0.00	14.43	30.87	0.00
Total	0.00	45.30	0.00	45.30	0.00	14.43	0.00	14.43	30.87	0.00

Intangible Assets under Development

Note 5B

Particulars	Gross Block		
	AS AT 01.04.2023	Addition	Adjustment/ Capitalised
Software	0.30	0.02	0.32
Total	0.30	0.02	0.32

Intangible Assets under Development

Note 5B

Particulars	Gross Block		
	AS AT 01.04.2022	Addition	Adjustment/ Capitalised
Software	37.97	7.63	45.30
Total	37.97	7.63	45.30

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.**

CIN:U31200UP2003SGC027461

FINANCIAL ASSETS - OTHERS (NON-CURRENT)

Note-6

(` in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
Receivable from Govt. of U.P (Aatmnirbhar Scheme) Non Current	4,748.42	5,790.18
Total	4,748.42	5,790.18

INVENTORIES

Note-7

(` in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
(a) Stores and Spares		
Stock of Materials - Capital Works	735.92	370.75
Stock of Materials - O&M	95.73	831.65
(b) Others*	43.26	278.58
	874.91	649.33
Provision for Unserviceable Stores	-	120.71
		770.04
Total	874.91	707.06

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.**

CIN:U31200UP2003SGC027461

FINANCIAL ASSETS - TRADE RECEIVABLES (CURRENT)

Note-8

(' in Crore)

Particulars	AS AT 31.03.2024		AS AT 31.03.2023	
<u>Trade Receivables outstanding from Customers on account of Sale of Power</u>				
Secured & Considered goods	491.38		455.25	
Unsecured & considered good	21,121.26		24,977.55	
Unsecured & Credit Impaired	12,105.74	33,718.38	9,052.91	34,485.71
<u>Trade Receivables outstanding from Customers on account of Electricity Duty</u>				
Secured & Considered goods	61.26		54.77	
Unsecured & considered good	2,633.25		3,004.87	
Unsecured & Credit Impaired	1,509.26	4,203.77	1,089.09	4,148.73
Sub-Total		37,922.15		38,634.44
Allowance for Bad & Doubtful Debts		-13,615.00		-10,142.00
Total		24,307.15		28,492.44

FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS (CURRENT)

Note-9-A

(' in Crore)

Particulars	AS AT 31.03.2024		AS AT 31.03.2023	
<u>(a) Balance with Banks</u>				
In Current & Other Account	725.38		499.42	
Dep. with original maturity upto 3 months	-	725.38	-	499.42
<u>(b) Cash in Hand</u>				
Cash in Hand (Including Stamps in Hands)	14.24		11.68	
Cash imprest with Staff	0.68	14.92	0.58	12.26
Total		740.30		511.68

FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE (CURRENT)

Note-9-B

(' in Crore)

Particulars	AS AT 31.03.2024		AS AT 31.03.2023	
<u>Deposit with original maturity of more than 3 months but less than 12 months</u>				
Other than Earmarked Balances		0.89		0.78
Total		0.89		0.78







PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.
CIN:U31200UP2003SGC027461

FINANCIAL ASSETS - OTHERS (CURRENT)

Note-10

(' in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
Receivables (unsecured)		
Uttar Pradesh Government	414.88	415.12
Receivable from Govt. of UP (Aatmnirbhar Scheme)	930.14	775.12
UPRVUNL		
Receivable -UPRVUNL	0.05	0.13
Payable -UPRVUNL	-	-
UPPTCL		
Receivable -UPPTCL	5.95	6.30
Payable -UPPTCL	-	-
Subsidiaries (Unsecured)		
KESCO	4.27	4.27
PVVNL	6.92	6.25
Provision on Subsidiaries (Unsecured)	-	-
Employees (Receivables)		
Provision for Doubtful receivables from Employees	33.29	33.53
Other Receivables		
Receivable on account of Loan (Unsecured)	40.44	35.35
UPPCL (Loan & Other (Unsecured))	170,326.27	142,771.04
Less: Liabilities against Loan (Unsecured)	-170,075.33	-142,493.32
Theft of Fixed Assets Pending Investigation		
Prov. For estimated Losses	-	0.05
Total	1,661.62	1,528.51

OTHER CURRENT ASSETS

Note-11

(' in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
Advances (Unsecured/Considered Good)		
Suppliers/Contractors	0.73	0.70
Less: Provision for Doubtful Advances	-0.07	-0.07
Tax Deducted at source	8.04	5.63
Tax Collected at Source	29.16	29.14
Income Accrued & but not Due	0.48	0.48
Prepaid Expenses	0.14	0.14
Inter Unit Transfers	519.64	699.87
Total	558.12	735.89

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PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW, Varanasi.
CIN:U31200UP2003SGC027461

Note-12

EQUITY SHARE CAPITAL

(` in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
(A) AUTHORISED :		
400000000 (Previous Year 300000000 respectively) Equity shares of par value of Rs. 1000/- each	40,000.00	30,000.00
(B) ISSUED SUBSCRIBED AND FULLY PAID UP		
280245622 (Previous Year 251935752) Equity shares of par value Rs. 1000/- each	28,024.56	25,193.58
Total	28,024.56	25,193.58

- a) During the year, The Company has issued 28309870 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 year 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	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
UPPCL & Its Nominees	280,245,622	100	251,935,752	100

e) Reconciliation of No. of Shares

No. of Shares as on 01.04.2023	Issued During the Period	Buy Back during the Period	No. of Shares as on 31.03.2024
251935752	28309870	0	280245622
No. of Shares as on 01.04.2022	Issued During the Period	Buy Back during the Period	No. of Shares as on 31.03.2023
212348445	39587307	0	251935752

f) Details of shareholding of promoters:

Shares held by Promoters

Promoter Name	AS AT 31.03.2024			AS AT 31.03.2023		
	No. of shares	%age of total shares	%age changes during the year	No. of shares	%age of total shares	%age changes during the year
UPPCL & Its Nominees	280245622	100%	NIL	251935752	100%	NIL

Note-13

OTHER EQUITY

(` in Crore)

Particulars	AS AT 31.03.2024		AS AT 31.03.2023	
A. Share Application Money (Pending For Allotment)				
As per last Financial Statement	692.00		2,870.30	
Add: Received during the year	3,372.58		1,780.42	
Less: Shares allotted during the year	-2,830.99	1,233.59	-3,958.72	692.00
B. Capital Reserve				
(i) Consumers Contributions towards Service Line and other charges				
As per last Financial Statement	1,982.78		1,674.90	
Add: Received during the year	297.79		466.16	
Less: Transfer to Statement of P&L Account	-178.44	2,102.13	-158.28	1,982.78
(ii) Subsidies towards Cost of Capital Assets./Repayment of Loan				
As per last Financial Statement	881.17		776.82	
Add: Received during the year	147.82		127.00	
Less: Transfer to Statement of P&L Account	-22.56	1,006.43	-22.65	881.17
(iii) Capital Reserve-Others				
Less: Transfer to Statement of P&L Account	-	3,108.56	-	2,863.95
C. Surplus in Statement of P&L				
Opening Balance	-19,118.81		-11,743.78	
Add: Profit/(Loss) for the year	-3,760.15		-7,382.81	
Add: Other Comprehensive Income/(Loss)	-16.70	-22,895.66	7.78	-19,118.81
Total	-18,553.51		-15,562.86	

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PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.

CIN:U31200UP2003SGC027461

Note-14

FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT)

(` in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
(A) Loans directly availed by subsidiaries (Discoms)		
(1) SECURED LOANS		
(i) Rural Electrification Corporation Ltd.(REC)		
R-APDRP Part-A (REC)	-	400.80
R-APDRP Part-B (REC)	322.09	-
Saubhagya	649.00	738.77
(ii) Power Finance Corporation Ltd.(PFC)		
R-APDRP Part-A (PFC)	-	175.37
R-APDRP Part-B (PFC)	168.04	-
IPDS	289.93	318.60
DDUGGY	396.80	424.85
(iii) Others		
UPSIDC	-	1,825.86
		-
		2,058.39
(B) UNSECURED LOANS/ BONDS		
9.70 % UDAY Bond / Bonds	1,552.35	1,790.70
REC (Unsecured Loans)	5,593.87	6,502.29
PFC (Unsecured Loans)	5,760.66	7,110.06
UP GOVERNMENT LOAN (OTHERS)*	-	12,906.88
		-
		15,403.05
(C) BONDS/ LOANS RELATE TO DISCOMS(Secured)		
9.70% Rated Listed Bonds	1,118.16	1,277.90
8.97% Rated Listed Bond	526.00	789.00
10.15% Rated Listed Bonds	646.13	861.51
9.75% Rated Listed Bonds	511.70	697.77
8.48% Rated Listed Bonds	322.14	483.21
9.95% Rated Listed Bonds	977.38	4,101.51
		1,117.00
		5,226.39
Total	18,834.25	22,687.83

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
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CIN:U31200UP2003SGC027461

FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

Note-15

(` in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
Security Deposits From Consumers	552.64	510.02
Liability/Provision for Leave Encashment	480.37	414.65
Liability for Gratuity on CPF Employees	252.92	208.38
Liability Migration Account	840.43	-
Total	2,126.36	1,133.05

FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

Note-16

(` in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
Other		
Current Maturity of Long Term Borrowings (Other)*	232.89	218.97
Current Maturity of Long Term Borrowings through UPPCL*	4,828.29	4,335.94
Interest Accrued but not Due on Borrowings	91.26	92.39
Total	5,152.44	4,647.30

*Details of current maturity of long term borrowings is annexed with this note (Refer Annexure to Note-16)

FINANCIAL LIABILITIES - TRADE PAYABLE (CURRENT)

Note-17

(` in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
Liability for Purchase of Power	9,224.51	9,554.93
Liability for Power Purchase from Others	34.58	32.39
Liability for Wheeling charges	1,564.66	1,709.16
Total	10,823.75	11,296.48

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.**

CIN:U31200UP2003SGC027461

Annexure to Note - 16

Statement of Current Maturity of Long-Term Borrowings

(` in Crore)

Particulars	AS AT 31.03.2024	AS AT 31.03.2023
Current Maturity of Long Term Borrowings (Other)		
(i) Rural Electrification Corporation Ltd.(REC)		
R-APDRP Part-B (REC)	78.71	78.71
Saubhagya	89.77	89.77
DDUGGY	-	14.02
(ii) Power Finance Corporation Ltd.(PFC)		
R-APDRP Part-B (PFC)	7.00	6.41
IPDS	29.37	30.06
DDUGGY	28.04	-
(iii) Others		
UPSIDC	-	218.97
	232.89	-
Current Maturity of Long Term Borrowings through UPPCL		
9.70 % UDAY Bond / Bonds	238.34	238.34
REC (Unsecured Loans)	1,502.52	1,286.92
PFC (Unsecured Loans)	1,962.55	1,985.16
9.70% Rated Listed Bonds	159.74	-
8.97% Rated Listed Bond	263.00	263.00
10.15% Rated Listed Bonds	215.38	215.38
9.75% Rated Listed Bonds	186.07	186.07
8.48% Rated Listed Bonds	161.07	161.07
9.95% Rated Listed Bonds	139.62	-
	4,828.29	4,335.94
Total	5,061.18	4,554.91

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.**

CIN:U31200UP2003SGC027461

OTHER FINANCIAL LIABILITIES(CURRENT)

Note-18

(` in Crore)

Particulars	AS AT 31.03.2024		AS AT 31.03.2023	
<u>Liability for Supplies/Works:</u>				
-Capital Nature supplies/ works	1,458.85		2,425.99	
-O&M Nature supplies/ works	410.98	1,869.83	427.82	2,853.81
<u>Deposits & Retentions :</u>				
- From Suppliers & others	1,376.10		833.36	
- For Electrification works	620.93	1,997.03	336.43	1,169.79
<u>Liability towards CPF Trust:</u>				
-UPPCL CPF Trust	12.33		12.50	
-Provision for interest on CPF	1.03	13.36	0.53	13.03
<u>Liabilities towards UP Power Sector Employees Trust:</u>				
-Provident Fund	129.29		129.30	
-Pension & Gratuity on GPF	86.34		90.47	
-Provision for interest on GPF	188.03	403.66	167.26	387.03
Provision for Loss incurred by CPF Trust		219.21		204.68
Provision for Loss incurred by GPF Trust		260.97		243.67
Gratuity on CPF		4.49		3.88
Liability for Leave Encashment		24.85		22.73
Staff related liabilities		251.06		237.95
Interest on Security Deposit from Consumer		66.07		59.40
Sundry Liabilities		121.40		52.21
Electricity Duty & other levies payable to govt.		2,300.30		2,095.97
Liabilities for Expenses		42.73		90.07
<u>Other Liabilities Payable to:</u>				
-Uttar Pradesh Power Corporation Limited	82.72		129.14	
-Madhyanchal Vidyut Vitran Nigam Limited	79.16		75.21	
-Dakshinanchal Vidyut Vitran Nigam Limited	19.35		19.35	
-Kesco	-	181.23	-	223.70
Total		7,756.19		7,657.92

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CIN:U31200UP2003SGC027461

REVENUE FROM OPERATIONS (GROSS)

(₹ in Crore)				
Particulars	For the Year ended 31.03.2024		For the Year ended 31.03.2023	
Large Supply Consumer				
Industrial	2,107.60		1,784.24	
Irrigation	377.25		542.40	
Public Water Works	479.82	2,964.67	403.16	2,729.80
Small & Other Consumers				
Domestic	6,571.61		6,176.71	
Commercial	2,639.03		2,665.23	
Industrial Low & Medium Voltage	410.45		488.27	
Public Lighting	246.36		155.04	
STW & Pump Canals	690.57		502.23	
PTW & Sewage Pumping	756.65		383.57	
Miscellaneous Charges form Consumers	13.87		221.69	
Energy Internally Consumed	334.83		319.70	
Electricity Duty	841.87	12,505.24	753.65	11,666.09
Other Operating Revenue				
Extra State Consumer	58.42		-	
Cross Subsidy from open access consumers	25.37	83.79	18.74	18.74
Less: Electricity Duty		15,553.70		14,414.63
		-841.87		-753.65
Total		14,711.83		13,660.98

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PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.
CIN:U31200UP2003SGC027461

Note-20

OTHER INCOME

(` in Crore)

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.	513.40	393.43
Revenue Subsidy from Govt. of U.P.	3,288.97	2,625.77
Subsidy against Electricity Duty	615.01	550.80
Subsidy from Govt. against UPERC order *	-59.01	-345.56
(ii) Other Subsidy		
Subsidy for Operational Losses	2,752.38	2,681.12
Subsidy for Repayment of Interest on Loan	-	2.61
Subsidy against UDAY	108.32	-
Subsidy Under Atmnirbhar Bharat Scheme	-	7,219.07
		- 5,908.17
(b) Interest from :		
Fixed Deposits	11.68	10.78
Income Tax Refund	-	11.68
		- 10.78
(c) Other non operating income		
Late Payment Surcharges	-	127.94
Income from Contractors/Suppliers	18.09	3.07
Rental from Staff	0.38	-
Miscellaneous Income/ Receipts	65.66	10.31
Assessment for Theft & Malpractices	-	84.13
		- 141.32
Total	7,314.88	6,060.27

* Note:- Please refer Point no. 46 of Notes to Accounts.

