MADHYANCHAL VIDYUT VITARAN NIGAM LIMITED

4-A, Gokhale Marg, Lucknow

CIN: U31200UP2003SGC027459

Directors' Report

To,
The Shareholders,
Madhyanchal Vidyut Vitran Nigam Ltd.

The Directors have pleasure in presenting the 22nd Annual Report on the performance of your Company for the financial year ended on 31st March, 2025 along with audited Statement of Accounts, Auditor's Report and Review of the Accounts by the Comptroller and Auditor General of India.

1. Financial Performance Highlights

The Company's comparative financial performance for the year under review along with previous year's figures is summarized below:-

(Rs. In Crores)

Particulars	FY 2024-25	% of total Income	FY 2023-24	% of total Income
Income				
Gross Revenue from Sale of Power	14,452.83	68.09%	14580.48	63.77%
Other Income	6,771.83	31.91%	8,282.88	36.23%
Total (I)	**21,224.66**	100.00%	**22,863.36**	100.00%
Expenditure				
Purchase of Power & Transmission Charges	17,754.09	83.65%	16,260.78	71.12%
Employees' Benefits Expenses	842.54	3.97%	649.47	2.84%
Interest & Finance Charge	1,613.13	7.60%	1,739.53	7.61%
Depreciation	1,216.03	5.73%	1084.94	4.75%
Other Expenses	3,285.78	15.48%	4,459.65	19.51%
Total (II)	**24,711.57**	116.43%	**24,194.37**	105.82%
Profit before tax, exceptional items and Other Comprehensive Income (I-II)	-3,486.91	-16.43%	**-1,331.01**	-5.82%
Exceptional Items	-30.19	-0.14%	**-28.20**	-0.12%
Other Comprehensive Income	-3.75	-0.02%	**-10.82**	-0.05%
Provision for taxation	-	0.00%	**0.00**	0.00%
Profit after tax, exceptional items and Other Comprehensive Income	**-3,520.85**	**-16.59%**	**-1,370.03**	**-5.99%**
Appropriation	-	-	-	-
Proposed Dividend	-	-	-	-
Tax on Dividend	-	-	-	-
Transfer to Capital Reserve	-	-	-	-

The figures of the Previous Year have been regrouped/recast/reclassified wherever necessary to correspond with the current year's figures.

2. Additional Disclosures

The following additions disclosures are being made in compliance to the audit observations made by the C&AG in their draft comments: -

i. Capital-work-in progress, whose completion is overdue or has exceeded its cost- compared to its original plan is as under:-

(₹ in Crores)

S. No.	CWIP	To be completed in				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	RDSS Loss Reduction	2,359.63	-	-	-	2,359.63
(ii)	RDSS PMA	29.37	-	-	-	29.37
(iii)	RDSS IT/OT	1.27	-	-	-	1.27
	TOTAL	**2390.27**	-	-	-	**2390.27**

ii. The categorization of Revenue from Operations (Gross) is as under: -

(₹ in Crores)

S. No.	Revenue from Operations (Gross)	Amount
1	(HV-1) Non Industrial Bulk Loads	1,306.76
2	(HV-2) Large & Heavy Power	2,006.04
3	(HV-3) Railway Traction	14.85
4	(HV-4) Lift Irrigation Works	59.88
5	(LMV-1) Domestic Light Fan & Power	6,689.28
6	(LMV-2) Non domestic Light Fan & Power	2,207.20
7	(LMV-3) Public Lamps	324.33
8	(LMV-4) Light, Fan & Power for Public/Private Institution	138.48
9	(LMV-5) Small Power for Private tube wells / Pumping sets for irrigation purposes	298.96
10	(LMV-6) Small & Medium Power	341.93
11	(LMV-7) Public Water Works	321.96
12	(LMV-8) State tube wells / Panchayti raj tube well & pumped canals	230.64
13	(LMV-9) Temporary Supply	108.06
14	(LMV-10) Departmental Employees	29.12
15	(LMV-11) Electrical Vehicle Charging	10.42
16	Extra State Consumer	0.23
17	Wheeling Charges from open access consumers	31.91
18	Cross Subsidy from open access consumers	20.83
19	Miscelleneous Charges from Consumers	0.61
20	Energy Internally Consumed	311.34
21	Electricity Duty	965.62
	Sub Total	**15418.45**
22	Less: Electricity Duty	965.62
	Total	**14,452.83**

iii. The sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission (UPERC). Revenue accounting for LMV-10 category (Departmental Employees) is carried out in accordance with the rates and directives issued by the holding company, UPPCL.

iv. The 'estimated amount of contracts remaining to be executed on capital account and not provided for' under Contingent Liabilities and Commitments is as under:-

(₹ in Crores)

S No	Detail	As on 31.03.2025
(I)	**Commitments**	
A	Estimated amount of contracts remaining to be executed on capital account and not provided for.	873.93

3. **State of Company's Affairs/Operations**

During the year under review the Company purchased 31,722.21 Million Units of electricity.

MAJOR ACHIEVEMENTS DURING 2024-25

Technical:-

A. In order to provide uninterrupted quality power to the consumers and for reduction in distribution losses construction of New 33/11 KV Substation, New 33 and 11 KV lines, enhancement of 33/11 kv sub stations, capacity enhancement of distribution transformers was carried out in FY 2024-25 under business plan. Also replacement of Jar-Jar Wires, VCB and Poles were made during the 2024-25 so as to avoid/minimize accidents due to electricity. The following system strengthening work were done in Business Plan F.Y. 2024-25:

Sl. No.	Detail of Works	Works completed
1	Construction of new 33/11 KV Sub-station	5
2	Construction work of 33 KV Lines and Bay	23
3	Capacity enhancement of 33/11 KV Sub-station	149
4	Construction and bifurcation of 11KV Lines	111
5	Construction of 11/0.4 KV Sub-station	1050
6	Capacity enhancement of 11/0.4 KV Sub-station	6141
7	Replacement of Jarjar Wire, Pole & VCB	3503
Total		**10982**

B. Under Business Plan (2024-25) the company has replaced approximately 2100 km 11 KV Conductor in place of old and worm-out conductor. In addition to it, the company has laid 249 ckt km new 33 KV line and 473 ckt km new 11 KV line.

C. Under RDSS scheme, 10365.59 ckt km bare LT line has been replaced by AB cable.

D. Under RDSS scheme, 1417.06 ckt km AB cable were laid as extra ckts at existing DTRs to reduce load in different circuits.

E. In RDSS scheme, approximate 8408.41 km conductor of 11 KV feeders and 568.49 km conductor of 33 KV are reconductored.

F. Under RDSS scheme, Segregation of 70 no. 11 KV feeder has been done in FY- 2024-25

G. Under RDSS scheme, Bifurcation of 35 No 33 KV feeder has been done in FY 2024-25

H. Under RDSS scheme, Bifurcation of 344 No 11 KV feeder has been done in FY 2024-25

Commercial:-

During the year under review the Commercial parameters of the Company were as follows: -

A. Distribution losses have been reduced by 01.4% (14.96% in 2023-24 to 13.59% in F.Y. 2024-25).

B. AT & C Losses for the F,Y, 2024-25 was 21.92%

C. Thru rate for F.Y. 2024-25 was 426 paise.

D. Collection Efficiency for F.Y. 2024-25 was 95.25%

E. Massive drive has been carried out to realize bills from never paid consumers. Number of never paid consumers have been reduced by almost 11.86% in F.Y. 2024-25.

F. Drive for cleaning of fictitious data was carried out.

G. All PTW consumers were metered.

H. For ensuring accurate billing, reduce distribution losses, improve revenue realization more than 7 Lacs smart meters have been installed.

I. Increase in Payment Methods (e.g., GPay, UPI,etc.) – Offering a variety of payment methods, including modern digital option like Google Pay (GPay), UPI, and UPPCL online Portal, enables customers to pay in the way they find easiest.

- ❖ Bill payment through various online modes (FY 2024-25):
  - ➢ No. of Payments: 13561545 (~41%) w.r.t. total paid count
  - ➢ Amount: Rs. 4481Cr (~31%) w.r.t total collection (14452.83Cr).

J. In a drive to ensure timely & correct billing to the consumers, MRI based billing and analysis of consumers having load of 5 KW and above has been started. Analysis of MRI of the above category have also been carried out. (Earlier it was done for the consumers of load category 10kW & above.

- ❖ No of MRI analysis: 374183
  - ➢ 5kW to 9kW: 250570
  - ➢ Above 9kW: 123613
- ❖ Assessment done: 29.56Cr. (29806 Nos.)

K. OTS – A One-time settlement Scheme (OTS) was launched to facilitate the consumers by reducing the surcharge from their electricity bills and to encourage long unpaid consumers to clear their electricity dues.

L. Following online facilities have also been incorporated in order to promote faceless and transparent services to the consumers-

- ❖ Self-Bill Generation: 2,12,492 (FY 2024-25).
- ❖ Bill Revision request through online portal/App (FY 2024-25): 21,260
- ❖ Online Load Enhancement: Nos. 32743 (58.438MW) In FY 2024-25.
- ❖ Online Name & Address Correction Requests: 22192 (In FY 2024-25).
- ❖ Online Category Change request: 879 (In FY 2024-25).
- ❖ Online Permanent Disconnection request: 768 (In FY 2024-25).

- ❖ UPPCL Consumer App:- Online complaints regarding bill correction complaint redressal, tariff change etc.
- ❖ Online complaint resolution is ensured through the AppSavy App.
- ❖ Total Compliant received through 1912 during FY 2024-25: 21,87,468.
- ❖ For ensuring quality of the service and to enhance the consumers satisfaction, consumer feedback is taken through 1912 customer care executive after disposal of complaint.
- ❖ **Dedicated Social Media Presence:** Twitter and Facebook accounts have been created for each district, facilitating direct and efficient communication with consumers. Specialized Social Media Cells have been set up at each DISCOM office for prompt response and public interaction.
- ❖ **Digital Notification & Communication:** Consumers are regularly informed about their outstanding bills and due dates through SMS and WhatsApp chat box. This also aids in the timely updation of the consumer database. Further, WhatsApp Chat box also enables two-way communication.
- ❖ Percentage of defective meters reduced to less than 1% in the Financial Year 2024-25
- ❖ In NFMS Portal 95% Feeders are communicating,

GOING FORWARD: STEPS BEING TAKEN IN 2025-26

Technical:-

A. In order to provide uninterrupted quality power to the consumers and for reduction in distribution losses following system strengthening work are planned in Business Plan 2025-26

Sl. No.	Detail of Works	Works Sanctioned
1	Construction of new 33/11 KV Sub-station	6
2	Construction work of 33 KV Lines	5
3	Capacity enhancement of 33/11 KV Sub-station	54
4	Construction and bifurcation of 11KV Lines	54
5	Construction of 11/0.4 KV Sub-station	1046
6	Capacity enhancement of 11/0.4 KV Sub-station	2497
7	Replacement of Jarjar Wire, Pole & VCB	1360
Total		**5022**

B. In the year 2025-26, the company has planned to replace approximately 1600 ckm 11 KV Conductor in place of old and worm-out conductor. In addition to it, the company has planned to lay 135 ckt km new 33 KV line and 179 ckt km 11 KV line.

C. Under RDSS scheme, 1127 ckt km bare LT line is to be replaced by AB cable.

D. Under RDSS scheme, 589 ckt km AB cable have been planned to be laid as extra ckts at existing DTRs to reduce load in different circuits.

E. In RDSS scheme, approximate 1649.60 km conductor of 11 KV feeders and 109.68 km conductor of 33 KV are planned to be reconductored.

F. Under RDSS scheme, Segregation of 154 No: 11 KV feeder is being done in FY 2025-26

G. Segregation of 152 No: 11 KV agriculture feeder is being carried out in FY 2025-26 under RDSS scheme (Additional feeder segregation)

H. Under RDSS scheme, Bifurcation of 43 No: 33 KV feeder is being done in FY 2025-26

I. Under RDSS scheme, Bifurcation of 311 No: 11 KV feeder is being done in FY 2025-26

J. Under RDSS (LOH) scheme in MVVNL, electrification work is being done in FY 2025-26 in habitation which have more than five unelectrified household out of total 8804 Nos. selected Majras.

Commercial:-

A. Massive use of IT technology in consumer billing under RMS program is being carried out to recognize the defaulter consumers, issuing notices to them and Tagada calling is also been carried for getting payment of the electricity bills.

B. With the help of smart meter, we can cheek consumption status and can detect any theft possibilities.

C. Feeder wise Revenue monitoring is being carried out. Feeder manager has been also appointed for improving feeder parameters, to improve the quality of the supply.

D. New billing agency appointed for Prob and OCR billing of consumers having load < 5kw is being carried out in order to minimize the manual interference and to stop the pilferage of energy.

E. Assisted Billing of the consumer is being conducted to ensure the accurate and timely billing. To ensure accurate billing for consumers and to effectively reach out to those who have never paid or have long standing unpaid bills, departmental employees, will accompany meter readers to consumers door steps.

F. Increase in Collection Centers –Expanding the number of collection centers (Total 775 counters have been allotted to different collection agencies in urban and rural areas.) means opening more locations where customers can go to pay their bills, making payment more convenient. More numbers of CSC, Fintech, Vidyut Sakhi etc. have been involved for collection of revenue from door to door, camps, collection counters etc.

G. Bill Amount Collection by Meter Reader, Vidyut Sakhi, CSC –Allowing meter readers, Vidyut Sakhi, CSC to collect bill payments directly while they are out on their regular routes to record consumption data. This enables quick and direct payment collection.

H. For ensuring accurate billing, reduce distribution losses, improve revenue realization more than 10 Lacs smart meters have been installed so far. Smart meters are also being installed in remote and rural area. In F.Y. 2025-26 all consumers will be covered by smart meter. For better Revenue Realization, Postpaid smart Meters is being converted in to smart prepaid meters (More than 7.5 Lac meters have been converted so far) in urban areas. In the FY 2025-26 all smart postpaid meters would be converted to smart prepaid meters.

I. It is being emphasized to install prepaid smart meters to all type of new connections (excluding PTW) to further improve the revenue realization and to enhance collection efficiency.

J. For better monitoring of DTs, smart meter is also being installed on DTs (33703 DTs have been covered so far). And all DTs will be covered by smart metering system in the F.Y. 2025-26.

4. Share Capital

The authorized share capital of the Company as on 31/03/2025 was Rs. 30,000 Crores. The company increased its authorized share capital to Rs. 40,000 Crores vide shareholders' approval dated 16.05.2025

During the year under review, the Company made following allotment of shares to the holding company Uttar Pradesh Power Corporation Ltd.

S.No.	Date	No. of equity shares allotted
1.	01.04.2024	53,87,150
2.	15.06.2024	1,05,50,035
3.	30.09.2024	98,79,181
4.	31.01.2025	86,46,794

After the close of the Financial Year 2024-25, the Company made following allotment of shares to the holding company Uttar Pradesh Power Corporation Ltd.

S.No.	Date	No. of equity shares allotted
1.	24.04.2025	1,01,10,671
2.	20.09.2025	81,68,765
3.	20.09.2025	60,76,593
4.	30.10.2025	10,54,459
5.	29.11.2025	55,27,175

The paid-up share capital of the company as on date of this report is 3,07,72,57,23,000 Crores.

5. Annual Return

The Annual Return of the Company has been published on the website of the Company, www.mvvnl.in

6. Directors' Responsibility Statement

The Directors hereby confirm:-

(i) That in the preparation of annual accounts, the applicable Indian Accounting Standards had been followed along with proper explanation relating to material departures as mentioned in 'Accounting Policy' and 'Notes on Accounts' of Financial Statements.

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and the profit or loss of the company for the period.

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) That the Directors have prepared the annual accounts on a going concern basis.

(v) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. **The Amount, If Any, Proposed by the Board to be Carried to Reserves**

In view of the fact that company has accumulated losses up to the year under review and no surplus is available for appropriation, no amount is available for transfer to reserve.

8. **The Amount, If Any, Recommended to be paid by way of Dividend**

The Directors could not recommend any dividend during the year as the company did not earn profits to distribute.

9. **Declaration of Independent Directors**

The provisions of Section 149 pertaining to the appointment of Independent Directors were applicable to the Company. However, vide Government Notification dated 05-07-2017 a wholly owned subsidiary is now exempt from the provisions relating to appointment of Independent Directors on the Board.

10. **Company's Policy Relating to Directors Appointment, Payment of Remuneration and Discharge of their Duties.**

Vide Notification No. GSR-163(E) dated 05.06.2015. the provisions of Section 178(2), (3) & (4) relating to Nomination and Remuneration Committee are not applicable to a Government Company Also vide Notification dated 05.07.2017, Ministry of Corporate Affairs has amended Rule 6 of Companies (Meetings of Board and its Powers) Rules 2014. Consequently, the Company being unlisted wholly-owned subsidiary has been exempted from the requirements of constituting a Nomination & Remuneration Committee of the Board.

11. **Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors in their Reports**

The explanations/comments relating to the qualifications, reservations or adverse remarks made by the C & AG, the Statutory Auditors & the Secretarial Auditors in their reports are attached herewith as **Annexure I, II & III.**

12. **Particulars of Loans, Guarantees or Investments made Under Section 186 of the Companies Act, 2013**

The provision of Loans, guarantees or investments made under Section 186 is not applicable to the company being a company engaged in providing infrastructure facilities as provided in Schedule VI under section 186 (11) of the Companies Act, 2013.

13. **Particulars of Contracts or Arrangements made with Related Parties**

Details of transactions with related parties during the year is attached as **Annexure-IV.**

14. **Material changes and Commitments affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Balance Sheet Relates and the date of Report**

There have been no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report.

15. **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Information in accordance with the provision of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 regarding conservation of energy,

technology absorption and foreign exchange earnings and outgo is given in **Annexure-V** of this Report.

16. **Statement Concerning Development and Implementation of Risk Management Policy of the company**

The company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include borrowings/advances, trade & other receivables and cash that derive directly from its operations.

The group 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 banks/FIs.

(b) Market 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.

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

(d) Regulatory Risk: The Company's substantial operations are subjects 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/Central Government are 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 to ultimate consumers.

(e) Interest Rate Risk: The Company is exposed to interest rate risk arising from borrowing with floating rates because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The company manages the interest rate risks by entering into different kind of loan arrangements with varied terms (eg. Rate of interest, tenure etc.)

As required by Section 134(3) (n) of the Companies Act, 2013. the Company has framed Risk Management Policy to identify various elements of risk and steps taken to mitigate the same.

Further with a view to ensuring compliance with the guidelines for Corporate Governance of State Power Distribution Utilities (DISCOMs) issued by Ministry of Power, Govt. of India, the Board of Directors of the Company constituted the Risk Management Committee. The constitution of the Risk Management Committee as on the date of the report was as under:-

Sr.No.	Details of Ex. officio Members of the Committee	Category	Designation of Committee Members
1.	Smt. Riya Kejriwal, Managing Director	Managing Director	Chairperson
2.	Shri Santosh Kumar Jadia, Director (Finance)	Executive Director	Member
3.	Shri Harish Bansal, Director (Technical)	Executive Director	Member
4.	Smt. Abha Sethi Tandon, Company Secretary	Company Secretary	Company Secretary

17. Details of policy developed and implemented by the company under Corporate Social Responsibility initiatives

The CSR Committee constituted under the Act comprised of the following Directors:-

1. Managing Director, MVVNL
2. Director (Finance), MVVNL
3. Director (Commercial), MVVNL
4. Director (P & A), MVVNL

Due to accumulated losses, no amount was required to be spent as CSR expenditure during the year.

18. Details of Orders against the company impacting the Going Concern Status and company's operations in future

During the FY 2024-25 no material orders have been passed by the regulators or courts or tribunals against the company impacting the going concern status and company's operations in future.

19. Information Regarding Board Meetings Held During The Year 2024-25 Pursuant to Section 134 (3)(b) of the Companies Act, 2013

Eight Board meetings were held during FY 2024-25 each on:-

I. 13 May, 2024
II. 22 May, 2024
III. 05 June, 2024
IV. 30 July, 2024
V. 24 September, 2024
VI. 19 October, 2024
VII. 29 October, 2024 and
VIII. 31 January, 2025

20. Disclosure of Composition of Audit Committee and Providing Vigil Mechanism

The Audit Committee comprised of the following Directors-

Chairman, UPPCL	-	Chairman
Managing Director, UPPCL	-	Member
Managing Director, MVVNL	-	Member

Director (Finance), UPPCL	-	Member
Director (Technical), MVVNL	-	Member
Director (Finance), MVVNL	-	Member & Presenter
Company Secretary	-	Coordinator

The Audit Committee reviewed the Annual financial statements, report of the Statutory Auditors and C&AG and replies thereon, before their submission to the Board as prescribed in Section 177 of the Companies Act, 2013 and recommended the same for approval of the Board.

There had been no instances where the recommendations of the Audit Committee were not accepted by the Board of Directors.

The vigil mechanism/Whistle Blower Policy has been established under the provisions of section 177(9) the Companies Act, 2013. It is aimed to provide for adequate safeguards against victimization of persons who use such vigil mechanism.

The existence of the mechanism has been appropriately communicated within the organization. The same in available on the website of the Company at www.mvvnl.in

Seven Audit Committee meetings were held during FY 2024-25 each on:-

I. **22 May, 2024**
II. **05 June, 2024**
III. **30 July, 2024**
IV. **24 September, 2024**
V. **19 October, 2024**
VI. **29 October, 2024 and**
VII. **31 January, 2025**

21. <u>Directors and Key Managerial Personnel</u>

As on March 31, 2025, the Company had following Directors & Key Managerial Personnel as per details mentioned below:-

S.No.	Name	Designation	DIN	Date of Appointment
1	Dr. Ashish Kumar Goel	Chairman	03047610	27.07.2023
2	Shri Pankaj Kumar	Nominee Director	08095154	10.03.2021
3	Dr. Rupesh Kumar	Nominee Director	06802972	07.01.2025
4	Smt.Riya Kejriwal	Managing Director	11020051	06.03.2025
5	Smt. Sandeep Kaur	Woman Director	09754606	29.08.2022
6	Shri Nidhi Kumar Narang	Nominee Director	03473420	01.06.2022
7	Shri Yogesh Kumar	Whole Time Director	09665313	21.05.2022
8	Shri Neeraj Swaroop	Whole Time Director	09701063	04.07.2024
9	Shri Vikas Chandra Agarwal	Whole Time Director	10451943	04.11.2023
10	Shri Manoj Bansal	Whole Time Director	10427842	25.11.2023
11	Shri Raj Kumar Malhotra	Nominee Director	09520699	19.10.2024
12	Shri Prabhat Kumar Singh	Nominee Director	07125959	31.01.2025
13	Shri Sanjiv Kumar Awasthi	DGM (F&A) & CFO	-	19.06.2024
14	Smt. Abha Sethi Tandon	Company Secretary	-	03.04.2024

During the year under review, the changes in the Board of Directors and other KMP of the Company were as per detail mentioned below:-

Name	Designation at the beginning/during the F.Y.	Date of appointment change in designation/ cessation	Nature of change (appointment/change in designation/ cessation)
Shri Ranvir Prasad	Nominee Director	07.01.2025	Cessation
Dr. Rupesh Kumar	Nominee Director	07.01.2025	Appointment
Shri Bhawani Singh Khangraut	Managing Director	05.03.2025	Cessation
Smt. Riya Kejriwal	Managing Director	06.03.2025	Appointment
Shri Ajay Kumar Srivastava	Director (Technical)	30.06.2024	Cessation
Shri Neeraj Swaroop	Director (Technical)	04.07.2024	Appointment
Shri R.P. Vaishnaw	Nominee Director	31.01.2025	Cessation
Shri Prabhat Kumar Singh	Nominee Director	31.01.2025	Appointment
Shri Sandeep Kumar	Nominee Director	19.10.2024	Cessation
Shri Raj Kumar Malhotra	Nominee Director	19.10.2024	Appointment
Shri Sanjeev Kumar Verma	DGM (F&A) & CFO	19.06.2024	Cessation

The Board places on record its appreciation for the valuable services rendered by the Directors & other KMP during their association with the Company.

22. Other Disclosures: -

I. Details in respect of frauds reported by auditors under subsection (12) of section 143 other than those which are reportable to the Central Government

There were no instances of fraud identified or reported by the statutory auditors during the course of their audit pursuant to section 143 (12) of the Companies Act,2013, except for a case of cash embezzlement amounting to Rs. 0.62 crore, detected on 18.04.2024 in the EDD Mahanagar Division. An FIR has been lodged with the Police in this regard, and a departmental enquiry has been initiated.

II. The change in the nature of business, if any;

There was no change in the nature of business of the company during the year.

III. The details relating to deposits, covered under Chapter V of the Act.-

a. Accepted during the year.

b. Remained unpaid or unclaimed as at the end of the year.

c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so number of such cases anil the total amount Involved-

(i) At the beginning of the year

(ii) Maximum during the year

(iii) At the end of the year

During the year the company has neither accepted nor renewed any deposit covered/as defined under Chapter V of the Companies Act,2013 read with Companies (Acceptance of Deposits) Rules, 2014.

IV. **The details of deposits which are not in compliance with the requirements of Chapter V of the Act.**

Since the company has neither accepted nor renewed any deposit covered/as defined under Chapter V of the Companies Act,2013 read with Companies (Acceptance of Deposits) Rules, 2014, the same is not applicable.

V. **The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.**

There was no case reported or pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

VI. **The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial Institutions along with the reasons thereof.**

No event has occurred during the year that requires reporting of any difference between the valuation undertaken at the time of a one-time settlement and the valuation carried out while availing loans from banks or financial institutions.

23. Particulars of Statutory Auditors

M/S S.N. Gupta & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for the financial year 2024-25 by C&AG of India. The Statutory Auditors have audited the accounts of the Company for the year ended on March 31, 2025. The reports of Statutory Auditors are placed as Annexure II and form part of this report. Management replies on their comments are annexed to the accounts.

24. Particulars of Cost Auditors

In terms of the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Cost Audit) Rules, 2014, M/s Honey Singh & Associates., Cost Accountants were appointed as Cost Auditors of the Company for the financial year 2024-25 by the Board of Directors on July 30, 2024 The cost auditors conducted the audit and submitted their report to the Board.

25. Particulars of Secretarial Auditors

Pursuant to provisions of Sec 204 of the Companies Act, 2013 the Board appointed Firm Talk Laws, Practicing Company Secretary to undertake the Secretarial Audit of the company.

The copy of the Secretarial Audit report (Form MR-3) is placed as Annexure III forming part of this report.

26. Disclosures under Sexual Harassment of Women at Work Place (Prevention, Prohibition& Redressal) Act, 2013

An 'Internal Complaints Committee' has been constituted in the Company for redressal of complaint(s) against sexual harassment of women employees. The Committee is headed by a senior level woman official of the Company and includes an NGO representative as one of its members in line with the provisions of 'Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013'. During the financial year 2024-25, there was one complaint of sexual harassment in the Company.

27. Internal Financial Control

The Company has adequate Internal Financial Controls with reference to financial statements and steps are being taken to further strengthen the same.

28. Subsidiary Companies

No company has become or ceased to be subsidiary/joint venture/associate company of MVVNL during the FY 2024-25.

29. Review of Accounts by the C & AG of India

The comments of Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act, 2013 on the Annual Accounts of the Company for the year ended 31st March 2025 are appended to this report as annexure I. The replies to the report of the C&AG of India are annexed to the accounts.

30. Industrial Relations

Industrial relations remained peaceful and cordial during the period under review.

31. Acknowledgement

The Board of Directors gratefully acknowledge the co-operation and continued support extended by various Central and State Govt. Departments, U.P. Electricity Regulatory Commission, CERC, Uttar Pradesh Power Corporation Ltd., Paschimanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd., Dakshinanchal Vidyut Vitran Nigam Ltd., Kesco Ltd., Central power Utilities, PFC, REC, Banks and other Financial Institutions.

The Directors also appreciate the constructive suggestions and co-operation of the office of the C&AG Statutory Auditors, various Branch Auditors, Cost Auditor & the Secretarial Auditors

Your Directors acknowledge with appreciation the services rendered by the officers and staff of the company.

For & on behalf of the Board of Directors

(Yogesh Kumar)
Director (Commercial)

(Riya Kejriwal)
Managing Director

Date: 23/12/2025
Place: Lucknow

Annexure-I

REPLY TO THE FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED, LUCKNOW FOR THE YEAR ENDED 31 MARCH 2025

Comment	Reply
The preparation of financial statements of Madhyanchal Vidyut Vitran Nigam Limited, Lucknow(Company MVVNL) for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May 2025.	
I on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Madhyanchal Vidyut Vitran Nigam Limited, Lucknow for the year ended 31 March 2025 under section 143 (6)(a) of the Act. This supplementary audit has been carried out independently without access to working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report: -	Being introductory para, comment is not required.

COMMENTS ON FINANCIAL POSITION **Balance Sheet** Equity and Liabilities Other Equity (Note 13): ₹18,938.57crore (debit) The above includes ₹1428.33 crore(credit) pertaining to the subsidy for operational losses claimed unwarrantedly and released under Ujwal DISCOMs Assurance Yojana (UDAY). As per Office Memorandum (O.M.) dated 20 November 2015 issued by Ministry of Power, Government of India (GoI) for implementation of UDAY, future losses of the State owned power distribution companies(DISCOMs) were to be taken over by the respective States in a graded manner during the year 2017-18 to 2020-21 at the rate of 5 to 50 *per cent* of the actual losses incurred in the respective previous years. Accordingly, GoUP had taken over the losses of the DISCOMs during the aforesaid period ending up to 2020-21 under UDAY. However, UPPCL, the Holding Company, on behalf of its five subsidiary DISCOMs, unwarrantedly claimed an amount of ₹5,372.50 crore from the GoUP during the year 2021-22 for funding of operational losses under UDAY which was incorrectly sanctioned and released by the GoUP under UDAY. Out of Scheme funding so received (₹5,372.50 crore), UPPCL allocated an amount of ₹1428.33 crore to the Company during the year 2021-22. As the admissibility period for funding of operational losses under UDAY has already ended on 31 March 2021 and there was no scheme of GoI/GoUP for funding of such operational losses during the year 2021-22, the subsidy released under UDAY was refundable to the GoUP. The GoUP clarified (July 2023) that ₹5,372.50 crore was released for funding of losses of DISCOMs under Action Plan/Revamped Distribution Sector Scheme (RDSS), however, the same was treated as UDAY loss subsidy due to mistake.	It is being kindly informed that the said amount of Rs 1428.33 crores is on account of additional loss subsidy received from Govt of Uttar Pradesh and is not related to UDAY loss subsidy. In this regard necessary clarification has been received from Govt of Uttar Pradesh vide letter no. 1772/24-1-2023-03/2023 dt 05.07.23 which is self-explanatory. The copy of the letter has also been marked to the respected office of C&AG, Prayagraj and Lucknow. The observations raised by C&AG need to be reviewed on the following facts stated in the clarification order briefed as follows- 1. Regarding DISCOM having made the claim unwarrantedly is not correct. The claimed amount has already been released by the GoUP and hence the claim is tenable and hence correctly accounted. 2. Further clarification in this regard has already been made by GoUP vide letter no. 1772/24-1-2023-03/2023 which is self-explanatory. 3. Kindly refer to point no 3 of clarification letter which states that the state government is required to ensure operational loss subsidy to DISCOM for which budget allocation has been made for operational loss funding. 4. There has been a clear clarification in the Govt. order issued by GoUP that the said amount is paid for operational loss funding. 5. Reference is invited to the point no 3(x) of accounting policy for FY 21-22 which states that "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. 6. Thus, the accounting treatment is totally in

The reply is not tenable in view of the fact that based on the proposals of the GoUP on the 'steps to be taken for reduction of Company's losses' as per RDSS provisions *(refer para 4.3 read with para iv of Annexure III)* the GoI (REC Limited) approved (4March 22) the Action plan envisaging the targeted takeover of Company's losses for the .FY 2022-23 to 2024-25 by the GoUP. Hence the action plan for RDSS as approved by GoI (REC) did not have any provision for funding Company's losses for the FY 2021-22.Hence the subsidy of ₹1428.33 crore recognised by the company for the FY 2021-22 was neither covered under UDAY nor RDSS and same needs to be de-recognised by the Company in its Annual Accounts. This resulted in understatement of 'Other Equity (debit balance)' and Current Liabilities by ₹1428.33 crore each. Despite similar comments of CAG on the accounts for the year 2021-22 to 2023-24, no corrective action has been taken by the management.	accordance with the accounting policy as well as relevant provisions of Ind AS. The receipt of the amount is fully supported by relevant credit notes as well as Govt. orders which have already been submitted to Audit. The company has not received any demand from UPPCL or State Government for returning the amount received as loss subsidy and hence the same cannot be de-recognised.
B. COMMENTS ON DISCLOSURE 2. The UDAY Scheme of GoI provided for taking over the future losses of DISCOMs by the States in a graded manner during the year 2017-18 to 2020-21 based on their previous year's actual losses. Similarly, the Action Plan for RDSS as approved by the GoI(REC Limited)based on the roadmap proposed by GoUP envisaged targeted takeover of Company's losses(actual) for the FY 2022-23 to 2024-25 by the GoUP. .Thus, the funding under two Schemes was based on the financial losses of the Company. On the contrary the funding of DISCOM losses under two Schemes(UDAY and RDSS) as claimed by the holding company(UPPCL) and approved by GoUP was based on the derived figures of 'Operational Funding Requirements'(OFR) of the DISCOMs. This fact should be disclosed in the Notes to Accounts of the Financial Statements.	The claim for funding of the targeted takeover of Company's losses is calculated by holding company(UPPCL) on the basis of 'Operational Funding Requirements'(OFR) of the DISCOMs.

3. As per the provisions of Schedule-III of the Companies Act 2013(*refer para 6(T)(ii) of the General Instruction for preparation of Balance sheet)*, the Company is required to disclose the 'estimated amount of contracts remaining to be executed on capital account and not provided for' under 'Contingent Liabilities and Commitments'. The same has incorrectly been shown as 'nil' under Para 21(F) of Note 1B despite the contractual obligation amounting to ₹762.83 crore under RDSS were remaining to be executed and not provided for as on 31st March 2025.	The above facts has been appropriately disclosed in the Director's Report of the Company for the financial year 2024–25 and have also been reflected in the quarterly accounts for F.Y. 2025–26.
C. COMMENTS ON STATUTORY AUDITORS' REPORT 4. Para 10 of Standard on Auditing (SA) 706 provides that "*if the auditor considers it necessary to communicate a matter other than those that are presented or disclosed in the financial statements that in the auditor's judgement, is relevant to users understanding of the audit, the auditor's responsibilities or the auditor's report, the auditor shall include an Other Matter paragraph in the auditor's report.*" The Statutory Auditors have included three such issues in their Audit Report, which fall under 'Other Matters' category, but wrongly grouped under the heading 'Emphasis of Matters'(refer para(d),(f)and(g) instead of Other Matters'.	The auditor has replied that the observation has been duly noted and due care will be exercised in future.

(S.K Awasthi)
Chief Financial Officer

(S.K Jadia)
Director (Finance)

(Riya Kejriwal)
Managing Director

Annexure II

Management Reply to the Statutory Audit Report on the Financial Statements of Madhyanchal Vidyut Vitran Nigam Limited for the year ended 31st March 2025

<table>
<tr><th>Comment</th><th>Reply</th></tr>
<tr><td>Qualified Opinion

We have audited the Standalone Financial Statements of Madhyanchal Vidyut Vitran Nigam Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), 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 the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the matters discussed in the 'Basis for Qualified Opinion' section of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2025, and its Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.</td><td>Being introductory/informatory, comment not required.</td></tr>
<tr><td>Basis of Qualified Opinion

I. Books of Accounts

i) In absence of availability of relevant party wise ledgers/ relevant records from where data has been extracted and the reconciliation/ balance confirmation from parties(except for the current year), the correctness of balances stated in respect of Liabilities for Capital Works, O&M Works and Other liabilities and provisions, Loans and Advances, Material in transit/ under inspection/ lying with contractors' could not be verified in most of the cases.

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

As reported by the zonal auditor of Lesa CISS following major heads were not available for verification:-

<table><tr><th>Account Head</th><th>Amount (Rs. in Crores)</th></tr><tr><td>Deposit for electrification</td><td>240.22</td></tr><tr><td>Other Liability & Provisions</td><td>3049.55</td></tr></table>
iii) It was noted that the following balances pertaining to various</td><td>As the accounts at Discom headquarters are made after incorporating the MTBs of different zones which are being independently audited by statutory auditors appointed by CAG, these details are available at different zones and duly audited by their auditors. Considering the size and widespread locations of the different zones and offices, the Zonal Auditors have been appointed. In case of any discrepancy observed by zonal auditors, the same is being reflected in their Audit Reports. In view of the same, the said observation is not sustainable except as reported in the Zonal Audit reports. Efforts however are being made to make these details available to Zonal Auditors in all the case.

Concerned zones/units have been instructed to look into the matter and prepare necessary records and obtain balance confirmation wherever required.</td></tr>
</table>

zones are outstanding in the books of Headquarter since many years which have not been identified, reconciled and transferred to the respective units/zones.

Account Head	Amount (Rs. in Crores)
Other Liabilities and Provisions	8.34
Stock Related Accounts (net)	38.97
Deposit for Electrification	35.04
Capital Work in Progress	(3.46)

These are old balances carried forward from previous years.Efforts are being made to identify and transfer the same to the concerned zones/unit.

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

iv) During the course of our audit, we have come across some expenses (like telephone expenses, vehicle expenses etc.), which have been accounted for on cash basis instead of accrual/mercantile basis. The same is not in accordance with the basic accounting assumptions and the company's accounting policy.

All expenses are accounted for on accrual basis of accounting. However, there were few bills which were received late due to which they were accounted for as and when received, which if considered on materiality aspect were of insignificant magnitude. However systems are being put in place to record the bills within the same accounting financial year.

v) TDS receivables as per the company's books for the FY 2024-25 amounts to Rs. 0.68 crore, whereas the TDS as per Form 26AS amounts to Rs. 1.97 crore (as per data updated in 26AS till 19.05.2025), resulting in a significant difference of Rs 1.29 crores which is subject to reconciliation. Therefore, the current assets and other Income are under stated to the extent of Rs 1.29 crore.

The quarterly status of the 26AS is being sent to the Zones on regular basis for reconciling the same and accounting the entries in their books. However due to number of entries involved, specifically for TDS deducted by consumers, the reconciliation is under process. Efforts are being made to reconcile the same with Form 26AS at the earliest and account for the same in the books of accounts. .

vi) As reported by the zonal auditor of Ayodhya zone and Bareilly zone, the Interest received from banks on flexi Fixed Deposits has been accounted net of Income Tax deducted at Source on such interest, and TDS has not been accounted in books of account. No Certificate from bank regarding FDR balance, Interest earned and TDS has been obtained

The Ayodhya Zone has confirmed that no such entry has been recorded without accounting for TDS in the books and the Zonal Auditor has raised this issue without discussing the matter or giving the observation in writing. The matter is being taken up with the Zonal Auditors and specific details, if any, in his knowledge to be provided.

Bareilly Zone has also confirmed that no specific instance has been provided by the Auditors to the Zone. The matter is being taken up for the details.