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.**

CIN:U31200UP2003SGC027461

Note-21

PURCHASE OF POWER

(` in Crore)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Transmission Charges	860.13	789.85
Power Purchase from UPPCL	15,824.45	15,235.90
Purchase From Others	2.18 16,686.76	5.21 16,030.96
Total	16,686.76	16,030.96

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.**

CIN:U31200UP2003SGC027461

EMPLOYEE BENEFIT EXPENSES

Note-22

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Salaries & Allowances	522.73	526.20
Dearness Allowances	230.28	189.04
Other Allowances	29.71	31.50
Bonus/Ex.Gratia	1.66	4.16
Medical Expenses (Reimbursement)	9.60	9.24
Earned Leave Encashment	92.92	41.48
Compensation	0.39	0.51
Staff Welfare Expenses	0.31	0.40
Pension & Gratuity	77.37	52.96
Other Terminal Benefits	55.61	47.06
Interest on GPF (General Provident Fund)	20.77	19.91
Interest on CPF (Contributory Provident Fund)	0.50	0.53
Gratuity (CPF)	-16.70	7.78
Sub Total	1,025.15	930.77
Expense Capitalised	-366.82	-306.39
Total	658.33	624.38

FINANCE COST

Note-23

(` in Crore)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
(a) Interest on Loans		
Working Capital	2.28	-
Less- Rebate of Timely Payment of Interest	-	2.28
(b) other borrowing costs		
Finance Charges/Cost of Raising Fund	0.29	10.54
Bank Charges	12.92	13.21
(c) Interest on Loans		
Interest on Govt Loan	-	8.64
Interest on Bonds	733.73	771.03
PFC	924.30	973.61
REC	890.94	929.50
Interest to Consumers	34.35	20.51
Interest/Stamp Duty on Bill Discounted for PP	-	2,583.32
Total	2,598.81	2,744.56

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.**

CIN:U31200UP2003SGC027461

DEPRECIATION AND AMORTIZATION EXPENSE

Note-24

(` in Crore)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
<u>Depreciation on :-</u>		
Buildings	10.62	16.76
Other Civil Works	0.25	0.75
Plant & Machinery	655.84	827.87
Lines Cables Networks etc.	455.45	473.48
Vehicles	-	-0.01
Furnitures & Fixtures	0.18	0.12
Office Equipments	3.87	3.64
Intangible Assets	6.84	14.43
Equivalent amount of dep. on assets aquired out of the consumer's contribution & GoUP subsidy	-201.01	932.04
Capital Expenditure Assets not pertains to Corporation/Nigam	-	1,156.11
		2.05
Total	932.04	1,158.16

Note - During the previous year, depreciation includes the amount of Rs. 165.63 crore related to expenses of impairment of retired assets. The same was to be grouped with Repair and Maintenance.

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.**

CIN:U31200UP2003SGC027461

ADMINISTRATIVE, GENERAL & OTHER EXPENSES

Note-25

(` in Crore)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Rent	1.87	1.34
Insurance	1.12	0.65
Communication Charges	6.94	12.01
Legal Charges	6.93	2.79
Auditors Remuneration & Expenses	1.10	1.01
Consultancy Charges	4.63	5.93
Technical Fees & Professional Charges	36.59	34.51
Travelling & Conveyance	18.12	15.36
Printing & Stationary	4.68	3.91
Advertisement Expenses	1.65	2.14
Electricity Charges	334.83	319.71
Miscellaenous Expenses	228.78	207.92
Expenses incurred for Revenue Realisation	106.62	81.39
Compensation	11.52	11.80
Fees & Subscription	6.19	5.46
Total	771.57	705.93

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**PURVANCHAL VIDYUT VITRAN NIGAM LIMITED Vidyut Nagar, Bhikharipur, BLW,
Varanasi.**

CIN:U31200UP2003SGC027461

REPAIRS AND MAINTENANCE

Note-26

(` in Crore)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Plant & Machinery	172.70	127.74
Buildings	5.92	2.22
Other Civil Works	2.85	3.54
Lines, Cables Networks etc.	452.19	576.40
Vehicles - Expenditure	12.13	11.60
Less: Transferred to different Capital & O&M Works/ Administrative Exp.	-12.13	-11.60
Furnitures & Fixtures	-	1.04
Office Equipments	0.88	2.15
Transferred to different Capital & O&M Works/ Administrative Exp.	-	-
Total	634.54	713.09

BAD DEBTS & PROVISIONS

Note-27

(` in Crore)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
(A) Provision for Bad & Doubt Debts on		
Current Assets		
Financial Assets- Trade Receivables	3,473.00	5,083.59
Financial Assets-Others (Current)	-0.02	0.01
Other Current Assets	-	22.55
Total (A+B)	3,472.98	5,106.15

EXCEPTIONAL ITEMS

Note-28

(` 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	-17.30	-7.26
Provision for loss being incurred by CPF Trust	-14.53	-13.57
Total (A+B)	-31.83	-20.83

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Loan Directly Taken by PuVNL

Sl. No.	NAME OF BANK/FI	SCHEME	Loan Number	Drawal Date	Installment (Month)	Repayment Due From	Roi (%)	Outstanding as on 31-03-2024			Default as on 31-03-2024			Aggregate Amount of Guaranteed Loans	Secured/Unsecured status	Current Liability	Non Current Liability
								Principal	Interest	Total	Principal	Interest	Principal Default	Interest Default			
1	PFC	R-APDRP-B	08734001-3,08734005-16, 08734021,08734024,08734026,29	19-06-2015	MONTHLY	15-09-2018	9	175.04	-	175.04	-	-	-	-	175.04	-	168.04
2	PFC	IPDS	08752001 TO 0875016 & 08758001 TO 08758002,08752601	02-12-2016	MONTHLY	16-04-2018	9.83/10.75/10.59/10.5/11.5/10.33	319.30	-	319.30	-	-	-	-	319.30	29.37	289.93
3	PFC	DDUGJY(NEW)	8798001	31-08-2018	QUATERLY	15-10-2018	10.08/10.33	424.83	-	424.83	-	-	-	-	424.83	28.04	396.79
4	Sub-Total							919.18	-	919.18	-	-	-	-	919.18	64.41	854.76
5	REC	R-APDRP-B	1505721-1505746, 1508602-1508612, 1509149-1509165	31-03-2014	QUATERLY	20-06-2014	9.75/10/10.75/11/11.5	400.80	-	400.80	-	-	-	-	400.80	-	327.09
6	REC	SAUBHAGYA	15014854-15014855	12-03-2019	QUATERLY	20-06-2019	10.35/10.5/11	738.77	-	738.77	-	-	-	-	738.77	89.77	649.00
7	Sub-Total							1,139.57	-	1,139.57	-	-	-	-	1,139.57	168.48	971.09
8	Grand Total							2,058.75	-	2,058.75	-	-	-	-	2,058.75	232.89	1,825.86

Loan Through UPPL

Sl. No.	Name of Bank	Repayment Terms					Outstanding as on 31.03.2024					Default as on 31.03.2024			Security	
		Drawal Date	Installment (Month)	Repayment Due from	ROI (%)	Guaranteed by	Principal	Interest	Total	Current Maturity	After Current Maturity	Principal Interest	Principal Default w.e.f.	Interest Default w.e.f.		Aggregate amount of Guaranteed Loan
	Long Term Borrowing															
1	Secured Bonds															
a	PuVNL	17-02-17/ 22-03-17/ 05-12-17/ 27-03-18/ 30-03-22/ 07-10-22	28/32/34/ Quarterly	Jul-19	8.48 to 10.15%	State Government	5,226.38	-	5,226.38	1,124.88	4,101.50	-	-	-	5,226.38	Hypothecation of Current Assets including receivables, ESCROW and Govt. Guarantee (as per term of DOH of respective Insurances)
2	Unsecured Bonds															
a	PuVNL	04-07-16/ 28-09-16/ 30-03-17	20/24 Half Yearly	Sep-20	9.70%	State Government	1,790.69	-	1,790.69	238.34	1,552.35	-	-	-	1,790.69	Govt. Guarantee
3	REC															
a	PuVNL	Since March -17	6/84/108 MI & 28/32 QTY	Apr-20	9.5 to 10.40 %	State Government	7,096.39		7,096.39	1,502.52	5,593.87	-	-	-	7,096.39	Escrow & Govt. Guarantee
4	PEC															
a	PuVNL	Since June -17	6,60,72,84,108 MI & 20/28 QTY	Oct-19	9.5 to 10.97 %	State Government	7,723.21	-	7,723.21	1,962.55	5,760.66	-	-	-	7,723.21	Escrow & Govt. Guarantee
							16,610.29	-	16,610.29	3,703.40	12,906.88	-	-	-	16,610.29	
	Total Unsecured Grand Total						21,836.67	-	21,836.67	4,828.29	17,008.39	-	-	-	21,836.67	



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(Note 29) Page 1 of 27
For the year ended 31st March, 2024

PURVANCHAL VIDYUT VITRAN NIGAM LIMITED
(A wholly owned subsidiary of U. P. Power Corporation Limited)
VIDYUT NAGAR, B. L. W., VARANASI

NOTES TO ACCOUNTS

Annexed to and forming part of Balance Sheet as at 31.03.2024 and Statement of Profit and Loss for the period ended on that date.

- 1.(a) Purvanchal Vidyut Vitran Nigam Limited ("The Company") is a company domiciled in India and limited by shares (CIN U31200UP2003SGC027461). The Company is a wholly owned subsidiary of U.P. Power Corporation Limited, Lucknow (A State Govt. Company) and is engaged in the distribution of electricity in its specified area.
- (b) The Company was incorporated under the Companies Act, 1956 on 01-05-2003 and commenced the business operation w.e.f. 12-08-2003 in terms of Government of Uttar Pradesh Notification No. 2740/P-1/ 2003-24-14P/ 2003 dated 12-08-2003. The address of the Company's registered office is Vidyut Nagar, Bhikharipur, P.O - B.L.W. Varanasi, Uttar Pradesh-221004. Authorized share capital of the company is ₹ 40,000 crore divided into 40 crore equity shares of ₹ 1000 each.
- (c) The share capital includes 500 Equity Shares of ₹ 1000 each initially allotted to subscribers of Memorandum of Association and presently held by its Directors and KMP of the Company.
2. The Company earns revenue primarily from supply of power to ultimate consumers situated in the area covered under its jurisdiction to supply the power. The Company procures the power from its Holding Company (UPPCL) which procures the power on our behalf and supplies the same to us.

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

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

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

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 by the Holding Company to the DISCOMs, which have been accounted for accordingly.
4. The Board of Directors of Purvanchal Vidyut Vitran Nigam Limited has escrowed all the Revenue receipt accounts in favour of U.P. Power Corporation Limited, Lucknow. The Holding Company has been further authorized to those escrow revenue accounts for raising or borrowing the funds

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for & on behalf of Purvanchal Vidyut Vitran Nigam Limited for all necessary present and future financial needs including Power Purchase obligation.

5. Accounting entries after reconciliation of Inter Unit Transaction have been incorporated in the current year. Reconciliation of outstanding balances of IUT is under progress and will be accounted for in coming years.
6. (a) The Property, Plant & Equipment including Land remained with the company after notification of final transfer scheme are inherited from erstwhile UPSEB which had been the title holder of the such Non-Current Assets. The title deeds of new Property, Plant & Equipment created/purchased after incorporation of the company, are held in the respective units where such assets were created/purchased.
- (b) Where historical cost of a discarded/ retired/ obsolete Property, Plant & Equipment is not available, the estimated value of such asset and depreciation thereon has been adjusted and accounted for.
- (c) As provided under Part-B of Schedule II of The Companies Act, 2013, the depreciation/amortization on Property, Plant & Equipment/ Intangible Assets have been calculated taking into consideration the depreciation rate of assets as approved in the orders of UPERC (Multi Year Tariff for Distribution And Transmission) Regulations, 2019.
7. The loan taken by the Company during the financial year 2023-24 amounting to ₹ 2,265.23 crore through Holding Company i.e. UPPCL for and on behalf of PuVVNL. The details relating to maturity/redemption or conversion date of bonds, repayment of term loans (through UPPCL) are available with the holding company i.e. UPPCL. The details are given below:-

(₹ In Cr.)				
S.No.	Particulars	PuVVNL	UPPCL	Total
1	REC	-	1,089.83	1,089.83
2	PFC	-	1,175.40	1,175.40
3	Bonds	-	-	-
Total		-	2,265.23	2,265.23

8. Capitalization of Interest on borrowed fund utilized during construction stage of Property, Plant & Equipment (i.e. Capital Assets) has been done by identifying the Schemes/Assets and the funds used for the purpose to the extent established.
9. The amount of Borrowed Fund Capitalized during the Financial Year 2023-24 is NIL (Previous Year NIL).
10. (i) The Company has reviewed the policy of provision of Bad & Doubtful Debts against sale of power from FY 2021-22, 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 introducing/implementing new policy 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 Cr.)			
Ageing Bucket	Arrear Amount	Provisioning %	Provisioning Amount
Up to 6 Months	7,124	0%	0
Greater than 6 months and up to 1 year	3,074	34%	1045

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For the year ended 31st March, 2024

Greater than 1 year and up to 2 years	2,572	37%	952
Greater than 2 year and up to 3 years	1,590	43%	684
Greater than 3 years	18,223	60%	10,934
Total Provision as on 31.03.2024			13,615
Less:- Provision made upto 2022-23			10,142
Provision for the FY 2023-24			3,473

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 month:- 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 year:- As per IND AS 109 under this age bucket as per the simplified approach calculation loss amount would be the total outstanding amount which expects provisioning at the rate of 100 percent. However, based on the collection efforts and the 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 FY 2022-23. Under these assumptions, in the current financial year provisioning @ 60% on trade receivables is proposed under this age bucket for F.Y. 2024 and the same would be increased by another 20% each year till F.Y. 2026. From F.Y. 2026 onwards, 100% provision would be applicable under this age bucket.
- (ii) Trade receivables appearing in books of accounts are under reconciliation with arrear appearing in online billing system.
11. (i) Bills of power purchase are being taken into account as per the bills raised by UPPCL after due verification.
(ii) Transmission charges have been accounted for on accrual basis as per bills raised by the U.P. Power Transmission Corporation Ltd. (UPPTCL) at the rates approved by the UPERC. Further no true-up supplementary bill has been raised by UPPTCL on account of UPERC's Tariff/True-Up for the F.Y. 2022-23 (P.Y. ₹ 27.86 Cr.).
 12. Government dues in respect of Electricity Duty and other Levies amounting to ₹ 2,300.30 Cr. shown in Note no. 20 of Balance Sheet, includes ₹ 23.86 Cr. on account of Other Levies Payable.
 13. Liability towards medical expenses and LTC has been provided to the extent established.
 14. Some balances appearing under the heads 'Current Assets', 'Unsecured Loans', 'Current Liabilities', Material in transit/ under inspection/lying with contractors are subject to confirmation/ reconciliation and subsequent adjustments, as may be required.
 15. 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 Cr.)	
	Particulars	31.03.2024	31.03.2023
(a)	Net loss after tax (numerator used for calculation)	(3,776.85)	(7,375.04)
(b)	Weighted average number of Equity Shares (denominator for calculating Basic EPS)	280245622	251935752
(c)	Weighted average number of Equity Shares (denominator for calculating Diluted EPS)	292581563	258855740
(d)	Basic earnings per share of ₹ 1000/- each	(143.82)	(313.87)
(e)	Diluted earnings per share of ₹ 1000/- each	(143.82)	(313.87)

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

16. (A) Based on actuarial valuation report dt. 09.11.2000 submitted by M/s PWC to UPPCL (the Holding Company) provision for accrued liability on account of Pension and Gratuity has been made @16.70% and 2.38% respectively on the amount of Basic pay, Grade pay and DA paid to GPF employees.
- (B) 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.
17. The holding Company UPPCL vide it's Board Meeting dated 14-08-2020 has decided to allocate common expenditure to subsidiaries and facility cost to power sector companies owned by GoUP with effect from the financial year 2019-20. The Company in its board meeting dated 25-09-2020 has decided to account for the expenditure of the holding company accordingly and accounted for the expenses in different heads (i.e., Employee Cost, Administrative Cost, General & Other Expenses and Repair & Maintenance as per allocation made by holding Company).
18. Amount due to Micro, Small and medium enterprises (under the MSMED Act 2006) could not be ascertained and interest thereon could not be provided for due to want of sufficient related information. However, the company is in process to obtain the complete information in this regard.
19. Debts due from Directors were Nil (previous year Nil).
20. Payment to Directors and Officers in foreign currency towards foreign tour was Nil (Previous year Nil).
21. (a) Disclosures required under Schedule III of the Companies Act, 2013 are given below:
- (i) The ageing schedule of trade receivables of the company is under:

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	
(i) Undisputed Trade receivables - considered good	7,792.70	341.15	414.32	228.76	2,837.03	11,613.99
(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

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(Note 29) Page 5 of 27
For the year ended 31st March, 2024

(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	0.00
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	0.00
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	0
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	0.00
TOTAL						37,073.00

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	5,269.46	766.37	1,311.04	41.44	2,390.68	9,778.99
(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			-	-		0.00
(iv) Disputed Trade receivables - considered good						
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	0.00
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	0
(vii) Prior Period Adjustment made during current year						0
TOTAL						36,998.65

- The carrying amount of Trade Receivables includes unbilled revenue of ₹ 671.61 crore (Previous Year ₹ 831.71).

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

Balance of Trade Payables 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*					0
(ii) Others	10119.22	704.54	-	-	10823.75
(iii) Disputed Dues-MSME					0
(iv) Disputed dues-Others					0.00
Total	10119.22	704.54	-	-	10823.75

Balance of Trade Payables 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*					0
(ii) Others	10377.18	773.49	145.82	-	11296.49
(iii) Disputed Dues-MSME					0
(iv) Disputed dues-Others					0.00
Total	10377.18	773.49	145.82	-	11296.49

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(iii) Detail of age-wise break-up of capital work in progress given below :-

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	2350.98	617.07	236.60	77.79	3282.44
Project temporarily suspended	-	-	-	-	0
Other	-	-	-	-	0
Advances to Contractors (Net) (material issued for construction of capital works)	316.13	40.48	79.36	505.19	941.16
GRAND TOTAL					4223.60

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	723.00	309.00	130.00	793.82	1955.82
Project temporarily suspended	-	-	-	-	0
Other	-	-	-	-	0
Advances to Contractors (Net) (material issued for construction of capital works)	145.38	129.35	141.89	408.62	825.24
GRAND TOTAL					2781.06

(iv) Detail of Intangible assets under development is given below

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
Project temporarily suspended	-	-	-	-	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	0.29	-	-	-	0.29
Project temporarily suspended	-	-	-	-	0
GRAND TOTAL					0.29

(b) Additional information required under the schedule-III are given below:-

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

Sl. No.	DESCRIPTION	2023-24 (Units in M.U.)	2022-23 (Units in M.U.)
(i)	Total number of units purchased	32929.608	31132.496
(ii)	Total number of units sold	27223.527	25713.751
(iii)	Transmission & Distribution Losses	17.33%	17.41%

(ii) Details of Contingent Liabilities/Assets are as follows:-

(₹ in Cr.)

Particulars	31 st March, 2024	31 st March, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.16	-
Claim by employee under Litigation	0.49	8.93
Others	175.23	159.84
Total	175.88	168.77



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

23. Related party disclosures as per Ind-AS 24:-

(A) List of Related Parties are as under:-

(a) List of Holding, Fellow Subsidiaries and Associates:-

Sl. No.	Name of Company	Nature of relationship
1.	U. P. Power Corporation Limited	Holding
2.	Madhyanchal Vidyut Vitran Nigam Limited	Fellow subsidiary
3.	Pashchimanchal Vidyut Vitran Nigam Limited	Fellow subsidiary
4.	Dakshinanchal Vidyut Vitran Nigam Limited	Fellow subsidiary
5.	Kanpur Electricity Supply Company Limited	Fellow subsidiary

(b) List of Directors & Key Managerial Personnel at Holding Company:-

Sl. No.	Name	Date of Appointment	Date of Cessation	Director/ Nominee Director/KMP
1	Dr. Ashish Kumar Goel	27.07.2023	Working	Chairman
2	Shri M. Devaraj	02.02.2021	27.07.2023	Chairman
3	Shri Guru Prasad Porala	23.07.2021	04.03.2024	Nominee Director
4	Shri Ranvir Prasad	04.03.2021	Working	Nominee Director
5	Shri Pankaj Kumar	10.03.2021	Working	Managing Director
6	Shri Anupam Shukla	10.08.2022	Working	Nominee Director
7	Smt. Neha Sharma	02.09.2022	Working	Nominee Director
8	Shri Nidhi Kumar Narang	01.06.2022	Working	Director (Finance)
9	Shri Neel Ratan Kumar	16.04.2013	Working	Nominee Director
10	Shri Amit Kumar Srivastava	24.05.2022	Working	Director (Commercial)
11	Shri Kamalesh Bahadur Singh	18.06.2022	Working	Director (Corporate Planning) and Director (P & MA) (In-Additional Charge)
12	Shri Sourajit Ghosh	18.06.2022	Working	Director (I.T.)
13	Shri Mrugank Shekhar Dash Bhattamishra	12.07.2022	07.12.2023	Director (P & MA)
14	Shri G.D. Dwivedi	11.10.2023	Working	Director (Distribution)
15	Shri Abhishek Singh	03.05.2023	Working	Nominee Director
16	Shri Ali Shah	16.06.2023	21.02.2024	Nominee Director
17	Shri Sandeep Kumar	21.02.2024	Working	Nominee Director
18	Shri R.P. Vaishnav	16.06.2023	Working	Nominee Director
19	Shri Nitin Nijhawan	01.12.2022	Working	Chief Financial Officer

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(c) List of Directors & Key Managerial Personnel at Purvanchal Vidyut Vitran Nigam Limited:-

SN	Name	Name of Post	Date of Appointment	Date of Cessation
1	Shri M Devaraj	Chairman	02 February 2021	27 July 2023
2	Dr. Ashish Kumar Goel	Chairman	27 July 2023	Working
3	Shri Guru Prasad Porala	Nominee Director	23 July 2021	04 March 2024
4	Shri Ranvir Prasad	Nominee Director	04 March 2024	Working
5	Shri Pankaj Kumar	Nominee Director	10 March 2021	Working
6	Shri Shambhu Kumar	Managing Director	08 October 2022	Working
7	Shri Anupam Shukla	Nominee Director	04 November 2022	Working
8	Smt. Annapurna Garg	Women Director	29 August 2022	Working
9	Shri Nidhi Kumar Narang	Nominee Director	01 June 2022	Working
10	Shri Santosh Kumar Jadia	Director (Finance)	23 May 2022	Working
11	Shri Rajendra Prasad	Director (Commercial)	27 May 2022	Working
		Director (P & A) (Additional Charge)	22 March 2023	10 October 2023
		Director (Technical) (Additional Charge)	07 June 2023	08 January 2024
12	Shri Ravindra Kumar Jain	Director (P & A)	10 October 2023	Working
13	Shri Jitendra Nalwaya	Director (Technical)	08 January 2024	Working
14	Shri Rameshwar Prasad Vaishnav	Nominee Director	13 June 2023	Working
15	Shri Ali Shah	Nominee Director	13 June 2023	21 February 2024
16	Shri Sandeep Kumar	Nominee Director	21 February 2024	Working
17	Shri Amit Rohila	Chief Financial Officer	13 January 2023	Working
18	Shri S.C. Tiwari	Company Secretary	01 September 2015	Working

(d) The Company is a State Public Sector Undertaking (SPSU) controlled by State Government by holding majority of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control, or significant influence, then the reporting entity

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(Note 29) Page 9 of 27
For the year ended 31st March, 2024
and other entities shall be regarded as related parties. The Company has applied the exemption available for Government related entities and have made limited disclosures in the financial statements. Such entities which company has significant transactions includes, but not limited to, UP Power Transmission Corporation Limited, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited.