Necessary steps are being taken to ensure that the entries are recorded properly in future.

vii) The accounting policies of the company for the year under

The matter has been taken up with the

reference were not certified by the Zonal auditors of LESA CISS Gomti.	Zonal Auditors, who have provided the certified accounting policy, which is enclosed herewith for ready reference.
2. Trade receivable on account of supply of Power:	
i. Ind AS 109 has specified two approaches to calculate the expected credit loss: • General Approach • Simplified Approach During the year under audit, the Company has adopted Simplified Approach to calculate its Expected Credit Loss on Trade Receivables. As per the Management of the Company, the rate of Provision in the bracket of 0-6 months is NIL as the Management believes that the consumers in this category are in the phase of temporary disconnection for 6 months until it becomes permanently disconnected and would pay their dues within 6 months from the date of being temporarily disconnected based on the collection efforts and initiatives being taken. The chances of recovery during this period are significantly higher. Further, as per IND AS 109 under the age bucket of more than 3 years as per the simplified approach calculation loss amount would be the total outstanding amount which expects provisioning at the rate of 100 percent. However, based on the collection efforts and the current and future initiatives being undertaken by the company for collection, the Management considered to follow a graded provisioning over a period of four years from the financial year i.e. FY 2022-23. Under these assumptions, from the FY 2022-23 provisioning @ 40% on trade receivables is calculated under this age bucket and the same would be increased by another 20% each year till FY 2025-2026. From FY 2025-2026 onwards, 100% provision would be applicable under this age bucket. The above deviation is not in accordance of Ind AS 109. We were informed by the management that by following the conservative approach, the Management has decided that the provision stated in Annual Accounts up to 31.03.2025 is appropriate and no new addition/deduction in provision is required for FY 2024-25.	The provision for Bad & Doubtful Debts has been made as per the accounting policy adopted by the Board of Directors which is continually followed since last 3 years. The Management considers that the provision calculated as per the adopted policy is appropriate.
ii. Party/Consumer wise (debtors from sale of power) details were not available at the zones in support of balances of 'Trade Receivable (Current)' as appearing in Note 8.Further, reconciliation of outstanding balances of consumers as per consumer ledgers maintained by the billing agencies and the balances appearing in the books of accounts of concerned zones has also not been done.	There are approx. 101.70 lakhs consumers spread over all categories in zones in the jurisdiction of the Company. The differences in billing ledger and trial balance are under reconciliation with the commercial section.
iii. As per the zonal auditor's report of Zones CISS Lucknow, Bareilly, Trans Gomti, it has come to their knowledge that in some cases, additional security deposits have not been collected from consumers as per requirement	The concerned zone has been instructed to look into the matter and realize the additional security wherever required.
iv. In several cases, legal notices/ recovery proceedings have been initiated against consumers at the zones to recover the outstanding over dues against sale of power. However, all the	The provision for Bad & doubtful debts is made as per the accounting policy of the company which is considered adequate to cover such cases where such proceedings

	'Trade Receivables' in the financial statements have been classified as 'considered good' by deducting the amount of 'total provision for doubtful debts' from the total debtors without identifying these cases or ascertaining their actual position.	or notices have been issued. The provision so made is adequate in the opinion of the management.
v.	We draw attention to para 21(A) of Note 1B relating to disclosures of trade receivables wherein the company has not ascertained and classified the Trade Receivables into 'Disputed/ Undisputed', as required by amended Schedule III to the Companies Act, 2013.	The company approximately is having 101.70 lakhs consumers resulting in approximately 99.86 lakhs number of bills per month, considering the large volume of consumers,separate disclosure of disputed/undisputed trade receivables is not practically possible. However, efforts are being made to establish the system to maintain the required data.
vi.	Further, the total trade receivables as per the data provided by the commercial wing as on 31st March 2025 do not match with the total 'trade receivables' as shown in the books of accounts of the company. The same has not been considered and has been reduced from the category of 'non-government consumers' under 'Receivables outstanding for more than 3 years' while categorizing the age buckets for the purpose of provisioning for bad and doubtful debts.	The data as per commercial section/ Billing Ledgers and as per accounts is under reconciliation. The differences in the Trade receivables are mostly on account of older periods. Further all the Government Dues are considered good and mostly reconciled and recoverable from them.
vii.	The company has not furnished the details of advance deposit received from consumers against temporary connection and the entire security deposits from them has been shown as non-current liabilities. In absence of such details, quantification of current and non-current liabilities therefrom is not possible and ascertained.	Security deposit received from consumers are accounted for at divisional level, records of the same are available at respective divisions which were shown to Branch Auditors at the time of their audit.
viii.	Observations of the Zonal auditors with respect to the trade receivable	

Zone Name	Observations	
LESA – CISS-Gomti Zone	a. The zone has shown recoverable (Supply of Power) amounting to Rs.4521.96 Crore. Billing Ledger is not made available for verification category wise outstanding receivable against supply of power shown in trial balance as on 31.03.2025. Age wise classification of receivable/book debts are not made available to us. Age wise analysis of debtors is essential to take appropriate action of making provisions towards bad and doubtful debts and also for apprising management the correct status thereof.	The data as per commercial section/ Billing Ledgers and as per accounts is under reconciliation. The differences in the Trade receivables are mostly on account of older periods. Further, age-wise classification is provided by Commercial wing at HQ level for making provisions towards bad & doubtful debts.
	b. As per the manual additional security calculated on the basis of 45 days previous year billed amount has to be realized. However, in large number of cases such additional security has not been realized.	The concerned zone has been instructed to look into the matter and realize the additional security wherever required.

	Amount indeterminate.	
LESA – TRANS GOMTI Zone	a. Recoverable from sale of power (AG-23) are appearing at Rs. 2,59,540.79 lakh as on 31.03.2025. System of reconciliation of consumer-wise details as per online billing system with balances appearing in books of account is not in vogue. Hence, figures of said receivable against supply of power are subject to reconciliation and confirmation, impact whereof is unascertainable at this stage.	The data as per commercial section/ Billing Ledgers and as per accounts is under reconciliation. The differences in the Trade receivables are mostly on account of older periods.
3. Property, Plant and Equipment		
i. We draw attention to para 3(I)(c) of General Information and Significant accounting policies stating that employee cost to capital works is capitalized @ 15% on deposit works, 13.50% on distribution works and 9.5% on other works. Further, it was noted that a sum of Rs. 135.00 Crores of 'Employee benefit expenses' has been capitalized to fixed assets out of total 'Employee benefit expenses' of Rs. 977.54 Crores incurred during the year. In our opinion, capitalizing 'Employee benefit expenses' on fixed percentages of 'asset costs' instead of 'Employee benefit expenses' which are directly attributable for such construction, is neither in accordance with generally accepted accounting practices nor as per Ind AS-16. The impact of such capitalization of 'Employee benefit expenses 'to fixed assets, as above, on the financial statements is not ascertainable at this stage in absence of complete details.	Apportionment of Employees Cost towards Capital Work & Revenue works is being done on the basis of the nature of Industry and Management's estimate. As in the Electricity Distribution Sector, separate allocation of employees towards Capital Projects & Revenue works is not possible, the same is being done as per Management's estimate based on an average time being spent by the employees in different works. Accordingly 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. The accounting policies of the company are being reviewed on regular intervals and necessary changes are done whenever required.
ii. The management has represented that, to the best of its knowledge and belief, the title/lease deeds of immovable properties acquired post transfer scheme are held in the name of the Company but properties inherited in transfer scheme are still in the name of UPSEB. However, no title deeds of immovable properties have been produced before us and in absence of such title deeds vis a vis complete details of immovable properties, we are unable to comment upon this.	Major amount of land has been allocated to units under final transfer scheme and any addition thereon is made at zonal level and the title of the same are available at concerned zone/unit.
4. Capital Work in progress (CWIP) As reported by the zonal auditor of Ayodhya Zone, a sum Rs.339.15 Crores has been capitalised during the year (including capitalisation of employee cost Rs. 30.10 crores which are on basis of fixed percentage of total cost instead of actual). The zonal auditors have reported that the fixed Assets completion certificates from the Executive Engineer have been provided but the certification of CWIP from external agencies were not furnished to them.	Completion certificates from the Executive Engineer have been shown to the audit which is sufficient for capitalization of CWIP.

5. Inventories:

i) Ageing of inventory has not been done and obsolete items were also not identified and adjusted for in the books of account in some cases. "Stock excess pending for investigation" at LESA CISS Zone is Rs. 1.36 Crores and at Ayodhya Zone is Rs. 2.49 Crores, which is pending for adjustment.

As per accounting policy of the company any shortage/excess of material found during the year end are shown as "Material short/excess pending investigation" till the finalization of investigation.

ii) As per IND AS 2, "Inventories shall be measured at the lower of cost and net realizable value". The company has the policy of valuing inventories at cost basis, while it is required to be valued at cost or net realizable value, whichever is lower. This policy of company is not in line of respective IND AS 2. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.

As disclosed in Notes on accounts forming part of the financial statements, "Paragraph 32 of Ind AS 2 'Inventories' provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Company is operating in the regulatory environment, and as per Tariff Regulations, the cost of other inventory items is recovered as per extant tariff regulations. Accordingly, the realizable value of the inventories is not lower than the cost."

iii) Provision for unserviceable store of Rs. 41.76 Crores as appearing in 'Note 7- Inventories' continues since 2012-13 despite substantial increase in level of inventory to Rs 1,255.30 Crores in 2024-25 as against Rs. 230 Crores in 2012-13. In absence of complete details, we are unable to comment on the adequacy of provision on this account and its impact on financial statements.

Creating provision for unserviceable store is a matter of estimate to be made by the management according to the circumstances. In view of the management the existing provision of Rs. 41.76 Crores is sufficient as on the date of Balance Sheet.

6. Inter Unit Transactions

i) The company is in the process of reconciliation of various types of inter unit transactions. Inter-unit account showing net debit balance of Rs. 357.88 Crores (P.Y. Rs. 794.69 Crores) under 'Note 11- Other Current assets' is represented by large number of un-reconciled entries under various heads like IUTs within zone, IUTs outside zone etc. since many years.

ii) The company's' inter-unit transfer balances were significantly reduced during the year with respect to which detailed workings or supporting documents were not provided to us.

iii) On analyzing the differences in IUTs for the current year, following major unmatched amounts were ascertained in different heads.

The reconciliation of Inter Unit Transactions is a continuous process and the company has substantially reduced the IUT balances in current F.Y. The current entries being made in ERP environment, there are no further additions in the IUT balances. Efforts are on to reconcile the balance old differences.

Amount (Rs.) in Crores

Particulars	Debit	Credit	Net Differences
Liabilities for IUT-With in Zone	798.58	172.64	625.94
Other Adj.-With in Zone	0.12	6.83	(6.72)

Liabilities for IUT-Outside Zone	33,657.09	33,375.75	281.34
Fund Transfer by HQ	1390.17	1,928.04	(537.87)
Remittance to HQ	146.25	146.32	(0.07)
Accts-Cash -With in Zone	128.92	229.58	(100.66)
Capital Exp.-With in Zone	0.03	225.64	(225.62)
MATERIALS-Outside Zone	272.38	286.18	(13.80)
Central Receipts on behalf of Divisions	2,615.80	2,603.18	12.62
MATERIALS-With in Zone	51.11	522.34	(471.23)

The detailed list of these unmatched entries during the year, along with reasons of their non-adjustment were not available to us for our verification. The impact of such non reconciliation on the financial statements of the company is not ascertainable at this stage.

7. Non-Compliance with Ind AS and Schedule III

i) The amounts under 'Capital grants/ Subsidies' (in Note 13) and 'Revenue subsidies/ Grants' (in Note 20) have been accounted for by the company only on the basis of credit advices issued by UPPCL, the holding company. The complete details and related terms and conditions of these subsidies/grants could not be verified by us as the same were not available with the company. Further, the conditions and contingencies for each government grant received/ recognized' have also not been disclosed as per the requirements of Ind AS 20.

The Capital Grants and subsidies are being received by UPPCL on consolidated basis for all UP DISCOMS. UPPCL in turn allocates the same to different DISCOMS as per their eligibility and the data is maintained at UPPCL level, which is being audited by their Statutory Auditors. Company is booking the same as per the Cr. /Dr. note & details provided by the holding company.

ii) We draw attention to para 18 of Note 1B relating to disclosures relating to 'Trade Payables' pursuant to amended Schedule III to the Companies Act 2013. It is observed that information relating to 'dues payable to MSME' etc. have been disclosed by the company but the completeness and accuracy of the same could not be ascertained by us as the company is still under process to identify the classification related to MSME. Further, provision for interest payable thereon, the liability on this account has not been quantified by the company. As such we are unable to ascertain the interest provision (if any) required and its consequential impact on the loss for the period.

Disclosure has been made as per the data available on the ERP system. Systematic improvement is a continual process and is being adopted to further improve the data.

iii) The 'liabilities for capital works', 'liabilities for O&M works' and 'Liability for expenses' etc. have been categorized under 'Other Financial Liability(current)' instead of showing them under 'Financial liability (Trade payable)'.

'Financial liability (Trade payable)' comprises liabilities relating to direct expenses w.r.t purchase & transmission of power. Accordingly, other payables are being shown as current liability /long term liability as the case may be.Such presentation has been designed by , Holding Company UPPCL, in order to maintain uniformity across DISCOMS.

iv) The company returned Rs. 3.58 crore of a grant received from REC because payments were made to vendors for duplicate meter installations. However, this return of grant was not recorded correctly in the financial statements as per IndAs 20.

The matter is being reviewed in consultation with Holding Company UPPCL and necessary correction entries shall be passed in FY 2025-26.

	As per Ind AS 20 and Ind AS 1, returned grants must be adjusted to avoid overstating income, assets, or equity, ensuring a true and fair view of the financial statements. Failure to record the return results in misstatement of income and net assets, which may impact decision-making, regulatory compliance, and tax or audit outcomes.	
v)	Rebates related to capital assets under RDSS are currently recorded as liabilities instead of being deducted from the asset cost (Capital Work-in-Progress), resulting in misclassification. As per Ind AS 16, rebates must reduce the asset's cost, not be recognized as liabilities, aligning with the matching principle and presentation requirements under Ind AS Misclassification inflates liabilities and asset values, distorting financial ratios, depreciation, and profitability.	The rebate being availed for timely payment to TKC's is on the funds provided by REC / State Government. The rebate availed by the company under RDSS will be reduced from cost of the project at the time of closure of scheme after complete reconciliation and finalization of the capitalization process.
vi)	IND AS-1: Policies relating to provision made against (i) advances to suppliers/contractors (ii) Slow/non-moving and unserviceable stores, (iii)advance to employees and others are not disclosed under Annexure "Significant Accounting Policies" annexed with Financial Statements as required in IND AS-1. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.	The matter will be reviewed and necessary action will be taken, if required.
vii)	As per IND AS 20 Accounting for Government grants / subsidy is done on the basis of advice from Uttar Pradesh Power Corporation Ltd., (the holding company), but the timing at which the grant is to be booked as per IND AS 20 cannot be ascertained as the grant is booked as per the credit notes received from UPPCL which is not in consonance with the IND AS-20 "Accounting for Government Grants". Impact of non-compliance of the above IND AS on the financial statements is not ascertainable.	The Government grants / subsidy is booked on the basis of credit notes issued by the holding company. Further, the holding company issues the credit note when there is adequate assurance from the government.
viii)	'Financial Assets-Others – Current' (Note-10) and 'Other Financial Liabilities- Current' (Note-18) have been classified as 'current' but include balances which are outstanding for realization/ settlement since previous financial years, and in the absence of adequate information/explanations regarding the realizability /settlement of such amounts within twelve months after the year end, not classifying them as non-current assets/ liabilities is not in accordance with Ind AS-1 "Presentation of Financial Statements" Certain balances are incorrectly classified as current instead of non-current assets/liabilities based on their nature and settlement terms. The list of such items are mentioned below:	The amount receivable/payables expected/ intended to be realized/paid within a year are to be classified as Current Asset / Current Liability. The classification is being done on the basis of the company's estimate and hence shown as current assets/liabilities.

Particulars	Amount (In Rs.)	Currently shown Under
Other Receivables	30.44 Crore	Current Asset
Staff Related Liabilities	1.08 Crore	Current Liability
Sundry Liability	0.16 Crore	Current Liability

As per Ind AS 1, classification depends on expected realization or settlement within 12 months (current) or beyond (non-current). This Misclassification leads to inaccurate presentation of financial position.	
8. Borrowings Non-current Borrowings taken by UPPCL on behalf of the company amounting to Rs.3443.60crore (pertains to FY 2024-25), and in note No. 16, Current Maturity from of Long-Term Borrowing through UPPCL amount to Rs. 4608.54 has been booked based on the debit/credit note received from UPPCL. No loan related documents were produced before us during the audit. In the absence of sufficient and appropriate audit evidence thereof, we are not in a position to ascertain impact of the same on the financial statements.	Bonds are issued centrally by UPPCL and some Loans are also taken and served by the UPPCL on behalf of DISCOM. All the related documents are available at UPPCL level.
9. Balances Outstanding To / From Outside Parties	
i. Balances of trade receivables, trade Payables (except UPPCL, UPPTCL and Other DISCOMs), Suppliers, Contractors, loans and advances, staff related liabilities & advances and other various debit/credit balances, etc. are subject to confirmations. Therefore, in absence of proper records/details, we are unable to ascertain the effect of the adjustments arising from reconciliation and settlement of old dues, possible loss/ profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities.	The legacy balances were transferred to DISCOM at the time of unbundling of DISCOMS of power sector. Efforts are in progress to reconcile these old balances and obtain confirmations wherever required. Considerable reconciliations have been made in this regard. Efforts are underway to reconcile the remaining balances.
ii. Refer to Point no. 17 of Notes to accounts, there are various expenses like Employees Expenses, Repair & Maintenance Cost and Administrative & General Expenses etc. incurred at Uttar Pradesh Power Corporation Ltd. (the holding company) which has been allocated to the Company vide Debit/Credit Notes. However, we have not been provided with detailed workings of the same and only relied on the Debit/Credit notes received from the holding company.	Accounting of expenses allocated by UPPCL is done on the basis of details provided by UPPCL along with concerned Debit/Credit notes.
iii. The CSC e-wallet balance as per the separate portal and the balance recorded in the books of accounts were not reconciled, resulting in a difference of Rs. 8.29 crores as on 31 March 2025.	A Committee has been formed at HQ level for reconciliation of the balances.

10. Statutory Compliances i. As per Income tax Act, 1961, TDS should be deducted on due or payment basis whichever is earlier. However, it has been noticed that the company is deducting TDS at the time of booking of expenses (which is generally much delayed as compared to date of invoice) which violates the provision of Income Tax Act,1961 due to which liability of interest @1.5% per month or part of the month will arise on the company. In some of units, it was noticed by us that the company is booking expenses much after the date of invoice. Further, it was noted that bills which were quite old were also booked during the current financial year. Due to this there is delay in deduction of TDS as compared to the stipulated timelines which attracts interest under Section 201(1A), with interest amounting to Rs.1.10 crore(approx.). As per Ind AS 12, related interest and penalties are expenses and must be accrued and disclosed as liabilities to avoid understatement of expenses.	As per Section 194C of the Income Tax Act, TDS is required to be deducted at the time of crediting the payment to the vendor's account or at the time of payment, whichever is earlier. In our accounting system (SAP), the vendor's account is credited upon posting the invoice, which is being done after complete checking of the work done and certification by the concerned Engineer-in-charge. Accordingly, TDS is deducted at that point, and payment to the vendor is processed subsequently. Hence there has been no default/delay in deposition of the TDS. Attention is also invited here that in case the TDS is deducted & deposited according to the Invoice raised by the Vendor, there will be no control on the wrong invoicing being done by the vendors. The observation of the Auditor is also not in line with the provisions of The Income Tax Act.
ii. The company previously operated multiple TAN registrations for different units/zones; however, currently, only a single TAN is in use. No, evidence or confirmation has been provided regarding the formal surrender of earlier TANs or details of any related defaults, penalties, or dues. A case reported by the Zonal Auditor of CISS Gomti highlights an unpaid TDS default amounting to Rs. 14,370.00. Further as per zonal auditors of Bareilly zone, they have checked the outstanding dues with respect to TDS demand on "Traces" and found that out of 38 units, 28 units have no outstanding dues. In rest of the units the old demands are still outstanding. The reason for the outstanding demands is mainly due to incorrect filing of TDS return or due to short deposit of TDS.	Concerned units/zones have been instructed to review the matter and take corrective action wherever required. The reconciliation and rectification of the TDS Returns,wherever required, is under process.
11. Other Observations i. Advances to suppliers amounting to Rs 105.46 Crores at the HO level are outstanding since more than 9 years. It also includes Rs 40.61 Crores for which even party wise/ date wise details were not available with the concerned unit. No documentary evidence or explanations were made available to us regarding the	The old records are being scrutinized and the balances are being traced. Concerned unit has been instructed to review the matter and take corrective action after

recoverability of these amounts. Accordingly, in our opinion, these amounts are doubtful of recovery and provision should have been made against these advances.	proper reconciliation.
ii. As referred in Note 18 to the financial statements, the company has made 'provision for loss incurred by GPF/ CPF trusts' amounting to Rs 455.48 Crores as on 31.03.2025 on account of insolvency of DHFL. The amount has been booked as per the allocations sent by the UPPCL and the basis on which the above-mentioned amount has been calculated has not been provided to us. Any other loss/shortfall in the fund value as compared to total obligation as on the balance sheet date, if any, is not ascertainable in absence of complete information with the company.	With the exception of losses related to DHFL, the PF trust has not reported any other losses and, consequently, company has not made any additional provisions in the accounts.
iii. Bank reconciliation statements at some of the divisions/ units have not been properly prepared and various old un-reconciled entries are appearing in the bank reconciliation statements in various units at zones/ head office since long periods which require adjustments and appropriate accounting in the books of account. Similarly, the copies of bank statements were available but proper balance confirmation certificates/statements, duly authenticated by the bank were not available in many cases.	The bank reconciliation statement (BRS) discrepancies are being reviewed regularly, and many accounts have been reconciled since the report date. Efforts are also ongoing to reconcile the remaining bank reconciliations.
As reported by zonal auditor of Ayodhya zone, the divisions have bank balance in their MTB of Rs.68.98 Crores, while balances as per Bank Statements is Rs. 18.49 Crores resulting into the difference of Rs 50.49 crores. Most of these entries are pending for last many years and have not been adjusted in accounts.	
As reported by zonal auditor of LesaCissGomti Zone, in case of Electricity Urban Distribution Division-Thakurganj, Lesa, Lucknow Bank cash handling charges of Rs.10,06,547.61 have been charged by bank. As per terms bank cannot charge cash handling charges from the unit bank account, so unit should take necessary action for reversal of such amount into bank account.	Concerned units/zones have been instructed to review the matter and corrective actions are in process wherever required.
iv. As reported by the zonal auditors of Ayodhya Zone,	
a. Bank accounts have not been entered in MTB for 4 banks belong to 3 units.	The Zonal Auditor had neither provided the details nor given any observation in writing regarding the same. The matter has been taken up with the Zonal Auditors for providing the details, to take necessary corrective action, if required.
b. BRS and Bank statements have not been provided for 5 banks belong to 3 units.	
c. Proper Bank reconciliation statements have not been prepared for 4 banks belong to 2 units.	
Moreover, at LESA CISS Zone, it was observed that the balance of two bank accounts was not found in the Cash Book. There are differences between the MTB and Cash Book amounting to Rs 0.58 crores appearing in MTB which are pending for adjustment for more than eight years.	Concerned zone has been instructed to review the matter and take necessary action.
The exact financial impact of the above on the financial statements could not be ascertained at this stage.	
v. Authorized Share Capital and Paid-up share capital of the company as per latest data from the Registrar of companies is Rs 20,000 crores and Rs 24,232.49 crores respectively. However, the actual authorized share capital and paid-up share capital of the company is Rs. 30,000 crores and Rs 27,678.81 crores respectively as per financial statements.	ROC filing for updation of authorized share capital and paid-up share capital of the company on MCA portal is under progress.
vi. All statutory employee-related dues, including contributions	

	towards Provident Fund (PF), General Provident Fund (GPF), and Contributory Provident Fund (CPF), have been duly deposited into the designated trust accounts as per the applicable regulatory requirements. However, despite these payments being made, we have not received any formal confirmation, acknowledgment letters, or receipts from the respective trust authorities confirming the actual receipt and proper crediting of these deposits. Furthermore, no balance confirmations, periodic statements, or reconciliation reports have been provided by the trust, which are essential to verify the accuracy, completeness, and up-to-date status of these statutory dues.	Reconciliation of balances with concerned trusts is under process.
vii.	As reported by the zonal auditors Bareilly zone, few non-operating bank accounts are reflecting in MTB of few units. Status of these bank accounts whether these have been closed or not is not confirmed by the units. If these bank accounts are in non-operating condition and balance which is shown in these bank accounts as per MTB found to be correct then it is a loss of opportunity interest.	Concerned zone has been instructed to review the matter and take necessary action.
viii.	As reported by the zonal auditors of LESA-CISS Gomti Zone, Power purchase and transmission charges have not been accounted for in books of accounts of the Zone. The reconciliation of units of power purchased, billed and transmission loss and theft were also not done/ provided for at Zonal Level. While examining the performance for the year 2024-25 the total energy receipt were 4610.36 MU and energy sold was 4196.84 MU resulting in a energy loss of 413.52 MU which in terms of percentage come to 8.97%. The total energy loss in monetary terms is calculated and accounted for at Head quarter level. Further, as informed to us the same has been accounted for at the company level. The company has disclosed the AT&C is 17.69% at note no. 36(E) of notes to accounts.	Being informatory, comment not required.
	Information Other than the Standalone Financial Statement and Auditor's Report Thereon The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to Board's Report but does not include the standalone financial statements and our Auditor's Report thereon. Other Information as stated above are expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above when it becomes available and in doing so consider whether the other information is materially inconsistent with the standalone financial statements or with our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action, if required.	Being introductory /informatory, comment not required.

Responsibility of Management and those charged with Governance for the Financial Statements The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance including other comprehensive income of the company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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. The Board of Directors is also responsible for overseeing the Company's financial reporting process.	Being introductory /informatory, comment not required.
Auditor's Responsibility 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we	Being introductory /informatory, comment not required.

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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	
EMPHASIS OF MATTER a) During the Financial Year 2024-25, various old balances appearing in different assets and liabilities heads which were being carried forward from previous years have been shifted to 'asset migration account' and 'liability migration account' totaling to Rs. 7.78 crores and Rs 2.13 crores respectively. b) The financial statements of the company are being prepared on a	Transfer of old transfer scheme balances to 'asset migration account' and 'liability migration account' has been done in compliance to thedecision taken at the Holding Company level. As a public-service provider, the company

going concern basis, notwithstanding the fact that company is continuously running in losses since last many years. The appropriateness of the said basis is inter-alia dependent on continuing support from the Government and improved operational/ financial performance.	benefits from State and Central Government support under established policies. With its net worth rising from ₹313.42 crore in FY 2003–04 to ₹8,740.24 crore in FY 2024–25, the company's status as a going concern is unequivocal.
c) The Company does not have an effective system for realizing revenue from customers as the amount of receivables as on 31st March, 2025 is Rs. 29,861.24 crores, which is equivalent to around 754 days sale of power by the company and reasons of pendency are not examined. It is noticed that the company is not effectively exercising its powers of TD/PD and filing court cases against defaulted customers.	Smart prepaid/postpaid meters are being installed to ensure advance/timely collection of revenue. Efforts are being made to realize old dues from consumers.
d) As per the zonal audit report of Lucknow zone, MVVNL (H.O) has not raised any Dr. note/advice to Lucknow zone regarding net metering of Solar Power and Purchase of Power. Hence, Purchase of power is not accounted for in the Trial Balance of the Zone. Further, we have been explained that revenue has been recognized on the basis of net metered units.	Purchase of Power is accounted for at HQ level on the basis of bills raised by Holding Company.
e) The segregation of 'Trade Receivable' into Government/ Non-Government and ageing into different age buckets as per para 10 of note 1B have been made only on the basis of online billing data provided by commercial wing.	The ageing of Trade Receivable is made on the basis of online billing data being maintained by independent specialized application software.
f) As per the direction of Hon'ble High Court, the special audit of Bills Revision in consumer's bills for the period April 2022 to Sept. 2023 has been conducted at Distribution Division level. However, the management has not provided us the number of bills and quantum of total amount involved. Since, information regarding the actual status and outcome of the special audits has not been provided to us, its impact on the financial statements could not be ascertained.	Since the work of the special audit of Bills Revision in consumer's bills for the period April 2022 to Sept. 2023 has not been completed, any observation/findingswill not impact the financial results of current F.Y.
g) During the FY 2024-25 the company has for the first time implemented full-fledged accounting through an ERP system which was earlier done on manual basis. As explained to us, the company has got performed ERP accounting system audit at UPPCL level. However, the reports of the same was not made available to us. In the absence of which we were unable to comment on accuracy, operational effectiveness, completeness, and reliability of financial data generated through ERP system. Our opinion is not modified in respect of these matters.	Same has been done at Holding Company, UPPCL level.
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. We have determined that there are no key audit matters to communicate in our report.	No comment required.

Other Matters	
a) We did not audit the financial statements/ information of 6 accounting zones included in the standalone financial statements of the company, whose financial statements reflect total assets of Rs. 41,550.27 Crores as at 31st March 2025 and total revenue of Rs. 14,452.83 Crores for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these zones have been audited by the zonal auditors whose reports have been furnished to us, 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 /branch auditors.	No comment required.
Company's assets are un-insured with risk of theft, fire, riots, earthquake etc. and have not made adequate arrangement to save its assets from these incidents in future.	Cash held in the company's on-site cash chests, cash in transit, and stores are all protected under the respective units' insurance policies.
b) The AT & C Losses during the year is 17.69 %, The management has not segregated the same between normal loss and/or abnormal loss. Same needs to be looked into for appropriate action by the company.	AT&C losses are within the limits prescribed under RDSS.
c) As reported by the zonal auditor of Ayodhya zone, theft of assets (AG code 18) has old balance of Rs. 101.90 Lakh in three divisions (code 592,599 &602) for which provision has been made at H.O. but present status has not been explained to the zonal auditors. Further as explained to us, the Provision of the same has been done at the Headquarters.	Cent percent provision against theft of assets is made at HQ level.
The company has delayed vendor payments under the RDSS scheme, resulting in unclaimed rebate of Rs. 6.64 crore, causing indirectly financial loss to the company/ RECIL/GoUP. As informed to us by the management that this delay is due to the reason that there is lack of sufficient funds available with the company to make necessary timely payment in order to avail the benefits of rebate.	The vendor rebate is being utilized to make payments within 10 working days from bill submission. Since payments are made on time, funds from REC or the Government of Uttar Pradesh are not deployed, meaning no actual cost is incurred by either REC or GoUP. This represents an opportunity cost—not a loss—to any organization or the government.

(S.K Awasthi)
Chief Fiancial Officer

(S.K Jadia)
Director(Finance)

(Riya Kejriwal)
Managing Director

Annexure III

Management Replies to the Secretarial Auditor's Report of MVVNL for the Financial year ending on 31st March 2025

1	Incorporation of Video Conferencing Facility and Audio-Visual Recording in Meeting Documentation:- It has been observed that the Notices and Minutes of the meetings of the Board and its Committees do not explicitly incorporate the provision for conducting meetings through Video Conferencing or other audio-visual means, as permitted under the Companies Act, 2013 and in accordance with the applicable Secretarial Standards (SS-1 and 55-2). It is recommended that the Company incorporate appropriate references in the Notices and Minutes Io indicate the availability and utilization of Video Conferencing facilities.	Additional reference in the Notices and Minutes to indicate the availability and utilization of Video Conferencing facility shall be ensured in future.
2	Delayed Statutory Filings:- During the course of the audit, it was observed that there have been certain instances of delayed filings with the Registrar of Companies under the provisions of the Companies Act, 2013 due to non filing of Form INC-22A. As on the date of this Report, a few of these filings remain pending and are yet to be completed. The Company is advised to undertake appropriate corrective measures to ensure that all pending filings are completed at the earliest.	Non-filing of certain forms like PAS-3 and SH-7 are pending due to an error in the Master Data on the Ministry of Corporate Affairs (MCA) Portal. The Company has filed "Change Request form" on MCA portal to rectify the aforesaid discrepancy. Correction of Master data is awaited from MCA after which remaining forms shall be filed.

(Abha Sethi Tandon)
Company Secretary

(Manoj Bansal)
Director (Finance)

(Riya Kejriwal)
Managing Director

ANNEXURE IV
FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the act and rule 8(2) of the companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length Basis-Not applicable

(a) Name (s) of the related party and nature of relationship
(b) Nature of contracts/arrangements/transactions
(c) Duration of the contracts/arrangements/transactions
(d) Salient terms of the contracts or arrangements or transactions including the value, if any
(e) Justification for entering into such contracts or arrangements or transactions
(f) Date of approval by the board
(g) Amount paid as advances, if any
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangements or transactions at arm's length basis-

(a) Name (s) of the related party and nature of relationship

(I) List of Parent, Subsidiary and Associates of Parent Company: -

Name of Related Party	Nature of Relationship
Uttar Pradesh Power Corporation Ltd.	Holding Company
Paschimanchal Vidyut Vitran Nigam Ltd	Subsidiary of Holding Company
Dakshinanchal Vidyut Vitran Nigam Ltd	Subsidiary of Holding Company
Purvanchal Vidyut Vitran Nigam Ltd	Subsidiary of Holding Company
Kanpur Electricity Supply Company	Subsidiary of Holding Company
UP Renewable & EV Infrastructure Ltd.	Subsidiary of Holding Company

(II) Key Managerial Personal: -

(i) Parent Company (UPPCL): -

S.No.	Name	DIN/PAN	Designation	Appointment	Retirement/ Cessation
1	Dr. Ashish Kumar Goel	03047610	Chairman	27.07.2023	Working
2	Mr. Pankaj Kumar	08095154	Managing Director	10.03.2021	Working
3	Mr. Kamalesh Bahadur Singh	09642954	Director (PM & A)	11.12.2023	Working
4	Mr. Gyanendra Dhar Dwivedi	10393079	Director (Distribution)	11.10.2023	Working
5	Mr. Nidhi Kumar Narang	03473420	Director (Finance)	01.06.2022	Working
6	Mr. Kamalesh Bahadur Singh	09642954	Director (Corp. Planning)	18.06.2022	Working
7	Mr. Amit Kumar Srivastava	09617008	Director (Commercial)	24.05.2022	30.06.2024
8	Mr. Nidhi Kumar Narang	03473420	Director (Commercial)	02.07.2024	Working
9	Mr. Sourajit Ghosh	09642955	Director (I.T.)	18.06.2022	Working
10	Mr. Nitin Nijhawan	AEHPN7732B	Chief Financial officer	01.12.2022	Working
11	Mr. Neel Ratan Kumar	03616458	Nominee Director	16.04.2013	Working
12	Mr. Ranvir Prasad	06684884	Nominee Director	04.03.2024	07.01.2025
13	Dr. Rupesh Kumar	06802972	Nominee Director	07.01.2025	Working
14	Mr. Anupam Shukla	09659225	Nominee Director	10.08.2022	Working
15	Mrs. Neha Sharma	BPTPS8628M	Nominee Director	02.09.2022	09.08.2024
16	Mrs. Mala Srivastava	N.A.	Nominee Director	09.08.2024	30.01.2025
17	Mrs. Neha Jain	10338350	Nominee Director	30.01.2025	Working
18	Mr. Abhishek Singh	10271109	Nominee Director	03.05.2023	Working
19	Mr. Sandeep Kumar	08529035	Nominee Director	21.02.2024	05.11.2024
20	Mr. Rajkumar Malhotra	09520699	Nominee Director	05.11.2024	Working
21	Mr. Rameshwer Prasad Vaishnaw	01868883	Nominee Director	16.06.2023	13.02.2025
22	Mr. Prabhat Kumar Singh	07125959	Nominee Director	13.02.2025	Working
23	Ms. Priti Arora	AVLPA5673R	Company Secretary & Compliance Officer	07.06.2024	03.10.2024

(ii) Madhyanchal Vidyut Vitran Nigam Ltd: -

S.No.	Name	DIN/PAN	Designation	Appointment	Retirement/ Cessation
1	Dr. Ashish Kumar Goel	03047610	Chairman	27.07.2023	Working
2	Mr. Bhawani Singh Khangarot	08648162	Managing Director	08.06.2022	05.03.2025
3	Mrs. Riya Kejriwal	11020051	Managing Director	06.03.2025	Working
4	Mr. Vikas Chandra Agarwal	10451943	Director (PM & A)	04.11.2023	Working
5	Mr. Yogesh Kumar	09665313	Director (Commercial)	21.05.2022	Working
6	Mr. Ajay Kumar Srivastava	09694167	Director (Technical)	07.06.2022	30.06.2024
7	Mr. Neeraj Swaroop	09701063	Director (Technical)	04.07.2024	Working
8	Mr. Manoj Bansal	10427842	Director (Finance)	25.11.2023	Working
9	Mrs. Sandeep Kaur	09754606	Women Director	29.08.2022	Working
10	Mr. Sanjeev Kumar Verma	ADZPV4681Q	Chief Financial officer	22.12.2022	19.06.2024
11	Mr. Sanjiv Kumar Awasthi	ABZPA3817F	Chief Financial officer	19.06.2024	Working
12	Mr. Pankaj Kumar	08095154	Nominee Director	10.03.2021	Working
13	Mr. Ranvir Prasad	06684884	Nominee Director	04.03.2024	07.01.2025
14	Dr. Rupesh Kumar	06802972	Nominee Director	07.01.2025	Working
15	Mr. Nidhi Kumar Narang	03473420	Nominee Director	01.06.2022	Working
16	Mr. Sandeep Kumar	08529035	Nominee Director	21.02.2024	19.10.2024
17	Mr. Raj Kumar Malhotra	09520699	Nominee Director	19.10.2024	Working
18	Mr. Rameshwer Prasad Vaishnaw	01868883	Nominee Director	26.05.2023	31.01.2025
19	Mr. Prabhat Kumar Singh	07125959	Nominee Director	31.01.2025	Working
20	Mrs. Abha Sethi Tandon	ACWPT7202R	Company Secretary	03.04.2024	Working

(b) **Nature of contracts/arrangements/transactions:-**

The Company is a State Public Sector Undertaking (SPSU) controlled by State Government by holding majority of shares through its holding company. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for Government related entities and has made limited disclosures in the financial statements. Such entities from which Company have significant transactions includes but not limited to: -

1 UP Power Transmission Corporation Limited,
2 Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited,
3 U.P. State Load Dispatch Center Limited.
4 U.P. State Power Sector Employees Trust
5 U.P. Power Corporation Ltd. Contributory Provident Fund Trust

Transactions with related parties are as follows:

(a) Transaction with Holding and Fellow Subsidiary of Holding Company:

(₹ In Crore)

Particulars	Holding Company		Fellow Subsidiary	
	2024-25	2023-24	2024-25	2023-24
(i) Sales	-	-	-	-
(ii) Power Purchase	16,949.10	15,521.51	-	-
(iii) Dividend Received	-	-	-	-
(iv) Equity Contribution Received	3,680.54	2,435.19	-	-
(v) Loan Granted	-	-	-	-
(vi) Guarantee Received	-	-	-	-
(vii) Other Transaction (Net)	545.34	222.97	4.11	3.54

(b) Remuneration and Benefits paid to key management personnel of Company:

(₹ In Crore)

Particulars	2024-25	2023-24
Salary & Allowances	1.86	1.28
Contribution to Gratuity/Pension/PF	0.23	0.13

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

(₹ In Crore)

S. No.	Name of the Company	Nature of Transaction	F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
1	UP Power Transmission Corporation Limited	Power Transmission Cost	804.99	739.27
2	UP Power Transmission Corporation Limited (UPPTCL)	Others (Net)	2.57	2.81

3	UP State Power Sector Employee Trust	Employee benefit contributions (Net)	35.41	40.38
4	U.P. Power Corporation Contributory Provident Fund Trust	Employee benefit contributions (Net)	11.71	9.84

(d) Outstanding Balances of Holding, Fellow Subsidiary & Companies under the control of same government: -

(₹ in Crore)

Particulars	F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
Amount Receivable towards loans : -		
➢ Uttar Pradesh Power Corporation Limited (UPPCL)	261.44	191.52
Amount Receivable towards other than loans : -		
➢ Uttar Pradesh Power Corporation Limited (UPPCL)	974.17	498.75
➢ Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)	102.38	102.19
➢ Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)	80.21	79.16
➢ Paschimanchal Vidyut Vitran Nigam Limited (PVVNL)	80.48	80.00
➢ Kanpur Electricity Supply Company Limited (KESCO)	9.15	6.76
➢ UP Power Transmission Corporation Limited (UPPTCL)	276.52	279.09
Amount Payable towards other than loans:-		
➢ UP Power Corporation Ltd. -(Power Purchase)	8691.50	7540.55
➢ UP Power Transmission Corporation Limited	953.72	1143.33
➢ UP Rajya Vidyut Utpadan Nigam Limited (UPRVUNL)	0.03	0.03
➢ UP State Power Sector Employees Trust	818.13	782.72
➢ UP Power Corporation Contributory Provident Fund Trust	195.94	184.23

(c) Duration of the contracts/arrangements/transactions- Not applicable
(d) Salient terms of the contract or arrangements or transactions including the value, if any- Not applicable
(e) Date (s) of approval by the board, if any-21 .05.2025
(f) Amount paid as advances, if any- Not applicable

For and on behalf of the Board of Directors

(Yogesh Kumar)
Director (Commercial)

(Riya Kejriwal)
Managing Director

Annexure-V

MVVNL DISCOM's Efforts in Energy Conservation, Technology Absorption and promotion of Research & Development

(A) Conservation of Energy

(i) The steps taken or impact on Conservation of Energy:-

MVVNL has undertaken several operational, technical, and consumer-centric initiatives aimed at reducing energy losses, optimizing consumption, and improving supply efficiency.

Key measures include:

1. **Distribution System infrastructure strengthening/augmentation/ modernization-**

    - Distribution System infrastructure strengthening through replacement of bare conductor by AB cable, transformer capacity enhancement, and installation of capacitor banks etc.
    - Deployment of electronic and smart meters, replacement of defective meters.
    - Introduction of assisted meter reading, strict monitoring of high-loss pockets and conducting special drive in theft prone area.
    - Strengthening, preventive maintenance of distribution network to improve system efficiency by reducing the system losses.
    - Feeder segregation and enhanced metering at feeders and distribution transformers.

    Impact: Reduction in technical losses, improved voltage profile, improved supply reliability, improvement in billing efficiency and reduction in AT&C losses.

2. **Demand Side Management & Consumer Awareness-**

    - Promotion of LED lighting, energy efficient appliances, and public awareness on efficient energy use.
    - Regular energy audit and monitoring of high consumption consumers to identity opportunities for reducing wastage and pilferage of electricity and for improving efficiency as well.

Impact: Better peak demand management and consumer understanding of efficient energy practices.

3. **Organizational/ in-house measures-**

- Replacement of conventional lighting with energy saving fixtures in offices, workshops and stores.
- Metering of connections of office premises, workshops, stores and Departmental employees and pensioners.
- Conducting internal audits/ Energy Audit and promoting awareness among employees.

Impact: Improved/ Energy efficient Organizational operation, enhanced sense of ownership among employees towards responsible electricity usage.

(ii) The steps taken by the company for utilizing alternate sources of energy: -

1. **Promotion of Solar Rooftop Systems-**

- *PM Surya Ghar-Muft Bijli Yojana:* Facilitating eligible residential consumers in establishment of Grid connected Rooftop solar plant under net-metering arrangement and making them empowered to self-generate cheap/free solar electricity.

  [MVVNL has successfully added 459.2 MW of solar capacity by solarization of 1,32,140 Nos of households so far.]

- *Non-residential Rooftop solar Plant:* Facilitating eligible consumers (other than residential) in establishment of Grid connected Rooftop solar plant under Gross metering or Net Feed-in/ Net billing arrangement and making them empowered to self-generate cheap/free solar electricity.
- Support for domestic, commercial, and institutional rooftop solar through easy steps of clearance, timely approvals, hassle-free load enhancement and system integration.

Impact: Promoting the use of renewable energy, reducing the dependencies on fossil fuels, reducing the load on generation plants, transformation of passive consumer into empowered prosumer.

2. **Solarization of Agriculture Pump/ Feeder: PM-KUSUM Adoption**

   - Facilitation of self-sufficient, greener agriculture sector through solarization of Individual irrigation pumps (PM-KUSUM-Component-C1) as well as agricultural feeders (PM-KUSUM-Component-C2) through distributed solar plants wherever applicable.

   - Facilitating grid integration of solar plant under Net-metering arrangement ensuring utilization of unused energy and revenue optimization for consumers

   Impact: Improvement in clean/renewable energy share, facilitation of environment-friendly and water efficient agriculture, and stabilized rural supply.

3. **Adoption of Solar Power at Substations and Office Buildings-**

   - Installation solar PV systems at selected substations and MVVNL offices.

   Impact: Lower internal energy consumption and demonstration of clean energy adoption.

4. **Procurement and supply of electricity generated through Renewable and alternate sources of energy**

   - MVVNL also procures electricity generated through Renewable and alternate sources.

   - **Green Energy Tariff:** MVVNL supplies Green Energy to environment-conscious consumers in lieu of nominal premium called Green Energy Tariff as approved by Hon'ble UPERC.

   Impact: Greener DISCOM operation and demonstration of clean energy adoption at distribution and consumption end.

(iii) Capital investment on energy conservation equipment

Capital investments are made in energy conservation infrastructure such as:

- Smart meters and AMI (Advanced Metering Infrastructure).
- Capacitor banks for power factor improvement.
- Efficient distribution transformers and LT/HT system strengthening.

- Solar PV installations at office facilities.
- Feeder monitoring equipment and distribution automation systems.

Impact: These investments contribute to reductions in technical losses, improved metering accuracy, and greater operational efficiency.

(B) Technology Absorption: -

(i) Efforts made towards technology absorption-

MVVNL has actively adopted modern technologies in distribution, metering, monitoring, and service delivery. Major efforts include:

1. Installation of 75 lakh smart meter prepaid meter under AMISP.
2. Installation of automatic switching type HT capacitor bank at 33/11 Kv S/s and also fixed type LT capacitor bank on LT feeders Under RDSS LR.
3. Construction of new 33/11Kv S/s, 33/11Kv substation Transformer capacity enhancement and installation of additional Power Transformer under Business Plan.
4. Installation of New Distribution Transformer and Augmentation of existing over loaded Distribution Transformer under Business Plan.
5. Deployment of smart meters, electronic meters and feeder/DT metering under RDSS scheme.
6. Adoption of GIS-based asset mapping, digital dashboards, online monitoring of the system and parameters.
7. Strengthening consumer interface through online portals, WhatsApp services (App Savy, Consumers app, 1912 etc) and ensuring timely as well quality disposal of complaints.
8. Upgradation of IT systems: ERP (HRMS, Billing & Customer Care Systems).
9. Training programs for employees on new technologies and field automation tools.
10. Use of analytics & mobile-based applications for billing and outage management.
11. Use of smart meter for theft detection, daily and hourly monitoring of electricity usage.

(ii) Benefits derived like product improvement, cost reducing, product development or import substitutions-

- Operational Efficiency: Accurate metering, Sustained accuracy, reduction in theft of electricity, reduced losses, improved supply & voltage to consumers & improved fault detection.
- Cost Reduction: Lower AT&C losses, optimized power procurement, reduced transformer failures and outages.
- Service Quality: Enhanced reliability, reduced downtime, enhancement in reliability indices (SAIDI/SAIFI) transparent billing, affordability of power supply to the consumers.
- Higher safety standards in field operations.
- Quick/faster response to the consumer grievance.

Conclusion

MVVNL remains committed to improving system efficiency, loss reduction, digital transformation, and environmental sustainability and aligning with national/state objectives for reliable, sustainable and consumer-centric power distribution through continuous adoption of modern technologies and clean energy initiatives.

Madhyanchal Vidyut Vitran Nigam Limited
Lucknow

Financial Statements
for the
F.Y. 2024-25

Registered Office :- 4-A , GOKHLE MARG , LUCKNOW , UTTAR PRADESH , 226001
CIN:U31200UP2003SGC027459

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHALE MARG, LUCKNOW.

CIN:U31200UP2003SGC027459

FINANCIAL STATEMENTS

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1	Balance Sheet
2	Statement of Profit & Loss
3	Statement of Changes in Equity of Financial Statement
4	Notes (2-28) of Financial Statement
5	Statement of Cash Flow
6	Significant Accounting Policies of Financial Statement - Note No. 1A
7	Notes on Accounts of Financial Statement - Note No. 1B

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHALE MARG, LUCKNOW.

CIN:U31200UP2003SGC027459

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31.03.2025

(₹ in Crore)

Particulars	Note No.	AS AT 31.03.2025	AS AT 31.03.2024
(I) ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	17,893.03	17,953.73
(b) Capital Work-in-Progress	3	2,977.87	1,530.22
(c) Intangible Assets	4	17.08	21.65
(d) Intangible Assets Under Development	5	4.46	-
(e) Financial Assets - Others	6	469.24	573.57
(2) Current Assets			
(a) Inventories	7	1,213.54	908.64
(b) Financial Assets			
(i) Trade Receivables	8	16,519.19	17,304.81
(ii) Cash and Cash Equivalents	9	414.36	675.91
(iii) Bank balances other than (ii) above	9 (A)	4.91	2.85
(iv) Others	10	2,625.55	2,166.19
(c) Other Current Assets	11	561.30	1,103.04
Total Assets		**42,700.53**	**42,240.61**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	12	27,678.81	24,232.49
(b) Other Equity	13	-18,938.57	-15,987.04
(2) Liabilities			
(A) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	9,507.25	11,849.93
(ii) Other Financial Liabilities	15	1,711.67	1,508.85
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	4,959.93	3,948.91
(ii) Trade Payables	17		
Total Outstanding dues of micro and small enterprises		-	-
Total Outstanding dues of Creditors other than micro and small enterprises		9,645.22	8,683.88
(iii) Other Financial Liabilities	18	8,136.22	8,003.59
Significant Accounting Policies of Financial Statement	1A		
Notes on Accounts of Financial Statement	1B		
Note 1 to 28 form integral part of Accounts.			
Total Equity and Liabilities		**42,700.53**	**42,240.61**

(Abha Sethi Tandon)
Company Secretary
MVVNL, Lucknow
M.No.: F6733

(S.K. Awasthi)
Chief Financial Officer
MVVNL, Lucknow
PAN: ABZPA3817F

(Manoj Bansal)
Director (Finance)
MVVNL, Lucknow
DIN: 10427842

(Riya Kejriwal)
Managing Director
MVVNL, Lucknow
DIN: 11020051

Place: Lucknow
Date: 28/05/2025
UDIN: 25072818BMLDAZ6518

As per our separate report of even date annexed
For S.N. Gupta & Associates
(Chartered Accountants)
FRN: 003817C

S.N. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

(Shiv Narain Gupta)
Partner
M.No.: 072818

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A GOKHALE MARG, LUCKNOW.
CIN:U31200UP2003SGC027459
FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31.03.2025

(₹ in Crore)

	Particulars	Note No.	For the Year ended 31.03.2025	For the Year ended 31.03.2024
I	Revenue From Operations	19	14,452.83	14,580.48
II	Other Income	20	6,771.83	8,282.88
III	**Total Income (I+II)**		**21,224.66**	**22,863.36**
IV	**EXPENSES**			
1	Purchases of Stock-in-Trade (Power Purchased)	21	17,754.09	16,260.78
2	Employee Benefits Expense	22	842.54	649.47
3	Finance Costs	23	1,613.13	1,739.53
4	Depreciation and Amortization Expenses	24	1,216.03	1,084.94
5	Administration, General & Other Expenses	25	716.83	664.76
6	Repairs and Maintenance	26	654.13	658.27
7	Bad Debts & Provisions	27	1,914.82	3,136.62
	Total Expenses (IV)		**24,711.57**	**24,194.37**
V	Profit/(Loss) before Exceptional Items and Tax (III-IV)		-3,486.91	-1,331.01
VI	Exceptional Items	28	-30.19	-28.20
VII	**Profit/(Loss) before Tax (V(+/-)VI)**		**-3,517.10**	**-1,359.21**
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	**Profit (Loss) for the period from continuing operations (VII-VIII)**		**-3,517.10**	**-1,359.21**
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)**		**-3,517.10**	**-1,359.21**
XIV	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to profit or loss- Remeasurement of Defined Benefit Plans (Acturial Gain or Loss)		-3.75	-10.82
	(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)**		**-3,520.85**	**-1,370.03**
XVI	**Earnings per equity share (continuing operation) :**			
	(1) Basic		-133.71	-59.17
	(2) Diluted		-133.71	-59.17
XVII	**Earnings per equity share (for discontinued operation) :**			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	**Earnings per equity share (for discontinued & continuing operations)**			
	(1) Basic		-133.71	-59.17
	(2) Diluted		-133.71	-59.17
	Significant Accounting Policies of Financial Statement	1A		
	Notes on Accounts of Financial Statement	1B		
	Note 1 to 28 form integral part of Accounts.			

(Abha Sethi Tandon)
Company Secretary
MVVNL, Lucknow
M.No.: F6733

(S.K. Awasthi)
Chief Financial Officer
MVVNL, Lucknow
PAN: ABZPA3817F

(Manoj Bansal)
Director (Finance)
MVVNL, Lucknow
DIN:10427842

(Riya Kejriwal)
Managing Director
MVVNL, Lucknow
DIN: 11020051

Place:Lucknow
Date:28/05/2025
UDIN: 25072818BMLDAZ6518

As per our separate report of even date annexed
For S.N. Gupta & Associates
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FRN: 003817C

(Shiv Narain Gupta)
Partner
M.No.: 072818

S.N. GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A GOKHALE MARG, LUCKNOW.
CIN:U31200UP2003SGC027459
FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

(₹ in Crore)

A. EQUITY SHARE CAPITAL AS AT 31.03.2025

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
24,232.49	3,446.32	0.00	27,678.81

B. OTHER EQUITY AS AT 31.03.2025

Particulars	Share application money pending allotment	Capital Reserve	Restructuring Reserve	General Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	1,593.72	4,134.32	-	-	-21,715.08	-15,987.04
Profit/(Loss) for the Period	-	-	-	-	-3,517.10	-3,517.10
Other Comprehensive Income for the Period	-	-	-	-	-3.75	-3.75
Net Total Comprehensive Income/(Loss) for the reporting period	-	-	-	-	-3,520.85	-3,520.85
Addition during the Period	-	553.39	-	-	-	553.39
Reduction during the Period	-	-218.29	-	-	-	-218.29
Share Application Money Received	3,680.54	-	-	-	-	3,680.54
Share Allotted against Appliation Money	-3,446.32	-	-	-	-	-3,446.32
Balance at the end of the reporting period	1,827.94	4,469.42	-	-	-25,235.93	-18,938.57
Net Balance at the end of the reporting period						**-18,938.57**

(₹ in Crore)

A. EQUITY SHARE CAPITAL AS AT 31.03.2024

Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Change in Equity Share Capital due to Prior Period Errors	Balance at the end of the reporting period
22,784.46	1,448.03	0.00	24,232.49

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 Year	606.56	3,833.47	-	-	-20,345.05	-15,905.02
Profit/(Loss) for the Year	-	-	-	-	-1,359.21	-1,359.21
Other Comprehensive Income for the Year	-	-	-	-	-10.82	-10.82
Net Total Comprehensive Income/(Loss) for the reporting period	-	-	-	-	-1,370.03	-1,370.03
Addition during the Year	-	503.26	-	-	-	503.26
Reduction during the Year	-	-202.41	-	-	-	-202.41
Share Application Money Received	2,435.19	-	-	-	-	2,435.19
Share Allotted against Appliation Money	-1,448.03	-	-	-	-	-1,448.03
Balance at the end of the reporting period	1,593.72	4,134.32	-	-	-21,715.08	-15,987.04
Net Balance at the end of the reporting period						**-15,987.04**

(Abha Sethi Tandon)
Company Secretary
MVVNL, Lucknow
M.No.: F6733

(S.K. Awasthi)
Chief Financial Officer
MVVNL, Lucknow
PAN: ABZPA3817F

(Manoj Bansal)
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S.N. GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHALE MARG, LUCKNOW.

CIN:U31200UP2003SGC027459

FINANCIAL STATEMENTS

NOTE-2

PROPERTY, PLANT & EQUIPMENT

(₹ in Crore)

Particulars	Gross Block				Depreciation				Net Block	
	AS AT 01.04.2024	Addition	Adjustment/ Deletion	AS AT 31.03.2025	AS AT 01.04.2024	Addition	Adjustment/ Deletion	AS AT 31.03.2025	AS AT 31.03.2025	AS AT 31.03.2024
Land & Land Rights	1.07	-	-	1.07	0.20	-	-	0.20	0.87	0.87
Buildings	310.44	7.13	-	317.57	89.46	10.18	-	99.64	217.93	220.98
Other Civil Works	14.17	0.15	-	14.32	8.53	0.34	-	8.87	5.45	5.64
Plant & Machinery	6,787.18	131.26	-	6,918.44	1,264.29	353.03	-	1,617.32	5,301.12	5,522.89
Lines, Cable Networks etc.	15,675.42	1,011.20	-	16,686.62	3,507.54	845.73	-	4,353.27	12,333.35	12,167.88
Vehicles	6.11	-	-	6.11	5.91	0.11	-	6.02	0.09	0.20
Furniture & Fixtures	14.42	-	-	14.42	9.02	0.20	-	9.22	5.20	5.40
Office Equipments	157.05	0.44	-	157.49	127.18	1.29	-	128.47	29.02	29.87
Total	**22,965.86**	**1,150.18**	**-**	**24,116.04**	**5,012.13**	**1,210.88**	**-**	**6,223.01**	**17,893.03**	**17,953.73**

NOTE-2

PROPERTY, PLANT & EQUIPMENT

(₹ in Crore)

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 01.04.2023
Land & Land Rights	1.07	-	-	1.07	0.46	-0.26	-	0.20	0.87	0.61
Buildings	300.42	10.02	-	310.44	79.58	9.88	-	89.46	220.98	220.84
Other Civil Works	14.17	-	-	14.17	8.05	0.48	-	8.53	5.64	6.12
Plant & Machinery	6,242.84	1,357.69	813.35	6,787.18	1,339.99	341.75	417.45	1,264.29	5,522.89	4,902.85
Lines, Cable Networks etc.	14,936.08	767.34	28.00	15,675.42	2,470.06	1,089.75	52.27	3,507.54	12,167.88	12,466.02
Vehicles	6.41	-	0.30	6.11	5.82	0.09	-	5.91	0.20	0.59
Furniture & Fixtures	14.08	0.34	-	14.42	8.30	0.72	-	9.02	5.40	5.78
Office Equipments	155.57	1.48	-	157.05	117.36	9.82	-	127.18	29.87	38.21
Total	**21,670.64**	**2,136.87**	**841.65**	**22,965.86**	**4,029.62**	**1,452.23**	**469.72**	**5,012.13**	**17,953.73**	**17,641.02**

S N GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHALE MARG, LUCKNOW.

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FINANCIAL STATEMENTS

Note-3

CAPITAL WORKS IN PROGRESS

(₹ in Crore)

Particulars	AS AT 01.04.2024	Additions	Deductions/ Adjustments	Capitalised During the Year	AS AT 31.03.2025
Capital Work in Progress*	900.48	3,199.24	-	-1,150.18	2,949.54
Advance to Supplier/Contractor	629.74	408.01	-1,009.42	-	28.33
Total	**1,530.22**	**3,607.25**	**-1,009.42**	**-1,150.18**	**2,977.87**

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*	152.38	2,884.16	0.81	-2,136.87	900.48
Advance to Supplier/Contractor	109.84	906.62	-386.72	-	629.74
Total	**262.22**	**3,790.78**	**-385.91**	**-2,136.87**	**1,530.22**

Note: *Includes establishment cost related to works.



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Note- 4

Intangible Assets

(₹ in Crore)

Particulars	Gross Block				Amortisation				Net Block	
	AS AT 01.04.2024	Addition	Adjustment/ Deletion	AS AT 31.03.2025	AS AT 01.04.2024	Addition	Adjustment/ Deletion	AS AT 31.03.2025	AS AT 31.03.2025	AS AT 31.03.2024
Software	32.41	0.58	-	32.99	10.76	5.15	-	15.91	17.08	21.65
Total	**32.41**	**0.58**	**-**	**32.99**	**10.76**	**5.15**	**-**	**15.91**	**17.08**	**21.65**

Note- 4

Intangible Assets

(₹ in Crore)

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 01.04.2023
Software	27.98	4.43	-	32.41	-	10.76	-	10.76	21.65	27.98
Total	**27.98**	**4.43**	**-**	**32.41**	**-**	**10.76**	**-**	**10.76**	**21.65**	**27.98**

Note 5

Intangible Assets under Development

(₹ in Crore)

Particulars	Gross Block			
	AS AT 01.04.2024	Addition	Adjustment/ Capitalised	AS AT 31.03.2025
Software	-	5.04	0.58	4.46
Total	**-**	**5.04**	**0.58**	**4.46**

Note 5

Intangible Assets under Development

(₹ in Crore)

Particulars	Gross Block			
	AS AT 01.04.2023	Addition	Adjustment/ Capitalised	AS AT 31.03.2024
Software	0.36	4.07	4.43	-
Total	**0.36**	**4.07**	**4.43**	**-**

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

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Note-6

FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025	AS AT 31.03.2024
Receivable from Govt. of U.P (Aatmnirbhar Scheme)	460.17	572.28
Asset Migration Account*	9.07	1.29
Total	**469.24**	**573.57**

*Note:- Refer point no.40 of Notes on Accounts annexed with the Financial Statements.

Note-7

INVENTORIES

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
(a) Stores and Spares				
Stock of Materials - Capital Works	864.47		649.74	
Stock of Materials - O&M	327.27	1,191.74	246.00	895.74
(b) Others*		63.56		54.66
		1,255.30		950.40
Provision for Unserviceable Stores		-41.76		-41.76
Total		**1,213.54**		**908.64**

*Note:- Other materials includes material issued to fabricators, obsolete material, scrap, transformer sent for repairs, store excess/shortage pending for investigation.

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FINANCIAL STATEMENTS

Note-8

FINANCIAL ASSETS - TRADE RECEIVABLES (CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
Trade Receivables outstanding from Customers on account of Sale of Power				
Secured & Considered good*	877.42		799.59	
Unsecured & considered good	14,208.73		15,134.64	
Unsecured & Credit Impaired	12,184.63	27,270.78	10,522.16	26,456.39
Trade Receivables outstanding from Customers on account of Eletricity Duty				
Secured & Considered good*	83.35		68.78	
Unsecured & considered good	1,349.69		1,301.80	
Unsecured & Credit Impaired	1,157.42	2,590.46	905.07	2,275.65
Sub-Total		**29,861.24**		**28,732.04**
Allowance for Bad & Doubtful Debts		-13,342.05		-11,427.23
Total**		**16,519.19**		**17,304.81**

Note:- *Trade receivables are secured to the extent liability for Security Deposit of Rs.960.77 Crores (Previous Year Rs. 868.37 Crores) from consumers as referred in Note-15.

** The carrying amount of Trade Receivables includes unbilled Revenue of Rs.761.95 Crores (Previous Year Rs.838.36 Crores).

Note-9

FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
(a) Balance with Banks				
In Current & Other Account				
Earmarked Bank A/c		16.97		72.98
Others		371.80		570.92
In Fixed Deposit Accounts (with original maturity upto 3 months)				
Earmarked Bank A/c FD	6.97		11.61	
Others***	3.78	10.75	2.83	14.44
(b) Cash/ Cheques/ Drafts in Hand				
Cash in Hand (Including Stamps in Hands)	13.51		14.11	
Cheque/Drafts in Hand	1.30		3.46	
Cash imprest with Staff	0.03	14.84	-	17.57
Total		**414.36**		**675.91**

Note-9 (A)

FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE (CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025	AS AT 31.03.2024
Deposit with original maturity of more than 3 months but less than 12 months		
A. Earmarked Balances	-	-
B. Other than Earmarked Balances* **	4.91	2.85
Total	**4.91**	**2.85**

Note -***Above Deposits are pledged for issuance of Bank Guarantees to the extent of ₹5.36 Crores as at 31.03.2025 (Previous Year ₹ 3.05 Crores) as shown in point no. 21(F) of Notes on Accounts annexed with the Financial Statements.

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Note-10

FINANCIAL ASSETS - OTHERS (CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
Receivables (unsecured)				
Receivable from Govt. of UP		425.17		465.57
Receivable from Govt. of UP (Aatmnirbhar Scheme)		112.10		112.10
Uttar Pradesh Power Corporation Limited				
Receivable -UPPCL	2,778.74		2,255.75	
Payable -UPPCL	-1,804.57	974.17	-1,757.00	498.75
Uttrakhand PCL				
Receivable - Uttrakhand PCL		0.01		0.01
UPPTCL				
Receivable -UPPTCL		276.52		279.09
Other Subsidiaries of Holding Company (UPPCL)				
KESCO	9.15		6.76	
DVVNL	102.38		102.19	
PVVNL	80.48		80.00	
PuVVNL	80.21	272.22	79.16	268.11
Employees (Receivables)		21.98		69.43
Other Receivables		281.94		281.61
Receivable on account of Loan (Unsecured)				
UPPCL (Loan & Other (Unsecured))	27,043.36		22,420.18	
Less: Liabilities against Loan (Unsecured)	-26,781.92	261.44	-22,228.66	191.52
Theft of Fixed Assets Pending Investigation	5.22		5.22	
Allowances for estimated Losses	-5.22	-	-5.22	-
Total		**2,625.55**		**2,166.19**

Note-11

OTHER CURRENT ASSETS

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
Advances (Unsecured/Considered Good)				
Suppliers/Contractors	196.07		302.82	
Less: Allowances for Doubtful Advances	-0.17	195.90	-0.17	302.65
Tax Deducted at source		6.25		5.57
Income Accrued & but not Due		1.27		0.13
Inter Unit Transfers		357.88		794.69
Total		**561.30**		**1,103.04**

S N GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW ★

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Note-12

EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	AS AT 31.03.2025	AS AT 31.03.2024
(A) AUTHORISED :		
300000000 (Previous Year 300000000) Equity shares of par value Rs.1000/- each	30,000.00	30,000.00
(B) ISSUED SUBSCRIBED AND FULLY PAID UP		
276788060 (Previous Year 242324900) Equity shares of par value Rs. 1000/- each	27,678.81	24,232.49
Total	**27,678.81**	**24,232.49**

a) During the year, The Company has issued 34463160 Equity Shares of Rs. 1000 each to UPPCL only and has not bought back any shares.

b) The Company has only one class of equity shares having par value of Rs. 1000/- per share.

c) During the year ended 31st March,2025 (Previous year 31st March 2024), 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 31.03.2025		AS AT 31.03.2024	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
U.P Power Corporation Limited and its Nominees	276788060	100	242324900	100

e) Reconciliation of No. of Shares

No. of Shares as on 01.04.2024	Issued During the Period	Buy Back during the Period	No. of Shares as on 31.03.2025
242324900	34463160	0	276788060

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
227844577	14480323	0	242324900

f) Details of shareholding of promoters:

	Shares held by Promoters					
	AS AT 31.03.2025			AS AT 31.03.2024		
Promoter Name	No. of shares	%age of total shares	%age changes during the year	No. of shares	%age of total shares	%age changes during the year
U.P Power Corporation Limited and its Nominees	276788060	100%	NIL	242324900	100%	NIL

Note-13

OTHER EQUITY

(₹ in Crore)

Particulars	AS AT 31.03.2025			AS AT 31.03.2024		
A. Share Application Money (Pending For Allotment)						
As per last Financial Statement		1,593.72			606.56	
Add: Received during the quarter/year		3,680.54			2,435.19	
Less:Shares alloted during the year		-3,446.32	1,827.94		-1,448.03	1,593.72
B. Capital Reserve						
(i) Consumers Contributions towards Service Line and other charges						
As per last Financial Statement	3,049.26			2,852.51		
Add: Received during the quarter/year	470.89			347.36		
Less: Transfer to Statement of P&L Account	-161.00	3,359.15		-150.61	3,049.26	
(i) Subsidies towards Cost of Capital Assets./Repayment of Loan						
As per last Financial Statement	1,079.19			974.76		
Add: Received during the quarter/year	82.50			155.90		
Less: Transfer to Statement of P&L Account	-56.98	1,104.71		-51.47	1,079.19	
(ii) APDRP Grant/Other Grants						
As per last Financial Statement	5.87			6.20		
Add: Received during the quarter/year	-			-		
Less: Transfer to Statement of P&L Account	-0.31	5.56	4,469.42	-0.33	5.87	4,134.32
C. Restructuring Reserve*			-			-
D. Surplus in Statement of P&L						
Opening Balance		-21,715.08			-20,345.05	
Add: Profit/(Loss) for the year		-3,517.10			-1,359.21	
Add: Other Comprehensive Income/(Loss)		-3.75	-25,235.93		-10.82	-21,715.08
Total			**-18,938.57**			**-15,987.04**

Note-* The Closing Balance of Restructuring Reserve as on 31.03.2025 is Rs. 301/- (Prev. Year Rs. 301/-), since the figures of Financial Statement are stated in Crores, it is being reflected as zero.

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Note-14

FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
(A) Loans directly availed by company				
(1) SECURED LOANS				
(i) Rural Electrification Corporation Ltd.(REC)				
R-APDRP Part-B (REC)	60.22		91.59	
Saubhagya	416.97		483.45	
DDUGGY	210.97		244.64	
(ii) Power Finance Corporation Ltd.(PFC)				
R-APDRP Part-B (PFC)	469.20		537.15	
IPDS	142.75		157.32	
AB CABLE	99.35	1,399.46	107.09	1,621.24
(B) Payable to UPPCL on account of Loan/Bond				
(1) SECURED LOANS/BONDS				
8.48% Rated Listed Bonds	101.23		202.46	
8.97% Rated Listed Bonds	182.84		365.69	
9.70% Rated Listed Bonds	1,056.90		1,233.05	
9.75% Rated Listed Bonds	200.22		314.63	
9.95% Rated Listed Bonds	759.15		885.68	
10.15% Rated Listed Bonds	312.40	2,612.74	468.60	3,470.11
(2) UNSECURED LOANS/ BONDS				
9.70 % UDAY Bond / Bonds	1,060.49		1,252.88	
REC (Unsecured Loans)	2,220.18		2,732.53	
PFC (Unsecured Loans)	2,111.89		2,773.17	
HUDCO (Unsecured Loans)	102.49	5,495.05	-	6,758.58
Total	**9,507.25**		**11,849.93**	

Note:- Refer point no. 7 of Notes on Accounts annexed with the Financial Statements.

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

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Note-15

FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025	AS AT 31.03.2024
Security Deposits From Consumers	960.77	868.37
Liability/Provision for Leave Encashment	449.53	398.21
Liability for Gratuity on CPF Employees	277.83	220.86
Liability Migration Account*	23.54	21.41
Total	**1,711.67**	**1,508.85**

*Note:- Refer point no.40 of Notes on Accounts annexed with the Financial Statements.

Note-16

FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
Current Maturity of Long Term Borrowings*	4,830.32		3,802.56	
Interest Accrued but not Due on Borrowings	129.61	4,959.93	146.35	3,948.91
Total		**4,959.93**		**3,948.91**

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

Note-17

FINANCIAL LIABILITIES - TRADE PAYABLE (CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
Liability for Purchase of Power of Discoms	8,691.50		7,540.55	
Liabilitiy for Wheeling/Transmission charges	953.72	9,645.22	1,143.33	8,683.88
Total		**9,645.22**		**8,683.88**

S N GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW

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FINANCIAL STATEMENTS

Annexure to Note - 16

Statement of Current Maturity of Long-Term Borrowings

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
(A) Loans directly availed by company				
(1) SECURED LOANS				
(i) Rural Electrification Corporation Ltd.(REC)				
R-APDRP Part-B (REC)	31.37		31.37	
Saubhagya	66.48		66.48	
DDUGGY	33.67		33.67	
(ii) Power Finance Corporation Ltd.(PFC)				
R-APDRP Part-B (PFC)	67.95		64.77	
IPDS	14.58		14.57	
AB CABLE	7.73	221.78	7.73	218.59
(B) Payable to UPPCL on account of Loan/Bond				
(1) SECURED LOANS/BONDS				
8.48% Rated Listed Bonds	101.23		101.23	
8.97% Rated Listed Bonds	182.84		182.84	
9.70% Rated Listed Bonds	176.15		176.15	
9.75% Rated Listed Bonds	114.41		114.41	
9.95% Rated Listed Bonds	126.53		126.53	
10.15% Rated Listed Bonds	156.20	857.36	156.20	857.36
(2) UNSECURED LOANS/ BONDS				
9.70 % UDAY Bond / Bonds	192.38		192.38	
REC (Unsecured Loans)	1,601.79		1,065.84	
PFC (Unsecured Loans)	1,922.85		1,468.39	
HUDCO (Unsecured Loans)	34.16	3,751.18	-	2,726.61
Total	**4,830.32**		**3,802.56**	

S N GUPTA & ASSOCIATES ★ LUCKNOW ★ CHARTERED ACCOUNTANTS

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FINANCIAL STATEMENTS

Note-18

OTHER FINANACIAL LIABILITIES(CURRENT)

(₹ in Crore)

Particulars	AS AT 31.03.2025		AS AT 31.03.2024	
Liability for Supplies/Works:				
-Capital Nature supplies/ works	350.53		727.05	
-O&M Nature supplies/ works	26.65	377.18	36.87	763.92
Deposits & Retentions :				
- From Suppliers & others	1,271.24		1,435.75	
- For Electrification works	547.11	1,818.35	499.32	1,935.07
Liability towards CPF Trust:				
-UPPCL CPF Trust	0.40		1.47	
-Provision for interest on CPF	5.91	6.31	5.70	7.17
Liabilties towards UP Power Sector Employees Trust:				
-Provident Fund	191.87		179.55	
-Pension & Gratuity on GPF	105.89		113.82	
-Provision for interest on GPF	254.52	552.28	241.12	534.49
Provision for Loss incurred by CPF Trust		189.63		177.06
Provision for Loss incurred by GPF Trust		265.85		248.23
Gratuity on CPF		9.81		10.03
Liability for Leave Encashment		27.51		27.27
Staff related liabilities		153.95		162.31
Interest on Security Deposit from Consumer		111.08		80.61
Sundry Liabilities		1,081.40		934.86
Electricity Duty & other levies payable to govt.*		3,451.67		3,055.21
Liabilities for Expenses		87.76		64.52
Payable to UPRVUNL		0.03		0.03
Advance from consumers**		3.41		2.81
Total		**8,136.22**		**8,003.59**

*Note:- Refer point no.12 of Notes on Accounts annexed with the Financial Statements.

**Note:- Refer point no. 42 of Notes on Accounts annexed with the Financial Statements.

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Note-19

REVENUE FROM OPERATIONS (GROSS)

(₹ in Crore)

Particulars		For the Year ended 31.03.2025		For the Year ended 31.03.2024	
Large Supply Consumer					
Large & Heavy Power (HV-2)		3,312.80		3,118.44	
Railway Traction (HV-3)		14.85		17.06	
Lift Irrigation Works (HV-4)		59.88	3,387.53	52.37	3,187.87
Medium & Small Supply Consumers					
Domestic Light Fan & Power (LMV-1)		6,689.28		6,022.48	
Non domestic Light Fan & Power (LMV-2)		2,207.20		2,034.31	
Public Lamps (LMV-3)		324.33		658.13	
Light, Fan & Power for Public/Private Institution (LMV-4)		138.48		330.68	
Small Power for Private tube wells / Pumping sets for irrigation purposes (LMV-5)		298.96		474.88	
Small & Medium Power (LMV-6)		341.93		343.43	
Public Water Works (LMV-7)		321.96		706.76	
State tube wells / Panchayti raj tube well & pumped canals (LMV-8)		230.64		300.73	
Temporary Supply (LMV-9)		108.06		93.83	
Departmental Employees (LMV-10)		29.12		43.23	
Electrical Vehicle Charging (LMV-11)		10.42	10,700.38	7.87	11,016.33
Other Operating Revenue					
Extra State Consumer		0.23		11.72	
Wheeling Charges from open access consumers		31.91		15.93	
Cross Subsidy from open access consumers		20.83		14.24	
Miscelleneous Charges form Consumers		0.61		19.98	
Energy Internally Consumed		311.34		314.41	
Electricity Duty		965.62	1,330.54	693.50	1,069.78
			15,418.45		**15,273.98**
Less: Electricity Duty			-965.62		-693.50
Total			**14,452.83**		**14,580.48**

S N GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHALE MARG, LUCKNOW.

CIN:U31200UP2003SGC027459

FINANCIAL STATEMENTS

Note-20

OTHER INCOME

(₹ in Crore)

Particulars	For the Year ended 31.03.2025		For the Year ended 31.03.2024	
(a) Subsidy :				
(i) Tariff Subsidy				
Agriculture or RE Subsidy from Govt. of U.P.	527.89		458.56	
Revenue Subsidy from Govt. of U.P.	3,253.54		2,937.65	
Subsidy adjusted against Electricity Duty	571.88		549.32	
Subsidy from Govt. against UPERC order	-		77.54	
(ii) Other Subsidy				
Subsidy for Operational Losses	1,283.00		3,229.45	
Subsidy against UDAY	-	5,636.31	117.63	7,370.15
(b) Interest from :				
Fixed Deposits	48.34		9.58	
Banks (Other than on Fixed Deposits)	0.86		13.77	
Bonds	1.89		-	
Others	5.18	56.27	-	23.35
(c) Other non operating income				
Late Payment Surcharges	471.40		508.08	
Income from Contractors/Suppliers	0.03		78.41	
Rental from Staff	0.16		0.06	
Amortisation of Consumer Contribution, Grant & Others	218.29		202.41	
Miscellaneous Income/ Receipts	32.81		7.86	
Excess found on Verification of Stores*	-		-	
Sale of Scrap	52.70		79.09	
Penalty from Contractors	18.19		10.32	
Sale of Tender Forms	2.51		3.15	
Liabilities/Provision written back	283.16	1,079.25	-	889.38
Total		**6,771.83**		**8,282.88**

* Note:- The amount of Excess found on Verification of Stores for the year ended 31.03.2025 is Rs.29930/-(Prev. Year Rs.17382/-),since figures of Financial Statement are stated in Crores, it is being reflected as zero.

S.N. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHALE MARG, LUCKNOW.

CIN:U31200UP2003SGC027459

FINANCIAL STATEMENTS

Note-21

PURCHASE OF POWER

(₹ in Crore)

Particulars	For the Year ended 31.03.2025	For the Year ended 31.03.2024
1. Power Purchase from:		
-Through UPPCL	16,949.10	15,521.51
2. Transmission/ Wheeling Charges		
-Transmission & Related Charges	804.99	739.27
Total	**17,754.09**	**16,260.78**

S. N. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A GOKHALE MARG, LUCKNOW.
CIN:U31200UP2003SGC027459
FINANCIAL STATEMENTS

Note-22

EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Particulars	For the Year ended 31.03.2025	For the Year ended 31.03.2024
Salaries & Allowances	467.13	466.41
Dearness Allowances	240.06	207.94
Other Allowances	28.36	28.71
Bonus/Ex.Gratia	0.63	2.08
Medical Expenses (Reimbursement)	9.39	9.87
Earned Leave Encashment	81.27	66.79
Compensation	0.21	0.09
Staff Welfare Expenses	0.31	0.32
Pension & Gratuity	87.73	36.62
Other Terminal Benefits	48.85	64.11
Interest on GPF (General Provident Fund)	13.40	30.32
Interest on CPF (Contributory Provident Fund)	0.20	0.53
Sub Total	**977.54**	**914.39**
Expense Capitalised	-135.00	-264.92
Total	**842.54**	**649.47**

Note-23

FINANCE COST

(₹ in Crore)

Particulars	For the Year ended 31.03.2025		For the Year ended 31.03.2024	
(a) Other borrowing costs				
Finance Charges/Cost of Raising Fund	3.33		2.00	
Bank Charges	2.72		11.01	
Guarantee Charges	4.27	10.32	0.03	13.04
(b) Interest on Loans				
(1) Secured Loans				
(i) REC	95.58		111.58	
(ii) PFC	98.78		107.77	
(2) Secured Loans/Bonds payable to UPPCL	378.35		443.20	
(3) Unsecured Loans/Bonds payable to UPPCL	970.29	1,543.00	1,033.36	1,695.91
(c) Other Interests				
Interest to Consumers		59.81		30.58
Total		**1,613.13**		**1,739.53**

S N GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHALE MARG, LUCKNOW.

CIN:U31200UP2003SGC027459

FINANCIAL STATEMENTS

Note-24

DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Crore)

Particulars	For the Year ended 31.03.2025	For the Year ended 31.03.2024
Depreciation on :-		
Buildings	10.18	9.88
Other Civil Works	0.34	0.48
Plant & Machinary	353.03	313.72
Lines Cables Networks etc.	845.73	744.56
Vehicles	0.11	0.09
Furnitures & Fixtures	0.20	0.72
Office Equipments	1.29	9.80
Intangible Assets	5.15	10.76
Capital Expenditure on Assets not pertaining to Company	-	-5.07
Total	**1,216.03**	**1,084.94**

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHALE MARG, LUCKNOW.

CIN:U31200UP2003SGC027459

FINANCIAL STATEMENTS

Note-25

ADMINISTRATION, GENERAL & OTHER EXPENSES

(₹ in Crore)

Particulars	For the Year ended 31.03.2025	For the Year ended 31.03.2024
Rent	0.52	0.71
Rates & Taxes	6.79	14.23
Insurance	1.22	1.63
Communication Charges	7.70	9.80
Legal Charges	4.45	6.67
Auditors Remuneration & Expenses	1.22	1.01
Consultancy Charges	1.49	3.90
Licence Fees	6.44	6.54
Technical Fees & Professional Charges	11.41	12.58
Travelling & Conveyance	29.39	20.43
Printing & Stationary	4.23	5.05
Advertisement Expenses	2.48	2.45
Electricity Charges	311.34	314.41
Water Charges	0.06	0.13
Miscellaneous Expenses	18.35	17.76
Expenses incurred for Revenue Realisation	36.47	1.25
Workmen Compensation	12.81	16.51
Vehicle Expenses	5.48	7.64
Expenses for CGRF	0.08	-
Online, Spot Billing & Camp Charges	206.48	176.11
Payment to Contractual Persons	48.42	44.71
Transmission Bay Charges	-	1.24
Total	**716.83**	**664.76**

S N GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A GOKHALE MARG, LUCKNOW.
CIN:U31200UP2003SGC027459
FINANCIAL STATEMENTS

Note-26

REPAIRS AND MAINTENANCE

(₹ in Crore)

Particulars	For the Year ended 31.03.2025	For the Year ended 31.03.2024
Plant & Machinary	107.48	43.31
Buildings	1.19	4.10
Other Civil Works	11.05	16.97
Lines, Cables Networks etc.	161.58	224.54
Furnitures & Fixtures	0.14	0.10
Office Equipments	3.48	5.16
Payment to Contractual Persons	369.21	364.09
Total	**654.13**	**658.27**

Note-27

BAD DEBTS & PROVISIONS

(₹ in Crore)

Particulars	For the Year ended 31.03.2025	For the Year ended 31.03.2024
(A) Provision for Bad & Doubt Debts on		
(i) Current Assets		
Financial Assets- Trade Receivables	1,914.82	3,136.62
Total	**1,914.82**	**3,136.62**

Note-28

EXCEPTIONAL ITEMS

(₹ in Crore)

Particulars	For the Year ended 31.03.2025	For the Year ended 31.03.2024
Provision for loss being incurred by GPF Trust	17.62	16.46
Provision for loss being incurred by CPF Trust	12.57	11.74
Total (A+B)	**30.19**	**28.20**

Note:- Refer point no. 34 of Notes on Accounts annexed with the Financial Statements.