(e) Post employment benefit plans:-

- i. U.P. State Power Sector Employees Trust
- ii. U.P. Power Corporation C.P.F. Trust

(B) Transactions with related parties are as follows:-

(a) Transaction with Holding and Fellow Subsidiary companies:-

Sl.No.	Particulars	Holding Company		Fellow Subsidiary	
		2023-24	2022-23	2023-24	2022-23
1.	Purchase of power	15,824.45	15,235.90	-	-
2.	Loan received/allocated	2,265.23	2,624.09	-	-
3.	Loan repayment/adjustment	5,393.92	3,507.56	-	-
4.	Others	-	-	3.28	13.83

(b) Remuneration and Benefits paid to key managerial personnel (MD, WTD, CFO and CS) are as follows: -

SL NO.	Name of KMP	2023-24		2022-23	
		Salary and Allowance	Contribution to P.F./ Gratuity/ Pension	Salary and Allowance	Contribution to P.F./ Gratuity/ Pension
1	Shri Shambhu Kumar	0.25	0.03	0.08	-
2	Shri Jitendra Nalwaya	0.05	-	-	-
3	Shri Ravindra Kumar Jain	0.07	-	-	-
4	Shri Rajendra Prasad	0.20	-	0.48	-
5	Shri Santosh Kumar Jadia	0.31	0.03	0.23	-
6	Shri Amit Rohila	0.26	0.03	0.24	-
7	Shri S. C. Tiwari	0.29	0.03	0.26	0.03
Total		1.43	0.12	1.29	0.03

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

Sl. No.	Name of the company	Nature of transaction	2023-24	
			2023-24	2022-23
1.	Uttar Pradesh Power Transmission Corporation Limited	Transmission Charges	860.12	789.85

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(d) Outstanding balances with related parties:-

Particulars	31 st March, 2024	31 st March, 2023
Amount Recoverable Towards loans –		
U.P. Power Corporation Ltd.	250.94	285.30
Amount recoverable other than loans –		
Pashchimanchal V.V.N.L.	6.92	6.25
KESCO	4.27	4.27
UPRVUNL	0.05	0.13
U.P. Power Transmission Corporation Ltd.	5.95	6.30
Amount payable towards loans –		
U.P. Power Corporation Ltd.	-	-
Amount payable other than loans –		
U.P. Power Corporation Ltd.	82.72	129.14
U.P. Power Corporation Ltd. (Power Purchase)	9,224.51	9,554.93
Madhyanchal V.V.N.L.	79.16	75.21
Dakshinanchal V.V.N.L.	19.35	19.35
U.P. Power Transmission Corporation Ltd.	1,564.66	1,709.16
UP State Power Sector Employees Trust	579.89	540.23
U.P. Power Corporation C.P.F. Trust	232.98	217.72

24.

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 includes borrowings/advances, trade & other receivables and Cash that derive directly from its operations.

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

(a) 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.

(b) 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.

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 (e.g. Rate of interest, tenure etc.).

At the reporting date the interest rate profile of the company's interest-bearing financial instruments are as under:-

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Particulars	31.03.2024	31.03.2023
Financial Assets		
Fixed Interest Rate Instruments- Deposits with Bank	0.89	0.78
Variable Interest Rate Instruments- Deposits with Bank	-	-
Total	0.89	0.78
Financial Liabilities		
Fixed Interest Rate Instruments- Financial Instrument Loans	23,895.43	27,242.74
Variable Interest Rate Instruments- Cash Credit from Banks		
Total	23,895.43	27,242.74

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.

(c) 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 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.

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

(d) Regulatory Risk:

The company's substantial operations are subject to regulatory interventions, introductions of new laws and regulations including changes in competitive framework. The rapidly changing regulatory landscape poses a risk to the company. Regulations are framed by State Regulatory Commission as regard to Standard of Performance for utilities, Terms & Conditions for determination of tariff, obligation of Renewable Energy purchase, grant of open Access, Deviation Settlement Mechanism, Power Market Regulations etc. Moreover, the State Government is notifying various guidelines and policy for growth of the sector. These Policies/Regulations are modified from time to time based on need and development in the sector. Hence the policy/regulation is not restricted only to compliance but also has implications for operational performance of utilities, return of Equity, Revenue, competitiveness, and scope of supply.

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

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25. **Capital Management:**

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

The Company is wholly owned by the Uttar Pradesh Power Corporation Limited and the decision to transferring the share application money for issuing the shares is lay solely with Uttar Pradesh Power Corporation Limited. The Company acts on the instruction and orders of the Uttar Pradesh Power Corporation Limited to comply with the statutory requirements.

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

26. In the opinion of management, there is no specific indication of impairment of any assets as on balance sheet date as envisaged by Ind-AS 36 of ICAI. Further, the assets of the corporation have been accounted for at their historical cost and most of the assets are very old where the impairment of assets is very unlikely
27. The sale of electricity does not include electricity duty payable to the State Government amounting to ₹ 841.87 crore (P. Y. ₹ 753.65 crore).
28. Consequent to the applicability of Ind-AS, the financial statements for the year ended 2023-24 have been prepared as per Ind-AS. Previous year figures have been regrouped and reclassified wherever considered necessary in conformity of Ind-AS Implementation. Further previous year figures have been restated on account of correction of material prior period error.
29. The annual accounts upto financial year 2022-23 have been adopted in annual general meeting.
30. The figures as shown in the Balance Sheet, Statement of Profit & Loss, and Notes shown in () denotes negative figures.
31. The company availed exemption given in Ind AS 114 Regulatory Deferral accounts regarding creation of Regulatory assets, during the year in which Ind AS first adopted by the company. Hence the company has not created Regulatory Assets.
32. Material prior period errors/omissions have been restated in Profit and Loss A/c and Balance Sheet in accordance with the provisions of Ind AS-8 and necessary disclosures have been given hereunder. The immaterial prior period errors/omissions have been routed through the natural head of profit and loss account. Prior period error/omission in total income or total expenditure is to be considered material if it exceeds half percent (1/2%) of the Revenue from operations of the immediate preceding financial year.

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RECONCILIATION OF STANDALONE BALANCE SHEET AS AT 31.03.2023

Particulars	Note No.	Audited 2022-23	Adjustments	Corresponding of 2022-23 given in Audited 2023-24	Remarks	As at 1st April, 2022	Adjustments	As at 1st April, 2022 (Restated)	Remarks
(I) ASSETS									
(1) Non-current assets									
(a) Property, Plant and Equipment	2	16,474.53	-	16,474.53	Reclassification on PPE Adjustment	16,536.71	-	16,536.71	Reclassification on PPE Adjustment
(b) Capital work-in-progress	3	2,781.36	-0.30	2,781.06		2,337.10	-37.97	2,299.13	
(c) Assets not in Possession	4	37.88	-37.88	-		40.46	-40.46	-	
(d) Intangible assets	5A	30.87	-	30.87		-	-	-	
(e) Intangible Assets Under Development	5B	-	0.30	0.30	Reclassification on	-	37.97	37.97	Reclassification on
(f) Financial Assets									
(i) Others	6	5,790.18	-	5,790.18		6,565.30	-	6,565.30	
(2) Current assets									
(a) Inventories	7	707.06	-	707.06		1,092.43	-	1,092.43	
(b) Financial Assets									
(i) Trade receivables	8	28,492.44	-	28,492.44		31,146.60	-	31,146.60	
(ii) Cash and cash equivalents	9-A	511.68	-	511.68		932.28	-	932.28	
(iii) Bank balances other than (ii) above	9-B	0.78	-	0.78		0.74	-	0.74	
(iv) Others	10	1,528.51	-	1,528.51		2,161.56	-	2,161.56	
(c) Other Current Assets	11	735.89	-	735.89		508.30	-	508.30	
Total Assets		57091.18	(37.88)	57053.30		61321.48	(40.46)	61281.02	
(II) EQUITY AND LIABILITIES									
Equity									
(a) Equity Share Capital	12	25,193.58	-	25,193.58		21,234.84	0.00	21,234.84	
(b) Other Equity	13	15,524.98	-37.88	-15,562.86	PPE Adjustment	6,381.29	-40.46	6,421.75	PPE Adjustment
Liabilities									
(1) Non-current liabilities									
(a) Financial liabilities									
(i) Borrowings	14	22,687.83	-	22,687.83		24,779.86	-	24,779.86	
(ii) Trade payables									
(iii) Other financial liabilities (other than those specified in item (b) to be specified)									
(b) Other financial liabilities	15	1,133.05	-	1,133.05		1,061.50	-	1,061.50	
(2) Current liabilities									
(a) Financial liabilities									
(i) Borrowings	16	4,647.30	-	4,647.30		3,689.40	-	3,689.40	
(ii) Trade payables	17	11,296.48	-	11,296.48		9,309.13	-	9,309.13	
(iii) Other financial liabilities	18	7,657.92	-	7,657.92		7,628.04	-	7,628.04	
Total Equity and Liabilities		57091.18	(37.88)	57053.30		61321.48	(40.46)	61281.02	

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

A	B	C	D	E	F	G	H	I=F
			Adjustment of Prior Period Errors/Regrouping					
Particulars		Note No.	Audited 2022-23	Related to the Year ended 31.03.2023	Related to the Year ended 31.03.2022 and before	Total	Restated Corresponding of 2022-23 given in Audited 2023-24	Equity (Reserve & Surplus) restated for the period ended 31.03.2022 and before
I	Revenue From Operations	19	13660.98	0.00	0.00	0.00	13660.98	0.00
II	Other Income	20	6835.39	(775.12)	8115.54	7340.42	6060.27	8115.54
III	Total Income (I+II)		20496.37	(775.12)	8115.54	7340.42	19721.25	8115.54
IV	EXPENSES							
1	Cost of materials consumed							
2	Purchases of Stock-in-Trade (Power Purchased)	21	16030.96	0.00	0.00	0.00	16030.96	0.00
3	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress				0.00	0.00		
4	Employee benefits expense	22	624.38	0.00	0.00	0.00	624.38	0.00
5	Finance costs	23	2744.56	0.00	0.00	0.00	2744.56	0.00
6	Depreciation and amortization expenses	24	1158.16	0.00	0.00	0.00	1158.16	0.00
7	Administration, General & Other Expense	25	705.93	0.00	0.00	0.00	705.93	0.00
8	Repair and Maintenance	26	715.67	(2.58)	40.46	37.88	713.09	40.46
9	Bad Debts & Provisions	27	5106.15	0.00	0.00	0.00	5106.15	0.00
10	Other expenses							
IV	Total expenses (IV)		27085.81	(2.58)	40.46	37.88	27083.23	40.46

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For the year ended 31st March, 2024

V	Profit/(Loss) before exceptional items and tax (III-IV)	(6589.44)	(772.54)	8075.08	7302.54	(7361.98)	8075.08
VI	Exceptional Items	28	(20.83)			(20.83)	
VII	Profit/(Loss) before tax (V(+/-)VI)	(6610.27)	(772.54)	8075.08	7302.54	(7382.81)	8075.08
VIII	Tax expense:						
	(1) Current tax		-			-	
	(2) Deferred tax		-			-	
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(6610.27)	(772.54)	8075.08	7302.54	(7382.81)	8075.08
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)	(6610.27)	(772.54)	8075.08	7302.54	(7382.81)	8075.08
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)	7.78	0.00		0.00	7.78	
	(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)	(6602.49)	(772.54)	8075.08	7302.54	(7375.03)	8075.08
	Basic EPS						
	Diluted EPS						

33. Disclosure as per Ind AS 37 is as under:

(₹ in Cr.)

Particulars	Movement of Provisions			
	Opening Balance as on 01.04.2023	Provision made during the year	Withdrawal/Adjustment of Provision during the year	Closing Balance as on 31.03.2024
Provision for doubtful debts on sundry debtors (sale of power) (Note-8)	10,142.00	3,473.00	-	13,615.00
Provision for Doubtful Receivable from Employees (Note-10)	25.28	-	0.02	25.26
Provision for Doubtful advances (Note-11)	0.07	-	-	0.07
Provision for Unserviceable Stores (Note-7)	62.97	-	62.97	-
Provision for estimated loss on theft of fixed assets pending investigation (Note-10)	0.05	-	0.05	-

34. 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

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loss incurred by the Trusts (CPF & GPF) on investment in DHFL as 'Exception items' in the profit and loss account as detailed below:-

(₹ in Cr.)

Trust's Letter Reference	Name of item	Amount
CPF Trust Letter No. 576 dt 15/04/2024	Notional Interest	14.53
GPF Trust Letter No. 404 dt 15/04/2024	Notional Interest	17.30
Total		31.83

35. (A) The company availed exemption given in Ind AS 114 Regulatory Deferral accounts regarding creation of Regulatory assets, during the year in which Ind AS first adopted by the company. Hence the company has not created Regulatory Assets.

(B) Guarantee issued by the State Government in support of borrowing directly taken by the DISCOM as on 31.03.2024 is NIL whereas Guarantee taken by UPPCL (Holding Company) on behalf of DISCOM as on 31.03.2024 is ₹ 33,732.38 crore.

Status of Govt. Guarantee as on 31-03-2024 taken on behalf of PuVVNL by UPPCL:-

(₹ In Cr.)