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHALE MARG, LUCKNOW.

CIN:U31200UP2003SGC027459

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2025

(₹ in Crores)

	Particulars	AS AT 31.03.2025	AS AT 31.03.2024
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/ (Loss) Before Taxation & Exceptional items	-3,486.91	-1,331.01
	Adjustment For:		
a	Depreciation	1,216.03	1,084.94
b	Interest & Financial Charges	1,613.13	1,739.53
c	Bad Debts & Provision	1,914.82	3,136.62
d	Interest Income	-56.27	-23.35
	Sub Total	**4,687.71**	**5,937.74**
	Operating Profit Before Working Capital Change	**1,200.80**	**4,606.73**
	Adjustment for:		
a	Inventories	-304.90	-185.53
b	Trade Receivable	-1,129.20	-218.79
c	Other Current Assets	541.74	-196.05
d	Financial assets-others	-459.36	-249.55
e	Other financial Liab.	98.69	1,019.66
f	Financial Liabilities-Borrowings	1,011.02	236.86
g	Trade Payable	961.34	-1,202.27
h	Bank balance other than cash	-2.06	-2.20
	Sub Total	**717.27**	**-797.87**
	NET CASH FROM OPERATING ACTIVITIES (A)	**1,918.07**	**3,808.86**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
a	Decrease (Increase) in Property,Plant & Equipment	-2,597.83	-2,659.96
b	(Increase)/Decrease in Investments	-	-
c	Decrease/(Increase) in Loans & Other financial assets Non-current Assets	104.33	124.26
d	Interest Incomes	56.27	23.35
e	Decrease (Increase) in Intangible assets	-0.58	-4.43
f	Decrease (Increase) in Intangible assets under development	-4.46	0.36
g	Decrease (Increase) in Asset not in possesion	-	11.96
	NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	**-2,442.27**	**-2,504.46**
C	**CASH FLOW FROM FINANCING ACITIVITIES**		
a	Proceeds from Borrowing	-2,342.68	-2,504.86
b	Proceeds from Share Capital	3,446.32	1,448.03
c	Proceed from other equity	569.32	1,288.01
d	Other long term liabilities	202.82	179.96
e	Interest & Financial Charges	-1,613.13	-1,739.53
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**262.65**	**-1,328.39**
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		**-261.55**	**-23.99**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**675.91**	**699.90**
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note no.9 (A))		**414.36**	**675.91**

(i) This Statement has been prepared under indirect method as prescribed by Ind AS-07

(ii) Cash and cash equivalent consists of cash in hand, bank balances with scheduled banks and fixed deposits with banks.

(iii) Previous year figures have been regrouped and reclassifed wherever considered necessary.

(Abha Sethi Tandon)	(S.K. Awasthi)	(Manoj Bansal)	(Riya Kejriwal)
Company Secretary	Chief Financial Officer	Director (Finance)	Managing Director
MVVNL, Lucknow	MVVNL, Lucknow	MVVNL, Lucknow	MVVNL, Lucknow
M.No.: F6733	PAN: ABZPA3817F	DIN:10427842	DIN: 11020051

Place:Lucknow
Date:28/05/2025
UDIN:25072818BMLDAZ6518

As per our separate report of even date annexed
For S.N. Gupta & Associates
(Chartered Accountants)
FRN: 003817C

S.N. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

(Shiv Narain Gupta)
Partner
M.No.: 072818

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A, GOKHALE MARG, LUCKNOW

CIN: U31200UP2003SGC027459

FINANCIAL STATEMENTS

NOTE No.1A

GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

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 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 of 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 4A, Gokhle Marg, Lucknow, Uttar Pradesh – 226001.

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 and Interest on loans to staff are 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.

(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.

(f) **Use of estimates and management judgments**

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

Estimates and underlying assumptions are reviewed as on ongoing basis. Revisions to accounting estimates are recognised 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.

S N GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW

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 months after the reporting period.

All other liabilities are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

I PROPERTY, PLANT AND EQUIPMENT

(a) Property, Plant and Equipment are shown at historical cost less accumulated depreciation.

(b) All cost relating to the acquisition and installation of Property, Plant and Equipment till the date of commissioning are capitalized.

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

(d) In the case of commissioned assets, where final settlement of bills with the contractor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.

(e) Due to multiplicity of functional units as well as multiplicity of 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 as stated otherwise under notes on accounts.

(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.

(b) Depreciation on addition to/deduction 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.

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

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A, GOKHALE MARG, LUCKNOW

CIN: U31200UP2003SGC027459

FINANCIAL STATEMENTS

VI REVENUE/ EXPENDITURE RECOGNITION

(a) Revenue from sale of energy is accounted for on accrual basis.

(b) Late payment surcharge recoverable from consumer 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, overdue 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 by the U.P. Power Transmission Corporation Limited are accounted for on accrual basis at the rates approved by UPERC.

VIII EMPLOYEE BENEFITS

(a) Liability for Pension & Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.

(b) Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.

(c) Leave encashment has been accounted for on accrual basis.

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 on Accounts.

(c) The contingent assets of unrealizable income are not recognized.

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.

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

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".

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

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 comprise, Cash & Cash Equivalents, Bank Balances, Trade Receivable, Advance to Contractors, Advance to Employees, Security Deposits, Claim recoverable etc. The Financial assets are recognized when the company becomes 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 recognized in Statement of Profit & Loss.

XV **FINANCIAL LIABILITIES**

Initial recognition and measurement:

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. All the financial liabilities are recognized 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 amortized cost of a financial instrument and of allocating interest and other expenses over the relevant period. Since each borrowing 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.

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

XVI **MATERIAL PRIOR PERIOD ERRORS**

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

(Abha Sethi Tandon)	**(S.K. Awasthi)**	**(Manoj Bansal)**	**(Riya Kejriwal)**
Company Secretary	Chief Financial Officer	Director (Finance)	Managing Director
MVVNL, Lucknow	MVVNL, Lucknow	MVVNL, Lucknow	MVVNL, Lucknow
M.No.: F6733	PAN : ABZPA3817F	DIN : 10427842	DIN : 11020051

Place: Lucknow

Date: 28 /05/2025

UDIN: 25072818BMLDAZ6518

As per our separate report of even date annexed

For S.N. Gupta & Associates

(Chartered Accountants)

FRN: 003817C

S.N. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

(Shiv Narain Gupta)

Partner

M.No.: 072818

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHLEY MARG LUCKNOW

CIN-U31200UP2003SGC027459

NOTE No.1B

Notes on Accounts annexed to and forming part of Balance Sheet as at 31st March, 2025 and Statement of Profit & Loss for the Financial year ended on that date.

1 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 Govt. of U.P. Notification No. 2740/P-1/2003-24-14P/2003 dated 12.08.2003.

2 The Company is a wholly owned subsidiary of U.P. Power Corporation Limited, Lucknow (a State Government Company) and is engaged in the business of distribution of electricity in its specified area.

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

4 The Board of Directors of Madhyanchal Vidyut Vitran Nigam Limited have escrowed all the Revenue Receipt Accounts in favour of U.P. Power Corporation Limited, Lucknow. The Holding Company has been further authorized to escrow those revenue accounts for raising or borrowing the funds for & on behalf of Madhyanchal Vidyut Vitran Nigam Limited for all necessary present and future financial needs including Power Purchases obligation.

5 Accounting entries of Inter Unit transactions after reconciliation have been incorporated in the current year. Reconciliation of outstanding balances is under progress and will be accounted for in coming years.

6 (a) The Property, Plant and Equipment including Land remained with the Company after notification of final transfer scheme are inherited from erstwhile UPSEB, which had been the title holder of such Assets. The title deeds of new assets created 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 and Equipment is not available, the estimated value of such assets and depreciation thereon has been adjusted and accounted for.

(c) As provided under Part-B of Schedule II of Companies Act, 2013, the depreciation/amortization on Property Plant & Equipment's/Intangible Assets have been calculated taking into consideration the rates of depreciation of assets as approved in the orders of UPERC (terms & conditions for determination of distribution tariff) Regulation.

(d) Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use.

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7 The loan taken by the Company during the Year ended on 31.03.2025 amounting to ₹3443.60 Crores, out of which ₹0.00 is taken directly and ₹3443.60 Crores is taken by the Parent Company i.e. UPPCL for and on behalf of MVVNL as per details given below :-

(₹ in Crores)

S.No.	Details	MVVNL	UPPCL	Total
1	REC LTD.	-	1,616.76	1,616.76
2	PFC LTD.	-	1,690.19	1,690.19
3	HUDCO	-	136.65	136.65
TOTAL		**-**	**3,443.60**	**3,443.60**

8 Capitalization of Interest on borrowed fund utilized during construction stage of Property, Plant & Equipment (i.e. Capital Assets) is being done by identifying the Schemes/Assets and the funds used for the purpose to the extent established.

9 The Borrowing Cost capitalized during the year ended on 31.03.2025 is NIL (Previous Year ended 31.03.2024 is NIL)

10 **Provision for Bad & Doubtful Debts on Trade Receivables:-**

The Company has adopted simplified approach described in the Ind AS - 109 to calculate the expected credit loss as tabulated below:-

Ageing Bucket	Non-Govt. Arrears	Provisioning %	Provisioning Amount
Up to 6 Months	7,614.40	0.00%	-
Greater than 6 mths and up to 1 year	741.47	39.62%	293.78
Greater than 1 year and up to 2 years	1,912.12	44.23%	845.65
Greater than 2 year and up to 3 years	1,501.51	56.34%	845.90
Greater than 3 years	14,195.90	80.00%	11,356.72
Total Provision as on 31.03.2025	**25,965.40**		**13,342.05**

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 end of financial year 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

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collection it has been decided to follow a graded provisioning over a period of four years from the F.Y. 2022-23. Under these assumptions, provisioning @ 40% on trade receivables was proposed under this age bucket for F.Y. 2022-23. From F.Y. 2023-24 provisioning @ 60% on Trade Receivables and from F.Y. 2024-25 provisioning @ 80% on Trade Receivables is proposed and the same would be increased by another 20% next year. From F.Y. 2026 onwards, 100% provision would be applicable under this age bucket.

11 (a) Power Purchase & Transmission Charges are being taken in to account as per the bills raised by Uttar Pradesh Power Corporation Limited (UPPCL) and Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) respectively.

(b) Bills of Transmission Charges raised by Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) as per the rates approved by UPERC have been accounted for on accrual basis.

12 Government dues in respect of Electricity Duty and other Levies amounting to ₹3451.67 Crores shown in Note-17 include ₹ 1.54 Crores on account of Other Levies realized from consumers.

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

14 Some balances appearing under the heads 'Current Assets', 'Loans & Advances', '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 of shares used for calculating diluted earnings per equity share includes the amount of share application money (pending for allotment).

(₹ in Crores)

S.No.	Details	Earnings Per Share	
		F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
(A)	Net P/L after tax (numerator used for calculation) (₹ in Crores)	-3,520.85	-1,370.03
(B)	Weighted average number of Equity Shares (denominator for calculating Basic EPS) (₹ in Crores)	26.33	23.15
(C)	Weighted average number of Equity Shares (denominator for calculating Diluted EPS) (₹ in Crores)	27.46	24.25
(D)	Basic earnings per share of Rs. 1000/- each	-133.71	-59.17
(E)	Diluted earnings per share of Rs. 1000/- each*	-133.71	-59.17

*(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 is ignored in calculating Diluted Earnings Per Share).

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16 (a) Based on actuarial valuation report dated 09.11.2000 submitted by M/s Price Waterhouse Coopers to Uttar Pradesh Power Corporation Limited (the Parent Company) provision for accrued liability on account of Pension and Gratuity of employees covered under GPF scheme has been made @16.70% and 2.38% respectively on the amount of Basic pay, Grade pay and DA paid to employees.

(b) As required by Ind AS 19, the provision for accrued liability of Gratuity of employees covered under CPF scheme and provision for accrued liability for Earned Leave Encashment of all employees has been made on the basis of actuarial valuation report dated 18.04.2025 and 06.05.2025 respectively, submitted by M/s Mithras Consultants, Gurgaon, Haryana. The disclosures in this regard are as below:-

(₹ in Crores)

S. No.	Defined benefit plans:-	Gratuity		Leave Encashment	
		As on 31.03.2024	As on 31.03.2025	As on 31.03.2024	As on 31.03.2025
1	**Assumptions**				
	Discount Rate	7.21% p.a.	6.79% p.a.	7.21% p.a.	6.79% p.a.
	Rate of increase in Compensation levels	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
	Rate of Return on Plan Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Average future service(in years)	22.68 Years	22.29 Years	20.13 Years	19.89 Years
2	**Service Cost**				
	Current Service Cost	14.69	19.94	12.67	14.15
	Past Service Cost (including curtailment Gains/ Losses)	-	20.15	-	-
	Gains or losses on Non Routine settlements	-	-	-	-
	Total	**14.69**	**40.09**	**12.67**	**14.15**
3	**Net Interest Cost**				
	Interest Cost on Defined Benefit Obligation	14.47	16.65	28.13	30.68
	Interest Income on Plan Assets	-	-	-	-
	Net Interest Cost (Income)	**14.47**	**16.65**	**28.13**	**30.68**
4	**Change in present value of obligations**				
	Opening of defined benefit obligations	193.42	230.89	376.08	425.48
	Liability Transfer In/(Out)	-	-	-	-
	Service cost	14.69	40.10	12.67	14.15
	Interest Cost	14.47	16.65	28.13	30.68
	Benefit Paid	-2.51	-3.75	-22.58	-31.06
	Actuarial (Gain)/Loss on total liabilities:	10.82	3.75	31.18	37.78
	- due to change in financial assumptions	7.66	15.10	13.00	23.25
	- due to change in	-	-	-	-

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	demographic assumptions	-	-	-	-
	- due to experience variance	3.16	-11.35	18.19	14.53
	Closing of defined benefit obligation	**230.89**	**287.64**	**425.48**	**477.04**
5	**Change in the fair value of plan assets**				
	Opening fair value of plan assets	-	-	-	-
	Asset Transfer In/(Out)	-	-	-	-
	Actual Return on Plan Assets	-	-	-	-
	Employer Contribution	2.51	3.75	22.58	31.06
	Benefit Paid	-2.51	-3.75	-22.58	-31.06
	Closing fair value of plan assets	**-**	**-**	**-**	**-**
6	**Actuarial (Gain)/Loss on Plan Asset**				
	Expected interest income	-	-	-	-
	Actual income on Plan Asset	-	-	-	-
	Actuarial (Gain)/Loss on total Assets	**-**	**-**	**-**	**-**
7	**Other Comprehensive income**				
	Opening amount recognized in OCI outside P&L account	N/A	N/A	N/A	N/A
	Actuarial Gain / (loss) on liabilities	-10.82	-3.75	N/A	N/A
	Actuarial Gain / (loss) on assets	-	-	N/A	N/A
	Closing amount recognized in OCI outside P&L account	**-10.82**	**-3.75**	**N/A**	**N/A**
8	**The amount to be recognized in Balance Sheet Statement**				
	Present Value of Obligations	230.89	287.64	425.48	477.04
	Fair value of plan assets	-	-	-	-
	Net Obligations	230.89	287.64	425.48	477.04
	Amount not recognized due to asset limit	-	-	-	-
	Net defined benefit liability / (assets) recognized in balance sheet	**230.89**	**287.64**	**425.48**	**477.04**
9	**Expense recognized in Statement of profit and Loss**				
	Service cost	14.69	40.10	12.67	14.15
	Net Interest Cost	14.47	16.65	28.13	30.68
	Net Actuarial Gain / (loss)	-	-	31.18	37.78
	Expenses Recognized in the statement of profit & Loss	**29.16**	**56.74**	**71.99**	**82.61**

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10	**Change in Net Defined Obligations**				
	Opening of Net defined benefit liability	193.42	230.89	376.08	425.48
	Service cost	14.69	40.10	12.67	14.15
	Net Interest Cost	14.47	16.65	28.13	30.68
	Re-measurements	10.82	3.75	31.18	37.79
	Liability Transferred In / (out) - Net	-	-	-	-
	Contribution paid to fund	-2.51	-3.75	-22.58	-31.06
	Closing of Net defined benefit liability	**230.89**	**287.64**	**425.48**	**477.04**
11	**Sensitivity Analysis**				
	Item	**As on 31.03.2025**	**Impact**	**As on 31.03.2025**	**Impact**
	Base Liability	287.64	-	477.04	-
	Increase Discount Rate by 1.00%	253.51	-34.13	424.51	-52.53
	Decrease Discount Rate by 1.00%	328.81	41.18	540.44	63.40
	Increase Salary inflation by 1.00%	310.09	22.45	537.33	60.30
	Decrease Salary inflation by 1.00%	263.93	-23.71	425.91	-51.12
	Increase Withdrawal Rate by 1.00%	287.81	0.18	472.75	-4.29
	Decrease Withdrawal Rate by 1.00%	287.20	-0.44	481.90	4.86

17 The various Expenditure like Employee Expenses, Repair & Maintenance Cost and Administrative & General Expenses etc. incurred and income earned at U.P. Power Corporation Ltd., Lucknow have been allocated to all the discoms through Debit/Credit Notes. This allocation of expenses and income in the Company has been carried out in compliance with the O.M. No. 743 dated 10.06.2020 and O.M. No. 2433 dated 18.12.2024, respectively of U.P Power Corporation Ltd., Lucknow (The Holding Company).

18 Amount due to Micro,Small and Medium Enterprises (under the MSMED Act, 2006) as on 31.03.2025 was Rs. 39.37 Crores. No interest has been paid alongwith principal amount by the company during the year under Section 16.

19 Debts due from Directors are Nil (Previous Financial Year NIL).

20 Payments to Directors and officers in foreign currency towards foreign tours were Nil (Previous Financial Year NIL).

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21 Disclosures as per Schedule III of the Companies Act, 2013 :-

(A) Ageing of Trade Receivables: **(₹ in Crores)**

S. No.	Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables-considered good	9,449.15	571.85	1,619.38	869.05	4,009.76	16,519.19
(ii)	Undisputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables-credit impaired	-	293.78	845.65	845.90	11,356.72	13,342.05
(iv)	Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total		9,449.15	865.63	2,465.03	1,714.95	15,366.48	29,861.24

Note 1: The above total trade receivable includes unbilled debtors amounting to Rs. 761.95 Cr.

Note 2: The above disclosure is made to the extent of information/data available at the time of preparation of financial statements. Further, the company is having approximate 101.70 Lacs consumers resulting in approximate 99.86 Lacs number of bills per month, considering the large volume of consumers, separate disclosure of disputed/undisputed trade receivable is not practically possible.

(B) Ageing of Trade Payables: **(₹ in Crores)**

S.No.	Particulars	Outstanding for following period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	-	-	-	-	-
	- UPPCL	8,691.50	-	-	-	**8,691.50**
	- UPPTCL	804.99	148.73	-	-	**953.72**
	- Liabilities for Supplies/Works	74.38	164.63	95.31	42.86	**377.18**
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
Total		**9,570.87**	**313.36**	**95.31**	**42.86**	**10,022.40**

(C) Ageing of Capital Work-in-progress (CWIP): **(₹ in Crores)**

S.No.	Particulars	Amount in CWIP for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Capital Work in Progress	2,562.90	404.00	6.34	4.62	**2,977.86**
(ii)	Projects temporarily suspended	-	-	-	-	-
Total		**2,562.90**	**404.00**	**6.34**	**4.62**	**2,977.86**

(D) Ageing of Intangible Assets under development: **(₹ in Crores)**

S.No.	Particulars	Amount in CWIP for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Projects in Progress	4.46	-	-	-	**4.46**
(ii)	Projects temporarily suspended	-	-	-	-	-
Total		**4.46**	**-**	**-**	**-**	**4.46**

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(E) Quantitative detail of Energy Purchased and Sold:

(Units in MU's)

S.No.	Details	As on 31.03.2025	As on 31.03.2024
(i)	Total number of Units Purchased	31722.210	28314.364
(ii)	Total number of Units Sold	27411.463	24077.494
(iii)	% of Loss	**13.59%**	**14.96%**

(F) Details of Contingent Liabilities and Commitments:

(₹ in Crores)

S.No.	Details	F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
(I)	**Contingent Liabilities**		
A	Claims against the Company not acknowledged as debts	201.29	133.02
B	Guarantees	5.36	3.05
C	Other money for which the company is contingently liable	-	-
	(i) TDS Default	0.32	0.56
	(ii) Income Tax Demand	-	719.04
	(iii) GST & Service Tax Demand	705.01	344.20
(II)	**Commitments**		
A	Estimated amount of contracts remaining to be executed on capital account and not provided for.	-	-
B	Uncalled liability on shares and other investments partly paid	-	-
C	Other commitments	-	-

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

23 Disclosure as per Ind AS 24 issued (Related Party): -

1 List of related parties:

(a) List of Parent and Fellow Subsidiary: -

S.No.	Name	Nature of Relationship
1	Uttar Pradesh Power Corporation Limited	Parent
2	Dakshinanchal Vidyut Vitran Nigam Limited, Agra	Fellow Subsidiary
3	Purvanchal Vidyut Vitran Nigam Limited, Varanasi	Fellow Subsidiary
4	Paschimanchal Vidyut Vitran Nigam Limited, Meerut	Fellow Subsidiary
5	Kanpur Electricity Supply Company Limited, Kanpur	Fellow Subsidiary
6	UP Renewable and EV Infrastructure Limited, Lko	Fellow Subsidiary

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(b) Key Managerial Personnel: -

(i) Parent Company (UPPCL): -

S.No.	Name	DIN/PAN	Designation	Appoint-ment	Retirement / Cessation
1	Dr. Ashish Kumar Goel	03047610	Chairman	27.07.2023	Working
2	Mr. Pankaj Kumar	08095154	Managing Director	10.03.2021	Working
3	Mr. Kamalesh Bahadur Singh	09642954	Director (PM & A)	11.12.2023	Working
4	Mr. Gyanendra Dhar Dwivedi	10393079	Director (Distribution)	11.10.2023	Working
5	Mr. Nidhi Kumar Narang	03473420	Director (Finance)	01.06.2022	Working
6	Mr. Kamalesh Bahadur Singh	09642954	Director (Corp. Planning)	18.06.2022	Working
7	Mr. Amit Kumar Srivastava	09617008	Director (Commercial)	24.05.2022	30.06.2024
8	Mr. Nidhi Kumar Narang	03473420	Director (Commercial)	02.07.2024	Working
9	Mr. Sourajit Ghosh	09642955	Director (I.T.)	18.06.2022	Working
10	Mr. Nitin Nijhawan	AEHPN7732B	Chief Financial officer	01.12.2022	Working
11	Mr. Neel Ratan Kumar	03616458	Nominee Director	16.04.2013	Working
12	Mr. Ranvir Prasad	06684884	Nominee Director	04.03.2024	07.01.2025
13	Dr. Rupesh Kumar	06802972	Nominee Director	07.01.2025	Working
14	Mr. Anupam Shukla	09659225	Nominee Director	10.08.2022	Working
15	Mrs. Neha Sharma	BPTPS8628M	Nominee Director	02.09.2022	09.08.2024
16	Mrs. Mala Srivastava	N.A.	Nominee Director	09.08.2024	30.01.2025
17	Mrs. Neha Jain	10338350	Nominee Director	30.01.2025	Working
18	Mr. Abhishek Singh	10271109	Nominee Director	03.05.2023	Working
19	Mr. Sandeep Kumar	08529035	Nominee Director	21.02.2024	05.11.2024
20	Mr. Rajkumar Malhotra	09520699	Nominee Director	05.11.2024	Working
21	Mr. Rameshwer Prasad Vaishnaw	01868883	Nominee Director	16.06.2023	13.02.2025
22	Mr. Prabhat Kumar Singh	07125959	Nominee Director	13.02.2025	Working
23	Ms. Priti Arora	AVLPA5673R	Company Secretary & Compliance Officer	07.06.2024	03.10.2024

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(ii) Madhyanchal Vidyut Vitran Nigam Ltd: -

S.No.	Name	DIN/PAN	Designation	Appoint-ment	Retirement / Cessation
1	Dr. Ashish Kumar Goel	03047610	Chairman	27.07.2023	Working
2	Mr. Bhawani Singh Khangarot	08648162	Managing Director	08.06.2022	05.03.2025
3	Mrs. Riya Kejriwal	11020051	Managing Director	06.03.2025	Working
4	Mr. Vikas Chandra Agarwal	10451943	Director (PM & A)	04.11.2023	Working
5	Mr. Yogesh Kumar	09665313	Director (Commercial)	21.05.2022	Working
6	Mr. Ajay Kumar Srivastava	09694167	Director (Technical)	07.06.2022	30.06.2024
7	Mr. Neeraj Swaroop	09701063	Director (Technical)	04.07.2024	Working
8	Mr. Manoj Bansal	10427842	Director (Finance)	25.11.2023	Working
9	Mrs. Sandeep Kaur	09754606	Women Director	29.08.2022	Working
10	Mr. Sanjeev Kumar Verma	ADZPV4681Q	Chief Financial officer	22.12.2022	19.06.2024
11	Mr. Sanjiv Kumar Awasthi	ABZPA3817F	Chief Financial officer	19.06.2024	Working
12	Mr. Pankaj Kumar	08095154	Nominee Director	10.03.2021	Working
13	Mr. Ranvir Prasad	06684884	Nominee Director	04.03.2024	07.01.2025
14	Dr. Rupesh Kumar	06802972	Nominee Director	07.01.2025	Working
15	Mr. Nidhi Kumar Narang	03473420	Nominee Director	01.06.2022	Working
16	Mr. Sandeep Kumar	08529035	Nominee Director	21.02.2024	19.10.2024
17	Mr. Raj Kumar Malhotra	09520699	Nominee Director	19.10.2024	Working
18	Mr. Rameshwer Prasad Vaishnaw	01868883	Nominee Director	26.05.2023	31.01.2025
19	Mr. Prabhat Kumar Singh	07125959	Nominee Director	31.01.2025	Working
20	Mrs. Abha Sethi Tandon	ACWPT7202R	Company Secretary	03.04.2024	Working

(c) The Company is a State Public Sector Undertaking (SPSU) controlled by State Government by holding majority of shares of its holding company. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control, or significant influence, the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for Government entities and has made limited disclosures in the financial statements. Such entities from which company has significant transactions includes, but not limited to:

1 UP Power Transmission Corporation Limited,
2 Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited,
3 U.P. State Load Dispatch Center Limited.
4 U.P. State Power Sector Employees Trust
5 U.P. Power Corporation Ltd. Contributory Provident Fund Trust

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2 Transactions with Related Parties: -

(a) Transactions during the period with Holding and Fellow Subsidiary of Holding Company: -

(₹ in Crores)

S.No.	Particulars	F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
1	**UPPCL:-**		
a	Sales	-	-
b	Purchase	16,949.10	15,521.51
c	Dividend Received	-	-
d	Equity Contribution Received	3,680.54	2,435.19
e	Loans Granted	-	-
f	Guarantee Received	-	-
g	Others (Net)	545.34	222.97
2	**KESCO:-**		
a	Sales	-	-
b	Purchase	-	-
c	Dividend Received	-	-
d	Equity Contribution Received	-	-
e	Loans Granted	-	-
f	Guarantee Received	-	-
g	Others (Net)	2.39	0.29
3	**DVVNL:-**		
a	Sales	-	-
b	Purchase	-	-
c	Dividend Received	-	-
d	Equity Contribution Received	-	-
e	Loans Granted	-	-
f	Guarantee Received	-	-
g	Others (Net)	0.19	1.60
4	**PVVNL:-**		
a	Sales	-	-
b	Purchase	-	-
c	Dividend Received	-	-
d	Equity Contribution Received	-	-
e	Loans Granted	-	-
f	Guarantee Received	-	-
g	Others (Net)	0.48	0.90
5	**PuVVNL:-**		
a	Sales	-	-
b	Purchase	-	-
c	Dividend Received	-	-
d	Equity Contribution Received	-	-
e	Loans Granted	-	-
f	Guarantee Received	-	-
g	Others (Net)	1.05	3.95

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(b) Transactions with Key Managerial Persons – Remuneration and benefits paid to key managerial personnel of Madhyanchal Vidyut Vitran Nigam Limited are as follows:-

(₹ in Crores)

S.No.	Particulars	F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
1	Salary & Allowances	1.86	1.28
2	Contribution to Gratuity /Pension/PF	0.23	0.13

(c) Transactions with related parties under the control of same management :

S.No.	Name of the Company	Nature of Transaction	F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
1	UP Power Transmission Corporation Limited	Power Transmission Cost	804.99	739.27
2	UP Power Transmission Corporation Limited	Others (Net)	2.57	2.81
3	UP State Power Sector Employee Trust	Employee benefit contributions (Net)	35.41	40.38
4	U.P. Power Corporation Contributory Provident Fund Trust	Employee benefit contributions (Net)	11.71	9.84

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(d) Outstanding Balances with related parties: -

(₹ in Crores)

Particulars	F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
Amount Receivable towards loans : -		
Uttar Pradesh Power Corporation Limited (UPPCL)	261.44	191.52
Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)	-	-
Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)	-	-
Paschimanchal Vidyut Vitran Nigam Limited (PVVNL)	-	-
Kanpur Electricity Supply Company Limited (KESCO)	-	-
UP Renewable and EV Infrastructure Limited	-	-
Key Managerial Personnel	-	-
UP Power Transmission Corporation Limited (UPPTCL)	-	-
UP Rajya Vidyut Utpadan Nigam Limited (UPRVUNL)	-	-
UP State Load Dispatch Center Limited (UPSLDC)	-	-
UP State Power Sector Employees Trust	-	-
UP Power Corporation Contributory Provident Fund Trust	-	-
Amount Payable towards other than loans:		
UP Power Corporation Ltd. -(Power Purchase)	8,691.50	7,540.55
Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)	-	-
Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)	-	-
Paschimanchal Vidyut Vitran Nigam Limited (PVVNL)	-	-
Kanpur Electricity Supply Company Limited (KESCO)	-	-
UP Renewable and EV Infrastructure Limited	-	-
Key Managerial Personnel	-	-
UP Power Transmission Corporation Limited(Net)	953.72	1,143.33
UP Rajya Vidyut Utpadan Nigam Limited (UPRVUNL)	0.03	0.03
UP State Load Dispatch Center Limited (UPSLDC)	-	-
UP State Power Sector Employees Trust	818.13	782.72
UP Power Corporation Contributory Provident Fund Trust	195.94	184.23
Amount Receivable towards other than loans : -		
Uttar Pradesh Power Corporation Limited (UPPCL)	974.17	498.75
Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)	102.38	102.19
Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)	80.21	79.16
Paschimanchal Vidyut Vitran Nigam Limited (PVVNL)	80.48	80.00
Kanpur Electricity Supply Company Limited (KESCO)	9.15	6.76
UP Renewable and EV Infrastructure Limited	-	-
Key Managerial Personnel	-	-
UP Power Transmission Corporation Limited (UPPTCL)	276.52	279.09
UP Rajya Vidyut Utpadan Nigam Limited (UPRVUNL)	-	-
UP State Load Dispatch Center Limited (UPSLDC)	-	-
UP State Power Sector Employees Trust	-	-
UP Power Corporation Contributory Provident Fund Trust	-	-

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24 Details of Remuneration paid to Auditors:-

(₹ in Crores)

S.No.	Particulars		F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
1	**As a Auditor:-**			
	a	Audit Fee	0.12	0.11
	b	Tax Audit Fee	-	-
	c	Limited Review Fee	-	-
2	**In Other Capacity:-**			
	a	Other Services (Certification Fee)		
	b	Reimbursement of Expenses	-	0.001

25 **Financial Risk Management**

The company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include borrowings/ advances, trade & other receivables and cash that are derived directly from its operations.

The group 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 banks/FIs.

(b) **Market Risk**: Market risk is the risk that occurs due to 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.

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

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(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/Central Government are 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, &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 to ultimate consumers.

(e) **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:

(₹ in Crores)

Particulars	F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
Financial Assets		
Fixed Interest Rate Instruments-Deposits with Bank	15.66	17.29
Total	**15.66**	**17.29**
Financial Liabilities		
Fixed Interest Rate Instruments- Financial Instrument Loans	14,337.57	15,652.49
Variable Interest Rate Instruments- Cash Credit from Banks	-	-
Total	**14,337.57**	**15,652.49**

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.

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26 **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 & 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 lies 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 requirement of the company.

27 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.

28 Sale of electricity does not include Electricity Duty payable to State Government.

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29 Previous year's figures have been regrouped/rearranged wherever necessary to confirm to this year's classification, which is disclosed as under:

Regrouping of Profit & Loss Statement for the year ended 31st March 2025

S.No.	PARTICULARS	Note No.	Audited figures for the year ended 31st March 2024	Regrouped amount	Regrouped Figures For the year ended 31st March 2024
	REVENUE				
I	Revenue From Operations	19	14,580.48	-	14,580.48
II	Other Income	20	8,080.47	202.41	8,282.88
III	**Total Revenue(I+II)**		**22,660.95**	**202.41**	**22,863.36**
IV					
	Purchase of Stock in Trade (Power Purchased)	21	16,260.78	-	16,260.78
	Employees Benefits Expenses	22	659.10	-9.63	649.47
	Finance Cost	23	1,739.53	-	1,739.53
	Depreciation and Amortization Expenses	24	882.53	202.41	1,084.94
	Administrative, General & Other Expenses	25	939.20	-274.44	664.76
	Repair & Maintenance	26	374.20	284.07	658.27
	Bad Debts & Provisions	27	3,136.62	-	3,136.62
IV	**Total Expenses**		**23,991.96**	**202.41**	**24,194.37**
V	**Profit / (Loss) before tax and exceptional items (III - IV)**		-1,331.01	0.00	-1,331.01
VI	**Profit / (Loss) from Exceptional items**	28	-28.20	-	-28.20
VII	**Profit / (Loss) before tax (V+VI)**		**-1,359.21**	**0.00**	**-1,359.21**
VIII	**Tax Expenses:**				
	(1)Current tax		-	-	-
	(2)Deferred tax		-	-	-
IX	**Profit / (Loss) for the period from continuing operations (VII - VIII)**		**-1,359.21**	**0.00**	**-1,359.21**
X	Profit / (Loss) from discontinued operations		-	-	-
XI	Tax Expenses of discontinued operations		-	-	-
XII	Profit / (Loss) from discontinued operations (after tax) (X - XI)		-	-	-
XIII	Profit / (Loss) for the period(IX + XII)		**-1,359.21**	**0.00**	**-1,359.21**
XIV	Other Comprehensive Income		-10.82	-	-10.82
XV	Total Income for the period(XIII+XIV)		**-1,370.03**	**0.00**	**-1,370.03**

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Regrouping of Balance Sheet as at 31st March 2025

S.No.	PARTICULARS	Note No.	Audited figures as at 31st March 2024	Regrouped amount	Regrouped Figures as at 31st March 2024
(I)	**ASSETS**				
1	**Non-Current Assets**				
	(a) Property, Plant and Equipment	2	17,953.73	-	17,953.73
	(b) Capital Work-in-Progress	3	1,530.22	-	1,530.22
	(c) Intangible Assets	4	21.65	-	21.65
	(d) Intangible Assets Under Development	5	-	-	-
	(e) Financial Assets - Others	6	573.57	-	573.57
	Current Assets				
	(a) Inventories	7	908.64	-	908.64
	(b) Financial Assets			-	
	(i) Trade Receivables	8	17,304.81	-	17,304.81
	(ii) Cash and Cash Equivalents	9	675.91	-	675.91
	(iii) Bank balances other than (ii) above	9A	2.85	-	2.85
	(iv) Others	10	2,166.21	-0.02	2,166.19
	(c) Other Current Assets	11	1,103.04	-	1,103.04
	Total Assets		**42,240.63**	**-0.02**	**42,240.61**
(II)	**EQUITY & LIABILITIES**				
1	**Equity**				
	(a) Equity Share Capital	12	24,232.49	-	24,232.49
	(b) Other Equity	13	-15,987.04	-	-15,987.04
2	**Liabilities**				
	Non-current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	14	11,849.93	-	11,849.93
	(ii) Other Financial Liabilities	15	1,508.85	-	1,508.85
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	16	3,948.91	-	3,948.91
	(ii) Trade Payables			-	
	Total Outstanding dues of micro and small enterprises				
	Total Outstanding dues of Creditors other than micro and small enterprises	17	8,683.88	-	8,683.88
	(iii) Other Financial Liabilities	18	8,003.61	-0.02	8,003.59
	Total Liabilities		**42,240.63**	**-0.02**	**42,240.61**

30 The Annual Accounts of Financial Year 2023-24 have been adopted in 21st (Adjourned) Annual General Meeting Dated 29.10.2024.

31 The figures as shown in the Balance Sheet, Statement of Profit & Loss & Notes shown in "( )" denotes negative figures.

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32 Prior period error in total income or total expenditure has been considered material if it exceeds ½% of the revenue from the operations of the immediate preceding financial year. If error or omission related to income exceeds the ½% ceiling limit as explained above, then all prior period error (whether related to income or expenditure) has been considered material and dealt in accordance with IND AS 08. In the same manner, if error or omission related to expenditure exceeds the ½% ceiling limit as explained above, then all prior period error (whether related to income or expenditure) has been considered material and dealt in accordance with IND AS 08. Immaterial Prior Period Errors/omissions discovered during the period have been adjusted during the current year.