Sl. No.	Particulars	Date of Guarantee	Total Amount of Guarantee (UPPCL)	Guarantee Amount Allocated to PuVVNL
1	1752/24-1-16-1567(Bank Guarantee)/2016 dt. 29-07-16	29-07-2016	5,376.82	1,133.78
2	2450/24-1-16-1567(Bank Guarantee)/2016 dt. 04-01-17	04-01-2017	4,699.98	1,186.60
3	185/24-1-17-2580(Undertaking)/2016 dt. 06-02-17	06-02-2017	6,510.00	1,841.00
4	286/24-1-17-2580 (Undertaking)/2016 dt. 03-03-17	03-03-2017	3,489.50	1,127.50
5	337/24-1-17-817(Bank Guarantee)/2015 dt. 17-03-17	17-03-2017	465.00	224.03
6	588/24-1-17-817 (Bank Loan)/2015 dt. 07.06.17	07-06-2017	1,500.00	333.77
7	1383/24/1/17/28P/2001 dt. 30-06-17	30-06-2017	430.00	207.17
8	767/24-1-17-1567 (Bank Loan)/2016 dt. 14.07.17	14-07-2017	299.49	75.61
9	1720/24-1-17-817 (Bank Loan)/2015 dt. 12.09.17	12-09-2017	2,000.00	500.00
10	2312/24-1-17-28P/2001 T.C. dt. 26-09-17	26-09-2017	500.00	240.90
11	2312/24-1-17-28P/2001 T.C. dt. 26-09-17	26-09-2017	105.00	50.59
12	2833/24-1-17-2580(Undertaking)/2016 dt. 24.11.17	24-11-2017	4,498.20	1,581.60
13	726/24-1-18-2580 (Undertaking)/2016 dt. 21.03.18	21-03-2018	5,491.00	1,830.70
14	2567/24-1-18-817 (Bank Loan)/2018 dt. 28.09.18	28-09-2018	2,000.00	250.00
15	2755/24-1-18-817 (Bank Loan)/2018 dt. 07.02.19	02-07-2019	700.00	150.00
16	481/24-1-18-817 (Bank Loan)/2018 dt. 05.03.19	03-05-2019	2,000.00	750.00
17	830/24-1-19-817 (Bank Loan)/2018 dt. 15.05.19	15-05-2019	2,000.00	375.00
18	1361/24-1-19-817 (Bank Loan)/2018 dt. 23.07.19	23-07-2019	650.00	90.00
19	2188/24-1-19-817 (Bank Loan)/2018 dt. 25.10.19	25-10-2019	350.00	175.00
20	184/24-1-20-817 (Bank Loan)/2018 dt. 25.02.20	25-02-2020	150.00	75.00
21	183/24-1-20-817 (Bank Loan)/2018 dt. 25.02.20	25-02-2020	825.00	325.00
22	965/24-1-20-817 (Bank Loan)/2020 dt. 28.07.20	28-07-2020	20,940.00	10,088.89
23	966/24-1-20-817 (Bank Loan)/2019 dt. 29.07.20	29-07-2020	450.00	20.00
24	656/24-1-20-817 (Bank Loan)/2020 dt. 25.03.21	25-03-2021	7,000.00	3,372.60
25	1386/24-1-21-1010/2021 dt. 19.08.21	19-08-2021	5,983.00	2,882.60
26	260/24-1-22-1049-2021 dt. 21.03.22	21-03-2022	8,000.00	2,575.20
27	1002/24-1-23-1008/2022	30-03-2023	6,800.00	2,269.84
	TOTAL		93,212.99	33,732.38

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(C) Total Electricity dues recoverable from the Government Departments / State PSUs / Subordinate offices and local bodies as on 31.03.2024 are ₹ 4,489.90 Crores. Age-wise classification of the same is as under:-

Particulars	Amount (₹ In Cr.)
Up to 6 Months	668.61
More than 6 months and upto 1 year	341.16
More than 1 year and upto 2 years	414.33
More than 2 year and upto 3 years	228.77
More than 3 years	2,837.03
TOTAL	4,489.90

(D) 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 F.Y-2022-23 challenging the "True & Fair View" of DISCOMS and UPPCL CFS on the grounds that the excess subsidy claimed by UPPCL amounting to ₹2,368.34 Crore during the period 2017-18 to 2020-21 under UDAY and ₹4,112.25 Crore during the period 2022-23 under RDSS.

However, the management is of the view that the subsidy under UDAY and RDSS was correctly calculated and claimed on the basis of agreed methodology and in line 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. 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 & their reply is awaited.

(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 above GO also provided that, out of total additional revenue subsidy of ₹39,743.00 Crore, Rs 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 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 Rs. 6,278.47 Crore of loss funding under UDAY) are receivable from the GoUP in favour of DISCOMS through the holding company (UPPCL) and the same are to be paid by the GoUP in 10 years beginning from 2021-22. The aforesaid subsidy of ₹20940.00 Crore had been allocated to the DISCOMS after making the necessary adjustments as tabulated below:

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(₹ in Cr.)

S.N.	Name of DISCOM	Addl. 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) 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, however the management was of the view that the accounting treatment made in the books of account of the company was correct. 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 company has made necessary accounting in the books of account of F.Y. 2023-24 related to its share in accordance with Ind AS 20 & Ind AS 8.

(d) Unpaid subsidy from the State Government for the year is NIL.

(E) The detail of AT&C loss have been shown in Supplementary Schedule 2 to Notes to Accounts.

(F) The details of Average cost of supply (ACS)-Average Realizable Revenue Gap (as per GSDP norms) are given below:

SL. No.	Parameters	Unit	Value
A	Total Input Energy	MU	32929.608
B	Total expenditure	Rs. Crore	25,755.03
C	Average Cost of Supply(B/A*10)	Rs.	7.82
D	Total Revenue from Sale of Power (Excluding Subsidy plus subsidy received)	Rs. Crore	19,070.21
E	Subsidy booked	Rs. Crore	4,358.37
F	Subsidy Received	Rs. Crore	4,358.37
G	Other Income (Excluding regulatory income & Uday Grant)	Rs. Crore	2,848.19
H	Revenue (Subsidy Received Based) (D-E+F+G)	Rs. Crore	21,918.39
I	Average Realisable Revenue (H/A*10)	Rs.	6.66
J	ACS-ARR Gap (C-I)	Rs.	1.16

(G) The detail of Creditors days are given below:

Creditors Days :

in Crore

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Trade Payables as on 31.03.2024	Total Power Purchase and Transmission Cost for FY 2023-24	Creditors Days (In Days)
A	B	A/B*365
10,823.75	16,686.76	237

(H) The detail of Debtors days are given below:

Debtors Days :

Net Trade Receivables as on 31.03.2024	Revenue from Operations (Inclusive of E.D) for FY 2023-24	Debtors Days (In Days)
A	B	A/B*365
24,307.15	15,553.70	570

(I) Status of subsidy paid by the GoUP is as under:

SL.No.	Name of subsidized consumer category	Subsidy receivable as on 01.04.2023	Subsidy received against receivable as on 01.04.2023	Subsidy claimed during the year 2023-24	Subsidy received against subsidy claimed during the year	Closing balance as on 31.03.2024
1	LMV - 1 (Domestic light and fan) and LMV - 5 (Private tube well)	0	0	4358.37	4358.37	0

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

Profit & Loss		(₹ in crore)	
Table 1: Revenue Details		2023-24 Year Ended	2022-23 Year Ended
Revenue from Operations (A = A1+A2+A3+A4+A5+A6)		14,712	13,661
A1: Revenue from Sale of Power		14,653	13,661
A2: Fixed Charges/Recovery from theft etc.			
A3: Revenue from Distribution Franchisee		0	0
A4: Revenue from Inter-state sale and Trading		58	0
A5: Revenue from Open Access and Wheeling			
A6: Any other Operating Revenue			
Revenue - Subsidies and Grants (B = B1+B2+B3)		7,219	5,906
B1: Tariff Subsidy Booked		4,358	3,224
B2: Revenue Grant under UDAY		108	0
B3: Other Subsidies and Grants		2,752	2,681
Other Income (C = C1+C2+C3)		96	155
C1: Income booked against deferred revenue*		0	0
C2: Misc Non-tariff income from consumers (including DPS)		66	141
C3: Other Non-operating income		30	14

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(Note 29) Page 19 of 27
For the year ended 31st March, 2024

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)		

*Revenue deferred by SERC as per tariff order for the relevant FY

Table 2: Expenditure Details		2023-24 Year Ended	2022-23 Year Ended
Cost of Power ($G = G1 + G2 + G3$)		16,687	16,031
	G1: Generation Cost (Only for GEDCOS)		
	G2: Purchase of Power	15,827	15,241
	G3: Transmission Charges	860	790
O&M Expenses ($H = H1 + H2 + H3 + H4 + H5 + H6 + H7$)		9,117	11,065
	H1: Repairs & Maintenance	635	713
	H2: Employee Cost	658	624
	H3: Admn. & General Expenses	772	706
	H4: Depreciation	932	1158
	H5: Total Interest Cost	2599	2745
	H6: Other expenses	3490	5098
	H7: Exceptional Items	32	21
Total Expenses ($I = G + H$)		25,804	27,096
Profit before tax ($J = D - I$)		-3,776	-7,375
	K1: Income Tax	0	0
	K2: Deferred Tax	0	0
Profit after tax ($L = J - K1 - K2$)		-3,776	-7,375

Balance Sheet

Table 3: Total Assets

	2023-24 As on 31st Mar	2022-23 As on 31st Mar
M1: Net Tangible Assets & CWIP	21,272	19,287
M2: Other Non-Current Assets	0	0
M3: Net Trade Receivables	24,307	28,492
	M3a: Gross Trade Receivable Govt. Dept.	6,782
	M3b: Gross Trade Receivable Other-than Govt. Dept.	31,141
	M3c: Provision for bad debts	-13,615
M4: Subsidy Receivable		-10,142
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		
N1: Share Capital & General Reserves	28,025	25,194
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	-18,554	-15,563

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(Note 29) Page 20 of 27
For the year ended 31st March, 2024

N3: Government Grants for Capital Assets	0	0
N4: Non-current liabilities	2,126	1,133
N5: Capex Borrowings	18,834	22,688
N6a: Long Term Loans - State Govt	0	0
N6b: Long Term Loans - Banks & FIs	18,834	22,688
N6c: Short Term/ Medium Term - State Govt		
N6d: Short Term/ Medium Term - Banks & FIs		
N6: Non-Capex Borrowings	0	0
N7a: Short Term Borrowings/ from Banks/ FIs		
N7b: Cash Credit/ OD from Banks/ FIs		
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

	2023-24 Year Ended	2022-23 Year Ended
O1: Total Installed Capacity (MW) (Quarter Ended) (Only for GEDCOs)	0	0
O1a: Hydel	0	0
O1b: Thermal	0	0
O1c: Gas	0	0
O1d: Others	0	0
O2: Total Generation (MU) (Quarter Ended) (Only for GEDCOs)	0	0
O2a: Hydel	0	0
O2b: Thermal	0	0
O2c: Gas	0	0
O2d: Others	0	0
O3: Total Auxiliary Consumption (MU) (Quarter Ended)	0	0
O4 : Gross Power Purchase (MU)	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
O7a: Energy Sold to own consumers	27,148	25,714
O7b: Bulk Sale to Distribution Franchisee	0	0
O7c: Interstate Sale/ Energy Traded/Net UI Export	76	0
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	82.60
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
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Table 6: Key Parameters	2023-24 Year Ended	2022-23 Year Ended
ACS (Rs./kWh) ($P1 = I * 10 / O5$)	7.84	8.70
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) ($P6 = (F - B - C1) * 10 / O5$)	6.66	4.20
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) ($P7 = P1 - P6$)	1.18	4.51
Receivables (Days) ($P8 = 365 * M3 / A$)	603	761
Payables (Days) ($P9 = 365 * N8 / G$)	237	257
Total Borrowings ($P10 = N6 + N8 + N9$)	23,733	23,473

Table 7: Consumer Categorywise Details of Sale (MU)	2023-24 Year Ended	2022-23 Year Ended
Q1: Domestic	15,183	14,766
Q2: Commercial	2,894	2,340
Q3: Agricultural	3,021	2,962
Q4: Industrial	2,410	2,505
Q5: Govt. Dept. (ULB/RLB/PWW/Public Lighting)	2,848	2,380
Q6: Others	868	760
Railways	-	-
Bulk Supply	0	-
Miscellaneous	792	760
Distribution Franchisee	0	0
Interstate/ Trading/ UI	76	0
Gross Energy Sold ($Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6$)	27,224	25,714

Table 8: Consumer Categorywise Details of Sale (Rs. Crore)	2023-24 Year Ended	2022-23 Year Ended
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
Railways	-	0
Bulk Supply	-	-
Miscellaneous	374	553

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Distribution Franchisee	0	0
Interstate/ Trading/ UI	58	0
Gross Energy Sold (Q7 = Q1 + Q2 + Q3 + Q4 + Q5 + Q6)	14,712	13,653

37. **Additional Regulatory Information Required by Schedule III**

(a) Ratio analysis of the company is given below:

S.No.	Particulars	Formula	Numerator	Denominator	Ratio			
					23-24	22-23	Difference	Basis
1	Current Ratio	Current Assets/Current Liabilities	Current Assets includes	Current Liabilities includes	1.39	1.60	-0.21	Times
			-Inventory	-Trade Payables				
			-Trade Receivable	-Short term debt(current LTB)				
			-Cash & Cash equivalents	-Outstanding Expenses				
			-Bank Balance	-Provision for taxation				
			-Loans & Advances	-Other current liabilities				
			-Receivables/Accruals					
			-Other current assets					
2	Debt-Equity Ratio	Total Debt/Equity or Shareholder's fund	Debt includes	Equity includes	2.52	2.83	-0.31	Times
			-Short term debt (current LTB)	-Equity Share Capital				
			-Long term debt	-Accumulated profits				
			-Other fixed obligation					
3	Debt Service Coverage Ratio	Earning available for debt service/Interest plus Instalments	Earnings available for debt service includes	Denominator includes	0.51	0.34	0.17	Times
			-Net profit after tax	-Interest				
			-depreciation	-Principal				
			-Amortisation					
			-Interest					
			-Other non-cash/non-operating Expenses & Incomes					
			- Provision for Doubtful Debt					
			- Exceptional Items					
4	Return on Equity	Net profit available for equity shareholders/Equity Shareholder's fund	Net profit available for Equity shareholder's includes	Equity Shareholder's fund includes	39.88%	76.58%	36.70%	Percent
			-Net profit after taxes minus Preference Shareholder's dividend	-Equity Share Capital				
				-Accumulated profits				
5	Inventory Turnover Ratio	Cost of Goods sold/Average Inventory	Cost of goods sold includes	Denominator includes	N.A.	N.A.		
			-Revenue from operation minus gross profit	-Average Inventory				

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6	Trade Receivable Turnover Ratio	Credit sales/Average account receivables	Credit sales includes -Revenue from operation	Denominator includes -Average Trade Receivable	0.56	0.46	0.10	Times
7	Trade Payable Turnover Ratio	Credit purchases/Average account payables	Credit purchase includes -Cost of power purchased	Denominator includes -Average Trade payables	1.51	1.56	-0.05	Times
8	Net Capital Turnover Ratio	Total Sales/Average Working Capital	Total Sales includes -Revenue from operation	Working Capital includes current assets minus current liabilities - Current Assets - Current Liabilities Closing Working Capital - Current Assets (Opening) - Current Liabilities (Opening) Opening Working Capital Average Working Capital	1.262	0.760	0.502	Times
9	Net Profit Ratio	Net Profit x 100/Sales	Net profit includes Net profit after tax	Sales includes -Revenue from operation	25.56%	54.04%	28.48%	Percent
10	Return on Capital Employed	EBIT x 100/ Capital Employed	EBIT includes -Earnings before interest & tax -Profit before tax -Interest	Capital employed includes -Total Assets minus Current Liabilities -Total Asset -Current Liabilities	-3.82%	13.87%	10.05%	Percent
11	Return on Investment	Return x 100/Owner's equity or fund invested in business	Return includes -Return from investments	Owner's Equity or Fund Invested	N.A.	N.A.		Percent

- (a) The Company has not provided any Loans/Advances to its promoters/Directors/KMPs and Related Parties.
- (b) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder during the year ended March 31, 2024 and March 31, 2023.
- (c) The Company does not have borrowings from banks or financial institution on the basis of security of current assets.
- (d) The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.
- (e) During the year ended March 31, 2024 and March 31, 2023, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (f) As per best of our knowledge, there are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (g) compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not

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applicable on the Company, as the Company is a Government Company as defined under clause 45 of section 2 of Companies Act, 2013.

- (h) The Company has not been declared willful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2024 and March 31, 2023.
- (i) As per best of our knowledge, the Company does not have any transactions with companies struck off under section 248 of Companies Act, 2013 (as amended) or section 560 of Companies Act, 1956.
- (j) No arrangement has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (k) Company has not advanced or loaned or invested fund (either borrowed fund or share premium or any other sources or kind of funds) to any other person (s) or entity (ies) including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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.
- (l) Company has not received any fund from any other person (s) or entity (ies) including foreign entities (Funding Party) 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 Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (m) As per requirement of section 135 and schedule VII of The Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, the company has incurred losses during the three immediately preceding financial years as per section 198 of The Companies Act, 2013, hence no CSR activity has been undertaken. Accordingly no provision has been made by the company in this regard.

38. **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

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decisions that the primary users of general purpose financial 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 there is no impact on the Company's financial statements.

- 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.

39. Detail of Fund received, utilized and available balance during the year under "ADB Financed Uttar Pradesh Power Distribution Network Rehabilitation Project" is given below:-

Particulars	Amount (₹ in Cr.)
Opening balance as on 01.04.2023	12.67
Fund received during the year	95.99
Fund utilized during the year	108.65
Closing balance as on 31.03.2024	0.01

40. The details of provision for doubtful loans & advances are as under: -

(i) Provision @ 10 % on the balances of suppliers/ contractors (O&M) has been made on the closing balances as at year end shown in Note no. 11 of Balance Sheet.

(ii) In compliance of BoD approval, ₹ Nil (PY ₹ 24.36 crore) has been accounted for as provision for doubtful receivable from employees. In addition to above, provision for doubtful receivables from employees (after reducing the above provision amount) has been made @ 10% on the balances appearing under the head "Receivable from Employees" shown in Note no. 10 of Balance Sheet.





41. Due to heavy carried forward losses / depreciation and uncertainties to recover such losses/depreciation in near future, the deferred tax assets have not been recognized in accordance with para 34 of Ind-AS 12 issued by ICAI.
42. 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 (i.e. December to February in respect of March).
43. Various old balances appearing in different asset and liability head and is carried forward from previous years has been shifted/Parked to Liability Migration head in Note No.15 on Net Basis (Assets Migration – Liability Migration) during the year. The details of which are as under:

Description	Amount	Shifted from	Shifted to	
	(₹ Crore)	Note No.	Note No.	
Liability Migration				
Other Current Assets	-8,41,59,308.64	11 (Inter Unit Transfer)	15 FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)	
Other Financial Liabilities (Non-Current)	91,66,955.40	17 (Security Deposits From Consumers)		
Other Financial Liabilities (Current)	8,55,53,948.96	18 (Deposits & Retentions (For Electrification works))		
	67,31,463.20	18 (Deposits & Retentions (From Suppliers & others))		
	10,56,46,098.45	18 (Electricity Duty & other levies payable to govt.)		
	6,53,28,45,798.39	18 (Liability for Supplies/Works (Capital Nature supplies/ works))		
	49,25,968.76	18 (Liability for Supplies/Works (O&M Nature supplies/ works))		
	-1,85,22,259.15	18 (Staff related liabilities)		
	-1,81,080.96	18 (Sundry Liabilities)		
	12,12,592.08	18 (Liabilities for Expenses)		
Total	6,64,32,20,176.49			
Asset Migration				
Property, Plant & Equipment	71,25,984.00	02 (PROPERTY, PLANT & EQUIPMENT (Depreciation))		
CWIP	44,47,18,204.66	03 CAPITAL WORKS IN PROGRESS		
	-18,89,225.90	03 CWIP (Advance to Supplier/Contractor)		
Financial Assets	-5,26,839.25	06 FINANCIAL ASSETS - OTHERS (NON-CURRENT)		
Inventories	-62,97,48,646.00	07 (Stock of Materials - Capital Works)		
Trade Receivables	5,84,27,386.21	08 (Trade Receivables outstanding from Customers on account of Sale of Power)		
Financial Assets- Cash and Cash Equivalents (Current)	17,010.01	09 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS (CURRENT)		
Financial Assets- Others (Current)	5,36,86,550.19	10 (Employees (Receivables))		
	3,87,77,840.12	10 (Other Receivables)		
Other Current Assets	175.00	11 (Income Accrued & but not Due)		
	-1,75,25,98,361.77	11 (Inter Unit Transfer)		
	-19,468.00	11 (Suppliers/Contractors)		
Other Financial Liabilities (Current)	2,09,16,963.75	18 (Deposits & Retentions (For Electrification works))		
	55,000.00	18 (Staff related liabilities)		
Total	-1,76,10,57,426.98			
Grand Total	8,40,42,77,603.47			

44. 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&L A/c.

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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.

45. Considering the large number of consumer base, individual credit risk assessment of each receivable is not practically possible. Therefore, simplified approach has been adopted as per Ind AS 109. The system for identification of disputed/undisputed dues shall be taken up for implementation after considering all the associated requirement.
46. 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.
47. Advances to Suppliers/Contractors for execution of capital works are treated as work in progress and have been shown separately under the head "Capital Work in Progress".

For and on behalf of Board of Directors of
Purvanchal Vidyut Vitran Nigam Limited


Chief Financial Officer



Company Secretary



Director (Finance)
DIN :- 09618850


Director (Technical)
DIN :- 06455119


Managing Director
DIN :- 09764633

Signed in terms of our report of even date.
For ARSAN & Co.
(Firm Registration No. 005216C)
Chartered Accountants


CA Atul Choudhary
(Membership No. 079584)
(Partner)
Place: - Varanasi
Date: - 12/06/24



Purvanchal Vidyut Vitran Nigam Limited

(A wholly owned Subsidiary Company of U.P. Power Corporation Limited)



Supplementary Schedule - I to Notes to Accounts

NET EFFECT OF INTER COMPANY TRANSACTIONS FOR THE PERIOD ENDED 31-03-2024

(Other Than Trade Payable)

Sl. No.	Name Of Company	Receivable	Payable	Net Receivable	Net Payable
1	U.P. POWER CORPORATION LTD.	1,70,551.82	1,70,383.60	168.23	-
2	MADHYANCHAL V.V.N.L.	67.26	146.42	-	79.16
3	DAKSHINANCHAL V.V.N.L.	28.53	47.86	-	19.35
4	PASHCHIMANCHAL V.V.N.L.	12.94	6.03	6.92	-
5	KESCO	6.12	1.85	4.27	-
6	U.P.P.T.C.L.	12.30	6.35	5.95	-
7	U.P.R.V.U.N.L.	0.06	0.01	0.05	-
TOTAL		1,70,679.03	1,70,592.13	185.42	98.51

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Supplementary Schedule 2 to Notes to Accounts
Computation of AT&C Losses

Table 1

Particulars		Amount (in Cr.)
A	Input Energy (MkWh)	32929.608
B	Transmission Losses(MkWh)	-
C	Net Input Energy (MkWh)	32929.608
D	Energy Sold(MkWh)	27223.527
E	Revenue from Sale of Energy (Rs. Cr.)	19,070.21
F	Adjusted Revenue from Sale of Energy on Subsidy Received basis (Rs. Cr.)	19,070.21
G	Opening Debtors for Sale of Energy (Rs. Cr.)	34,485.71
H	Closing Debtors for Sale of Energy (Rs. Cr.)	33,718.38
I	Adjusted Closing Debtors for sale of Energy (Rs. Cr.)	33,718.38
J	Collection Efficiency (%)	104.02
K	Units Realized (Mkwh) = [Energy Sold*Collection efficiency]	28,318.927
L	Units Unrealized (Mkwh)= [Net Input Energy-Units Realized]	4,610.681
M	AT&C Losses (%) = [{ Units Unrealized/Net Input Energy}*100]	14.00

Note- Since the collection efficiency is more than 100%, AT&C loss would be 17.33%.

Table 2

Details of Subsidy Booked and received		Amount (in Cr.)
1	Subsidy Booked during the year (Rs. Cr.)	4,358.37
2	Subsidy received during the year (Rs. Cr.)	4,358.37
i)	Subsidy received against subsidy booked for current year (Rs. Cr.)	
ii)	Subsidy received against subsidy booked for previous years (Rs. Cr.)	

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PURVANCHAL VIDYUT VITRAN NIGAM LIMITED

VIDYUT NAGAR, BHIKHARIPUR, B. L. W., VARANASI
STATEMENT OF CASH FLOWS

(₹ in Cr.)

Sl. No.	PARTICULARS	For Year ended 31st March, 2024	For the year ended 31st March, 2023
A	CASH FLOWS FROM OPERATING ACTIVITIES :		
	Profit/(Loss) before tax	(3,776.85)	(7,375.03)
	Adjustment for :		
	Prior Period Adjustments relates to Previous Years	-	-
	Depreciation	932.04	1,337.05
	Interest & Financial Charges	2,598.81	2,744.55
		3,530.85	4,081.60
	Operating profit before working capital changes	(246.00)	(3,293.43)
	Adjustment for:-		
	Sundry Debtors	4,185.29	2,654.16
	Stores Spares	(167.85)	385.37
	Other Current Assets	1,039.99	1,160.64
	Current Liabilities	649.84	1,007.70
	Trade Payables	(472.73)	1,987.36
		5,234.54	7,195.23
	NET CASH FROM OPERATING ACTIVITIES	4,988.54	3,901.80
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Additions to fixed assets and Work in Progress	(2,801.99)	(1,472.96)
	Net Movement in Bank Balances other than Cash and Cash Equiva	(0.11)	(0.04)
	Net Increase/(Decrease) in Non Current Assets/Liabilities	877.39	(202.90)
	NET CASH FLOW FROM INVESTING ACTIVITIES	(1,924.71)	(1,675.90)
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Share Application Money received	3,372.58	1,780.43
	Long Term Borrowings received/ (repayment)	(3,853.57)	(2,092.04)
	Increase in consumers cont. & GoUp capital subsidy	244.61	412.23
	Long Term Borrowing repayment-interest	(2,598.81)	(2,744.56)
	Adjustment against Reserves and Surplus	-	(775.12)
	NET CASH FLOW FROM FINANCING ACTIVITIES	(2,835.19)	(3,419.06)
	Net increase/(decrease) in cash & cash equivalents (A+B+C)	228.63	(420.61)
	Cash & cash equivalents at the beginning of the year	511.67	932.28
	Cash & cash equivalents at the end of the year	740.30	511.67

Notes:-

- 1 Reconciliation of Cash and Cash Equivalents as per Note No. 9-A.
- 2 Cash and Cash equivalents consists of Cash and Bank balances.


Chief Financial Officer



Company Secretary


Director (Finance)
DIN :- 09618850


Director (Technical)
DIN :- 06455119


Managing Director
DIN :- 09764633

Signed in terms of our report of even date.
For ARSAN & Co.
(Firm Registration No. 005216C)
Chartered Accountants


CA Atul Choudhary
(Membership No. 079584)
(Partner)

Place: - Varanasi

Date: - 12/06/24

UDIN : - 24079584BKBOXQ8751



Independent Auditors' Report

To the members of Purvanchal Vidyut Vitran Nigam Limited, Varanasi

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Purvanchal Vidyut Vitran Nigam Limited** ("the Company"), which comprise the balance sheet as at **31st March 2024**, and the statement of Profit and Loss, the statement of Changes in Equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. These Financial Statements includes Financial Statements of Six Zones audited by the Zonal Auditors and Headquarter audited by us. The Financial Statements of the six Zones audited by the Zonal Auditors have been provided to us by the Management and our opinion in so far as it relates to the amounts and disclosures included in respect of these Zones is based solely on the report of such Zonal Auditors.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors of the Zones, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs (financial position) of the Company as at **31st March, 2024**, its **Loss** (financial performance including other comprehensive income), Cash Flows and Changes in Equity for the year ended on that date.