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

(₹ in Crores)

Particulars	Movement of Provisions				
	Opening Balance as on 01.04.2024	Provision made during the year	Withdrawal / Adjustment of Provision during the year through PL	Withdrawal / Adjustment of Provision during the year through Other	Closing Balance as on 31.03.2025
CWIP-Capital Advance	-	-	-	-	-
Provision for Trade Receivable Note-8	11,427.23	1,914.82	-	-	13,342.05
Provision for impairment in investment	-	-	-	-	-
Provision for bad & doubtful debts-Financial Assets-Loans (Non-current)	-	-	-	-	-
Provision for Financial Assets-Others (Non-Current) Note-6	-	-	-	-	-
Provision of Obsolete stores Note-7	41.76	-	-	-	41.76
Provision for estimated loss on theft of fixed assets pending investigation Note-10	5.22	-	-	-	5.22
Provision for bad & doubtful debts-Financial Assets-others (current) Note-	-	-	-	-	-
Sub-Total- Note-	**11,474.21**	**1,914.82**	-	-	**13,389.03**
Provision for Other Current Assets Note-11	0.17	-	-	-	0.17
Total	**11,474.38**	**1,914.82**	-	-	**13,389.20**

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34 **Exceptional Items:**

The company presents the information excluding exceptional items which allows a better understanding of underlying performance of the company. Exceptional Items are identified by virtue of nature so as to facilitate, the comparison with prior period and to assess underlying trends in financial performance of the company. Accordingly, the company has shown the amount of loss incurred by the Trusts (CPF & GPF) on investment in DHFL as 'Exceptional items' in the profit and loss account as detailed below:-

(₹ in Crores)

Trust's Letter Reference	**Name of item**	**F.Y. ended on 31.03.2025**	**F.Y. ended on 31.03.2024**
CPF Trust Letter No. 576 Dt. 15.04.2024	Interest	-	11.74
GPF Trust Letter No. 404 Dt. 15.04.2024	Interest	-	16.46
CPF Trust Letter No. I/8414/2025 Dt. 08.04.2025	Interest	12.57	-
GPF Trust Letter No. I/9109/2025 Dt. 24.04.2025	Interest	17.62	-
Total		**30.19**	**28.20**

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35. UPPCL is arranging the Loans/Finance centrally on behalf of DISCOMs by way of Loans, Bonds etc. UPPCL makes allocation of Loans/Bonds arranged/received by UPPCL among DISCOMs along with classification into "Current and Non-Current" for accounting and disclosure purposes. The interest paid on these loans and bonds is allocated to DISCOMs in the proportion of DISCOMs wise outstanding (for each loan & bond) liability of loans and bonds as on reporting date basis which the DISCOMs are charging such interest to their P&L Accounts. Accordingly the same is being followed consistently by UPPCL and subsidiary DISCOMs. The various related disclosures on the basis of information received from UPPCL is as follows:-

(₹ in Crores)

(A) DISCLOSURE OF BORROWINGS AS REQUIRED IN SCHEDULE-III

Name of Bank	Repayment Terms					Outstanding as on 31.03.2025					Default as on 31.03.2025				Aggregate Amount of Guaranteed Loan	Security
	Drawal Date	Installment (Months)	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.		
(I) Loans directly availed by Company																
Secured:																
(i) Rural Electrification Corporation Ltd.(REC)																
R-APDRP Part-B	Multiple dates (19.10.2012 to 28.07.2015)	9/10/11 Yearly Installments	15.01.2016/15.01.2017/15.01.2018	Multiple Rates (10.34% to 11.61%)	State Government	91.59	-	91.59	31.37	60.22	-	-	-	-	91.59	Hypothecation of Assets
Saubhagya	07.03.2019	13 YEARS (3 Years Moratorium+10 Years repayment period)	15.03.2023	10.25%	State Government	483.45	-	483.45	66.48	416.97	-	-	-	-	483.45	Hypothecation of Lines & Cables
DDUGGY	Multiple Dates (Between 11/10/2018 to 28/03/2023)	120 Months	15.10.2022	Multiple Rates (10.17% to 11.44%)	State Government	244.64	-	244.64	33.67	210.97	-	-	-	-	244.64	Hypothecation of Assets
(ii) Power Finance Corporation Ltd.(PFC)																
R-APDRP Part-B	Multiple dates (19.10.2012 to 28.07.2015)	60 Quarterly Installments	15.10.2016/15.07.2017	Multiple Rates (10.60% to 11.85%)	State Government	537.15	-	537.15	67.95	469.20	-	-	-	-	537.15	Hypothecation of Assets
IPDS-System Strenghtning	29.01.2019	60 equal quaterly instalments	15.10.2019	10.50%	State Government	147.57	-	147.57	13.68	133.89	-	-	-	-	147.57	Hypothecation of Lines & Cables
IPDS ERP	24.03.2021	180 equal monthly installment	15.04.2021	10.40%	State Government	7.22	-	7.22	0.67	6.55	-	-	-	-	7.22	
IPDS IT PHASE-2	03.03.2022	180 equal monthly installment	16.04.2022	10.50%	State Government	2.54	-	2.54	0.23	2.31	-	-	-	-	2.54	
IPDS (Total)						**157.33**	**-**	**157.33**	**14.58**	**142.75**	**-**	**-**	**-**	**-**	**157.33**	
AB CABLE	04.11.2019	180 equal month installment	15.03.2022	10.90%	State Government	107.08	-	107.08	7.73	99.35	-	-	-	-	107.08	
Total Loans directly availed by Company (Secured) - A						**1,621.24**	**-**	**1,621.24**	**221.78**	**1,399.46**	**-**	**-**	**-**	**-**	**1,621.24**	

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(II) Payable to UPPCL on account of Loan/Bond															
Secured:															
Bonds	27.03.2017	28/32/34 Quarterly	Jul-19	8.48%	State Government	3,470.10	-	3,470.10	857.36	2,612.74	-	-	-	-	3,470.10	Hypothecation on Current Assets inculding receivables, ESCROW and Govt. Guarantee (as per term of DOH of respective issuances.)
	17.02.2017			8.97%											
	30.03.2022			9.70%											
	05.12.2017			9.75%											
	07.10.2022			9.95%											
	27.03.2018			10.15%											
Total Secured						**3,470.10**	**-**	**3,470.10**	**857.36**	**2,612.74**	**-**	**-**	**-**	**-**	**3,470.10**	
Unsecured:															
Bonds	04.07.16/ 28.09.16/ 30.03.17	20/24 Half Yearly	Sep-20	9.70%	State Government	1,252.88	-	1,252.88	192.38	1,060.50	-	-	-	-	1,252.88	Govt. Guarantee
Rural Electrification Corporation Ltd.(REC)	Since Mar-17	6/84/108 Monthly & 28/32 Quarterly	Apr-20	10.00% to 12.12%	State Government	3,821.97	-	3,821.97	1,601.79	2,220.18	-	-	-	-	3,821.97	ESCROW and Govt. Guarantee
Power Finance Corporation Ltd.(PFC)	Since Jun-17	6/60/72/84/108 Monthly & 20/28 Quarterly	Oct-19	10.00% to 10.97%	State Government	4,034.73	-	4,034.73	1,922.85	2,111.88	-	-	-	-	4,034.73	ESCROW and Govt. Guarantee
HUDCO	Since Apr-24	48 Installments	Apr-25	9.50%	State Government	136.65	-	136.65	34.16	102.49	-	-	-	-	136.65	Govt. Guarantee
Total Unsecured						**9,246.23**	**-**	**9,246.23**	**3,751.18**	**5,495.05**	**-**	**-**	**-**	**-**	**9,246.23**	
Total (Payable to UPPCL on account of Loan/Bond - Secured & Unsecured) - B						**12,716.33**	**-**	**12,716.33**	**4,608.54**	**8,107.79**					**12,716.33**	
Grand Total of Borrowings (A+B)						**14,337.57**	**-**	**14,337.57**	**4,830.32**	**9,507.25**					**14,337.57**	

(B) Allocation of Current Maturity by UPPCL of Loans/Bonds as on 31.03.2025

(₹ in Crores)

Particulars	REC	PFC	Bond	HUDCO	Total
Current Maturity	1,601.79	1,922.85	1,049.74	34.16	**4,608.54**

(C) Statement of Int. accrued but not due on Borrowing allocated by UPPCL for the year ended on 31.03.2025

(₹ in Crores)

Particulars	REC	PFC	Bond	HUDCO	Total
Interest Accrued but not due	5.68	26.12	36.09	0.04	**67.93**

(D) Details of Adjustment of Principal of Borrowings allocated by UPPCL for the year ended on 31.03.2025

(₹ in Crores)

Particulars	Adj. of Principal of PFC Loan against Power Purchase	Adj. of Principal of REC Loan against Power Purchase	Adj. of Principal of Bond against Power Purchase	Total
Adjustment of Principal of Loans/Bonds against Power Purchase	474.33	474.91	310.53	**1,259.77**

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(E) Descriptive details of Secured & Unsecured And Listed & Unlisted Bonds as on 31.03.2025

(₹ in Crores)

S.No	Details of Bonds	Amount of Bonds	No. of Bonds	Maturity date	Date of Issue	Face Value	Rate of interest	Previous due date of interest payment	Paid/ or not	Next date of interest payment	Amount of interest payable on next date	Next due date of Principal payment	Principal Amount payable on next due date	Nature & extent of Security*	Outstanding as at 31.03.2025	Outstanding as at 31.03.2024
Listed																
1	UPPCL Bond series III/2016-17	6,510.00	65100	15-Feb-27	17-Feb-17	10	8.97%	14-Feb-25	Paid	15-May-25	4,113.91	15-May-25	232.50	As per Debenture Trust deed and deed of hypothecation	1,860.00	2,790.00
2	UPPCL Bond series IV/2016-17	3,489.50	34895	15-Mar-27	27-Mar-17	10	8.48%	13-Mar-25	Paid	13-Jun-25	2,107.85	13-Jun-25	124.63		997.00	1,495.50
3	UPPCL Bond series I/2017-18	4,498.20	44982	20-Oct-27	05-Dec-17	10	9.75%	20-Jan-25	Paid	17-Apr-25	3,420.95	17-Apr-25	132.30		1,455.30	1,984.50
4	UPPCL Bond series II/2017-18	5,491.00	54910	20-Jan-28	27-Mar-18	10	10.15%	20-Jan-25	Paid	17-Apr-25	2,089.25	17-Apr-25	161.50		1,938.00	2,584.00
5	UPPCL State Government serviced	3,951.20	39512	22-Mar-32	30-Mar-22	10	9.70%	29-Mar-25	Paid	30-Jun-25	8,360.98	30-Jun-25	123.48		3,457.30	3,951.20
6	UPPCL State Government serviced	3,488.00	34880	22-Mar-32	07-Oct-22	10	9.95%	29-Mar-25	Paid	30-Jun-25	7,571.05	30-Jun-25	109.00		3,052.00	3,488.00
Unlisted																
1	U.P.Power Corporation Ltd.- 2031	5,376.82	537682	04-Jul-31	04-Jul-16	1	9.70%	03-Jan-25	Paid	04-Jul-25	16,903.99	04-Jul-25	268.84	N.A.	3,494.93	4,032.62
2	U.P.Power Corporation Ltd.- 2031	4,699.98	469998	28-Sep-31	28-Sep-16	1	9.70%	28-Mar-25	Paid	28-Sep-25	14,938.47	28-Sep-25	235.00		3,054.99	3,524.99
3	U.P.Power Corporation Ltd.- 2032	299.49	29949	30-Mar-32	30-Mar-17	1	9.70%	28-Mar-25	Paid	30-Sep-25	863.52	30-Sep-25	12.48		174.70	199.66
															19,484.22	**24,050.47**

Out of above, the share of MVVNL allocated by UPPCL is Rs. 4,722.98 crore for F.Y. 2024-25.

(F) Details of Credit Rating and Assets Coverage Ratio as on 31.03.2025

S.NO.	INFORMATION	At 31.03.2025			
		RATING AGENCY	**4498.20 cr.& 5491 cr.**	**6510 cr.& 3489.50 cr.**	**3951.20 cr. & 3488.00 cr.**
1	CREDIT RATING AND CHANGE IN CREDIT RATING (IF ANY)	CRISIL RATING	A+ (CE)/stable	-	A+ (CE)/stable
		INDIA RATINGS	IND A+ (CE)/stable	IND AA(CE)/stable	IND A+ (CE)/stable
		BRICKWORK RATING	BWR AA-(CE)stable	BWR AA(CE)/stable	

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A GOKHLEY MARG LUCKNOW
CIN-U31200UP2003SGC027459

(G) Details of the Bonds Issued by the company

(₹ in Crores)

ISIN	Scrip Code	Maturity	Secured by way of	Amount	Present Outstanding (As on 31.03.2025)	Date of Creation of Security
INE540P07046	955766	15-Feb-2021	Govt. Guarantee and hypothecated for receivables	930.00	-	16.02.2017
INE540P07053	955767	14-Feb-2022		930.00	-	
INE540P07061	955768	15-Feb-2023		930.00	-	
INE540P07079	955769	15-Feb-2024		930.00	-	
INE540P07087	955770	14-Feb-2025		930.00	-	
INE540P07095	955771	13-Feb-2026		930.00	930.00	
INE540P07103	955772	15-Feb-2027		930.00	930.00	
INE540P07111	956144	15-Mar-2021		498.50	-	30.03.2017
INE540P07129	956145	15-Mar-2022		498.50	-	
INE540P07137	956146	15-Mar-2023		498.50	-	
INE540P07145	956147	15-Mar-2024		498.50	-	
INE540P07152	956148	14-Mar-2025		498.50	-	
INE540P07160	956149	13-Mar-2026		498.50	498.50	
INE540P07178	956150	15-Mar-2027		498.50	498.50	
INE540P07186	957201	18-Oct-2019		264.60	-	06.12.2017
INE540P07194	957202	20-Oct-2020		529.20	-	
INE540P07202	957203	20-Oct-2021		529.20	-	
INE540P07210	957204	20-Oct-2022		529.20	-	
INE540P07228	957205	20-Oct-2023		529.20	-	
INE540P07236	957206	18-Oct-2024		529.20	-	
INE540P07244	957207	20-Oct-2025		529.20	396.90	
INE540P07251	957208	20-Oct-2026		529.20	529.20	
INE540P07269	957209	20-Oct-2027		529.20	529.20	
INE540P07277	957800	20-Jan-2020	Govt. Guarantee and hypothecated for receivables	323.00	-	24.03.2018
INE540P07285	957802	20-Jan-2021		646.00	-	
INE540P07293	957803	20-Jan-2022		646.00	-	
INE540P07301	957804	20-Jan-2023		646.00	-	
INE540P07319	957806	19-Jan-2024		646.00	-	
INE540P07327	957807	20-Jan-2025		646.00	-	
INE540P07335	957808	20-Jan-2026		646.00	646.00	
INE540P07343	957809	20-Jan-2027		646.00	646.00	
INE540P07350	957810	20-Jan-2028		646.00	646.00	
INE540P07368	973877	31-Mar-2025		493.90	-	29.03.2022
INE540P07376	973879	31-Mar-2026		493.90	493.90	
INE540P07384	973880	31-Mar-2027		493.90	493.90	
INE540P07392	973882	31-Mar-2028		493.90	493.90	
INE540P07400	973876	30-Mar-2029		493.90	493.90	
INE540P07418	973878	29-Mar-2030		493.90	493.90	
INE540P07426	973881	31-Mar-2031		493.90	493.90	
INE540P07434	973883	22-Mar-2032		493.90	493.90	
INE540P07442	974281	31-Mar-2025		436.00	-	05.10.2022
INE540P07459	974282	31-Mar-2026		436.00	436.00	
INE540P07467	974283	31-Mar-2027		436.00	436.00	
INE540P07475	974284	31-Mar-2028		436.00	436.00	
INE540P07483	974285	30-Mar-2029		436.00	436.00	
INE540P07491	974286	29-Mar-2030		436.00	436.00	
INE540P07509	974287	31-Mar-2031		436.00	436.00	
INE540P07517	974288	22-Mar-2032		436.00	436.00	
INE540P08028		4-Jul-2031		5,376.82	3,494.93	-
INE540P08036		28-Sep-2031		4,699.98	3,054.99	-
INE540P08051		30-Mar-2032		299.49	174.70	-
Total					**19,484.22**	

Out of above, the share of MVVNL allocated by UPPCL is Rs. 4,722.98 crore.

(H) Allocation of Principal Paid on Bonds for the year ended on 31.03.2025

BANK&FIs	MVVNL
8.48% Rated Bonds 27.03.17	101.23
9.70% Uday Bond 28.09.16	90.05
9.70% Uday Bonds 30.03.17	4.78
8.97% Rated Bonds 17.02.17	182.84
9.70% Uday Bonds 04.07.16	97.55
9.75% Rated Bond 05.12.17	114.41
10.15% Rated Bond 27.03.18	156.20
9.70% Rated bond 30.03.22	176.15
9.95% Rated Bond 07.10.2022	126.53
TOTAL	**1,049.74**

(I) Allocation of Current Maturity on Bonds for the year ended on 31.03.2025

BANK&FIs	MVVNL
8.48% Rated Bonds 27.03.17	101.23
9.70% Uday Bond 28.09.16	90.05
9.70% Uday Bonds 30.03.17	4.78
8.97% Rated Bonds 17.02.17	182.84
9.70% Uday Bonds 04.07.16	97.55
9.75% Rated Bond 05.12.17	114.41
10.15% Rated Bond 27.03.18	156.20
9.70% Rated bond 30.03.22	176.15
9.95% Rated Bond 07.10.2022	126.53
TOTAL	**1,049.74**

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36 Disclosure related to Additional Borrowing space of 0.50 percent of GSDP linked to performance in power sector scheme and/or Revamped Reform-linked Result based Distribution Sector Scheme of the Central Govt. of India:

(A) Regulatory Assets:-

The company has not created any new regulatory assets as per IND AS-114 in the latest tariff determination cycle.

(B) Guarantee:-

(i) No guarantee has been issued by the State Govt. (GoUP) or any of its PSU's in support of the Loans taken by the company itself.

(ii) However, the state Govt. (GoUP) has issued guarantees in support of fund arrangement through loans/bonds taken/issued by the Holding Company (UPPCL) on behalf of the company as given below:-

(₹ in Crores)

S.No.	Particulars	Date of Guarantee	Guarantee Amount Allocated to MVVNL
1	1752/24-1-16-1567(Bank Guarantee)/2016 dt. 29-07-16	29/07/2016	975.54
2	2450/24-1-16-1567(Bank Guarantee)/2016 dt. 04-01-17	04/01/2017	900.47
3	185/24-1-17-2580(Undertaking)/2016 dt. 06-02-17	06/02/2017	1,279.90
4	286/24-1-17-2580 (Undertaking)/2016 dt. 03-03-17	03/03/2017	708.60
5	337/24-1-17-817(Bank Guarantee)/2015 dt. 17-03-17	17/03/2017	99.98
6	588/24-1-17-817 (Bank Loan)/2015 dt. 07.06.17	07/06/2017	276.64
7	1383/24/1/17/28P/2001 dt. 30-06-17	30/06/2017	92.45
8	767/24-1-17-1567 (Bank Loan)/2016 dt. 14.07.17	14/07/2017	57.38
9	1720/24-1-17-817 (Bank Loan)/2015 dt. 12.09.17	12/09/2017	500.00
10	2312/24-1-17-28P/2001 T.C. dt. 26-09-17	26/09/2017	107.50
11	2312/24-1-17-28P/2001 T.C. dt. 26-09-17	26/09/2017	22.58
12	2833/24-1-17-2580(Undertaking)/2016 dt. 24.11.17	24/11/2017	972.50
13	726/24-1-18-2580 (Undertaking)/2016 dt. 21.03.18	21/03/2018	1,327.70
14	2567/24-1-18-817 (Bank Loan)/2018 dt. 28.09.18	28/09/2018	400.00
15	2755/24-1-18-817 (Bank Loan)/2018 dt. 07.02.19	02/07/2019	100.00
16	481/24-1-18-817 (Bank Loan)/2018 dt. 05.03.19	03/05/2019	450.00
17	830/24-1-19-817 (Bank Loan)/2018 dt. 15.05.19	15/05/2019	475.00
18	1361/24-1-19-817 (Bank Loan)/2018 dt. 23.07.19	23/07/2019	130.00
19	2188/24-1-19-817 (Bank Loan)/2018 dt. 25.10.19	25/10/2019	105.00
20	184/24-1-20-817 (Bank Loan)/2018 dt. 25.02.20	25/02/2020	45.00
21	183/24-1-20-817 (Bank Loan)/2018 dt. 25.02.20	25/02/2020	185.00
22	965/24-1-20-817 (Bank Loan)/2020 dt. 28.07.20	28/07/2020	4,502.10
23	966/24-1-20-817 (Bank Loan)/2019 dt. 29.07.20	29/07/2020	20.00
24	656/24-1-20-817 (Bank Loan)/2020 dt. 25.03.21	25/03/2021	1,505.00
25	1386/24-1-21-1010/2021 dt. 19.08.21	19/08/2021	1,286.35
26	260/24-1-22-1049-2021 dt. 21.03.22	21/03/2022	2,604.00
27	1002/24-1-23-1008/2022	30/03/2023	1,901.28
28	332/24-1-2025-41/2024	20/03/2025	273.30
TOTAL			**21,303.27**

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(C) Electricity Dues:-

Dues recoverable from the Government Departments/Subordinate offices and Local Bodies as on 31.03.2025 are as under:-

(₹ in Crores)

Ageing	Government Dues
Less than 6 months	1,834.74
6 months - 1year	124.17
1-2 year	552.91
2-3 year	213.43
More than 3 years	1,170.58
Total	**3,895.83**

(D) Subsidy:-

Status of Tariff Subsidy paid by the GoUP is as Under:-

(₹ in Crores)

Name of Subsidized consumer category	Subsidy Receivable on 01.04.2024	Subsidy Received against Receivable as on 01.04.2024	Subsidy Claimed during the Year ended on 31.03.2025	Subsidy received against subsidy claimed during the Year ended on 31.03.2025	Closing Balance as on 31.03.2025
LMV-1 (Domestic Light & Fan) and LMV-5 (Private Tube Well)	-	-	4,353.31	4,353.31	-

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

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(E) AT&C Losses:-

TABLE-1

S.No.	Particulars	Formulas	Financial Year	
			F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
A	Input Energy (MU)	Energy Generated-Auxillary Consumption+Energy Purcahsed(Gross)-Energy Traded/Inter State Sales	31,721.934	28,301.092
B	Transmission Losses(MU)	-	-	-
C	Net Input Energy(MU)	A-B	31,721.934	28,301.092
D	Energy Sold (MU)	Energy Sold to all categories of consumers excluding units of Energy Traded/Inter State Sales	27,411.187	24,064.222
E	Revenue from sale of Energy (Rs.Cr.)	Revenue from sale of Energy to all categories of consumers(including Subsidy Booked)but excluding Revenue from Energy Traded/Inter State Sales	18,753.17	18,561.66
F	Adjusted Revenue from Sale of Energy on Subsidy Received basis (Rs.Cr.)	Revenue from sale of Energy (same as E above) minus Subsidy Booked plus Subsidy Received against subsidy booked during the year	18,753.17	18,561.66
G	Opening Debtors for Sale of Energy (Rs.Cr.)	Opening Debtors Excluding Extra-state consumers for sale of Energy as shown in Receivable Schedule (without deducting provisions for doubtful debtors). Unbilled Revenue shall not be considered as Debtors	25,546.32	25,293.69
H	Closing Debtors for Sale of Energy (Rs.Cr.)	(i) Closing Debtors Excluding Extra-state consumers for Sale of energy as shown in Receivable Schedule (without deducting provisions for doubtful debtors). Unbilled Revenue shall not be considered as Debtors. (ii) Any amt. written off during the year directly from (i)	26,437.14	25,546.32
I	Adjusted Closing Debtors for sale of Energy (Rs.Cr.)	H (i+ii)	26,437.14	25,546.32
J	Collection Efficiency (%)	(F+G-I)/E*100	95.25%	98.64%
K	Units Realized (MU)	[Energy Sold*Collection efficiency] (D*J)	26,109.093	23,736.698
L	Units Unrealized (MU)	[Net Input Energy-Units Realized] (C-K)	5,612.841	4,564.394
M	**AT&C Losses (%)**	**[{Units Unrealized/Net Input Energy}*100] (L/C*100)**	**17.69%**	**16.13%**

TABLE-2

S.No.	Particulars	Financial Year	
		F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
1	Subsidy Booked during the year	4,353.31	4,023.07
2	Subsidy received during the year	4,353.31	4,023.07
(i)	Subsidy received against subsidy booked for current year	4,353.31	4,023.07
(ii)	Subsidy received against subsidy booked for previous year	-	-

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(F) Average Cost of Supply (ACS) & Average Realisable Revenue (ARR):-

S.No.	Particulars	Formulas	Financial Year	
			F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
A	Input Energy (MU)		31,722.21	28,314.36
B	Total Expenditure (Rs. In Cr.)		24,745.51	24,233.39
C	**ACS (Rs. Per Unit)**	**C=(B/A)*10**	**7.80**	**8.56**
D	Total Revenue from Sale of Power (Excl. Subsidy booked plus Subsidy received)		18,806.14	18,603.55
E	Subsidy booked		4,353.31	4,023.07
F	Subsidy received		4,353.31	4,023.07
G	Other Income (Excl. regulatory income & UDAY Grant)		2,418.52	4,259.81
H	Total Revenue (Subsidy Received basis) (Rs. In Cr.)	H=D-E+F+G	21,224.66	22,863.36
I	**ARR (Rs. Per Unit)**	**I=(H/A)*10**	**6.69**	**8.07**
J	**ACS-ARR Gap (Rs. Per Unit)**	**J=C-I**	**1.11**	**0.49**

(G) Creditor Days:-

S.No.	Particulars	Financial Year	
		F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
A	Trade Payables	9,645.22	8,683.88
B	Cost of Power Purchase	17,754.09	16,260.78
C	**Creditor Days [(A/B)*365]**	**198.29**	**194.92**

(H) Debtor Days:-

S.No.	Particulars	Financial Year	
		F.Y. ended on 31.03.2025	F.Y. ended on 31.03.2024
A	Trade Receivables	29,861.24	28,732.04
B	Revenue from Operations	14,452.83	14,580.48
C	**Debtor Days [(A/B)*365]**	**754.13**	**719.26**

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37 Disclosures regarding PQ/SOP compliance under RDSS Scheme are given as below: -

(₹ in Crores)

Profit & Loss Account		
TABLE 1: Revenue Details	**F.Y. ended on 31.03.2025**	**F.Y. ended on 31.03.2024**
Revenue from Operations (A = A1+A2+A3+A4+A5+A6)	14,453	14,580
A1: Revenue from Sale of Power	14,400	14,539
A2: Fixed Charges/Recovery from theft etc.	-	-
A3: Revenue from Distribution Franchisee	-	-
A4: Revenue from Inter-state sale and Trading	0	12
A5: Revenue from Open Access and Wheeling	53	30
A6: Any other Operating Revenue	-	-
Revenue - Subsidies and Grants (B = B1+B2+B3)	5,636	7,370
B1: Tariff Subsidy Booked	4,353	4,023
B2: Revenue Grant under UDAY	-	-
B3: Other Subsidies and Grants	1,283	3,347
Other Income (C = C1+C2+C3)	1,136	912
*C1: Income booked against deferred revenue**	-	-
C2: Misc Non-tariff income from consumers (including DPS)	471	508
C3: Other Non-operating income	664	404
Total Revenue on subsidy booked basis (D = A + B + C)	**21,225**	**22,863**
Tariff Subsidy Received (E)	4,353	4,023
Total Revenue on subsidy received basis (F = D-B1+E)	**21,225**	**22,863**
Whether State Government has made advance payment of subsidy for the period(Yes/No)	**No**	**No**

TABLE 2: Expenditure Details	**F.Y. ended on 31.03.2025**	**F.Y. ended on 31.03.2024**
Cost of Power (G = G1 + G2+ G3)	17,754	16,261
G1: Generation Cost (Only for GENCOS)	-	-
G2: Purchase of Power	16,949	15,522
G3: Transmission Charges	805	739
O&M Expenses (H = H1 + H2 + H3 + H4 + H5 + H6 + H7)	6,991	7,973
H1: Repairs & Maintenance	654	374
H2: Employee Cost	843	659
H3: Admn & General Expenses	717	939
H4: Depreciation	1,216	1,085
H5: Total Interest Cost	1,613	1,740
H6: Other expenses	1,915	3,137
H7: Exceptional Items	34	39
Total Expenses (I = G + H)	**24,746**	**24,233**
Profit before tax (J = D - I)	**-3,521**	**-1,370**
K1: Income Tax	-	-
K2: Deferred Tax	-	-

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

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(₹ in Crores)

Balance Sheet **TABLE 3: Total Assets**	**2024-25** **As on 31st Mar**	**2023-24** **As on 31st Mar**
M1: Net Tangible & Intangible Assets & CWIP	20,892	19,506
M2: Other Non-Current Assets	469	574
M3: Net Trade Receivables	16,519	17,305
M3a: Gross Trade Receivable Govt. Dept.	3,896	4,045
M3b: Gross Trade Receivable Other-than Govt. Dept.	25,965	24,687
M3c:Provision for bad debts	13,342	11,427
M4: Subsidy Receivable	112	112
M5: Other Current Assets	4,708	4,745
Total Assets **(M = M1 + M2 + M3 + M4 + M5)**	**42,701**	**42,241**
Table 4: Total Equity and Liabilities		
N1: Share Capital & General Reserves	29,507	25,826
N2: Accumulated Surplus/ (Deficit) as per Balance Sheet	-25,236	-21,715
N3: Government Grants for Capital Assets	4,469	4,134
N4: Non-current liabilities	1,712	1,509
N5: Capex Borrowings	14,338	15,652
N5a: Long Term Loans - State Govt	-	-
N5b: Long Term Loans - Banks & Fis	9,507	11,850
N5c: Short Term/ Medium Term - State Govt	-	-
N5d: Short Term/ Medium Term - Banks & Fis	4,830	3,803
N6: Non-Capex Borrowings	-	-
N6a: Short Term Borrowings/ from Banks/ Fis	-	-
N6b: Cash Credit/ OD from Banks/ Fis	-	-
N7: Payables for Purchase of Power	9,645	8,684
N8: Other Current Liabilities	8,266	8,150
Total Equity & Liabilities **(N=N1 +N2 +N3 +N4 +N5 + N6 + N7 + N8)**	**42,701**	**42,241**

TABLE 5: Technical Details	**F.Y. ended on 31.03.2025**	**F.Y. ended on 31.03.2024**
O1: Total Installed Capacity (MW) (Qtr. Ended) (Only for GENCOs)	-	-
O1a: Hydel	-	-
O1b: Thermal	-	-
O1c: Gas	-	-
O1d: Others	-	-
O2: Total Generation (MU) (Qtr. Ended) (Only for GENCOs)	-	-
O1a: Hydel	-	-
O1b: Thermal	-	-
O1c: Gas	-	-
O1d: Others	-	-
O3: Total Auxiliary Consumption (MU) (Quarter Ended)	-	-
O4 : Gross Power Purchase (MU) (Quarter Ended)	31,722	28,314
Gross Input Energy (MU) (O5=O2-O3+O4)	**31,722**	**28,314**
O6: Transmission Losses (MU)(Interstate & Intrastate)	-	-

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O7: Gross Energy sold (MU)	**27,411**	**24,077**
O7a: Energy Sold to own consumers	27,411	24,064
O7b: Bulk Sale to Distribution Franchisee	-	-
O7c: Interstate Sale/ Energy Traded/Net UI Export	0	13
Net Input Energy (MU) (O8 = O5-O6 -O7c)	**31,722**	**28,301**
Net Energy Sold (MU) (O9 = O7 - O7c)	**27,411**	**24,064**
Revenue Billed including subsidy booked (O10 = A1 + A2 + A3 + B1)	**18,753**	**18,562**
O11: Opening Gross Trade Receivables (including any adjustments) (Rs crore)	25,546	25,294
O12: Adjusted Gross Closing Trade Receivables (Rs crore)	26,437	25,546
Revenue Collected including subsidy received (O13 = A1 + A2+A3+E+O11 - O12)	**17,862**	**18,309**
Billing Efficiency (%) (O14 = O9/O8*100)	**86.41**	**85.03**
Collection Efficiency (%) (O15 = O13/O10*100)	**95.25**	**98.64**
Energy Realised (MU) (O15a = O15*O9)	**26,109**	**23,737**
AT&C Loss (%) (O16 = 100- O14*O15/100)	**17.69**	**16.13**

TABLE 6: Key Parameters	**F.Y. ended on 31.03.2025**	**F.Y. ended on 31.03.2024**
ACS (Rs./kWh) (P1 = I*10/O5)	**7.80**	**8.56**
ARR on Subsidy Booked Basis (Rs./kWh) (P2 = D*10/O5)	**6.69**	**8.07**
Gap on Subsidy Booked Basis (Rs./kWh) (P3 = P1 - P2)	**1.11**	**0.49**
ARR on Subsidy Received Basis (Rs./kWh) (P4 = F*10/O5)	**6.69**	**8.07**
Gap on Subsidy Received Basis (Rs./kWh) (P5 = P1 - P4)	**1.11**	**0.49**
ARR on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P6 = (F-B2-C1)*10/O5)	**6.69**	**8.07**
Gap on Subsidy Received excluding Regulatory Income and UDAY Grant (Rs./kWh) (P7 = P1 - P6)	**1.11**	**0.49**
Receivables (Days) (P8 = 365*M3/A)	**417**	**433**
Payables (Days) (P9 = 365*N7/G)	**198**	**195**
Total Borrowings (P10 = N5 + N6)	**14,338**	**15,652**

TABLE 7: Consumer Category-wise Details of Sale (MU)	**F.Y. ended on 31.03.2025**	**F.Y. ended on 31.03.2024**
Q1: Domestic	15,188	13,127
Q2: Commercial	4,007	3,594
Q3: Agricultural	3,173	2,583
Q4: Industrial	3,009	2,855
Q5: Govt. Dept. (ULB/RLB/ PWW/PL)	1,916	1,809
Q6: Others	118	109
Railways	16	17
Bulk Supply	-	-
Miscellaneous	101	79
Distribution Franchisee	-	-
Interstate/ Trading/ UI	0	13
Gr. Energy Sold (Q7=Q1+Q2+Q3+Q4+Q5+Q6)	**27,411**	**24,077**

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Table 8: Consumer Category-wise Details of Sale (Rs. Cr.)	**F.Y. ended on 31.03.2025**	**F.Y. ended on 31.03.2024**
Q1: Domestic	6,718	6,066
Q2: Commercial	2,207	2,034
Q3: Agricultural	359	527
Q4: Industrial	3,655	3,462
Q5: Govt. Dept. (ULB/RLB/ PWW/PL)	1,188	1,980
Q6: Others	325.39	511.31
Railways	15	17
Bulk Supply	-	-
Miscellaneous	310	483
Distribution Franchisee	-	-
Interstate/ Trading/ UI	0	12
Gr. Energy Sold (Q7=Q1+Q2+Q3+Q4+Q5+Q6)	**14,453**	**14,580**

38 Additional Regulatory Information as required under the Schedule-III of the Companies Act, 2013 are as under: -

(a) The company has not revalued its Property, Plant and Equipment/Intangible Assets during the Year ended on 31st March, 2025.

(b) The Company has not provided any Loans/Advances to its promoters/ Directors/ KMP's and Related Parties.

(c) 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 on 31st March, 2025.

(d) The Company does not have borrowings from banks or financial institution on the basis of security of current assets.

(e) The Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority during the year ended on 31st March, 2025.

(f) 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.

(g) As per best of our knowledge, there are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

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

(i) No arrangement has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(j) 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.

(k) 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.

(l) The company has not surrendered any income during the year ended on 31.03.2025, under the provisions of Income Tax Act, 1961.

(m) As per the requirement of Section 135 of Schedule-VII of 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 Companies Act, 2013, hence no CSR activity has been undertaken and accordingly no provision has been made by the company in this regard.

(n) The company has not traded or invested in Crypto Currency or virtual currency during the year ended on 31st March, 2025.

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39 Recent pronouncements/Amendments issued but not effective:

Ministry of Corporate Affairs ("MCA") notifies amendments to the existing standard under Companies (Indian Accounting Standards) Rules as issued from time to time. On May 07, 2025, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2025, applicable for F.Y. 2025-26, as below:

Ind AS 21-The Effects of Changes in Foreign Exchange Rates:

The amendments clarify the concept of currency exchangeability and estimation of spot exchange rates. A currency is considered exchangeable when it can be converted into another currency within a normal administrative timeframe through a market mechanism that creates enforceable rights and obligations. If a currency is not exchangeable on the measurement date, entities must estimate the spot exchange rate to reflect the rate applicable in a fair and orderly market transaction under prevailing economic conditions. When multiple exchange rates exist, the rate applicable to the related cash flows on the measurement date should be used. Additional disclosure requirements include the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks. Appendix A has been revised to provide application guidance on assessing exchangeability, and Appendix C has been added to reference related matters in other Indian Accounting Standards. These amendments are effective for annual reporting periods beginning on or after 1 April 2025. The Company does not expect these amendments to have a significant impact on its financial statements.

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40 **Assets / Liability Migration:-**

Various old balances appearing in different asset and liability head and is carried forward from previous years has been shifted/Parked to Asset Migration head in Note No.06 and Liability Migration head in Note No.15 during the year.The details of which are as under:

Description	Amount (₹Crore)	Shifted from Note No.	Shifted to Note No.
Assets Migration:-			
Employees (Receivables)	6.66	Note 10 (Financial Assets-Others (Current))	Note No. 6 (Financial Assets Others (Non-Current)
Receivables- Others	0.16	Note 10 (Financial Assets-Others (Current))	
Receivable from Govt. of UP	0.46	Note 10 (Financial Assets-Others (Current))	
Income Accrued but not due*	0.00	Note 11 (Other Current Assets)	
Deposits and Retentions from Suppliers & Others*	0.00	Note 18 (Other Financial Liabilities-Current)	
Pension & Gratuity on GPF	0.29	Note 18 (Other Financial Liabilities-Current)	
Staff Related Liabilities	0.07	Note 18 (Other Financial Liabilities-Current)	
Sundry Liabilities	0.12	Note 18 (Other Financial Liabilities-Current)	
Payable to UPRVUNL	0.02	Note 18 (Other Financial Liabilities-Current)	
Total	**7.78**		
Liability Migration:-			
Advance to Capital Suppliers/Contractors	-0.01	Note 3 (Capital Works in Progress)	Note No. 15 Financial Liabilities - Others (Non-Current)
Employees (Receivables)	0.47	Note 10 (Financial Assets-Others (Current))	
Receivables- Others	0.04	Note 10 (Financial Assets-Others (Current))	
Inter Unit Transfers	0.11	Note 10 (Financial Assets-Others (Current))	
Income Accrued but not due*	0.00	Note 11 (Other Current Assets)	
Liability for O&M Supplies/Works	0.03	Note 18 (Other Financial Liabilities-Current)	
Pension & Gratuity on GPF	0.96	Note 18 (Other Financial Liabilities-Current)	
Staff Related Liabilities	0.42	Note 18 (Other Financial Liabilities-Current)	
Liabilities for Expenses*	0.00	Note 18 (Other Financial Liabilities-Current)	
Sundry Liabilities	0.11	Note 18 (Other Financial Liabilities-Current)	
Total	**2.13**		

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*Since the figures of Financial Statements are stated in Crores, the following group heads are being reflected as Zero in the above schedule. Below are the absolute figures of the same:

Description	Amount (₹)	Shifted from Note No.	Shifted to Note No.
Assets Migration:-			
Income Accrued but not due	19,547.00	Note 11 (Other Current Assets)	Note No. 6 (Financial Assets - Others (Non-Current)
Deposits and Retentions from Suppliers & Others	-8,610.00	Note 18 (Other Financial Liabilities-Current)	
Liability Migration:-			
Income Accrued but not due	339.00	Note 11 (Other Current Assets)	Note No. 15 Financial Liabilities - Others (Non-Current)
Liabilities for Expenses	30,000.00	Note 18 (Other Financial Liabilities-Current)	

41 Paragraph 32 of Ind AS2 'Inventories' provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The company is operating in the regulatory environment and as per Tariff Regulations, cost of other inventory items are recovered as per extant tariff regulations. Accordingly, the realizable value of the inventories is not lower than the cost.

42 Unutilized balances lying in the prepaid meters of consumers are shown as current liability under the head "Other Financial Liabilities-Current".

43 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.

44 Amount paid to UPPTCL towards Bay Charges has been dealt as under:
(i) The amount paid for Bay Charges out of own funds has been charged to P&L A/c.
(ii) The amount paid for Bay Charges out of Consumer Contributions has been adjusted against Liabilities towards Deposit Works.

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45. Financial Ratios as required under the Schedule-III of the Companies Act, 2013 are as under: -

S.No.	Particulars	Formula	Numerator	₹ (In Crores) FY 24-25	₹ (In Crores) FY 23-24	Denominator	₹ (In Crores) FY 24-25	₹ (In Crores) FY 23-24	Ratio FY 24-25	Ratio FY 23-24	Difference	Basis	% Change	Explanatation for change in the ratio by more than 25%
1	Current Ratio	Current Assets/Current Liabilities	Current Assets includes			Current Liabilities includes			0.94	1.07	(0.13)	Times	-12.15%	
			-Inventory	1,213.54	908.64	-Trade Payables	9,645.22	8,683.88						
			-Trade Receivable	16,519.19	17,304.81	-Short term debt(current LTB)	4,959.93	3,948.91						
			-Cash & Cash equivalents	414.36	675.91	-Outstanding Expenses	-	-						
			-Bank Balance	4.91	2.85	-Provision for taxation	-	-						
			-Loans & Advances	-	-	-Other current liabilities	8,136.22	8,003.59						
			-Receivables/Accruals	2,625.55	2,166.19									
			-Other current assets	561.30	1,103.04									
			Total	**21,338.85**	**22,161.44**	**Total**	**22,741.37**	**20,636.38**						
2	Debt-Equity Ratio	Total Debt/Equity or Shareholder's fund	Debt includes			Equity includes			1.66	1.92	(0.26)	Times	-13.54%	
			-Short term debt (current LTB)	4,959.93	3,948.91	-Equity Share Capital	27,678.81	24,232.49						
			-Long term debt	9,507.25	11,849.93	-Accumulated profits	(18,938.57)	(15,987.04)						
			-Other fixed obligation	-	-									
			Total	**14,467.18**	**15,798.84**	**Total**	**8,740.24**	**8,245.45**						
3	Debt Service Coverage Ratio	Earning available for debt service/Interest plus Instalments	Earnings available for debt service includes			Denominator includes			0.23	0.89	(0.66)	Times	-74.17%	Majorly due to decline in Cash Profit owing to increase in loss.
			-Net profit after tax	(3,520.85)	(1,370.03)	-Interest	1,613.13	1,739.53						
			-depreciation	1,216.03	1,084.94	-Principal (Current Maturity Opening)	3,802.56	3,461.01						
			-Amortisation	-	-									
			-Interest	1,613.13	1,739.53									
			-Other non-cash/non-operating Expenses & Incomes											
			- Provision for Doubtful Debt	1,914.82	3,136.62									
			- Exceptional Items	30.19	28.20									
			- Remeasurements of Defined Benefit Plans	3.75	10.82									
			Total	**1,257.07**	**4,630.08**	**Total**	**5,415.69**	**5,200.54**						
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			(0.40)	(0.17)	(0.23)	Percent	135.29%	Majorly due to increase in loss.
			-Net profit after taxes minus Preference Shareholder's dividend	(3,520.85)	(1,370.03)	-Equity Share Capital	27,678.81	24,232.49						
						-Accumulated profits	(18,938.57)	(15,987.04)						
			Total	**(3,520.85)**	**(1,370.03)**	**Total**	**8,740.24**	**8,245.45**						
5	Inventory Turnover Ratio	Cost of Goods sold/Average Inventory	Cost of goods sold includes			Denominator includes			16.73	19.93	(3.20)	Times	-16.06%	
			-Cost of power purchase	17,754.09	16,260.78	-Average Inventory	1,061.09	815.88						
6	Trade Receivable Turnover Ratio	Credit sales/Average account receivables	Credit sales includes			Denominator includes			0.53	0.53	-	Times	0.00%	
			-Revenue from operation Incl.ED	15,418.45	15,273.98	-Average Trade Receivable	29,296.64	28,622.65						
7	Trade Payable Turnover Ratio	Credit purchases/Average account payables	Credit purchase includes:			Denominator includes:			1.94	1.75	0.19	Times	10.86%	
			-Cost of power purchase	17,754.09	16,260.78	-Average Trade payables	9,164.55	9,285.02						
8	Net Capital Turnover Ratio	Total Sales/Shareholder's Equity	Total Sales includes: -Revenue from operation	14,452.83	14,580.48	Shareholder's Equity includes: -Equity Share capital	27,678.81	24,232.49	1.65	1.77	(0.12)	Times	-6.78%	
						-Accumulated profits	(18,938.57)	(15,987.04)						
			Total	**14,452.83**	**14,580.48**	**Total**	**8,740.24**	**8,245.45**						
9	Net Profit Ratio	Net Profit x 100/Sales	Net profit includes:			Sales includes:			(24.36)	(9.40)	(14.96)	Percent	159.15%	Due to increase in loss by Rs. 2150.82 Cr. Owing to higher power purchase cost and decline in other income.
			Net profit after tax	(3,520.85)	(1,370.03)	-Revenue from operation	14,452.83	14,580.48						
10	Return on Capital Employed	EBIT x 100/ Capital Employed	EBIT includes:			Capital employed includes:			(9.56)	1.71	(11.27)	Percent	-659.06%	Majorly due to increase in loss.
			-Earnings before interest & tax			-Total Assets minus Current Liabilities								
			-Profit before tax	(3,520.85)	(1,370.03)	-Total Asset	42,700.53	42,240.61						
			-Interest	1,613.13	1,739.53	-Current Liabilities	22,741.37	20,636.38						
			Total	**(1,907.72)**	**369.50**	**Total**	**19,959.16**	**21,604.23**						
11	Return on Investment	Return x 100/Owner's equity or fund invested in business	Return includes	(3,520.85)	(1,370.03)	Owner's Equity or Fund Invested	8,740.24	8,245.45	(40.28)	(16.62)	(23.66)	Percent	142.36%	Due to increase in loss by Rs. 2150.82 Cr. And increase in equity by Rs. 494.79 Cr.
			Net profit after tax											

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46 **Rebate under Clause 12.5 of RDSS Terms of Payment**

In line with Clause 12.5 of the Terms of Payment in Part 3: Conditions of Contract and Contract Forms under the Revamped Distribution Sector Scheme (RDSS), the Employer is entitled to a 1.50% rebate on the invoice value (excluding GST) if payment is made within 10 days of receiving invoices complete in all respects.