Basis for Qualified Opinion

1. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their report referred in qualified opinion para is sufficient and appropriate to provide a basis for our opinion on these Financial Statements.
2. The Company is maintaining mainly Cash Book as primary book and four sectional journals i.e. SJ-1, SJ-2, SJ-3 and SJ-4. There are no control ledgers in the system of accounting. They have been maintained on the same pattern as followed earlier by its holding company i.e. U.P. Power Corporation Limited. Ledger scrutiny is almost impossible, as also reported by zonal auditors, because individual ledger and personal accounts are not maintained.
3. **Note – 12 : SHARE CAPITAL**
Funds Received from Holding Company, U.P. Power Corporation Limited, under Equity have been accounted for under share application money pending for allotment. The Share application money of Rs. 2830.99 Crores has been converted into Share Capital by way of issue of 28309870 shares of Rs. 1000 each during the year. Further, the Application Money

OFFICES :

KANPUR LUCKNOW MUMBAI NEW DELHI RANCHI PATNA VARANASI



of Rs. 1233.59 Crores is pending for allotment at the end of the year. **The Company is not following the provisions of section 42(6) with regard to utilization of Share Application Money and keeping the same in separate bank account.**

4. **Note – 13 : OTHER EQUITY**

Consumers Contribution towards capital assets amounting to Rs. 2102.13 Crores has been disclosed under "Other Equity" whereas, the same should be reflected as deferred Income under "Non-Current Liabilities" as per Schedule – III of Companies Act. Hence, Non-Current Liabilities are understated and Other Equity is overstated in the Financial Statements to this extent.

5. **Note – 14 : FINANCIAL LIABILITIES-BORROWINGS (NON-CURRENT)**

- (a) Interest on unsecured loan taken through holding company i.e. UPPCL is recognized as and when the same is advised by UPPCL.
- (b) The details of securities offered for various loans from banks and financial institutions procured by UPPCL are available with UPPCL, hence we are not able to comment upon the classification of loans by the company under secured and unsecured loans in the Financial Statements.
- (c) There is no evidence regarding the nature, terms and conditions and repayment schedule of following loans taken through UPPCL during the reporting period by the Company. The same has been accounted for on the basis of advice received from UPPCL :-

Sl. No.	Institutions	Amount (Rs.) in Crore
1.	REC (Transitional)	1089.83
2.	PFC (Transitional)	1175.40

- (d) The Repayment of following loans has been made by holding company i.e. UPPCL and the same has been accounted for by the Company as per advice of UPPCL. The advice of UPPCL only is available in this regard :-

Particulars	Amount (Rs. In Crores)
REC (Transitional)	1782.65
PFC (Transitional)	2547.41
Bonds	1063.86

- (e) Debt Instrument has not been measured at the amortized cost in accordance with Ind AS 109 as mentioned in Material Accounting Policies.

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

- (a) 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. There 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.



- (b) 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.
- (c) 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.

7. Note – 18 : OTHER FINANCIAL LIABILITIES (CURRENT)

- (a) 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.
- (b) 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.
- (c) 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.
- (d) The amount due to Micro, Small and Medium Enterprises has not been ascertained by the Company. No interest provision has been done in this regard for want of sufficient related information.
- (e) The Company is carrying old balances in various tax heads like Sales Tax, Service Tax, State Sales Tax, Central Sales Tax etc., inspite of the fact that these taxes have been discontinued from July, 2017 or before. The details are as under :-

Head of Account	AG Code	Amount (In Lacs)
Central Sales Tax	46.926	2.55
State Sales Tax	46.927	1082.73
Sale Tax (Cont. Bill)	46.928	30.26
Service Tax	46.929	75.06
Provision for FBT	46.81	9.93
Income Tax Collected at Source Sales	46.932	2.06
TCS Withholding on Sales	46.934	26.63
Subsidy Refundable	46.935	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.

- (f) 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.

8. **Note – 2 : PROPERTY, PLANT & EQUIPMENTS**

- (a) Addition during the year in Property, Plant and Equipment includes Employee Cost capitalized at fixed percentage of the cost of each addition to Property Plant & Equipment in accordance with Para 3(l)(e) of Material Accounting Policies. Such direct cost, to the extent not attributable to the acquisition and/or installation of Property, Plant & Equipment is inconsistent with Ind AS 16 "Property, Plant & Equipments". The consequential impact of the same on Property, Plant & Equipment and depreciation/amortization is not quantifiable at this stage.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) No identification marks have been placed on the fixed assets.
- (f) 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.
- (g) 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.
- (h) 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.



9. **Note – 3 : CAPITAL WORK IN PROGRESS**

(a) **GOVERNMENT FUNDED PROJECTS**

(i) **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/Discom 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/Discom 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 AS 16. Hence, the CWIP and Current Liabilities are overstated to this extent.

- (b) As reported by the Zonal Auditors, the status, situation and condition of Capital Work in Progress is not available for verification.
- (c) 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.
- (d) Stores and Spares relating to Capital Works amounting to Rs. 735.92 Crores has been disclosed under "Inventories" and not under "Capital Work in Progress" as per Ind AS 16. Hence, CWIP is understated and Inventories are overstated by Rs. 735.92 Crores.

10. **STORES & SPARES**

- (a) As per Material Accounting Policies, the Stores and Spares are Valued at Cost. However, as per Ind AS 2 "Inventories", valuation of Stores & Spares for O&M should be done at lower of cost or net realizable value.



- (b) 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.

- (c) 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.
- (d) No movement analysis is available to categorize fast moving, slow moving, non-moving and dead stock items.
- (e) No provision for obsolete, unserviceable stores and spares has been made during the year under audit
- (f) As reported by the Zonal Auditors, there is no system for identification of scrap and its valuation at fair value.

11. TRADE RECEIVABLES

- (a) 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, we are unable to quantify the same.
- (b) As reported by the Zonal Auditors, the management has not provided consumer-wise breakup of Sundry Debtors outstanding hence, we are unable to comment on the genuineness of the same.
- (c) 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, we are unable to quantify its impact on the Financial Statements of the Company.

- (d) 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, we are unable to ascertain its impact on Financial Statements of the Company.
- (e) 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, we are unable to comment upon its impact on Financial Statements.

12. **CASH & CASH EQUIVALENTS**

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

- (a) 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.
- (b) Some of the Bank reconciliation has been prepared with opening differences
- (c) In Revenue Bank reconciliation statement, there are some huge other debit and other Credits which needs proper reconciliation.
- (d) Bank Statement from Bank were not made available by some of the Units

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

A. **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, we are unable to comment on such difference and also we are unable to comment on the impact of such un-reconciled items on the financial result of the Company.

B. **Azamgarh Zone**

- (a) 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.

- (b) 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.

- (c) 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

C. 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 Nichlaul	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

D. 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
EDD 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 28430200012791	18,48,973.69	9,78,402.69	8,70,573.00	Auto Sweep difference
	BANK OF BARODA 28430200012790	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 BHADONI	ICICI BANK 082005002530	19,92,353.27	8,99,920.90	10,92,432.37	1. Other Credit of Rs. 2.75 Lac 2. Other Debit of Rs. 13.06 Lac
					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	ICICI BANK 082005002541	3,23,05,688.65	25,870.00	3,22,79,818.65	
	HDFC BANK 50200027894171	46,98,293.79	36,98,801.00	9,99,492.79	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	3,96,057.00	1,16,62,759.11	
EDD ROBERTSGANJ	HDFC BANK 50200002277691	4,11,57,341.63	3,37,46,058.79	54,11,282.86	1. Other Credit of Rs. 66.40 Lac 2. Other Debit 120.52 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	1,22,01,082.28	1. Other Credit of Rs. 93.12 Lac 2. Other Debit of Rs. 214.75 Lac
EDD SONBHADRA	ICICI BANK 089105000833	26,24,700.00	26,24,700.00		

E. 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 3361085.00 7890677.78 316757.15 -4145649.81	Uncashed cheque detail from 03.12.2019 to 31.03.2024 Untraceable RTGS and cash Deposits from 03.01.2019 to 29.01.2023 Other credit -no detail from 05.04.2019 to 31.03.2024 Other Debit- included Bank charges and Short cash deposited from 28.02.2020 to 31.03.2024 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	Uncash 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	Uncash cheque balance included Rs701315.22 with remark up to previous year (BRS March) Credited by bank but 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



F. Basti Zone

- (a) 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).
- (b) 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).

13. STATEMENT OF PROFIT & LOSS

- (a) 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.
- (b) 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 GoI/ 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.
- (c) LD Penalty recovered from Vendors under ADB project amounting to Rs. 6.60 Crores has been recognized as Income (AG Code 62.917) whereas, the same should be reduced from Capital Work in Progress. Hence, Other Income is overstated to this extent. Further, 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.
- (d) 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.
- (e) 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.
- (f) Total expenses aggregating to Rs. 48.39 Crores has been allocated to the Company by its Holding Company UPPCL. The account of the same has been done on the basis of debit note received from UPPCL.



- (g) 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.
- (f) The company has made provision of Bad & Doubtful Debts of Rs. 3473.00 Crores during the year under audit on Non-Government receivables. **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 and loss for the year is understated in the Financial Statements.** Due to non-availability of accurate data, we are unable to quantify its impact on the Financial Statements of the Company.

14. COMPLIANCES

The Company has not complied with the following requirements of schedule-III of the Companies Act, 2013 and Ind AS issued by ICAI.

- (a) The Company has not complied with the provisions of section 42 of the Companies Act, 2013 as well as The Companies (Acceptance of Deposits) Rules 2014 relating to Share Application Money pending Allotment.
- (b) There is no system at Zones and ESDs of the Company to prepare the Balance Sheet and Statement of Profit and Loss. The Zonal auditors have only been provided Trial Balances (MTB) for the purpose of their audit which is non-compliance of Schedule III of the Companies Act, 2013.
- (c) The following Ind AS issued by ICAI has not been properly followed by the Company :-
- Ind AS – 2 "Inventories"
 - Ind AS – 8 "Accounting Policies, Change in Accounting Estimates and Errors"
 - Ind AS – 16 "Property Plant & Equipments"
 - Ind AS – 19 "Employee Benefits"
 - Ind AS – 20 "Accounting of Government Grants and Disclosure of Government Assistance"
 - Ind AS – 36 "Impairment of Assets"
 - Ind AS – 109 "Financial Instruments"
- Due to non-availability of relevant details, the consequential impact on financial statements is presently not ascertainable.
- (d) As per Secretarial Report for the year ended 31st March, 2023, the Company has not complied with Regulation 24(1) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, wherein, the Company is required to get appointed at least one Independent Director of its Holding Company in its Board.
- (e) 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, we are unable to comment upon the provision required as per Ind AS-37.



15. MISCELLANEOUS

- (a) Balances in personal account of advances, deposits, creditors etc. are subject to confirmation and reconciliation and consequent adjustments, if any.
- (b) The Inter unit balance has not been reconciled due to which net amount of 519.64 Crores having debit balance has been shown as Inter unit transfers in the Balance Sheet.
- (a) Title deeds in respect of immovable properties (Note – 2 of Balance Sheet) were not made available for verification.
- (b) In case of advances under T.I. and P.I. and adjustment thereof, amount aggregating to Rs. 67.53 Lacs is outstanding. It needs serious perusal and timely settlement.
- (c) The nature and extent of capital and revenue grant is decided and accounted for in books of account as per advice of its Holding Company, UPPCL.

16. 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:-
 - (g) 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.
 - (h) We 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.
 - (i) 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) We 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 are 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 Hydel Colony residents occupancy, maintenance and unauthorized occupancy in the campus while some unauthorized encroachments and occupancy have been noticed. It involves financial loss to the Company, which required to be ascertained.
- (iv) In **Mirzapur Zone** it has been observed that:-
- 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.
 - 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.
17. The observation contained in the Audit Reports on the accounts of Varanasi, Azamgarh, Gorakhpur, Prayagraj, Basti and Mirzapur Zones audited by Zone auditors have been appropriately dealt with while preparing our report.
18. **The Financial Statements of the Company is qualified in respect of matters stated above and impact, where ascertainable, has been reported there alongwith.**

Emphasis of Matter

- Reference is invited to Para 35(D) of the Notes to Accounts in relation to Additional Tariff Subsidy and UDAY Subsidy aggregating to Rs. 8115.54 crores receivable from GoUP in next 10 years commencing from 2021-22. The Company had recognized subsidy receivable in the FY 2020-21 with a corresponding credit to General Reserves which is subsequently being amortized to profit and loss on the basis of actual year wise receipt of subsidy. In the above context there has been difference of opinion between C&AG and Management and therefore, the management has sought the opinion of Expert Advisory Committee (EAC) of ICAI. The EAC of ICAI has provided the opinion vide letter TD/EAC/1857/23 dated 01.05.2024, and opined that the tariff subsidy should be recognized in the statement of Profit & Loss in the period in which the related power is supplied provided there is reasonable assurance of receipt of grant and compliance of other conditions attached to the subsidy, as per paragraph 7 of Ind AS 20. Hence, the Company has rectified the accounting error in the current reporting period considering it as an accounting error as per the requirements of Ind AS 8 and reinstated the opening balances accordingly.
- Reference is invited to Para 44 of Notes to Accounts relating to amount paid to UPPTCL towards Bay Charges during the F.Y. 2022-23 and before and shown under "Asset not in possession". As per the UPPCL letter dated 03/05/2024 it was instructed that these expenses should be charged to Profit & Loss of the period in which these expenses occurred. Hence, the Company has rectified the accounting error in the current reporting period considering it as an accounting error as per the requirements of Ind AS 8 and reinstated the opening balances accordingly.
- 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.

- (d) 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.

Our Report is not qualified on the matters given in paragraphs (a) to (d) of Emphasis of Matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	How the matter was addressed in our audit
1.	Internal Audit Reports of Zones	<p>The Internal Audit Report of Zones for the Financial Year 2020-21 and 2021-22 were put before the Internal Audit Committee and the same has been adopted/ closed except to the matters relating to DP cases involving major financial loss/ administrative lapses.</p> <p>Further, the Internal Audit Report of the Zones for the financial year 2022-23 and 2023-24 has not been put up before the Internal Audit Committee. Furthermore, Action Taken Report (ATR) of these periods have not been produced before us for verification.</p>
2.	Physical & Financial Verification of Gol/ GoUP Schemes	<p>The Board of Directors, in their meeting has recommended for physical & financial inspection of various Gol/ GoUP schemes by Third Party Inspection Agency (TPIA). As informed by the management, the same is still pending for implementation.</p>

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this auditors' report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 circumstances, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(5) of the Act, we have considered the directions/sub-directions issued by the comptroller and Auditor General of India, the action taken thereon are given in the "**Annexure B**".



3. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) Except for the effects/ possible effects of the matters described in the Basis of Qualified Opinion Paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and reports of other Auditors;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects/ possible effects of the matters described in the Basis of Qualified in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) Being a Government Company, pursuant to Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Act are not applicable to the Company.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
 - g) As per Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirements of provisions of section 197(16) of the Act is not applicable to the Company.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its financial statements - Refer Para No. 21(b)(ii) of Notes to Account.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a. The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- b. The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. 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.

For **AR SAN & CO.**
Chartered Accountants
FRN. 005216C



CA. ATUL CHOUDHARY
PARTNER
Membership No. : 079584
Varanasi - 12th June, 2024
UDIN : 24079584BKBOXQ8751

Annexure A to Independent Auditors' Report

Referred to in para 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Purvanchal Vidyut Vitran Nigam Limited, Varanasi on the standalone financial statements as of and for the year ended March 31, 2024.

(i)	(a)	(A)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.	As reported by the Zonal Auditors, the Company has not maintained proper records of Fixed Assets showing full particulars in quantitative detail and situation of Property, Plant and Equipment
		(B)	whether the company is maintaining proper records showing full particulars of intangible assets.	The company is not maintaining proper records showing full particulars of intangible assets.
	(b)		whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account.	As reported by the Zonal Auditors, physical verification of Fixed Assets has not been conducted during the year under consideration.
	(c)		whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.	As reported by the zonal auditor, the title deed of immovable properties has not been provided for verification.
	(d)		whether the company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets.	As reported by the zonal auditors, no revaluation of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both has been done during the year.
	(e)		whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements.	According to information and explanation given to us no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



(ii)	(a)	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account	As reported by the zonal auditors, the physical verification of inventory has been conducted by the Company once after the end of the financial year. As reported by the zonal auditors, no material discrepancies have been noticed on physical verification of stores has been found except for Prayagraj and Gorakhpur Zones, where discrepancies could not be ascertained.
	(b)	whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details	As informed to us, no working capital limit has been sanctioned by bank or financial institution on the basis of security of current assets.
(iii)		whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so	As informed to us, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties
	(a)	whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate	Not Applicable
	(A)	the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates	Not Applicable
	(B)	the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates	Not Applicable
	(b)	whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest	Not Applicable



	(c) in respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular	Not Applicable
	(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest	Not Applicable
	(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year	Not Applicable
	(f) whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013	Not Applicable
(iv)	in respect of loans, investments, guarantees, and security, whether provisions of sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof	As informed to us, the Company has not granted any loan, investment, guarantee and security, hence provisions of section 185 and 186 of the Companies Act, 2013 is not applicable.
(v)	in respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not	As per information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, clause (v) of the Order regarding the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any relevant provisions of the Act and the rules framed are not applicable
(vi)	whether maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Companies	The maintenance of cost record has been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013. As per information



	Act and whether such accounts and records have been so made and maintained	provided to us the same is under preparation for financial year 2023-2024.
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated	According to information provided to us and reported by the zonal auditors, the Company is regular in depositing statutory dues except for TDS. No undisputed statutory dues are outstanding as at 31.03.2024 for the period exceeding six months from the date they became payable. However, we have observed that the Company is carrying old balances in various tax heads like Sales Tax, Service Tax, State Sales Tax, Central Sales Tax etc. for which management has failed to provide proper explanation of such old credit balances. Further, we are not able to comment upon the payment of electricity duty, which is adjusted by the UPPCL.
	(b) where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute)	According to information provided to us and as reported by some zonal auditors, no statutory dues are outstanding which have not been deposited on account of any dispute. However, the Company is showing contingent liability of Rs. 137.66 crores relating to EPF, which has not been deposited on account of dispute.
(viii)	whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year	According to explanation and information given to us, Company has not surrendered or disclosed any transaction as income during the year in the tax assessment under Income Tax Act, 1961.
(ix)	(a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender	As per information provided to us, the Company has not defaulted in repayment of dues to the Financial Institutions or Banks in case of loans taken directly by the Company. However, in case of loans received through UPPCL, no records are available with the Company hence, we are not able to comment on the same.
	(b) whether the company is a declared wilful defaulter by any bank or financial institution or other lender	As per information and explanation given to us, Company is not declared as wilful defaulter by any bank or financial institution or other lender.
	(c) whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported	As per information provided to us, the loan has been applied for the purpose for which it was obtained.



	(d)	Whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated	As per information and explanation given to us and on application of appropriate test checks, we observed that funds raised on short term basis have not been utilised for long term purposes.
	(e)	whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case	As per information and explanation given to us the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
	(f)	whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised	As per information and explanation given to us, Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
(x)	(a)	whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported	As per information and explanation given to us, Company has not raised any fund through initial public offer or further public offer (including debt instruments) during the year.
	(b)	whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance	According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares pursuant to section 42 of the Companies Act, 2013, however company has issued fully paid-up equity shares on right basis pursuant to section 62 of the Companies Act, 2013 after making due compliance in the regard.
(xi)	(a)	whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated	As informed to us, a fraud was noticed on 4 th April 2024 w.r.t. transfer of fund by Mr. Keshvendra Dwivedi, Accountant posted at MD office. He misappropriately transferred the company's fund to his own personal account. After the preliminary inspection of the matter, it was found by the management that he had misappropriately transferred around Rs. 6.90 crore of Company's fund out of which a sum of Rs. 3.13 crore had already been recovered. Mr. Keshvendra Dwivedi has been suspended by the management and DP for further action is under process.



	(b)	whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government	No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
	(c)	whether the auditor has considered whistle-blower complaints, if any, received during the year by the company	The company has not established whistle blower mechanism which is mandatory in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR regulation) in this regard as well as under section 177(9) of the Companies Act require the listed company to establish a vigil mechanism for their directors and employees to report their genuine concern or grievances.
(xii)	(a)	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability	The Company is not a Nidhi Company; hence this Para is Not Applicable
	(b)	whether the Nidhi Company is maintaining ten per cent. unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability	
	(c)	whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof	
(xiii)		whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
(xiv)	(a)	whether the company has an internal audit system commensurate with the size and nature of its business	As reported by the zonal auditors, internal audit system does not commensurate with the size and nature of its business. Such audit is conducted only once after the year end and not in time bound manner at monthly/ quarterly interval.
	(b)	whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor	As reported by the zonal auditors, they have considered reports of the Internal Auditors for the period under audit.
(xv)		whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi)	(a)	whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934
	(b)	whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934	According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore no Certificate of Registration (COR) from Reserve Bank of India as per Reserve bank of India Act, 1934 is required.
	(c)	whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria	According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in regulation made by the Reserve Bank of India.
	(d)	whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group	There is no CIC as part of Group. Accordingly, provision of clause 3(xvi) (d) of the Order is not applicable to the Company.
(xvii)		whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses	The Company has not incurred cash loss during the year. In the immediately preceding financial year the Company has incurred cash loss of Rs. 1110.72 crores (re-instated figure)
(xviii)		whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors	No, there is no resignation of the statutory auditors during the year
(xix)		on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date	According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the

		Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
(xx)	(a)	whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act
	(b)	whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act
(xxi)	whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks	
		Para 3 (xxi) of Companies (Auditor's Report) Order (CARO) is not applicable to standalone financial statements.

For **AR SAN & CO.**

Chartered Accountants

FRN. 005216C

CA. ATUL CHOUDHARY

PARTNER

Membership No. : 079584

Varanasi – 12th June, 2024

UDIN : 24079584BKBOXQ8751



Annexure "B" to Independent Auditors' Report

As referred in para 2 of Report on Other Legal and Regulatory Requirements

Sl. No.	Direction under Section 143(5) of the Companies Act, 2013	Action Taken
1	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transaction outside IT system of the integrity of the accounts along with the financial implications, if any may be stated.	No, the Company has no system in place to process the accounting transactions through IT system. The accounting is done manually and Cash book and Sectional Journals are maintained but ledgers/sub ledgers are not maintained. Records and data are outsourced to outside agency for compilation of accounts. However, w.e.f. January, 2022 the Company has implemented ERP system in some activities viz. salary payment and all third-party payments alongwith manual accounting.
2	Whether there is any restructuring of any existing loan or cases of waivers /write off of debts / loan /interest etc. made by lender to the company due to the company's inability to repay the loan, if yes, the financial implication may be stated.	As explained to us, there are no such case of restructuring of an existing loan or cases of waivers /write off of debts / loan /interest etc.
3	Whether fund received / receivable for specific schemes from central/ state agencies were properly accounted for/ utilised as per its terms and conditions? list the cases of deviations.	According to information and explanation given to us, the fund received for specific scheme from central/state agencies are kept in earmarked account and utilized for the specific purpose as per the terms and conditions. These are being monitored through PFMS portal.

Sl. No.	Sub- Direction under Section 143(5) of the Companies Act, 2013	Action Taken
1	Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreements adequately protect the financial interest of the company?	No
2	Report on the efficacy of the system of billing and collection of revenue in the company.	As informed by the management, billing is done through online billing system by way of handheld billing machine and self-bill generation mechanism available on the portal. In case of unmetered type of the consumers are being billed through computer billing system and prepared bills are distributed amongst the consumers by the department or in some case through hired agencies. Collection of revenue against these bills is being done through manual mode at collection counters, online collection facility (Internet Banking etc), CSC/VLE, EPOS, PDS and some time to give the facility to the rural

		consumer, collection camps are organised by the department. Over all the system of billing is satisfactory but collection of revenue in the company is not much satisfactory.
3	Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.	As informed by the management, Meter installed at consumer premises are all tamperproof. Now company has also started installation of such meters which cannot be opened without breaking meter box and these meters have no provision of re-sealing. This has further added security of meters and to avoid any type of tampering which may lead to pilferage. In addition to above, a regular checking is done for all the meters to avoid tampering and pilferage. In case of large and heavy consumers AMR and MRI based billing is ensured and billing accuracy of the billing to the extent of feasibility and possibility.
4	Whether the reconciliation of receivables and payables between the generation, distribution and transmission companies has been completed. The reasons for difference may be examined.	Yes, the reconciliation of receivables and payables between the generation, distribution and transmission companies are complete.
5	Whether the Company is supplying power to franchisees, if so, whether the company is not supplying power to franchisees at below its average cost of purchase.	No
6	Whether the Company has adequate system for recording and accounting of Fixed Assets created under various schemes implemented by the Government from time to time and those created out of consumer's contribution. Viz. maintenance of Assets Register and their timely updating.	The accounting of fixed assets is being done in the specified AG codes on the basis of class of assets. There is no system of separate recording of assets created under any specific scheme or assets created out of consumer's contribution. The assets register is being maintained but it does not show full particulars in quantitative detail, location, date of addition, actual cost etc.

For **AR SAN & CO.**
Chartered Accountants
FRN. 005216C



CA. ATUL CHOUDHARY
PARTNER
Membership No. : 079584
Varanasi – 12th June, 2024
UDIN : 24079584BKBXQ8751



Annexure 'C' to Independent Auditors' Report

Referred to in para 3(f) of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Purvanchal Vidyut Vitran Nigam Limited, Varanasi on the standalone financial statements for the year ended March 31, 2024.

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of **Purvanchal Vidyut Vitran Nigam Limited, Varanasi** ("the Company" – wholly owned subsidiary of U.P. Power Corporation Limited, Lucknow) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial Reporting.



Meaning of Internal Financial Controls over Financial Reporting

4. A company'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 company's internal financial control over financial Reporting includes those policies and procedures that:
- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
 - (c) provide reasonable assurance regarding prevention or merely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

5. 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 controls 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.

Basis for Qualified Opinion:

6. 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 :-
- (a) Internal control system with regard to Cash transactions, Procurement/ Works transactions, maintenance of inventory, maintenance of Books of accounts, Fixed Assets register, delegation of powers to various employees etc. requires to be further strengthened.
 - (b) There is no 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.
 - (c) 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.
 - (d) 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.
 - (e) 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.



- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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.
- (j) 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.
- (k) 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

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

Opinion

- 8. 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.

For **AR SAN & CO.**
Chartered Accountants
FRN. 005216C


CA. ATUL CHOUDHARY
PARTNER

Membership No. : 079584
Varanasi – 12th June, 2024
UDIN : 24079584BKBOXQ8751