As per the RDSS implementation guidelines, any rebate claimed is treated as a reduction in the cost of the project and does not constitute income for the Distribution Companies (DISCOMs).

During the financial year 2024-25, a rebate amounting to ₹6.00 crore was claimed by the company. This amount has been duly accounted for as a deduction from bills and recorded under the Retention Head in the books of accounts. The rebate will be deducted from the project cost during the closure and finalization of the scheme to ensure compliance with the scheme's guidelines.

47 The Board of Directors of Discoms have escrowed all the Revenue receipt accounts in favour of U.P. Power Corporation Limited, Lucknow. However, with implementation of smart prepaid metering and consequential collection in Direct Debit Facility (DDF) account as per RDSS scheme requirement, the BOD of Discoms has approved that all the receipts/collection in DDF account except to the extent to be paid as AMISP charges to AMISP vendors in consonance/compliance to DDF agreement terms, shall be escrowed in favour of UPPCL. The Holding Company has been further authorized to these escrowed revenue accounts for raising or borrowing the funds for & on behalf of distribution companies for all necessary present and future financial needs including Power Purchase obligation.

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

49 The Equity includes 500 Equity Shares of Rs. 1000 each allotted to the subscribers of the Memorandum of Association.

50 Receivables and payables from/to Inter Company/Inter DISCOM/Holding Company have been shown as net of receivables and payables in Note No. 10 & 18.

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51 (a) 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 power from its Holding Company (UPPCL) which procures the power on our behalf & supplies the same to us.

(b) 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 for rebate on timely payment (if any), the Company expects to receive in exchange for those supplied power.

(c) 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 the period of life of assets.

52 An embezzlement of cash amounting to Rs.0.62 Crores in EUDD Mahanagar, LESA Trans Gomti Zone came to the knowledge of management for which necessary departmental proceedings have been initiated against the concerned.

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHLEY MARG LUCKNOW

CIN-U31200UP2003SGC027459

53. Schedule: Additional Disclosure Statements (ADS)

Statement of compliance. -

Additional Disclosure Statements are prepared and presented in the form and manner provided in the Schedule annexed with Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024

Additional Disclosure Statement 1: Supplementary disclosures to Financial Statements

1 Revenue from operations:

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
(1)	(2)	(3)
(a) Revenue from sale of energy		
Sale of power to own consumers (Low Tension (LT), High Tension (HT) and Extra High Tension (EHT))	14,490.19	14,352.91
Fuel Adjustment Charge (FAC)/ Fuel Cost Adjustment (FCA)/ Fuel and Power Purchase Cost Adjustment (FPPCA)/ Power Purchase Adjustment Charge (PPAC)	-	-
Sale to Distribution Franchisee	-	-
Sale of power to others (such as inter-State sale/ energy traded/Unscheduled Inter-change (UI)/Deviation Settlement Mechanism (DSM)/inter DISCOM sale, etc.)	0.24	11.72
Other receipts from consumers (such as meter rents, service rentals, recoveries for theft of power and malpractices, etc.)	0.61	19.98
(i)Total	**14,491.04**	**14,384.61**
Less: rebate to consumers (if any, other than cash discount) **(ii)**	-	-
Revenue from sale of energy without tariff subsidy (i-ii)	**14,491.04**	**14,384.61**
Add: electricity duty/ other taxes billed to consumers	965.62	693.50
Less: electricity duty/ other taxes payable to Govt.	965.62	693.50
Sub-total of revenue from sale of energy	**14,491.04**	**14,384.61**
(b) Other operating income		
Wheeling charges	31.91	15.93
Open access charges	20.83	14.24
Others	-	-
(c) Subsidy		
Subsidy payable by State Government in accordance with the Electricity (Second Amendment) Rules, 2023 as per the number of units supplied to subsidized categories according to energy accounts multiplied by the per unit subsidy	4,353.31	4,023.07
Subsidy received	4,353.31	4,023.07
Total revenue from operations (a + b + c)	**23,250.40**	**22,460.92**

Note: Revenue to be recognized in accordance with rule 4 of these Rules.

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2 Details of revenue from sale of energy:

Particulars	For the year ended 31.03.2025					
	Energy sold – metered (MU)	Energy sold – un-metered (MU)	Gross energy sold (MU)	Revenue from sale of energy without tariff subsidy	Tariff subsidy billed	Tariff subsidy received
(1)	(2)	(3)	(4)=(2)+(3)	(5)	(6)	(7)
Domestic	14,981.019	207.006	15,188.025	6,758.32	3,825.42	3,825.42
Commercial	4,006.668	-	4,006.668	3,597.71	-	-
Agricultural	3,151.282	22.095	3,173.377	298.03	527.89	527.89
Industrial	3,009.470	-	3,009.470	2,339.01	-	-
Others:			-			
Public street lighting	297.640	157.810	455.450	346.35	-	-
Public water works	430.408	-	430.408	337.66	-	-
Railways	16.470	-	16.470	14.65	-	-
Bulk supply	-	-	-	-	-	-
Distribution franchisee	-	-	-	-	-	-
Inter-state sale/ energy traded / UI /DSM	0.276	-	0.276	0.24	-	-
Others (may specify name)	1,131.171	0.149	1,131.319	798.45	-	-
(i) Total	**27,024.404**	**387.060**	**27,411.463**	**14,490.42**	**4,353.31**	**4,353.31**
Out of (i) above, related to Government consumers						
State Government consumers	-	-	-	-	-	-
Central Government consumers	-	-	-	-	-	-

Particulars	For the year ended 31.03.2024					
	Energy sold – metered (MU)	Energy sold – un-metered (MU)	Gross energy sold (MU)	Revenue from sale of energy without tariff subsidy	Tariff subsidy billed	Tariff subsidy received
(1)	(2)	(3)	(4)=(2)+(3)	(5)	(6)	(7)
Domestic	12,881.564	245.675	13,127.239	6,017.55	3,564.51	3,564.51
Commercial	3,594.063	-	3,594.063	3,277.62	-	-
Agricultural	2,512.890	69.675	2,582.565	540.65	458.56	458.56
Industrial	2,855.472	-	2,855.472	2,242.70	-	-
Others:			-			
Public street lighting	260.488	241.502	501.990	630.38	-	-
Public water works	337.345	-	337.345	682.06	-	-
Railways	16.818	-	16.818	17.48	-	-
Bulk supply	-	-	-	-	-	-
Distribution franchisee	-	-	-	-	-	-
Inter-state sale/ energy traded / UI /DSM	13.272	-	13.272	11.72	-	-
Others (may specify name)	1,047.496	1.234	1,048.730	944.46	-	-
(i) Total	**23,519.408**	**558.086**	**24,077.494**	**14,364.63**	**4,023.07**	**4,023.07**
Out of (i) above, related to Government consumers						
State Government consumers	-	-	-	-	-	-
Central Government consumers	-	-	-	-	-	-

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3 Details of number of Consumers:

Particulars	For the year ended 31.03.2025											
	As on 01.04.2024				During the Period				As on 31.03.2025			
	Number of consumers – pre-paid meters	Number of consumers – other meters	Number of consumers – un – metered	Total no. of consumers	Number of consumers added – pre-paid meters	Number of consumers added – other meters	Number of consumers – un – metered	Number of consumers permanently disconnected	Number of consumers – pre-paid meters	Number of consumers – other meters	Number of consumers – un – metered	Total no. of consumers
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Domestic	38518	8641707	508	**8680733**	7794	404124	-159	41727	46312	9045831	349	**9092492**
Commercial	9517	624741	59	**634317**	1053	42644	-3	11970	10570	667385	56	**678011**
Agricultural	0	293748	1464	**295212**	0	14762	-74	410	0	308510	1390	**309900**
Industrial	17	27336	0	**27353**	2	-17	0	1135	15	27319	0	**27334**
Others:						0						
Public street lighting	*2*	*10983*	*4997*	***15982***	0	*389*	*73*	*78*	*2*	*11372*	*5070*	***16444***
Public water works	115	5277	0	***5392***	26	*691*	*0*	50	89	5968	0	***6057***
Railways	0	0	0	**0**	0	1	0	0	0	1	0	**1**
Bulk supply	0	1840	0	**1840**	0	231	0	15	0	2071	0	**2071**
Miscellaneous	139	35134	0	**35273**	1	2154	0	3095	140	37288	0	**37428**
Total	**48308**	**9640766**	**7028**	**9696102**	**8876**	**464979**	**-163**	**58480**	**57128**	**10105745**	**6865**	**10169738**

Particulars	For the year ended 31.03.2024											
	As on 01.04.2023				During the Period				As on 31.03.2024			
	Number of consumers – pre-paid meters	Number of consumers – other meters	Number of consumers – un – metered	Total no. of consumers	Number of consumers added – pre-paid meters	Number of consumers added – other meters	Number of consumers – un – metered	Number of consumers permanently disconnected	Number of consumers – pre-paid meters	Number of consumers – other meters	Number of consumers – un – metered	Total no. of consumers
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Domestic	34033	8227468	412	8261913	4485	434451	96	20116	38518	8641707	508	8680733
Commercial	7394	520474	50	527918	2123	112417	9	8141	9517	624741	59	634317
Agricultural	0	281413	20602	302015	0	6564	19138	239	0	293748	1464	295212
Industrial	2	26101	0	26103	15	1740	0	505	17	27336	0	27353
Others:												
Public street lighting	2	2183	453	2638	0	13346	4544	2	2	10983	4997	15982
Public water works	113	4236	0	4349	2	1055	0	14	115	5277	0	5392
Railways	0	1	0	1	0	1	0	0	0	0	0	0
Bulk supply	0	1630	0	1630	0	221	0	11	0	1840	0	1840
Miscellaneous	110	30786	0	30896	29	6990	0	2642	139	35134	0	35273
Total	**41654**	**9094292**	**21517**	**9157463**	**6654**	**576785**	**23787**	**31670**	**48308**	**9640766**	**7028**	**9696102**

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHLEY MARG LUCKNOW

CIN-U31200UP2003SGC027459

4 Details of Cross Subsidy:

Particulars	For the year ended 31.03.2025										
	Average Cost of Supply (ACoS) (Rs./kWh)	Notified tariff	Notified Subsidy	Gross energy sold (MU)	Revenue from sale of energy without tariff subsidy (Rs. Crore)	Average Billing Rate (ABR) (Rs./kWh)	Cross Subsidy (Rs./kWh) (ACoS – ABR)	Tariff subsidy booked (Rs. Crore)	Tariff subsidy per Unit	Consumer category wise loss per unit (Rs./kWh) (ABR–ACoS)	% Tariff subsidy received through Direct Benefit Transfer
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Domestic	7.80	As mentioned/ approved by UPERC in the Tariff Schedule of ARR FY 2024-25 Tariff Order dated 10.10.2024	As per GoUP Letter No. 1261/24-1-2024-1307/2020 Dated 26.09.2024	15,188.02	6,758.32	0.44	7.36	3,825.42	0.25	7.10	-
Commercial				4,006.67	3,597.71	0.90	6.90	-	-	6.90	-
Agricultural				3,173.38	298.03	0.09	7.71	527.89	0.17	7.54	-
Industrial				3,009.47	2,339.01	0.78	7.02	-	-	7.02	-
Others:											
Public street lighting				455.45	346.35	0.76	7.04	-	-	7.04	-
Public water works				430.41	337.66	0.78	7.02	-	-	7.02	-
Railways				16.47	14.65	0.89	6.91	-	-	6.91	-
Bulk supply				-	-	-	7.80	-	-	7.80	-
Miscellaneous				1,131.60	798.69	0.71	7.09	-	-	7.09	-
Total	**7.80**			**27,411.46**	**14,490.43**	**0.53**	**7.27**	**4,353.31**	**0.42**	**6.85**	**-**

Particulars	For the year ended 31.03.2024										
	Average Cost of Supply (ACoS) (Rs./kWh)	Notified tariff	Notified Subsidy	Gross energy sold (MU)	Revenue from sale of energy without tariff subsidy (Rs. Crore)	Average Billing Rate (ABR) (Rs./kWh)	Cross Subsidy (Rs./kWh) (ACoS – ABR)	Tariff subsidy booked (Rs. Crore)	Tariff subsidy per Unit	Consumer category wise loss per unit (Rs./kWh) (ABR–ACoS)	% Tariff subsidy received through Direct Benefit Transfer
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Domestic	8.56	As mentioned/ approved by UPERC in the Tariff Schedule of ARR FY 2023-24 Tariff Order dated 24.05.2023	As per GoUP Letter No. 978/24-1-2023-1307/2020 Dated 17.04.2023	13,127.240	6,017.55	0.46	8.10	3,564.51	0.27	7.83	-
Commercial				3,594.063	3,277.62	0.91	7.65	-	-	7.65	-
Agricultural				2,582.565	540.65	0.21	8.35	458.56	0.18	8.17	-
Industrial				2,855.472	2,242.70	0.79	7.77	-	-	7.77	-
Others:											
Public street lighting				501.990	630.38	1.26	7.30	-	-	7.30	-
Public water works				337.345	682.06	2.02	6.54	-	-	6.54	-
Railways				16.818	17.48	1.04	7.52	-	-	7.52	-
Bulk supply				-	-	-	8.56	-	-	8.56	-
Miscellaneous				1,062.003	956.19	0.90	7.66	-	-	7.66	-
Total	**8.56**			**24,077.494**	**14,364.63**	**0.60**	**7.96**	**4,023.07**	**0.45**	**7.51**	**-**

Note: (i) In column (2) Average Cost of Supply (ACoS) means total expenses as per statement of profit and loss divided by gross energy sold.;

(ii) In column (3) Notified tariff means the tariff applicable to the consumer category as per the relevant tariff order;

(iii) In column (5) Gross energy sold (MU) means aggregate of metered and unmetered energy sale to all category of consumers. Energy traded or unscheduled interchange or inter-state sale of power to be included. Open access or wheeling units shall not be included.

S N GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHLEY MARG LUCKNOW

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5 Other Income:

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
(1)	(2)	(3)
Interest Income		
(i) Bank deposits	49.20	23.35
(ii) Others	7.07	-
Dividend income	-	-
Rental income	0.16	0.06
Late payment surcharge	471.40	508.08
Other non-operating income (may specify nature)		
(i) Income from Contractors/Suppliers	0.03	78.41
(ii) Amortisation of Consumer Contribution, Grant & Others	218.29	202.41
(iii) Miscellaneous Income/ Receipts	32.81	7.86
(iv) Sale of Scrap	52.70	79.09
(v) Penalty from Contractors	18.19	10.32
(vi) Sale of Tender Forms	2.51	3.15
(vii) Liabilities/Provision written back	283.16	-
Total	**1,135.52**	**912.73**

Note: In column (1) late payment surcharge cess or delayed payment charges means the amounts levied by Specified Entity, if the electricity bill raised by it is not being paid within the due date specified on the bill.

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

6 Consumer category wise tariff subsidy receivables:

Particulars	For the year ended 31.03.2025				
Consumer category	Opening balance	Tariff subsidy billed during the year	Tariff subsidy received during the year		Closing balance
			For current year	For previous year	
(1)	(2)	(3)	(4)	(5)	(6)
Domestic	-	3,825.42	3,825.42	-	-
Commercial	-	-	-	-	-
Agricultural	-	527.89	527.89	-	-
Industrial	-	-	-	-	-
Others (may specify category)	-	-	-	-	-
Total	**-**	**4,353.31**	**4,353.31**	**-**	**-**

Particulars	For the year ended 31.03.2024				
Consumer category	Opening balance	Tariff subsidy billed during the year	Tariff subsidy received during the year		Closing balance
			For current year	For previous year	
(1)	(2)	(3)	(4)	(5)	(6)
Domestic	-	3,564.51	3,564.51	-	-
Commercial	-	-	-	-	-
Agricultural	-	458.56	458.56	-	-
Industrial	-	-	-	-	-
Others (may specify category)	-	-	-	-	-
Total	**-**	**4,023.07**	**4,023.07**	**-**	**-**

Note: In column (3) accounting for subsidy billed shall be as per standard operating procedure or guidelines issued by Ministry of Power in this regard from time to time.

7 Gross trade receivables:

Particulars	For the year ended 31.03.2025			For the year ended 31.03.2024		
	Current	Non-Current	Total	Current	Non-Current	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
For sale of power to own consumers (LT, HT and EHT)	27,199.09	-	27,199.09	26,384.68	-	26,384.68
For sale to distribution franchisee		-	-		-	-
For sale of power to others (such as inter-State sale/ energy traded /UI / DSM /inter DISCOM sale, etc.)	71.69	-	71.69	71.71	-	71.71
Electricity duty/ other taxes	2,590.46	-	2,590.46	2,275.65	-	2,275.65
Late payment surcharge		-	-		-	-
Others		-	-		-	-
Total	**29,861.24**	**-**	**29,861.24**	**28,732.04**	**-**	**28,732.04**

N. GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

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8 Gross trade receivable - consumer category wise for sale of energy

Particulars	For the year ended 31.03.2025				For the year ended 31.03.2024			
	Opening balance	Revenue Billed	Revenue Received	Closing balance	Opening balance	Revenue Billed	Revenue Received	Closing balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Domestic	15,524.05	6,758.32	5,048.61	17,233.77	16,740.40	6,017.55	7,233.90	15,524.05
Commercial	5,884.05	3,597.71	3,317.44	6,164.33	5,127.31	3,277.62	2,520.87	5,884.05
Agricultural	1,253.40	298.03	104.34	1,447.08	1,241.39	540.65	528.65	1,253.40
Industrial	1,661.24	2,339.01	2,536.62	1,463.63	770.28	2,242.70	1,351.74	1,661.24
Others:			-				-	
Public street lighting	485.14	346.35	420.63	410.85	146.63	630.38	291.88	485.14
Public water works	793.74	337.66	354.19	777.21	1,165.73	682.06	1,054.04	793.74
Railways	-	14.65	14.65	0.00	18.31	17.48	35.78	-
Bulk supply	-	-	-	-	-	-	-	-
Distribution franchisee	-	-	-	-	-	-	-	-
Inter-state sale/ energy traded / UI /DSM	-	0.24	0.24	-	-	11.72	11.72	-
Miscellaneous	3,130.43	798.45	1,564.86	2,364.01	3,303.21	944.46	1,117.25	3,130.43
(i) Total	**28,732.04**	**14,490.43**	**13,361.58**	**29,860.89**	**28,513.25**	**14,364.63**	**14,145.84**	**28,732.04**
Out of (i) above, related to Govt. consumers								
State Government departments	3,974.97	1,363.96	1,511.35	3,827.59	5,492.08	2,155.19	3,672.30	3,974.97
Central Government departments	70.52	14.65	16.93	68.24	66.75	17.48	13.71	70.52
Total trade receivables related Govt.consumers	**4,045.49**	**1,378.61**	**1,528.27**	**3,895.83**	**5,558.83**	**2,172.67**	**3,686.01**	**4,045.49**

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHLEY MARG LUCKNOW

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9 Details of borrowings:

Particulars			For the year ended 31.03.2025					For the year ended 31.03.2024				
			Opening balance	Additions	Due for payment	Repayment	Closing balance	Opening balance	Additions	Due for payment	Repayment	Closing balance
(1)			(2)	(3)	(4)	(5)	(6)=(2)+ (3)-(5)	(7)	(8)	(9)	(10)	(11)=(7)+ (8)-(10)
Borrowings (bifurcate between secured and un-secured)												
(a)	**Long term loans – banks/ NBFC/others**											
	Secured :											
	i	R-APDRP Part-B (REC)	122.96	-	-	31.37	91.59	154.33	-	-	31.37	122.96
	ii	Saubhagya (REC)	549.93	-	-	66.48	483.45	616.41	-	-	66.48	549.93
	iii	DDUGJY (REC)	278.31	-	-	33.67	244.64	311.98	-	-	33.67	278.31
	iv	R-APDRP Part-B (PFC)	601.92	-	-	64.77	537.15	665.43	-	-	63.51	601.92
	v	IPDS (PFC)	171.90	-	-	14.57	157.33	186.47	-	-	14.57	171.90
	vi	AB Cable (PFC)	114.82	-	-	7.74	107.08	118.04	-	-	3.22	114.82
	Unsecured :											
	i	REC	3,798.37	1,616.76	-	1,593.16	3,821.97	4,234.23	939.47	-	1,375.33	3,798.37
	ii	PFC	4,241.56	1,690.19	-	1,897.01	4,034.74	5,009.13	1,070.82	-	1,838.39	4,241.56
	iii	HUDCO	-	136.65	-		136.65	-	-	-	-	-
(b)	**Long term loans Government**		-	-	-	-	-	-	-	-	-	-
(c)	**Short term loans – banks/ NBFC/others**		-	-	-	-	-	-	-	-	-	-
(d)	**Bonds**											
	Secured :											
	i	8.48% Rated Listed Bonds	303.69	-	-	101.23	202.46	404.92	-	-	101.23	303.69
	ii	8.97% Rated Listed Bonds	548.53	-	-	182.85	365.68	731.37	-	-	182.84	548.53
	iii	9.70% Rated Listed Bonds	1,409.20	-	-	176.15	1,233.05	1,409.20	-	-	-	1,409.20
	iv	9.75% Rated Listed Bonds	429.04	-	-	114.41	314.63	543.45	-	-	114.41	429.04
	v	9.95% Rated Listed Bonds	1,012.20	-	-	126.52	885.68	1,012.20	-	-	-	1,012.20
	vi	10.15% Rated Listed Bonds	624.80	-	-	156.20	468.60	781.00	-	-	156.20	624.80
	Unsecured :											
	i	9.70% UDAY Bonds	1,445.26	-	-	192.39	1,252.87	1,637.64	-	-	192.38	1,445.26
	Total borrowings:Secured		**6,167.30**	**-**	**-**	**1,075.96**	**5,091.34**	**6,934.80**	**-**	**-**	**767.50**	**6,167.30**
	Total borrowings:Unsecured		**9,485.19**	**3,443.60**	**-**	**3,682.56**	**9,246.23**	**10,881.00**	**2,010.29**	**-**	**3,406.10**	**9,485.19**
Total :(Secured+Unsecured)			**15,652.49**	**3,443.60**	**-**	**4,758.52**	**14,337.57**	**17,815.80**	**2,010.29**	**-**	**4,173.60**	**15,652.49**

Note:In column (2), (6), (7) and (11) opening balance and closing balance of borrowings in above table reflects total borrowings including current maturities of long-term borrowings.

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10 Trade payables age-wise:

For the year ended 31.03.2025					
Particulars	**Less than 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
Power purchase					
State's own generation	-	-	-	-	-
Independent Power Producers (IPP)- within the State	-	-	-	-	-
Independent Power Producers (IPP) inter-State generating station	-	-	-	-	-
Central Public Sector Enterprises (CPSE)-within the State	-	-	-	-	-
CPSE inter-State generating station	-	-	-	-	-
Bilateral	-	-	-	-	-
Exchange	-	-	-	-	-
Transmission charges					
State's own transmission Company	804.99	148.73	-	-	953.72
State independent transmission projects	-	-	-	-	-
Inter-State independent transmission projects	-	-	-	-	-
CPSE transmission Co.	-	-	-	-	-
Total	**804.99**	**148.73**	**-**	**-**	**953.72**

For the year ended 31.03.2024					
Particulars	**Less than 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
Power purchase					
State's own generation	-	-	-	-	-
Independent Power Producers (IPP)- within the State	-	-	-	-	-
Independent Power Producers (IPP) inter-State generating station	-	-	-	-	-
Central Public Sector Enterprises (CPSE)-within the State	-	-	-	-	-
CPSE inter-State generating station	-	-	-	-	-
Bilateral	-	-	-	-	-
Exchange	-	-	-	-	-
Transmission charges					
State's own transmission Company	739.27	404.06	-	-	1,143.33
State independent transmission projects	-	-	-	-	-
Inter-State independent transmission projects	-	-	-	-	-
CPSE transmission Co.	-	-	-	-	-
Total	**739.27**	**404.06**	**-**	**-**	**1,143.33**

Note: The Power purchase function is being discharged centrally by the holding Company i.e, UPPCL. The Power purchase by UPPCL is sold to the Discoms (wholly owned subsidiaries) at cost. The amount payable to UPPCL in respect of purchase of power (Trade Payable) as on 31.03.2025 amounting to Rs. 8691.50 Cr. (Previous Year 7540.55 Cr.).

S N GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHLEY MARG LUCKNOW

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11 Details of trade payables:

Particulars	For the year ended 31.03.2025				For the year ended 31.03.2024			
	Opening balance	Addition during the year	Paid during the year	Closing balance	Opening balance	Addition during the year	Paid during the year	Closing balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Power purchase	-	-	-	-	-	-	-	-
State's own generation	-	-	-	-	-	-	-	-
State IPP	-	-	-	-	-	-	-	-
IPP ISGS	-	-	-	-	-	-	-	-
CPSE State	-	-	-	-	-	-	-	-
CPSE ISGS	-	-	-	-	-	-	-	-
Bilateral	-	-	-	-	-	-	-	-
Exchange	-	-	-	-	-	-	-	-
Transmission charges	-	-	-	-	-	-	-	-
State's own transmission	1,143.33	804.99	994.60	953.72	1,320.43	739.27	916.37	1,143.33
State independent transmission	-	-	-	-	-	-	-	-
Inter-State independent	-	-	-	-	-	-	-	-
CPSE transmission company	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	**1,143.33**	**804.99**	**994.60**	**953.72**	**1,320.43**	**739.27**	**916.37**	**1,143.33**

Note: The Power purchase function is being discharged centrally by the holding Company i.e, UPPCL. The Power purchase by UPPCL is sold to the Discoms (wholly owned subsidiaries) at cost. The amount payable to UPPCL in respect of purchase of power (Trade Payable) as on 31.03.2025 amounting to Rs. 8691.50 Cr. (Previous Year 7540.55 Cr.).

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHLEY MARG LUCKNOW

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Additional Disclosure Statement 2: Power Purchase Details

For the year ended 31.03.2025

Own generation of SE (if applicable):

Particulars	Units	Formula	Thermal	Hydro	Renewable Energy	Nuclear	Others	Total
Gross Generation	MU	A	-	-	-	-	-	-
Auxillary Consumption	MU	B	-	-	-	-	-	-
Net generation	MU	C=-A-B	-	-	-	-	-	-
Total Generation Cost	Rs. Cr.	D	-	-	-	-	-	-

Long term power purchase:

Particulars	Units	Formula	Thermal	Hydro	Renewable Energy	Nuclear	Others	Total
Quantum	MU	E	-	-	-	-	-	-
Fixed Charges	Rs. Cr.	F1	-	-	-	-	-	-
Energy Charges	Rs. Cr.	F2	-	-	-	-	-	-
Total power purchase cost	Rs. Cr.	F=F1+F2	-	-	-	-	-	-
Late Payment Surcharge (LPS)	Rs. Cr.	G	-	-	-	-	-	-
Long term power purchase cost including LPS	Rs. Cr.	H=F+G	-	-	-	-	-	-

Medium term power purchase:

Particulars	Units	Formula	Thermal	Hydro	Renewable Energy	Nuclear	Others	Total
Quantum	MU	I	-	-	-	-	-	-
Fixed Charges	Rs. Cr.	J1	-	-	-	-	-	-
Energy Charges	Rs. Cr.	J2	-	-	-	-	-	-
Total power purchase cost	Rs. Cr.	J=J1+J2	-	-	-	-	-	-
Late Payment Surcharge (LPS)	Rs. Cr.	K	-	-	-	-	-	-
Medium term power purchase cost including LPS	Rs. Cr.	L=J+K	-	-	-	-	-	-

Short term power purchase:

Particulars	Units	Formula	Thermal	Hydro	Renewable Energy	Nuclear	Others	Total
Quantum - bilateral	MU	M	-	-	-	-	-	-
Power purchase cost -bilateral	Rs. Cr.	N	-	-	-	-	-	-
Quantum exchange	Rs. Cr.	O	-	-	-	-	-	-
Power purchase cost -exchange	Rs. Cr.	P	-	-	-	-	-	-
Total power purchase cost	Rs. Cr.	Q=N+P	-	-	-	-	-	-

S N GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUCKNOW

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHLEY MARG LUCKNOW

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Particulars	Units	Formula	Total
Gross input energy	MU	R=C+E+I+M+O	31,722.210
Energy sold outside SE's periphery	MU	S	0.276
Inter-State transmission losses	MU	T	-
Intra State transmission losses	MU	U	-
Energy available at SE's periphery	MU	V=R-S-T-U	31,721.934
Energy sold within SE's periphery	MU	W	27,411.187
Distribution loss	MU	X=V-W	4,310.747
Billing efficiency	%	B.E=W/V*100	86%
Total power purchase cost	Rs. Cr.	Y=D+H+L+Q	16,949.10
Central Transmission Utility (CTU)&Regional Load Despatch Centre (RLDC) charges	Rs. Cr.	Z	-
State Transmission Utility(STU)&State Load Despatch Centre (SLDC) charges	Rs. Cr.	ZA	-
Total cost of power purchase &transmission	Rs. Cr.	ZB=Y+Z+ZA	16,949.10
Average power purchase cost for SE	Rs./kWh	ZC=ZB*10/R	5.34
Average power purchase cost for SE (after transmission loss)	Rs./kWh	ZD=ZB*10/V	5.34

Note: The Power purchase function is being discharged centrally by the holding Company i.e, UPPCL. The Power purchase by UPPCL is sold to the Discoms (wholly owned subsidiaries) at cost. The amount payable to UPPCL in respect of purchase of power (Trade Payable) as on 31.03.2025 amounting to Rs. 8691.50 Cr. (Previous Year 7540.55 Cr.).

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Additional Disclosure Statement 2: Power Purchase Details

For the year ended 31.03.2024

Own generation of SE (if applicable):

Particulars	Units	Formula	Thermal	Hydro	Renewable Energy	Nuclear	Others	Total
Gross Generation	MU	A	-	-	-	-	-	-
Auxillary Consumption	MU	B	-	-	-	-	-	-
Net generation	MU	C=-A-B	-	-	-	-	-	-
Total Generation Cost	Rs. Cr.	D	-	-	-	-	-	-

Long term power purchase:

Particulars	Units	Formula	Thermal	Hydro	Renewable Energy	Nuclear	Others	Total
Quantum	MU	E	-	-	-	-	-	-
Fixed Charges	Rs. Cr.	F1	-	-	-	-	-	-
Energy Charges	Rs. Cr.	F2	-	-	-	-	-	-
Total power purchase cost	Rs. Cr.	F=F1+F2	-	-	-	-	-	-
Late Payment Surcharge (LPS)	Rs. Cr.	G	-	-	-	-	-	-
Long term power purchase cost including LPS	Rs. Cr.	H=F+G	-	-	-	-	-	-

Medium term power purchase:

Particulars	Units	Formula	Thermal	Hydro	Renewable Energy	Nuclear	Others	Total
Quantum	MU	I	-	-	-	-	-	-
Fixed Charges	Rs. Cr.	J1	-	-	-	-	-	-
Energy Charges	Rs. Cr.	J2	-	-	-	-	-	-
Total power purchase cost	Rs. Cr.	J=J1+J2	-	-	-	-	-	-
Late Payment Surcharge (LPS)	Rs. Cr.	K	-	-	-	-	-	-
Medium term power purchase cost including LPS	Rs. Cr.	L=J+K	-	-	-	-	-	-

Short term power purchase:

Particulars	Units	Formula	Thermal	Hydro	Renewable Energy	Nuclear	Others	Total
Quantum - bilateral	MU	M	-	-	-	-	-	-
Power purchase cost -bilateral	Rs. Cr.	N	-	-	-	-	-	-
Quantum exchange	Rs. Cr.	O	-	-	-	-	-	-
Power purchase cost -exchange	Rs. Cr.	P	-	-	-	-	-	-
Total power purchase cost	Rs. Cr.	Q=N+P	-	-	-	-	-	-

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Particulars	Units	Formula	Total
Gross input energy	MU	R=C+E+I+M+O	28,314.364
Energy sold outside SE's periphery	MU	S	13.272
Inter-State transmission losses	MU	T	-
Intra State transmission losses	MU	U	-
Energy available at SE's periphery	MU	V=R-S-T-U	28,301.092
Energy sold within SE's periphery	MU	W	24,064.222
Distribution loss	MU	X=V-W	4,236.870
Billing efficiency	%	B.E=W/V*100	85%
Total power purchase cost	Rs. Cr.	Y=D+H+L+Q	15,521.51
Central Transmission Utility (CTU)&Regional Load Despatch Centre (RLDC) charges	Rs. Cr.	Z	-
State Transmission Utility(STU)&State Load Despatch Centre (SLDC) charges	Rs. Cr.	ZA	-
Total cost of power purchase &transmission	Rs. Cr.	ZB=Y+Z+ZA	15,521.51
Average power purchase cost for SE	Rs./kWh	ZC=ZB*10/R	5.48
Average power purchase cost for SE (after transmission loss)	Rs./kWh	ZD=ZB*10/V	5.48

Note: The Power purchase function is being discharged centrally by the holding Company i.e, UPPCL. The Power purchase by UPPCL is sold to the Discoms (wholly owned subsidiaries) at cost. The amount payable to UPPCL in respect of purchase of power (Trade Payable) as on 31.03.2025 amounting to Rs. 8691.50 Cr. (Previous Year 7540.55 Cr.).

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Additional Disclosure Statement 3: Statement of Average Cost of Supply (ACS) –Average Revenue Realized (ARR)gap:

S. No.	Parameter	Units	Description	For the year ended 31.03.2025	For the year ended 31.03.2024
(1)	(2)	(3)	(4)	(5)	(6)
(i)	Gross input energy	MU	SE's own generation - auxilliary consumption + energy purchased (Gross)	31,722.210	28,314.364
(ii)	Total expenses	Rs. Crore	Total expenses as per statement of profit and loss (including extraordinary expenses & provisions)	24,745.51	24,233.39
(iii)	Total revenue	Rs. Crore	Total revenue as per statement of profit and loss	21,224.66	22,863.36
(iv)	Average cost of Supply (ACS)	Rs/kWh	(ii)*10/A	7.80	8.56
(v)	Average realizable Revenue (ARR)	Rs/kWh	(iii)*10/A	6.69	8.07
(vi)	**ACS - ARR gap**	**Rs/kWh**	**(iv)-(v)**	**1.11**	**0.49**
(vii)	Adjusted total revenue	Rs. Crore	As per note below	20,333.84	22,610.73
(viii)	Adjusted Average Realizable Revenue (ARR)	Rs/kWh	(vii)*10/A	6.41	7.99
(ix)	**Adjusted ACS - ARR Gap**	**Rs/kWh**	**(iv)-(viii)**	**1.39**	**0.57**

Note: (i) In column (2) gross input energy means sum of energy purchased and special entity's own generation, if any (net of auxiliary consumption);

(ii) In column (2) adjusted total revenue to be calculated as below:

Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
(1)	(2)	(3)
Total revenue as per statement of profit and loss	21,224.66	22,863.36
Adjustments of items included in total revenue above		
Less: tariff subsidy billed and not received	-	-
Less: increase in gross trade receivables	890.82	252.63
Add: decrease in gross trade receivables	-	-
Less: other Government subsidy/ grant of revenue nature (if included in total revenue but not received)	-	-
Less: Govt. grants of capital nature (if included in total revenue)	-	-
Adjusted total revenue	**20,333.84**	**22,610.73**

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Additional Disclosure Statement 4:Statement of (Aggregate Technical & Commercial (AT and C) loss:

S.No.	Parameter	Unit	Description	For the year ended 31.03.2025	For the year ended 31.03.2024
(1)	(2)	(3)	(4)	(5)	(6)
A	Gross input energy	MU	SE's own generation - auxiliary consumption + energy purchased (gross)	31,721.934	28,301.092
B1	Inter-State sale/ energy traded/UI	MU		-	-
B2	Transmission losses	MU		-	-
C	Net input energy	MU	C= A-B1-B2	31,721.934	28,301.092
D	Energy sold	MU	Energy sold to all categories of consumers excluding units of energy traded/ inter-State sales/UI	27,411.187	24,064.222
E	Revenue from sale of energy on tariff subsidy received basis	Rs. Crore	Revenue from sale of energy to all categories of consumers (including tariff subsidy received) but excluding revenue from energy traded/ inter-State sales/UI	18,753.17	18,561.66
F	Opening trade receivable	Rs. Crore	Gross opening trade receivable as per trade receivable schedule.	25,546.32	25,293.69
G	Closing trade receivables	Rs. Crore	(i) Gross closing trade receivables as per trade receivable note	26,437.14	25,546.32
			(ii) Any amount written off during the year directly from (i)	-	-
H	Adjusted closing trade receivable for sale of energy	Rs. Crore	G(i)+G(ii)	26,437.14	25,546.32
I	Collection efficiency	%	(E+F-H)*100/E	95.25%	98.64%
J	Billing efficiency	%	Value to be taken from Additional Disclosure Statement 2	86%	85%
K	Units realized	MU	D*I	26,109.093	23,736.698
L	Units un-realized	MU	C-K	5,612.841	4,564.394
M	**AT&C losses**	%	L*100/C	**17.69%**	**16.13%**

Note:(i) In column (2) collection efficiency to be capped at 100%.

(ii)For calculation of AT&C loss, revenue and trade receivables shall include only:

(a) Sale of power to LT, HT and EHT consumers net of rebate to consumers;
Other receipts from consumers (such as meter rents, service rentals, recoveries for theft of power and malpractices, etc.);

(b) FAC/FCA/ FPPCA/PPAC.

(iii) For calculation of AT&C loss, revenue and trade receivables shall exclude: (a) Electricity duty/other taxes; (b) Wheeling of energy; (c) Open access sale;
(d) Sale of power through inter-State sale/ energy traded/UI/DSM/ inter DISCOM sale; (e) Delayed payment surcharge/ late payment surcharge.

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Additional Disclosure Statement 5: Performance summary of Specified Entity:

Item	Unit	Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
(1)	(2)	(3)	(4)	(5)
Payables	No. of Days	To generating companies	-	-
		To transmission companies	432	564
		To others	187	177
Loss taken over by State Government	Rs. Crore	Operational gap funding during the year	1,283.00	3,229.45
		Loss taken over for previous year	-	117.63
Contingent liabilities - guarantees	Rs. Crore	Outstanding total amount against which guarantees have been issued	5.36	3.05
State Govt./ State PSUs guarantees on behalf of specified entity	Rs. Crore	Outstanding total amount against which guarantees have been taken	21,303.27	21,207.45
Prepaid metering of Government offices	Nos.		-	-
Total Govt. offices	Nos.		9,336.00	9,326.00
% of Govt. offices on prepaid	%		-	-
Communicable feeder metering	%	% of feeders with communicable meters to total feeders	61%	67%
Communicable Distribution Transformer (DT) Metering	%	% of DTs with communicable meters to total DTs	5.12	0
Accounts	Date of signing	Preparation of quarterly audited accounts for Q1	08/08/2024	14/08/2023
		Preparation of quarterly audited accounts for Q2	06/11/2024	04/11/2023
		Preparation of quarterly audited accounts for Q3	10/02/2025	07/02/2024
		Preparation of quarterly audited accounts for Q4	N.A.	30/05/2024
		Preparation of audited annual accounts for last financial year	11/06/2024	25/08/2023
Energy Accounts	Date of signing	Preparation of quarterly energy accounts for Q1	10/08/2024	22/08/2023
		Preparation of quarterly energy accounts for Q2	11/06/2024	11/08/2023
		Preparation of quarterly energy accounts for Q3	28/02/2025	22/02/2024
		Preparation of quarterly energy accounts for Q4	19/05/2025	07/10/2024
		Preparation of annual energy accounts for last financial year	Pending	30/07/2024

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

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Details of tariff orders				
Date of filing of tariff petition	Date		30/11/2023	30/11/2022
Date of issuance of tariff order	Date		10/10/2024	24/05/2023
Date of filing of true-up Petition	Date		N.A.	30/11/2024
Date of issuance of true-up order	Date		N.A.	To be issued
Employees	No.	**Opening**		
	No.	a. Permanent	7916	7606
	No.	b. Contractual/ casual	21752	20958
	No.	**Recruitment during the year**		
	No.	a. Permanent	113	638
	No.	b. Contractual/ casual	0	794
	No.	**Retirement/ separation during the year**		
	No.	a. Permanent	252	328
	No.	b. Contractual/ casual	1649	0
	No.	**Closing**		
	No.	a. Permanent	7777	7916
	No.	b. Contractual/ casual	20103	21752

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Tariff order Analysis:

Annual Revenue Requirement	Petition	Approved	Reason for disallowance
Net ARR (FY 2024-25)	22,245.76	20,634.80	Difference in approved amount is majorily due to disallowance of different heads of expenses like Smart Metering OPEX, Employee Capitalisation, Finance & Banking Charges etc.
Net ARR (FY 2025-26)	Approval Pending		-

True-up order Analysis:

Annual Revenue Requirement	Petition	Approved	Reason for disallowance
Net ARR (FY 2022-23)	20,090.54	16,965.20	Difference in approved amount is majorily due to disallowance of different heads of expenses like Smart Metering OPEX, Employee Capitalisation, Finance & Banking Charges etc.
Net ARR (FY 2023-24)	Approval Pending		-

(Abha Sethi Tandon)
Company Secretary
MVVNL, Lucknow
M.No.: F6733

(S.K. Awasthi)
Chief Financial Officer
MVVNL, Lucknow
PAN : ABZPA3817F

(Manoj Bansal)
Director (Finance)
MVVNL, Lucknow
DIN :10427842

(Riya Kejriwal)
Managing Director
MVVNL, Lucknow
DIN : 11020051

Place: Lucknow
Date: 29 /05/2025
UDIN: 25072818BMLDAZ6518

As per our separate report of even date annexed
For S.N. Gupta & Associates
(Chartered Accountants)
FRN: 003817C

S N GUPTA & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ LUCKNOW

(Shiv Narain Gupta)
Partner
M.No.: 072818

INDEPENDENT AUDITORS' REPORT

To
The Members of
Madhyanchal Vidyut Vitran Nigam Limited
Lucknow.

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the Standalone Financial Statements of Madhyanchal Vidyut Vitran Nigam Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), 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 the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the matters discussed in the 'Basis for Qualified Opinion' section of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2025, and its Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Qualified Opinion

1. Books of Accounts

i) In absence of availability of relevant party wise ledgers/ relevant records from where data has been extracted and the reconciliation/ balance confirmation from parties(except for the current year), the correctness of balances stated in respect of Liabilities for Capital Works, O & M Works and Other liabilities and provisions, Loam and Advances, Material in transit/ under inspection/ lying with contractors' could not be verified in most of the cases.

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

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As reported by the zonal auditor of Lesa CISS following major heads were not available for verification:-

Account Head	Amount (Rs. in Crores)
Deposit for electrification	240.22
Other Liability & Provisions	3049.55

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

Account Head	Amount (Rs. in Crores)
Other Liabilities and Provisions	8.34
Stock Related Accounts (net)	38.97
Deposit for Electrification	35.04
Capital Work in Progress	(3.46)

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

iv) During the course of our audit, we have come across some expenses (like telephone expenses, vehicle expenses etc.), which have been accounted for on cash basis instead of accrual/mercantile basis. The same is not in accordance with the basic accounting assumptions and the company's accounting policy

v) TDS receivables as per the company's books for the FY 2024-25 amounts to Rs. 0.68 crore, whereas the TDS as per Form 26AS amounts to Rs. 1.97 crore (as per data updated in 26AS till 19.05.2025), resulting in a significant difference of Rs 1.29 crores which is subject to reconciliation. Therefore, the current assets and other Income are under stated to the extent of Rs 1.29 crore.

vi) As reported by the zonal auditor of Ayodhya zone and Bareilly zone, the Interest received from banks on flexi Fixed Deposits has been accounted net of Income Tax deducted at Source on such interest, and TDS has not been accounted in books of account. No Certificate from bank regarding FDR balance, Interest earned and TDS has been obtained

vii) The accounting policies of the company for the year under reference were not certified by the Zonal auditors of LESA CISS Gomti.

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2. Trade receivable on account of supply of Power:

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

During the year under audit, the Company has adopted Simplified Approach to calculate its Expected Credit Loss on Trade Receivables. As per the Management of the Company, the rate of Provision in the bracket of 0-6 months is NIL as the Management believes that the consumers in this category are in the phase of temporary disconnection for 6 months until it becomes permanently disconnected and would pay their dues within 6 months from the date of being temporarily disconnected based on the collection efforts and initiatives being taken. The chances of recovery during this period are significantly higher. Further, as per IND AS 109 under the age bucket of more than 3 years as per the simplified approach calculation loss amount would be the total outstanding amount which expects provisioning at the rate of 100 percent. However, based on the collection efforts and the current and future initiatives being undertaken by the company for collection, the Management considered to follow a graded provisioning over a period of four years from the financial year i.e. FY 2022-23. Under these assumptions, from the FY 2022-23 provisioning @ 40% on trade receivables is calculated under this age bucket and the same would be increased by another 20% each year till FY 2025-2026. From FY 2025-2026 onwards, 100% provision would be applicable under this age bucket. The above deviation is not in accordance of Ind AS 109. We were informed by the management that by following the conservative approach, the Management has decided that the provision stated in Annual Accounts up to 31.03.2025 is appropriate and no new addition/deduction in provision is required for FY 2024-25.

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

iii. As per the zonal auditor's report of Zones CISS Lucknow, Bareilly, Trans Gomti, it has come to their knowledge that in some cases, additional security deposits have not been collected from consumers as per requirement

iv. In several cases, legal notices/ recovery proceedings have been initiated against consumers at the zones to recover the outstanding over dues against sale of power. However, all the 'Trade Receivables' in the financial statements have been classified as 'considered good' by deducting the amount of 'total provision for doubtful debts' from the total debtors without identifying these cases or ascertaining their actual position.

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v. We draw attention to para 21(A) of Note 1B relating to disclosures of trade receivables wherein the company has not ascertained and classified the Trade Receivables into 'Disputed/ Undisputed', as required by amended Schedule III to the Companies Act, 2013.

vi. Further, the total trade receivables as per the data provided by the commercial wing as on 31st March 2025 do not match with the total 'trade receivables' as shown in the books of accounts of the company. The same has not been considered and has been reduced from the category of 'non-government consumers' under 'Receivables outstanding for more than 3 years' while categorizing the age buckets for the purpose of provisioning for bad and doubtful debts.

vii. The company has not furnished the details of advance deposit received from consumers against temporary connection and the entire security deposits from them has been shown as non-current liabilities. In absence of such details, quantification of current and non-current liabilities therefrom is not possible and ascertained.

viii. Observations of the Zonal auditors with respect to the trade receivable

Zone Name	**Observations**
LESA – CISS-Gomti Zone	a. The zone has shown recoverable (Supply of Power) amounting to Rs.4521.96 Crore. Billing Ledger is not made available for verification category wise outstanding receivable against supply of power shown in trial balance as on 31.03.2025. Age wise classification of receivable/book debts are not made available to us. Age wise analysis of debtors is essential to take appropriate action of making provisions towards bad and doubtful debts and also for apprising management the correct status thereof. b. As per the manual additional security calculated on the basis of 45 days previous year billed amount has to be realized. However, in large number of cases such additional security has not been realized. Amount indeterminate.
LESA – TRANS GOMTI Zone	a. Recoverable from sale of power (AG-23) are appearing at Rs. 2,59,540.79 lakh as on 31.03.2025. System of reconciliation of consumer-wise details as per online billing system with balances appearing in books of account is not in vogue. Hence, figures of

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	said receivable against supply of power are subject to reconciliation and confirmation, impact whereof is unascertainable at this stage.

3. Property, Plant and Equipment

i. We draw attention to para 3(I)(e) of General Information and Significant accounting policies stating that employee cost to capital works is capitalized @ 15% on deposit works, 13.50% on distribution works and 9.5% on other works. Further, it was noted that a sum of Rs. 135.00 Crores of 'Employee benefit expenses' has been capitalized to fixed assets out of total 'Employee benefit expenses' of Rs. 977.54 Crores incurred during the year.
In our opinion, capitalizing 'Employee benefit expenses' on fixed percentages of 'asset costs' instead of 'Employee benefit expenses' which are directly attributable for such construction, is neither in accordance with generally accepted accounting practices nor as per Ind AS-16. The impact of such capitalization of 'Employee benefit expenses 'to fixed assets, as above, on the financial statements is not ascertainable at this stage in absence of complete details.

ii. The management has represented that, to the best of its knowledge and belief, the title/lease deeds of immovable properties acquired post transfer scheme are held in the name of the Company but properties inherited in transfer scheme are still in the name of UPSEB. However, no title deeds of immovable properties have been produced before us and in absence of such title deeds vis a vis complete details of immovable properties, we are unable to comment upon this.

4. **Capital Work in progress (CWIP)**
As reported by the zonal auditor of Ayodhya Zone, a sum Rs.339.15 Crores has been capitalised during the year (including capitalisation of employee cost Rs. 30.10 crores which are on basis of fixed percentage of total cost instead of actual). The zonal auditors have reported that the fixed Assets completion certificates from the Executive Engineer have been provided but the certification of CWIP from external agencies were not furnished to them.

5. Inventories:

i) Ageing of inventory has not been done and obsolete items were also not identified and adjusted for in the books of account in some cases. "Stock excess pending for investigation" at LESA CISS Zone is Rs. 1.36 Crores and at Ayodhya Zone is Rs. 2.49 Crores, which is pending for adjustment.

ii) As per IND AS 2, "Inventories shall be measured at the lower of cost and net realizable value". The company has the policy of valuing inventories at cost basis, while it is required to be valued at cost or net realizable value, whichever is lower. This policy of company is not in line of respective IND AS 2. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.

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iii) Provision for unserviceable store of Rs. 41.76 Crores as appearing in 'Note 7- Inventories' continues since 2012-13 despite substantial increase in level of inventory to Rs 1,255.30 Crores in 2024-25 as against Rs. 230 Crores in 2012-13. In absence of complete details, we are unable to comment on the adequacy of provision on this account and its impact on financial statements.

6. Inter Unit Transactions

i) The company is in the process of reconciliation of various types of inter unit transactions. Inter-unit account showing net debit balance of Rs. 357.88 Crores (P.Y. Rs. 794.69 Crores) under 'Note 11- Other Current assets' is represented by large number of un-reconciled entries under various heads like IUTs within zone, IUTs outside zone etc. since many years.

ii) The company's' inter-unit transfer balances were significantly reduced during the year with respect to which detailed workings or supporting documents were not provided to us.

iii) On analyzing the differences in IUTs for the current year, following major unmatched amounts were ascertained in different heads.

Amount (Rs.) in Crores

Particulars	Debit	Credit	Net Differences
Liabilities for IUT-With in Zone	798.58	172.64	625.94
Other Adj.-With in Zone	0.12	6.83	(6.72)
Liabilities for IUT-Outside Zone	33,657.09	33,375.75	281.34
Fund Transfer by HQ	1390.17	1,928.04	(537.87)
Remittance to HQ	146.25	146.32	(0.07)
Accts-Cash -With in Zone	128.92	229.58	(100.66)
Capital Exp.-With in Zone	0.03	225.64	(225.62)
MATERIALS-Outside Zone	272.38	286.18	(13.80)
Central Receipts on behalf of Divisions	2,615.80	2,603.18	12.62
MATERIALS-With in Zone	51.11	522.34	(471.23)

The detailed list of these unmatched entries during the year, along with reasons of their non-adjustment were not available to us for our verification. The impact of such non reconciliation on the financial statements of the company is not ascertainable at this stage.

7. Non-Compliance with Ind AS and Schedule III

i) The amounts under 'Capital grants/ Subsidies' (in Note 13) and 'Revenue subsidies/ Grants' (in Note 20) have been accounted for by the company only on the basis of credit advices issued by UPPCL, the holding company. The complete details and related terms and conditions of these subsidies/grants could not be verified by us as the same were not available

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with the company. Further, the conditions and contingencies for each government grant received/ recognized' have also not been disclosed as per the requirements of Ind AS 20.

ii) We draw attention to para 18 of Note 1B relating to disclosures relating to 'Trade Payables' pursuant to amended Schedule III to the Companies Act 2013. It is observed that information relating to 'dues payable to MSME' etc. have been disclosed by the company but the completeness and accuracy of the same could not be ascertained by us as the company is still under process to identify the classification related to MSME. Further, provision for interest payable thereon, the liability on this account has not been quantified by the company. As such we are unable to ascertain the interest provision (if any) required and its consequential impact on the loss for the period.

iii) The 'liabilities for capital works', 'liabilities for O&M works' and 'Liability for expenses' etc. have been categorized under 'Other Financial Liability(current)' instead of showing them under 'Financial liability (Trade payable)'.

iv) The company returned Rs. 3.58 crore of a grant received from REC because payments were made to vendors for duplicate meter installations. However, this return of grant was not recorded correctly in the financial statements as per Ind As 20. As per Ind AS 20 and Ind AS 1, returned grants must be adjusted to avoid overstating income, assets, or equity, ensuring a true and fair view of the financial statements. Failure to record the return results in misstatement of income and net assets, which may impact decision-making, regulatory compliance, and tax or audit outcomes.

v) Rebates related to capital assets under RDSS are currently recorded as liabilities instead of being deducted from the asset cost (Capital Work-in-Progress), resulting in misclassification. As per Ind AS 16, rebates must reduce the asset's cost, not be recognized as liabilities, aligning with the matching principle and presentation requirements under Ind AS Misclassification inflates liabilities and asset values, distorting financial ratios, depreciation, and profitability.

vi) IND AS-1: Policies relating to provision made against (i) advances to suppliers/contractors (ii) Slow/non-moving and unserviceable stores, (iii)advance to employees and others are not disclosed under Annexure "Significant Accounting Policies" annexed with Financial Statements as required in IND AS-1. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.

vii) As per IND AS 20 Accounting for Government grants / subsidy is done on the basis of advice from Uttar Pradesh Power Corporation Ltd., (the holding company), but the timing at which the grant is to be booked as per IND AS 20 cannot be ascertained as the grant is booked

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as per the credit notes received from UPPCL which is not in consonance with the IND AS-20 "Accounting for Government Grants". Impact of non-compliance of the above IND AS on the financial statements is not ascertainable.

viii) 'Financial Assets-Others – Current' (Note-10) and 'Other Financial Liabilities- Current' (Note-18) have been classified as 'current' but include balances which are outstanding for realization/ settlement since previous financial years, and in the absence of adequate information/explanations regarding the realizability /settlement of such amounts within twelve months after the year end, not classifying them as non-current assets/ liabilities is not in accordance with Ind AS-1 "Presentation of Financial Statements"

Certain balances are incorrectly classified as current instead of non-current assets/liabilities based on their nature and settlement terms. The list of such items are mentioned below:

Particulars	**Amount (In Rs.)**	**Currently shown Under**
Other Receivables	30.44 Crore	Current Asset
Staff Related Liabilities	1.08 Crore	Current Liability
Sundry Liability	0.16 Crore	Current Liability

As per Ind AS 1, classification depends on expected realization or settlement within 12 months (current) or beyond (non-current). This Misclassification leads to inaccurate presentation of financial position.

8. Borrowings

Non-current Borrowings taken by UPPCL on behalf of the company amounting to Rs.3443.60 crore (pertains to FY 2024-25), and in note No. 16, Current Maturity from of Long-Term Borrowing through UPPCL amount to Rs. 4608.54 has been booked based on the debit/credit note received from UPPCL. No loan related documents were produced before us during the audit. In the absence of sufficient and appropriate audit evidence thereof, we are not in a position to ascertain impact of the same on the financial statements.

9. Balances Outstanding To / From Outside Parties

i. Balances of trade receivables, trade Payables (except UPPCL, UPPTCL and Other DISCOMs), Suppliers, Contractors, loans and advances, staff related liabilities & advances and other various debit/credit balances, etc. are subject to confirmations. Therefore, in absence of proper records/details, we are unable to ascertain the effect of the adjustments arising from reconciliation and settlement of old dues, possible loss/ profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities.

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ii. Refer to Point no. 17 of Notes to accounts, there are various expenses like Employees Expenses, Repair & Maintenance Cost and Administrative & General Expenses etc. incurred at Uttar Pradesh Power Corporation Ltd. (the holding company) which has been allocated to the Company vide Debit/Credit Notes. However, we have not been provided with detailed workings of the same and only relied on the Debit/Credit notes received from the holding company.

iii. The CSC e-wallet balance as per the separate portal and the balance recorded in the books of accounts were not reconciled, resulting in a difference of Rs. 8.29 crores as on 31 March 2025.

10. Statutory Compliances

i. As per Income tax Act, 1961, TDS should be deducted on due or payment basis whichever is earlier. However, it has been noticed that the company is deducting TDS at the time of booking of expenses (which is generally much delayed as compared to date of invoice) which violates the provision of Income Tax Act,1961 due to which liability of interest @1.5% per month or part of the month will arise on the company.

In some of units, it was noticed by us that the company is booking expenses much after the date of invoice. Further, it was noted that bills which were quite old were also booked during the current financial year. Due to this there is delay in deduction of TDS as compared to the stipulated timelines which attracts interest under Section 201(1A), with interest amounting to Rs.1.10 crore(approx.). As per Ind AS 12, related interest and penalties are expenses and must be accrued and disclosed as liabilities to avoid understatement of expenses.

ii. The company previously operated multiple TAN registrations for different units/zones; however, currently, only a single TAN is in use. No, evidence or confirmation has been provided regarding the formal surrender of earlier TANs or details of any related defaults, penalties, or dues.

A case reported by the Zonal Auditor of CISS Gomti highlights an unpaid TDS default amounting to Rs. 14,370.00.

Further as per zonal auditors of Bareilly zone, they have checked the outstanding dues with respect to TDS demand on "Traces" and found that out of 38 units, 28 units have no outstanding dues. In rest of the units the old demands are still outstanding. The reason for the outstanding demands is mainly due to incorrect filing of TDS return or due to short deposit of TDS.

11. Other Observations

i. Advances to suppliers amounting to Rs 105.46 Crores at the HO level are outstanding since more than 9 years. It also includes Rs 40.61 Crores for which even party wise/ date wise details were not available with the concerned unit. No documentary evidence or explanations were made available to us regarding the recoverability of these amounts. Accordingly, in our opinion, these amounts are doubtful of recovery and provision should have been made against these advances.

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ii. As referred in Note 18 to the financial statements, the company has made 'provision for loss incurred by GPF/ CPF trusts' amounting to Rs 455.48 Crores as on 31.03.2025 on account of insolvency of DHFL. The amount has been booked as per the allocations sent by the UPPCL and the basis on which the above-mentioned amount has been calculated has not been provided to us. Any other loss/shortfall in the fund value as compared to total obligation as on the balance sheet date, if any, is not ascertainable in absence of complete information with the company.

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

As reported by zonal auditor of Ayodhya zone, the divisions have bank balance in their MTB of Rs.68.98 Crores, while balances as per Bank Statements is Rs. 18.49 Crores resulting into the difference of Rs 50.49 crores. Most of these entries are pending for last many years and have not been adjusted in accounts.

As reported by zonal auditor of Lesa Ciss Gomti Zone, in case of Electricity Urban Distribution Division-Thakurganj, Lesa, Lucknow Bank cash handling charges of Rs.10,06,547.61 have been charged by bank. As per terms bank cannot charge cash handling charges from the unit bank account, so unit should take necessary action for reversal of such amount into bank account.

iv. As reported by the zonal auditors of Ayodhya Zone,

a. Bank accounts have not been entered in MTB for 4 banks belong to 3 units.
b. BRS and Bank statements have not been provided for 5 banks belong to 3 units.
c. Proper Bank reconciliation statements have not been prepared for 4 banks belong to 2 units.

Moreover, at LESA CISS Zone, it was observed that the balance of two bank accounts was not found in the Cash Book. There are differences between the MTB and Cash Book amounting to Rs 0.58 crores appearing in MTB which are pending for adjustment for more than eight years.

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

v. Authorized Share Capital and Paid-up share capital of the company as per latest data from the Registrar of companies is Rs 20,000 crores and Rs 24,232.49 crores respectively. However, the actual authorized share capital and paid-up share capital of the company is Rs. 30,000 crores and Rs 27,678.81 crores respectively as per financial statements.

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vi. All statutory employee-related dues, including contributions towards Provident Fund (PF), General Provident Fund (GPF), and Contributory Provident Fund (CPF), have been duly deposited into the designated trust accounts as per the applicable regulatory requirements. However, despite these payments being made, we have not received any formal confirmation, acknowledgment letters, or receipts from the respective trust authorities confirming the actual receipt and proper crediting of these deposits. Furthermore, no balance confirmations, periodic statements, or reconciliation reports have been provided by the trust, which are essential to verify the accuracy, completeness, and up-to-date status of these statutory dues.

vii. As reported by the zonal auditors Bareilly zone, few non-operating bank accounts are reflecting in MTB of few units. Status of these bank accounts whether these have been closed or not is not confirmed by the units. If these bank accounts are in non-operating condition and balance which is shown in these bank accounts as per MTB found to be correct then it is a loss of opportunity interest.

viii. As reported by the zonal auditors of LESA-CISS Gomti Zone, Power purchase and transmission charges have not been accounted for in books of accounts of the Zone. The reconciliation of units of power purchased, billed and transmission loss and theft were also not done/ provided for at Zonal Level. While examining the performance for the year 2024-25 the total energy receipt were 4610.36 MU and energy sold was 4196.84 MU resulting in a energy loss of 413.52 MU which in terms of percentage come to 8.97%. The total energy loss in monetary terms is calculated and accounted for at Head quarter level. Further, as informed to us the same has been accounted for at the company level. The company has disclosed the AT&C is 17.69% at note no. 36(E) of notes to accounts.

Information Other than the Standalone Financial Statement and Auditor's Report Thereon

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

Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above when it becomes available and in doing so consider whether the other information is materially inconsistent with the standalone financial statements or with our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the board report, if we conclude that there is a material misstatement therein, we are

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required to communicate the matter to those charged with governance and take appropriate action, if required.

Responsibility of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance including other comprehensive income of the company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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

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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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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EMPHASIS OF MATTER

a) During the Financial Year 2024-25, various old balances appearing in different assets and liabilities heads which were being carried forward from previous years have been shifted to 'asset migration account' and 'liability migration account' totaling to Rs. 7.78 crores and Rs 2.13 crores respectively.

b) The financial statements of the company are being prepared on a going concern basis, notwithstanding the fact that company is continuously running in losses since last many years. The appropriateness of the said basis is inter-alia dependent on continuing support from the Government and improved operational/ financial performance.

c) The Company does not have an effective system for realizing revenue from customers as the amount of receivables as on 31st March, 2025 is Rs. 29,861.24 crores, which is equivalent to around 754 days sale of power by the company and reasons of pendency are not examined. It is noticed that the company is not effectively exercising its powers of TD/PD and filing court cases against defaulted customers.

d) As per the zonal audit report of Lucknow zone, MVVNL (H.O) has not raised any Dr. note/advice to Lucknow zone regarding net metering of Solar Power and Purchase of Power. Hence, Purchase of power is not accounted for in the Trial Balance of the Zone. Further, we have been explained that revenue has been recognized on the basis of net metered units.

e) The segregation of 'Trade Receivable' into Government/ Non-Government and ageing into different age buckets as per para 10 of note 1B have been made only on the basis of online billing data provided by commercial wing.

f) As per the direction of Hon'ble High Court, the special audit of Bills Revision in consumer's bills for the period April 2022 to Sept. 2023 has been conducted at Distribution Division level. However, the management has not provided us the number of bills and quantum of total amount involved. Since, information regarding the actual status and outcome of the special audits has not been provided to us, its impact on the financial statements could not be ascertained.

g) During the FY 2024-25 the company has for the first time implemented full-fledged accounting through an ERP system which was earlier done on manual basis. As explained to us, the company has got performed ERP accounting system audit at UPPCL level. However, the reports of the same was not made available to us. In the absence of

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which we were unable to comment on accuracy, operational effectiveness, completeness, and reliability of financial data generated through ERP system.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Matters

a) We did not audit the financial statements/ information of 6 accounting zones included in the standalone financial statements of the company, whose financial statements reflect total assets of Rs. 41,550.27 Crores as at 31st March 2025 and total revenue of Rs. 14,452.83 Crores for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these zones have been audited by the zonal auditors whose reports have been furnished to us, 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 /branch auditors.

b) Company's assets are un-insured with risk of theft, fire, riots, earthquake etc. and have not made adequate arrangement to save its assets from these incidents in future.

c) The AT & C Losses during the year is 17.69 %, The management has not segregated the same between normal loss and/or abnormal loss. Same needs to be looked into for appropriate action by the company.

d) As reported by the zonal auditor of Ayodhya zone, theft of assets (AG code 18) has old balance of Rs. 101.90 Lakh in three divisions (code 592,599 &602) for which provision has been made at H.O. but present status has not been explained to the zonal auditors. Further as explained to us, the Provision of the same has been done at the Headquarters.

e) The company has delayed vendor payments under the RDSS scheme, resulting in unclaimed rebate of Rs. 6.64 crore, causing indirectly financial loss to the company/ RECIL/GoUP. As informed to us by the management that this delay is due to the reason that there is lack of sufficient funds available with the company to make necessary timely payment in order to avail the benefits of rebate.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate, and according to the information and explanations given to us, we give in the '**Annexure 1**', a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

2. On the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we are enclosing our report in the '**Annexure 2**' on the directions and sub-directions issued by the Comptroller and Auditor General of India in terms of Section 143 (5) of the Act.

3. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and except for the matters /effects/ possible effects described in the Basis for Qualified Opinion paragraph above, 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 effect of the matters described in the basis for Qualified opinion paragraph above, in our opinion, proper books of accounts as required by law have been maintained by the Company in so far as it appears from our examination of those books and records adequate for the purpose of our audit have been received from the Units audited by us.

   c) The report on the accounts of the 6 accounting zones of the company audited under section 143(8) of the Act by the Zonal auditors appointed by the Comptroller and Auditor General of India have been sent to us and have been properly dealt by us in preparing this report.

   d) Except for the effect of the matters described in the basis for Qualified opinion paragraph above, the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   e) Except for the effect of the matters described in the basis for Qualified opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act and rules made there under.

   f) The matters described in the Basis for Qualified Opinion para above, in our opinion may have an adverse effect on the functioning of the Company.

   g) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.

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h) The qualifications relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph.

i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure 3'.**

j) 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:

a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer para 21(F) of Note 1(B) to the financial statements). However, the completeness and actual financial impact thereof could not be ascertained in absence of proper details and adequate records.

b. As per Information and Explanation provided by the Company, no provision is required to be made under the applicable law, for material foreseeable losses on long-term contracts including derivative contracts.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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, whether, 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

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c) Based on audit procedures performed that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations referred under clause (a) and (b) contain any material mis-statement.

d) The company has not declared or paid any dividend during the year therefore compliance with section 123 of the Companies Act, 2013 was not applicable.

e) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023. In our opinion and according to the information and explanations given to us, the Company has maintained its books of account using accounting software which has a feature of recording audit trail (edit log) facility, and the same has been operated throughout the year for all transactions recorded in the software.
Further, the audit trail feature has not been tampered with and has been preserved by the Company as per the statutory requirements for record retention.

For S.N. Gupta & Associates
Chartered Accountants
Firm Registration No: 003817C

Shiv Narain Gupta
(Partner)
Membership No. : 072818
Date: 28.05.2025
Place: Lucknow
UDIN: 25072818BMLDAZ6518

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ANNEXURE '1' TO THE AUDITORS' REPORT REFERRED TO IN OUR REPORT OF EVEN DATE OF MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2025

As per the books and records produced before us and as per the information and explanations given to us, reports of zonal auditors and based on such audit checks that we considered necessary and appropriate, we confirm that:

(i) (a) Property, Plant and Equipment registers have been maintained by company at various zones. As reported by the zonal auditors of Ayodhya zone, full particulars like date of purchase, date of installation/ commissioning, location of fixed assets, identification number, useful life were not recorded. However, the records of the same has been furnished before us.

Further, it was noted that the unique asset identification mark on all the assets was not marked at the Headquarter.

(b) In our opinion, the company has maintained proper records for the intangible assets.

(c) As per information made available to us, the physical verification of the fixed assets of the company have been conducted by outsourced independent CA/ CMA firms during the financial year 2023-24.

(d) According to the information and explanations given to us, most of the immovable properties were acquired prior to the year 2000 and title deeds of the same are not held in the name of the company. Further, the title deeds for the properties acquired after the incorporation of company were also not available for verification at most of the zones and also not available for verification at Head office. As explained to us, the title/lease deeds of immovable properties acquired post transfer scheme are held in the name of the Company but properties inherited in transfer scheme are still in the name of UPSEB. However, no title deeds of immovable properties have been produced before us and in absence of such title deeds. We are unable to comment on the same.

(e) The company has not revalued its Property, Plant and Equipment during the year.

(f) 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.

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(ii) (a) The management have conducted the physical verification of inventory during the financial year. The verification of the same was conducted at the zones and the same has been verified by the zonal auditors except in case of Ayodhya zone where only physical verification of stores and workshop division was done. Further, no material discrepancies of more than 10% were reported on physical verification in other zones. Further, procedure of physical verification of inventory is not found to be sufficient at zone Bareilly.

(b) The company has not 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.

(iii) According to information and explanation given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under the Section 189 of the Companies Act, 2013.

(iv) According to information and explanation given to us, the Company has not granted any loans, investments, guarantees, and security to the parties covered under Section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. As explained to us, the company has maintained the cost records centrally at the Head office level.

(vii) (a) It was observed from records and on the basis of reports of zonal auditors that company is generally regular in deposition of material undisputed statutory dues. However, at Ayodhya and at LESA CISS Gomti Zones, the MTBs contained various amounts outstanding as on 31st March, 2025 but the reasons for non-payment or non-transfer to Head Office or existence of any dispute and the amount of dues outstanding for a period exceeding six months from the date, they become payable were not provided by the management. Also, quantification of outstanding dues related to TDS for the various TAN numbers of the company, which are now not in use, could not be made available to us.

Statutory dues of CPF and GPF of all the employees are deposited/ transferred to 'UPPCL Employees CPF/ GPF trust' at centralized level. Similarly, Electricity duty was adjusted/paid centralized basis on behalf of zones.

The total dues pending under these heads for deposition at the year end were arrived as follows:

(Rs in Crores)

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Head	Op. Bal 01.04.2024	Liability accrued during the year 2024-25	Total amounts paid/adjusted in 2024-25	Outstanding balance as on 31.03.2025
CPF	7.17	98.52	99.38	6.31
GPF	420.67	44.20	18.48	446.39
ED	3055.21	965.62	569.16	3451.67
*Opening Balances as of 01.04.2024 CPF and GPF are changed as compared to closing balance as of 31.03.2024 due to the regrouping of the heads				

(b) As per information and explanation provided by the Management, there are few material amounts of pending dues which have not been deposited on account of any dispute in respect of Income Tax, GST, service tax or other duties and cess. The amounts are as follows:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending	Amount paid under Protest
The Income Tax Act, 1961	Show cause notice under section 156 of Income Tax Act 1961	Rs 719.04 crores	AY 2017-18	DCIT, Lucknow	Nil
Goods and Services Tax Act, 2017	Show cause notice under section 74 of CGST Act 2017 and section 74 UPGST Act 2017	Rs 344.20 crores	FY 2017-18 to FY 2019-20	DG Intelligence GST Department, Lucknow	Nil

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Goods and Services Tax Act, 2017	Service tax, Interest and Penalty pending with "Commissioner Appeal CGST and Central Excise Audit Lucknow"	Rs.2.49 crores	Not mentioned by auditor of LESA-Trans Gomti Zone	Commissioner Appeal CGST and Central Excise Audit Lucknow"	NA
Human Electrical Accident	-	Rs.0.60 crore	Not mentioned by auditor of LESA-Trans Gomti Zone	National Consumer Disputes redressal commission, New Delhi	NA
Mental Harassment	-	Rs.0.01 crore	Not mentioned by auditor of LESA-Trans Gomti Zone	State Consumer Commission UP	NA

(viii) There were no un-recorded transactions in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-Tax Act, 1961.

(ix) As per the information and explanation given to us, the company has not defaulted in repayment of dues at the year end. Further, the documents of loans which have been transferred to the company from Uttar Pradesh Power Corporation Limited (holding company) vide office orders have not been transferred in the name of the company. Repayments of the above loans are made by the UPPCL on behalf of the company and accounting of the same is done on the basis of advice received from UPPCL.

(x) The Company has not raised any money by way of initial public offer or further public offer (including Debt Instrument). According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

(xi) (a) According to the information and explanations given to us and as represented by the Management and to the best of our knowledge and belief, no instance of fraud by the Company or any fraud on the Company has been noticed or reported during the year except in case cash embezzlement amounting to Rs.0.62 crore on 18.04.2024 in EDD mahanagar division. Above case has also been by the reported by zonal auditor of LESA-Trans Gomti Zone.

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(b) To the best of our knowledge and belief and according to the information and explanations given to us, during the year under concern there was no matter which is required to be reported by us under sub-section (12) of section 143 of the Companies Act 2013 in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) As per zonal auditors no whistle-blower complaints were received during the year by the company.

(xii) As the company is neither carrying on the business of Nidhi nor reported as a Nidhi company, hence clauses (a), (b), (c) of this order are not applicable.

(xiii) According to the information and explanation given to us, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable IND AS.

(xiv) (a) The Internal audit of the Company is being conducted by firms of Chartered Accountants/ Cost Accountants which was generally commensurate with the size and nature of its business. However, the system of timely receipt of internal audit reports and their compliance needs to be strengthened and information about its compliance was not available to us.

(b) The reports of the Internal Auditors of units located at head office for the period under audit have been appropriately considered while framing our audit report. The internal audit reports of the divisions/ units at the zones have been generally considered by the respective zonal statutory auditors.
As reported by the zonal auditors of Lucknow Zone, they have received and considered 25 internal audit reports out of 50 under audit, as informed rest are yet to come, in determining the nature, timing and extent of their audit procedures.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.

(xvi) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provisions of clause (b), (c) and (d) are not applicable to the Company.

(xvii) As per information and explanation provided to us, the company has incurred cash losses in the current financial year but had not incurred cash loss in the immediately preceding financial year.

(xviii) There has not been any resignation of the statutory auditors during the year.

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(xix) On the basis of the financial ratios, ageing and expected dates of realization 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, we are 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. This is not an assurance as to the future viability of the Company and 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) The company had no unspent amount required to be transferred to the Fund specified in Schedule VII to the Companies Act 2013.

(b) There were no amounts required to be transferred to special account in compliance with the provision of subsection (6) of section 135 of the Act.

(xxi) The clause regarding qualifications or adverse remarks in the CFS is not applicable in the standalone financial statements.

For S.N. Gupta & Associates
Chartered Accountants
Firm Registration No: 003817C

Shiv Narain Gupta
(Partner)
Membership No. : 072818

Date: 28.05.2025
Place: Lucknow
UDIN : 25072818BMLDAZ6518

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Annexure-2 to the Independent Auditor's Report
Referred to in our report of even date to the members of Madhyanchal Vidyut Vitran Nigam Limited on the accounts for the year ended on 31st March 2025
Directions under section 143(5) of Companies Act 2013

Directions	Comments
1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, company has system in place to process all the accounting transactions through IT system(SAP Software). However, billing of power is generated through another IT system which is not integrated with the accounting software. Therefore, billing system is independent of accounts department and reports generated & provided from billing system are accounted for in books.
2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender company).	We have been informed that there is no restructuring in existing loan or waiver/write off of debts /loans/interest etc. during the FY 2024-25.
3. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from central/ state government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	On the basis of information and explanations provided to us, funds received for specific scheme, from central/state government or its agencies, are properly accounted for and utilized as per terms and conditions, except for the matters qualified in our Audit Report.

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Sub-Directions under section 143(5) of Companies Act 2013

Sub-Direction	Remark
1. Has the company entered into agreements with franchise for distribution of electricity in selected areas and revenue sharing agreement adequately protect the financial interest of the company?	As per information and explanations provided to us and on the basis of reports provided by zonal auditors, the Company has not entered into the agreements with franchise for distribution of electricity.
2. Report on efficacy of the system of billing including bill revision and collection of the revenue in the company.	We were informed that Billing including bill revision for sale of electricity to consumers are accounted for on the basis of report generated through online billing system implemented through various outsourced agencies. However, reconciliation of sale of Power/ Receivables as per billing software with amounts of sundry receivables appearing in Financial Statement has not been done. Further, overall trade receivables as at year end stands at Rs. 29,861.24 Crores as against sale of energy of Rs. 14,452.83 Crores during the year, which reflects lack of efficiency in collection of revenue. Various weaknesses i.e. lack of consumer-wise outstanding, ageing analysis of outstanding amounts, non-linking of revenue with billing software and MTB, non-reconciliation of outstanding with customer ledger at unit level, non-determination of reasons for distribution losses etc. have been observed at zones, which needs to be streamlined and strengthened for improving the billing and collection efficiency.
3. Whether tamper proof meters have been installed for all consumers? If not, then examine how accuracy of billing is ensured.	It has been informed that tamper proof meters have been installed for all consumers in all the zones. However, no records /data was furnished about the customers where such meters have not been installed or where such meters are found defective.
4. Whether the reconciliation of receivables and payables between generation, distributions and transmission companies has been completed. The reasons for difference may be examined and suitably reported in tabular form.	As informed by management, receivables and payables between UPPCL and other DISCOMs, UPPTCL have been reconciled, however, receivables and payables with UPRVUNL are not reconciled.

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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.	As per information and explanation provided to us, the company is not supplying power to franchisees.
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 consumers contributions. viz. maintenance of assets registers and their timely updating. The deficiency noticed if any may be suitably reported.	As per the information and explanations provided to us, the company has a system for recording and accounting of fixed assets created under various schemes implemented by Government from time to time and those created out of Consumers contribution. However, records related to the same was not produced before us during the audit

For S.N. Gupta & Associates
Chartered Accountants
Firm Registration No: 003817C

Shiv Narain Gupta
(Partner)
Membership No. : 072818

Date: 28.05.2025
Place: Lucknow
UDIN : 25072818BMLDAZ6518

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ANNEXURE 3 TO THE AUDITOR'S REPORT
(Referred to in our report of even date of Madhyanchal Vidyut Vitran Nigam Limited on the accounts for the year ended on 31st March 2025)

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

We have audited the internal financial controls over financial reporting of **Madhyanchal Vidyut Vitran Nigam Limited** ("the Company") as of 31st March 2025 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

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 timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial control 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

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assessed risk. The procedures selected depend on the auditor's judgment, 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 Qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

1) System of compilation of Bank Reconciliation statement is weak in as much as many old un-reconciled/ unidentified entries are pending in the BRS for adjustment and its appropriate accounting in the books of account.

2) It was noted that large number of un-reconciled IUTs are persisting since previous years. Special attention of the management is called for reconciliation of this account and necessary adjustments thereto. Management has informed that the reconciliation of these entries is under process.

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3) Party wise details, ageing and breakups/ sub-ledgers of advances to supplier, contractors, staff, security deposits and other parties(except for the current year) was generally not maintained and hence the system of reconciliation and balance confirmation with the concerned parties is not in vogue. This could potentially result in inaccurate assets & liabilities disclosed in the books of accounts.

4) It was noted that billing of power is generated through an IT system but the billing system is independent of accounts department and reports generated from billing system were not reconciled with the accounts. Further, Consumer wise outstanding and ageing analysis of outstanding amount is not available with accounts department to reconcile trade receivable as per books of account with the data of commercial department wherein there are huge differences.

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

5) It was noted that various payments for AMCs/ online billing system/ other expenses of the UPPCL etc are done by UPPCL on behalf of the company and its accounting is done in the books on the basis of debit notes raised by UPPCL. Similarly, loans taken, repaid, bonds issued, subsidies received, liabilities/provision written back, interest cost etc are being accounted for only on the basis of debit notes/ credit notes from the UPPCL. However, there was no system in the company to independently ascertain and ensure the direct attributability and accuracy of the provisioning of total expenditures so done or entries received pertaining to the financial year.

6) As reported by zonal auditors of Ayodhya Zone, the Zone does not have an appropriate internal control system in respect of capital work in progress (CWIP). All CWIP are capitalised without taking into account the completion certificate from external authorities.

7) Internal control in respect of movement of inventories during maintenance and capital works, material issued/ received to/ from third parties and material lying with sub-divisions, need to be reviewed and strengthened.

8) The Company do not have an appropriate internal control regarding realization of arrears. Company is making bad debts provision as per their policy but the percentage of provision in the age group of more than 3 years is not in line of Ind AS 109.

9) The Company did not have an appropriate internal control system to minimize electricity theft and line losses.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of

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the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, **except for** the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2025 based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at March 31st, 2025, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and therefore we have issued a Qualified Opinion on the standalone financial statements of the Company.

For S.N. Gupta & Associates
Chartered Accountants
Firm Registration No: 003817C

Shiv Narain Gupta
(Partner)
Membership No.: 072818
Date: 28.05.2025
Place: Lucknow
UDIN: 25072818BMLDAZ6518

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Management Reply to the Statutory Audit Report on the Financial Statements of Madhyanchal Vidyut Vitran Nigam Limited for the year ended 31st March 2025

Comment	Reply
Qualified Opinion We have audited the Standalone Financial Statements of Madhyanchal Vidyut Vitran Nigam Limited ("the Company"), which comprises the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), 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 the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us, except for the matters discussed in the 'Basis for Qualified Opinion' section of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2025, and its Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.	Being introductory/informatory, comment not required.
Basis of Qualified Opinion **1. Books of Accounts** i) In absence of availability of relevant party wise ledgers/ relevant records from where data has been extracted and the reconciliation/ balance confirmation from parties(except for the current year), the correctness of balances stated in respect of Liabilities for Capital Works, O&M Works and Other liabilities and provisions, Loam and Advances, Material in transit/ under inspection/ lying with contractors' could not be verified in most of the cases. ii) In many cases at zones and head office, party wise breakup, ageing of outstanding amounts, actual nature of transactions and reconciliation/ balance confirmation from the parties under following major heads were not available for verification. As reported by the zonal auditor of Lesa CISS following major heads were not available for verification:- **Account Head** — **Amount (Rs. in Crores)** Deposit for electrification — 240.22 Other Liability & Provisions — 3049.55 iii) It was noted that the following balances pertaining to various	As the accounts at Discom headquarters are made after incorporating the MTBs of different zones which are being independently audited by statutory auditors appointed by CAG, these details are available at different zones and duly audited by their auditors. Considering the size and widespread locations of the different zones and offices, the Zonal Auditors have been appointed. In case of any discrepancy observed by zonal auditors, the same is being reflected in their Audit Reports. In view of the same, the said observation is not sustainable except as reported in the Zonal Audit reports. Efforts however are being made to make these details available to Zonal Auditors in all the case. Concerned zones/units have been instructed to look into the matter and prepare necessary records and obtain balance confirmation wherever required.

	zones are outstanding in the books of Headquarter since many years which have not been identified, reconciled and transferred to the respective units/zones. **Account Head** / **Amount (Rs. in Crores)** Other Liabilities and Provisions: 8.34 Stock Related Accounts (net): 38.97 Deposit for Electrification: 35.04 Capital Work in Progress: (3.46) In absence of proper explanations, complete details and reconciliation thereof, the resultant impact on the accounts of the company, if any, could not be ascertained.	These are old balances carried forward from previous years.Efforts are being made to identify and transfer the same to the concerned zones/unit.
iv)	During the course of our audit, we have come across some expenses (like telephone expenses, vehicle expenses etc.), which have been accounted for on cash basis instead of accrual/mercantile basis. The same is not in accordance with the basic accounting assumptions and the company's accounting policy.	All expenses are accounted for on accrual basis of accounting. However, there were few bills which were received late due to which they were accounted for as and when received, which if considered on materiality aspect were of insignificant magnitude. However systems are being put in place to record the bills within the same accounting financial year.
v)	TDS receivables as per the company's books for the FY 2024-25 amounts to Rs. 0.68 crore, whereas the TDS as per Form 26AS amounts to Rs. 1.97 crore (as per data updated in 26AS till 19.05.2025), resulting in a significant difference of Rs 1.29 crores which is subject to reconciliation. Therefore, the current assets and other Income are under stated to the extent of Rs 1.29 crore.	The quarterly status of the 26AS is being sent to the Zones on regular basis for reconciling the same and accounting the entries in their books. However due to number of entries involved, specifically for TDS deducted by consumers, the reconciliation is under process. Efforts are being made to reconcile the same with Form 26AS at the earliest and account for the same in the books of accounts. .
vi)	As reported by the zonal auditor of Ayodhya zone and Bareilly zone, the Interest received from banks on flexi Fixed Deposits has been accounted net of Income Tax deducted at Source on such interest, and TDS has not been accounted in books of account. No Certificate from bank regarding FDR balance, Interest earned and TDS has been obtained	The Ayodhya Zone has confirmed that no such entry has been recorded without accounting for TDS in the books and the Zonal Auditor has raised this issue without discussing the matter or giving the observation in writing. The matter is being taken up with the Zonal Auditors and specific details, if any, in his knowledge to be provided. Bareilly Zone has also confirmed that no specific instance has been provided by the Auditors to the Zone. The matter is being taken up for the details. Necessary steps are being taken to ensure that the entries are recorded properly in future.
vii)	The accounting policies of the company for the year under	The matter has been taken up with the

reference were not certified by the Zonal auditors of LESA CISS Gomti.	Zonal Auditors, who have provided the certified accounting policy, which is enclosed herewith for ready reference.
2. Trade receivable on account of supply of Power: i. Ind AS 109 has specified two approaches to calculate the expected credit loss: • General Approach • Simplified Approach During the year under audit, the Company has adopted Simplified Approach to calculate its Expected Credit Loss on Trade Receivables. As per the Management of the Company, the rate of Provision in the bracket of 0-6 months is NIL as the Management believes that the consumers in this category are in the phase of temporary disconnection for 6 months until it becomes permanently disconnected and would pay their dues within 6 months from the date of being temporarily disconnected based on the collection efforts and initiatives being taken. The chances of recovery during this period are significantly higher. Further, as per IND AS 109 under the age bucket of more than 3 years as per the simplified approach calculation loss amount would be the total outstanding amount which expects provisioning at the rate of 100 percent. However, based on the collection efforts and the current and future initiatives being undertaken by the company for collection, the Management considered to follow a graded provisioning over a period of four years from the financial year i.e. FY 2022-23. Under these assumptions, from the FY 2022-23 provisioning @ 40% on trade receivables is calculated under this age bucket and the same would be increased by another 20% each year till FY 2025-2026. From FY 2025-2026 onwards, 100% provision would be applicable under this age bucket. The above deviation is not in accordance of Ind AS 109. We were informed by the management that by following the conservative approach, the Management has decided that the provision stated in Annual Accounts up to 31.03.2025 is appropriate and no new addition/deduction in provision is required for FY 2024-25.	The provision for Bad & Doubtful Debts has been made as per the accounting policy adopted by the Board of Directors which is continually followed since last 3 years. The Management considers that the provision calculated as per the adopted policy is appropriate.
ii. Party/Consumer wise (debtors from sale of power) details were not available at the zones in support of balances of 'Trade Receivable (Current)' as appearing in Note 8.Further, reconciliation of outstanding balances of consumers as per consumer ledgers maintained by the billing agencies and the balances appearing in the books of accounts of concerned zones has also not been done.	There are approx. 101.70 lakhs consumers spread over all categories in zones in the jurisdiction of the Company. The differences in billing ledger and trial balance are under reconciliation with the commercial section.
iii. As per the zonal auditor's report of Zones CISS Lucknow, Bareilly, Trans Gomti, it has come to their knowledge that in some cases, additional security deposits have not been collected from consumers as per requirement	The concerned zone has been instructed to look into the matter and realize the additional security wherever required.
iv. In several cases, legal notices/ recovery proceedings have been initiated against consumers at the zones to recover the outstanding over dues against sale of power. However, all the	The provision for Bad & doubtful debts is made as per the accounting policy of the company which is considered adequate to cover such cases where such proceedings

	'Trade Receivables' in the financial statements have been classified as 'considered good' by deducting the amount of 'total provision for doubtful debts' from the total debtors without identifying these cases or ascertaining their actual position.	or notices have been issued. The provision so made is adequate in the opinion of the management.
v.	We draw attention to para 21(A) of Note 1B relating to disclosures of trade receivables wherein the company has not ascertained and classified the Trade Receivables into 'Disputed/ Undisputed', as required by amended Schedule III to the Companies Act, 2013.	The company approximately is having 101.70 lakhs consumers resulting in approximately 99.86 lakhs number of bills per month, considering the large volume of consumers,separate disclosure of disputed/undisputed trade receivables is not practically possible. However, efforts are being made to establish the system to maintain the required data.
vi.	Further, the total trade receivables as per the data provided by the commercial wing as on 31st March 2025 do not match with the total 'trade receivables' as shown in the books of accounts of the company. The same has not been considered and has been reduced from the category of 'non-government consumers' under 'Receivables outstanding for more than 3 years' while categorizing the age buckets for the purpose of provisioning for bad and doubtful debts.	The data as per commercial section/ Billing Ledgers and as per accounts is under reconciliation. The differences in the Trade receivables are mostly on account of older periods. Further all the Government Dues are considered good and mostly reconciled and recoverable from them.
vii.	The company has not furnished the details of advance deposit received from consumers against temporary connection and the entire security deposits from them has been shown as non-current liabilities. In absence of such details, quantification of current and non-current liabilities therefrom is not possible and ascertained.	Security deposit received from consumers are accounted for at divisional level, records of the same are available at respective divisions which were shown to Branch Auditors at the time of their audit.
viii.	Observations of the Zonal auditors with respect to the trade receivable	

Zone Name	Observations	
LESA – CISS-Gomti Zone	a. The zone has shown recoverable (Supply of Power) amounting to Rs.4521.96 Crore. Billing Ledger is not made available for verification category wise outstanding receivable against supply of power shown in trial balance as on 31.03.2025. Age wise classification of receivable/book debts are not made available to us. Age wise analysis of debtors is essential to take appropriate action of making provisions towards bad and doubtful debts and also for apprising management the correct status thereof.	The data as per commercial section/ Billing Ledgers and as per accounts is under reconciliation. The differences in the Trade receivables are mostly on account of older periods. Further, age-wise classification is provided by Commercial wing at HQ level for making provisions towards bad & doubtful debts.
	b. As per the manual additional security calculated on the basis of 45 days previous year billed amount has to be realized. However, in large number of cases such additional security has not been realized.	The concerned zone has been instructed to look into the matter and realize the additional security wherever required.

	Amount indeterminate.	
LESA – TRANS GOMTI Zone	a. Recoverable from sale of power (AG-23) are appearing at Rs. 2,59,540.79 lakh as on 31.03.2025. System of reconciliation of consumer-wise details as per online billing system with balances appearing in books of account is not in vogue. Hence, figures of said receivable against supply of power are subject to reconciliation and confirmation, impact whereof is unascertainable at this stage.	The data as per commercial section/ Billing Ledgers and as per accounts is under reconciliation. The differences in the Trade receivables are mostly on account of older periods.
3. Property, Plant and Equipment i. We draw attention to para 3(I)(e) of General Information and Significant accounting policies stating that employee cost to capital works is capitalized @ 15% on deposit works, 13.50% on distribution works and 9.5% on other works. Further, it was noted that a sum of Rs. 135.00 Crores of 'Employee benefit expenses' has been capitalized to fixed assets out of total 'Employee benefit expenses' of Rs. 977.54 Crores incurred during the year. In our opinion, capitalizing 'Employee benefit expenses' on fixed percentages of 'asset costs' instead of 'Employee benefit expenses' which are directly attributable for such construction, is neither in accordance with generally accepted accounting practices nor as per Ind AS-16. The impact of such capitalization of 'Employee benefit expenses 'to fixed assets, as above, on the financial statements is not ascertainable at this stage in absence of complete details.		Apportionment of Employees Cost towards Capital Work & Revenue works is being done on the basis of the nature of Industry and Management's estimate. As in the Electricity Distribution Sector, separate allocation of employees towards Capital Projects & Revenue works is not possible, the same is being done as per Management's estimate based on an average time being spent by the employees in different works. Accordingly 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. The accounting policies of the company are being reviewed on regular intervals and necessary changes are done whenever required.
ii. The management has represented that, to the best of its knowledge and belief, the title/lease deeds of immovable properties acquired post transfer scheme are held in the name of the Company but properties inherited in transfer scheme are still in the name of UPSEB. However, no title deeds of immovable properties have been produced before us and in absence of such title deeds vis a vis complete details of immovable properties, we are unable to comment upon this.		Major amount of land has been allocated to units under final transfer scheme and any addition thereon is made at zonal level and the title of the same are available at concerned zone/unit.
4. Capital Work in progress (CWIP) As reported by the zonal auditor of Ayodhya Zone, a sum Rs.339.15 Crores has been capitalised during the year (including capitalisation of employee cost Rs. 30.10 crores which are on basis of fixed percentage of total cost instead of actual). The zonal auditors have reported that the fixed Assets completion certificates from the Executive Engineer have been provided but the certification of CWIP from external agencies were not furnished to them.		Completion certificates from the Executive Engineer have been shown to the audit which is sufficient for capitalization of CWIP.

5. Inventories:

i) Ageing of inventory has not been done and obsolete items were also not identified and adjusted for in the books of account in some cases. "Stock excess pending for investigation" at LESA CISS Zone is Rs. 1.36 Crores and at Ayodhya Zone is Rs. 2.49 Crores, which is pending for adjustment.

As per accounting policy of the company any shortage/excess of material found during the year end are shown as "Material short/excess pending investigation" till the finalization of investigation.

ii) As per IND AS 2, "Inventories shall be measured at the lower of cost and net realizable value". The company has the policy of valuing inventories at cost basis, while it is required to be valued at cost or net realizable value, whichever is lower. This policy of company is not in line of respective IND AS 2. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.

As disclosed in Notes on accounts forming part of the financial statements, "Paragraph 32 of Ind AS 2 'Inventories' provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Company is operating in the regulatory environment, and as per Tariff Regulations, the cost of other inventory items is recovered as per extant tariff regulations. Accordingly, the realizable value of the inventories is not lower than the cost."

iii) Provision for unserviceable store of Rs. 41.76 Crores as appearing in 'Note 7- Inventories' continues since 2012-13 despite substantial increase in level of inventory to Rs 1,255.30 Crores in 2024-25 as against Rs. 230 Crores in 2012-13. In absence of complete details, we are unable to comment on the adequacy of provision on this account and its impact on financial statements.

Creating provision for unserviceable store is a matter of estimate to be made by the management according to the circumstances. In view of the management the existing provision of Rs. 41.76 Crores is sufficient as on the date of Balance Sheet.

6. Inter Unit Transactions

i) The company is in the process of reconciliation of various types of inter unit transactions. Inter-unit account showing net debit balance of Rs. 357.88 Crores (P.Y. Rs. 794.69 Crores) under 'Note 11- Other Current assets' is represented by large number of un-reconciled entries under various heads like IUTs within zone, IUTs outside zone etc. since many years.

ii) The company's' inter-unit transfer balances were significantly reduced during the year with respect to which detailed workings or supporting documents were not provided to us.

iii) On analyzing the differences in IUTs for the current year, following major unmatched amounts were ascertained in different heads.

The reconciliation of Inter Unit Transactions is a continuous process and the company has substantially reduced the IUT balances in current F.Y. The current entries being made in ERP environment, there are no further additions in the IUT balances. Efforts are on to reconcile the balance old differences.

Amount (Rs.) in Crores

Particulars	Debit	Credit	Net Differences
Liabilities for IUT-With in Zone	798.58	172.64	625.94
Other Adj.-With in Zone	0.12	6.83	(6.72)

Liabilities for IUT-Outside Zone	33,657.09	33,375.75	281.34
Fund Transfer by HQ	1390.17	1,928.04	(537.87)
Remittance to HQ	146.25	146.32	(0.07)
Accts-Cash - With in Zone	128.92	229.58	(100.66)
Capital Exp.-With in Zone	0.03	225.64	(225.62)
MATERIALS-Outside Zone	272.38	286.18	(13.80)
Central Receipts on behalf of Divisions	2,615.80	2,603.18	12.62
MATERIALS-With in Zone	51.11	522.34	(471.23)

The detailed list of these unmatched entries during the year, along with reasons of their non-adjustment were not available to us for our verification. The impact of such non reconciliation on the financial statements of the company is not ascertainable at this stage.

7.	**Non-Compliance with Ind AS and Schedule III**	
i)	The amounts under 'Capital grants/ Subsidies' (in Note 13) and 'Revenue subsidies/ Grants' (in Note 20) have been accounted for by the company only on the basis of credit advices issued by UPPCL, the holding company. The complete details and related terms and conditions of these subsidies/grants could not be verified by us as the same were not available with the company. Further, the conditions and contingencies for each government grant received/ recognized' have also not been disclosed as per the requirements of Ind AS 20.	The Capital Grants and subsidies are being received by UPPCL on consolidated basis for all UP DISCOMS. UPPCL in turn allocates the same to different DISCOMS as per their eligibility and the data is maintained at UPPCL level, which is being audited by their Statutory Auditors. Company is booking the same as per the Cr. /Dr. note & details provided by the holding company.
ii)	We draw attention to para 18 of Note 1B relating to disclosures relating to 'Trade Payables' pursuant to amended Schedule III to the Companies Act 2013. It is observed that information relating to 'dues payable to MSME' etc. have been disclosed by the company but the completeness and accuracy of the same could not be ascertained by us as the company is still under process to identify the classification related to MSME. Further, provision for interest payable thereon, the liability on this account has not been quantified by the company. As such we are unable to ascertain the interest provision (if any) required and its consequential impact on the loss for the period.	Disclosure has been made as per the data available on the ERP system. Systematic improvement is a continual process and is being adopted to further improve the data.
iii)	The 'liabilities for capital works', 'liabilities for O&M works' and 'Liability for expenses' etc. have been categorized under 'Other Financial Liability(current)' instead of showing them under 'Financial liability (Trade payable)'.	'Financial liability (Trade payable)' comprises liabilities relating to direct expenses w.r.t purchase & transmission of power. Accordingly, other payables are being shown as current liability /long term liability as the case may be.Such presentation has been designed by , Holding Company UPPCL, in order to maintain uniformity across DISCOMS.
iv)	The company returned Rs. 3.58 crore of a grant received from REC because payments were made to vendors for duplicate meter installations. However, this return of grant was not recorded correctly in the financial statements as per IndAs 20.	The matter is being reviewed in consultation with Holding Company UPPCL and necessary correction entries shall be passed in FY 2025-26.

	As per Ind AS 20 and Ind AS 1, returned grants must be adjusted to avoid overstating income, assets, or equity, ensuring a true and fair view of the financial statements. Failure to record the return results in misstatement of income and net assets, which may impact decision-making, regulatory compliance, and tax or audit outcomes.	
v)	Rebates related to capital assets under RDSS are currently recorded as liabilities instead of being deducted from the asset cost (Capital Work-in-Progress), resulting in misclassification. As per Ind AS 16, rebates must reduce the asset's cost, not be recognized as liabilities, aligning with the matching principle and presentation requirements under Ind AS Misclassification inflates liabilities and asset values, distorting financial ratios, depreciation, and profitability.	The rebate being availed for timely payment to TKC's is on the funds provided by REC / State Government. The rebate availed by the company under RDSS will be reduced from cost of the project at the time of closure of scheme after complete reconciliation and finalization of the capitalization process.
vi)	IND AS-1: Policies relating to provision made against (i) advances to suppliers/contractors (ii) Slow/non-moving and unserviceable stores, (iii)advance to employees and others are not disclosed under Annexure "Significant Accounting Policies" annexed with Financial Statements as required in IND AS-1. Accordingly, the impact of non-compliance of the above IND AS on the financial statements is not ascertainable.	The matter will be reviewed and necessary action will be taken, if required.
vii)	As per IND AS 20 Accounting for Government grants / subsidy is done on the basis of advice from Uttar Pradesh Power Corporation Ltd., (the holding company), but the timing at which the grant is to be booked as per IND AS 20 cannot be ascertained as the grant is booked as per the credit notes received from UPPCL which is not in consonance with the IND AS-20 "Accounting for Government Grants". Impact of non-compliance of the above IND AS on the financial statements is not ascertainable.	The Government grants / subsidy is booked on the basis of credit notes issued by the holding company. Further, the holding company issues the credit note when there is adequate assurance from the government.
viii)	'Financial Assets-Others – Current' (Note-10) and 'Other Financial Liabilities- Current' (Note-18) have been classified as 'current' but include balances which are outstanding for realization/ settlement since previous financial years, and in the absence of adequate information/explanations regarding the realizability /settlement of such amounts within twelve months after the year end, not classifying them as non-current assets/ liabilities is not in accordance with Ind AS-1 "Presentation of Financial Statements" Certain balances are incorrectly classified as current instead of non-current assets/liabilities based on their nature and settlement terms. The list of such items are mentioned below:	The amount receivable/payables expected/ intended to be realized/paid within a year are to be classified as Current Asset / Current Liability. The classification is being done on the basis of the company's estimate and hence shown as current assets/liabilities.

Particulars	Amount (In Rs.)	Currently shown Under
Other Receivables	30.44 Crore	Current Asset
Staff Related Liabilities	1.08 Crore	Current Liability
Sundry Liability	0.16 Crore	Current Liability

As per Ind AS 1, classification depends on expected realization or settlement within 12 months (current) or beyond (non-current). This Misclassification leads to inaccurate presentation of financial position.	
8. Borrowings Non-current Borrowings taken by UPPCL on behalf of the company amounting to Rs.3443.60crore (pertains to FY 2024-25), and in note No. 16, Current Maturity from of Long-Term Borrowing through UPPCL amount to Rs. 4608.54 has been booked based on the debit/credit note received from UPPCL. No loan related documents were produced before us during the audit. In the absence of sufficient and appropriate audit evidence thereof, we are not in a position to ascertain impact of the same on the financial statements.	Bonds are issued centrally by UPPCL and some Loans are also taken and served by the UPPCL on behalf of DISCOM. All the related documents are available at UPPCL level.
9. Balances Outstanding To / From Outside Parties	
i. Balances of trade receivables, trade Payables (except UPPCL, UPPTCL and Other DISCOMs), Suppliers, Contractors, loans and advances, staff related liabilities & advances and other various debit/credit balances, etc. are subject to confirmations. Therefore, in absence of proper records/details, we are unable to ascertain the effect of the adjustments arising from reconciliation and settlement of old dues, possible loss/ profit that may arise on account thereof, non-recovery or partial recovery of such dues and non-settlement of liabilities.	The legacy balances were transferred to DISCOM at the time of unbundling of DISCOMS of power sector. Efforts are in progress to reconcile these old balances and obtain confirmations wherever required. Considerable reconciliations have been made in this regard. Efforts are underway to reconcile the remaining balances.
ii. Refer to Point no. 17 of Notes to accounts, there are various expenses like Employees Expenses, Repair & Maintenance Cost and Administrative & General Expenses etc. incurred at Uttar Pradesh Power Corporation Ltd. (the holding company) which has been allocated to the Company vide Debit/Credit Notes. However, we have not been provided with detailed workings of the same and only relied on the Debit/Credit notes received from the holding company.	Accounting of expenses allocated by UPPCL is done on the basis of details provided by UPPCL along with concerned Debit/Credit notes.
iii. The CSC e-wallet balance as per the separate portal and the balance recorded in the books of accounts were not reconciled, resulting in a difference of Rs. 8.29 crores as on 31 March 2025.	A Committee has been formed at HQ level for reconciliation of the balances.

10. Statutory Compliances i. As per Income tax Act, 1961, TDS should be deducted on due or payment basis whichever is earlier. However, it has been noticed that the company is deducting TDS at the time of booking of expenses (which is generally much delayed as compared to date of invoice) which violates the provision of Income Tax Act,1961 due to which liability of interest @1.5% per month or part of the month will arise on the company. In some of units, it was noticed by us that the company is booking expenses much after the date of invoice. Further, it was noted that bills which were quite old were also booked during the current financial year. Due to this there is delay in deduction of TDS as compared to the stipulated timelines which attracts interest under Section 201(1A), with interest amounting to Rs.1.10 crore(approx.). As per Ind AS 12, related interest and penalties are expenses and must be accrued and disclosed as liabilities to avoid understatement of expenses.	As per Section 194C of the Income Tax Act, TDS is required to be deducted at the time of crediting the payment to the vendor's account or at the time of payment, whichever is earlier. In our accounting system (SAP), the vendor's account is credited upon posting the invoice, which is being done after complete checking of the work done and certification by the concerned Engineer-in-charge. Accordingly, TDS is deducted at that point, and payment to the vendor is processed subsequently. Hence there has been no default/delay in deposition of the TDS. Attention is also invited here that in case the TDS is deducted & deposited according to the Invoice raised by the Vendor, there will be no control on the wrong invoicing being done by the vendors. The observation of the Auditor is also not in line with the provisions of The Income Tax Act.
ii. The company previously operated multiple TAN registrations for different units/zones; however, currently, only a single TAN is in use. No, evidence or confirmation has been provided regarding the formal surrender of earlier TANs or details of any related defaults, penalties, or dues. A case reported by the Zonal Auditor of CISS Gomti highlights an unpaid TDS default amounting to Rs. 14,370.00. Further as per zonal auditors of Bareilly zone, they have checked the outstanding dues with respect to TDS demand on "Traces" and found that out of 38 units, 28 units have no outstanding dues. In rest of the units the old demands are still outstanding. The reason for the outstanding demands is mainly due to incorrect filing of TDS return or due to short deposit of TDS.	Concerned units/zones have been instructed to review the matter and take corrective action wherever required. The reconciliation and rectification of the TDS Returns,wherever required, is under process.
11. Other Observations i. Advances to suppliers amounting to Rs 105.46 Crores at the HO level are outstanding since more than 9 years. It also includes Rs 40.61 Crores for which even party wise/ date wise details were not available with the concerned unit. No documentary evidence or explanations were made available to us regarding the	The old records are being scrutinized and the balances are being traced. Concerned unit has been instructed to review the matter and take corrective action after

recoverability of these amounts. Accordingly, in our opinion, these amounts are doubtful of recovery and provision should have been made against these advances.	proper reconciliation.
ii. As referred in Note 18 to the financial statements, the company has made 'provision for loss incurred by GPF/ CPF trusts' amounting to Rs 455.48 Crores as on 31.03.2025 on account of insolvency of DHFL. The amount has been booked as per the allocations sent by the UPPCL and the basis on which the above-mentioned amount has been calculated has not been provided to us. Any other loss/shortfall in the fund value as compared to total obligation as on the balance sheet date, if any, is not ascertainable in absence of complete information with the company.	With the exception of losses related to DHFL, the PF trust has not reported any other losses and, consequently, company has not made any additional provisions in the accounts.
iii. Bank reconciliation statements at some of the divisions/ units have not been properly prepared and various old un-reconciled entries are appearing in the bank reconciliation statements in various units at zones/ head office since long periods which require adjustments and appropriate accounting in the books of account. Similarly, the copies of bank statements were available but proper balance confirmation certificates/statements, duly authenticated by the bank were not available in many cases.	The bank reconciliation statement (BRS) discrepancies are being reviewed regularly, and many accounts have been reconciled since the report date. Efforts are also ongoing to reconcile the remaining bank reconciliations.
As reported by zonal auditor of Ayodhya zone, the divisions have bank balance in their MTB of Rs.68.98 Crores, while balances as per Bank Statements is Rs. 18.49 Crores resulting into the difference of Rs 50.49 crores. Most of these entries are pending for last many years and have not been adjusted in accounts.	
As reported by zonal auditor of LesaCissGomti Zone, in case of Electricity Urban Distribution Division-Thakurganj, Lesa, Lucknow Bank cash handling charges of Rs.10,06,547.61 have been charged by bank. As per terms bank cannot charge cash handling charges from the unit bank account, so unit should take necessary action for reversal of such amount into bank account.	Concerned units/zones have been instructed to review the matter and corrective actions are in process wherever required.
iv. As reported by the zonal auditors of Ayodhya Zone,	
a. Bank accounts have not been entered in MTB for 4 banks belong to 3 units.	The Zonal Auditor had neither provided the details nor given any observation in writing regarding the same. The matter has been taken up with the Zonal Auditors for providing the details, to take necessary corrective action, if required.
b. BRS and Bank statements have not been provided for 5 banks belong to 3 units.	
c. Proper Bank reconciliation statements have not been prepared for 4 banks belong to 2 units.	
Moreover, at LESA CISS Zone, it was observed that the balance of two bank accounts was not found in the Cash Book. There are differences between the MTB and Cash Book amounting to Rs 0.58 crores appearing in MTB which are pending for adjustment for more than eight years.	Concerned zone has been instructed to review the matter and take necessary action.
The exact financial impact of the above on the financial statements could not be ascertained at this stage.	
v. Authorized Share Capital and Paid-up share capital of the company as per latest data from the Registrar of companies is Rs 20,000 crores and Rs 24,232.49 crores respectively. However, the actual authorized share capital and paid-up share capital of the company is Rs. 30,000 crores and Rs 27,678.81 crores respectively as per financial statements.	ROC filing for updation of authorized share capital and paid-up share capital of the company on MCA portal is under progress.
vi. All statutory employee-related dues, including contributions	

	towards Provident Fund (PF), General Provident Fund (GPF), and Contributory Provident Fund (CPF), have been duly deposited into the designated trust accounts as per the applicable regulatory requirements. However, despite these payments being made, we have not received any formal confirmation, acknowledgment letters, or receipts from the respective trust authorities confirming the actual receipt and proper crediting of these deposits. Furthermore, no balance confirmations, periodic statements, or reconciliation reports have been provided by the trust, which are essential to verify the accuracy, completeness, and up-to-date status of these statutory dues.	Reconciliation of balances with concerned trusts is under process.
vii.	As reported by the zonal auditors Bareilly zone, few non-operating bank accounts are reflecting in MTB of few units. Status of these bank accounts whether these have been closed or not is not confirmed by the units. If these bank accounts are in non-operating condition and balance which is shown in these bank accounts as per MTB found to be correct then it is a loss of opportunity interest.	Concerned zone has been instructed to review the matter and take necessary action.
viii.	As reported by the zonal auditors of LESA-CISS Gomti Zone, Power purchase and transmission charges have not been accounted for in books of accounts of the Zone. The reconciliation of units of power purchased, billed and transmission loss and theft were also not done/ provided for at Zonal Level. While examining the performance for the year 2024-25 the total energy receipt were 4610.36 MU and energy sold was 4196.84 MU resulting in a energy loss of 413.52 MU which in terms of percentage come to 8.97%. The total energy loss in monetary terms is calculated and accounted for at Head quarter level. Further, as informed to us the same has been accounted for at the company level. The company has disclosed the AT&C is 17.69% at note no. 36(E) of notes to accounts.	Being informatory, comment not required.
Information Other than the Standalone Financial Statement and Auditor's Report Thereon The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to Board's Report but does not include the standalone financial statements and our Auditor's Report thereon. Other Information as stated above are expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above when it becomes available and in doing so consider whether the other information is materially inconsistent with the standalone financial statements or with our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action, if required.		Being introductory /informatory, comment not required.

Responsibility of Management and those charged with Governance for the Financial Statements The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance including other comprehensive income of the company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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. The Board of Directors is also responsible for overseeing the Company's financial reporting process.	Being introductory /informatory, comment not required.
Auditor's Responsibility 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we	Being introductory /informatory, comment not required.

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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	
EMPHASIS OF MATTER a) During the Financial Year 2024-25, various old balances appearing in different assets and liabilities heads which were being carried forward from previous years have been shifted to 'asset migration account' and 'liability migration account' totaling to Rs. 7.78 crores and Rs 2.13 crores respectively. b) The financial statements of the company are being prepared on a	Transfer of old transfer scheme balances to 'asset migration account' and 'liability migration account' has been done in compliance to thedecision taken at the Holding Company level. As a public-service provider, the company

going concern basis, notwithstanding the fact that company is continuously running in losses since last many years. The appropriateness of the said basis is inter-alia dependent on continuing support from the Government and improved operational/ financial performance.	benefits from State and Central Government support under established policies. With its net worth rising from ₹313.42 crore in FY 2003–04 to ₹8,740.24 crore in FY 2024–25, the company's status as a going concern is unequivocal.
c) The Company does not have an effective system for realizing revenue from customers as the amount of receivables as on 31st March, 2025 is Rs. 29,861.24 crores, which is equivalent to around 754 days sale of power by the company and reasons of pendency are not examined. It is noticed that the company is not effectively exercising its powers of TD/PD and filing court cases against defaulted customers.	Smart prepaid/postpaid meters are being installed to ensure advance/timely collection of revenue. Efforts are being made to realize old dues from consumers.
d) As per the zonal audit report of Lucknow zone, MVVNL (H.O) has not raised any Dr. note/advice to Lucknow zone regarding net metering of Solar Power and Purchase of Power. Hence, Purchase of power is not accounted for in the Trial Balance of the Zone. Further, we have been explained that revenue has been recognized on the basis of net metered units.	Purchase of Power is accounted for at HQ level on the basis of bills raised by Holding Company.
e) The segregation of 'Trade Receivable' into Government/ Non-Government and ageing into different age buckets as per para 10 of note 1B have been made only on the basis of online billing data provided by commercial wing.	The ageing of Trade Receivable is made on the basis of online billing data being maintained by independent specialized application software.
f) As per the direction of Hon'ble High Court, the special audit of Bills Revision in consumer's bills for the period April 2022 to Sept. 2023 has been conducted at Distribution Division level. However, the management has not provided us the number of bills and quantum of total amount involved. Since, information regarding the actual status and outcome of the special audits has not been provided to us, its impact on the financial statements could not be ascertained.	Since the work of the special audit of Bills Revision in consumer's bills for the period April 2022 to Sept. 2023 has not been completed, any observation/findingswill not impact the financial results of current F.Y.
g) During the FY 2024-25 the company has for the first time implemented full-fledged accounting through an ERP system which was earlier done on manual basis. As explained to us, the company has got performed ERP accounting system audit at UPPCL level. However, the reports of the same was not made available to us. In the absence of which we were unable to comment on accuracy, operational effectiveness, completeness, and reliability of financial data generated through ERP system.	Same has been done at Holding Company, UPPCL level.
Our opinion is not modified in respect of these matters.	
Key Audit Matters	
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.	No comment required.

Other Matters	
a) We did not audit the financial statements/ information of 6 accounting zones included in the standalone financial statements of the company, whose financial statements reflect total assets of Rs. 41,550.27 Crores as at 31st March 2025 and total revenue of Rs. 14,452.83 Crores for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these zones have been audited by the zonal auditors whose reports have been furnished to us, 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 /branch auditors.	No comment required.
Company's assets are un-insured with risk of theft, fire, riots, earthquake etc. and have not made adequate arrangement to save its assets from these incidents in future.	Cash held in the company's on-site cash chests, cash in transit, and stores are all protected under the respective units' insurance policies.
b) The AT & C Losses during the year is 17.69 %, The management has not segregated the same between normal loss and/or abnormal loss. Same needs to be looked into for appropriate action by the company.	AT&C losses are within the limits prescribed under RDSS.
c) As reported by the zonal auditor of Ayodhya zone, theft of assets (AG code 18) has old balance of Rs. 101.90 Lakh in three divisions (code 592,599 &602) for which provision has been made at H.O. but present status has not been explained to the zonal auditors. Further as explained to us, the Provision of the same has been done at the Headquarters.	Cent percent provision against theft of assets is made at HQ level.
The company has delayed vendor payments under the RDSS scheme, resulting in unclaimed rebate of Rs. 6.64 crore, causing indirectly financial loss to the company/ RECIL/GoUP. As informed to us by the management that this delay is due to the reason that there is lack of sufficient funds available with the company to make necessary timely payment in order to avail the benefits of rebate.	The vendor rebate is being utilized to make payments within 10 working days from bill submission. Since payments are made on time, funds from REC or the Government of Uttar Pradesh are not deployed, meaning no actual cost is incurred by either REC or GoUP. This represents an opportunity cost—not a loss—to any organization or the government.

(S.K Awasthi)
Chief Fiancial Officer

(S.K Jadia)
Director(Finance)

(Riya Kejriwal)
Managing Director

कार्यालय प्रधान महालेखाकार (लेखापरीक्षा-II)
उत्तर प्रदेश, लखनऊ
'ऑडिट भवन', टीसी-35-V-1
विभूति खण्ड, गोमतीनगर, लखनऊ-226 010

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Office of the Principal Accountant General
(Audit-II), U.P., Lucknow
'Audit Bhawan' TC-35-V-1, Vibhuti Khand,
Gomti Nagar, Lucknow-226 010

पत्रांक: प्र.म.ले.(ऑडिट-II)/ए.एम.जी.-III/लेखा/म.वि.वि.नि.लि./2024-25/507 दिनांक: 08.12.2025

सेवा में,

प्रबंध निदेशक,
मध्यांचल विद्युत वितरण निगम लिमिटेड,
4-ए. गोखले मार्ग, लखनऊ,
उत्तर प्रदेश ।

महोदय,

एतत्सह कंपनी अधिनियम, 2013 की धारा 145(5) के अधीन मध्यांचल विद्युत वितरण निगम लिमिटेड के 31 मार्च 2025 को समाप्त वर्ष के लेखाओं पर भारत के नियंत्रक-महालेखापरीक्षक की टीका-टिप्पणियाँ कंपनी अधिनियम, 2013 की धारा 143(6)(b) के निबंधनो के अनुसरण में कंपनी की वार्षिक सामान्य बैठक के समक्ष प्रस्तुत करने हेतु अग्रेषित की जा रही है। कृपया वार्षिक सामान्य बैठक के समक्ष इन टीका-टिप्पणियों के प्रस्तुत किए जाने की वास्तविक तिथि की सूचना दें।

The report has been prepared on the basis of information furnished and made available by the auditee. The Office of the Principal Accountant General (Audit-II), Uttar Pradesh disclaims any responsibility for any misinformation and/or non-information on the part of the auditee.

कृपया पत्र की पावती भेजें।

संलग्नक: यथोपरि

भवदीय

8/12/2025

वरि. उपमहालेखाकर
(ए.एम.जी.-III)

Phone: +91-0522-2984691, 2970540 Fax: +91-0522-2722106 E-mail: agauuttarpradesh2@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED, LUCKNOW FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of **Madhyanchal Vidyut Vitran Nigam Limited**, Lucknow (Company/MVVNL) for the year ended **31 March 2025** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **28 May 2025.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Madhyanchal Vidyut Vitran Nigam Limited**, Lucknow for the year ended **31 March 2025** under section 143 (6)(a) of the Act. This supplementary audit has been carried out independently without access to working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

A. COMMENTS ON FINANCIAL POSITION

Balance Sheet

Equity and Liabilities

Other Equity (Note 13): ₹ 18,938.57 crore (debit)

1. The above includes ₹ 1,428.33 crore (credit) pertaining to the subsidy for operational losses claimed and released under Ujwal DISCOMs Assurance Yojana (UDAY).

As per Office Memorandum (O.M.) dated 20 November 2015 issued by Ministry of Power, Government of India (GoI) for implementation of UDAY, future losses of the State owned power distribution companies (DISCOMs) were to be taken over by the respective States in a

graded manner during the year 2017-18 to 2020-21 at the rate of 5 to 50 *per cent* of the actual losses incurred in the respective previous years. Accordingly, GoUP had taken over the losses of the DISCOMs during the aforesaid period ending up to 2020-21 under UDAY.

However, UPPCL, the Holding Company, on behalf of its five subsidiary DISCOMs, unwarrantedly claimed an amount of ₹ 5,372.50 crore from the GoUP during the year 2021-22 for funding of operational losses under UDAY, which was incorrectly sanctioned and released by the GoUP under UDAY. Out of Scheme funding so received (₹ 5,372.50 crore), UPPCL allocated an amount of ₹ 1,428.33 crore to the Company during the year 2021-22. As the admissibility period for funding of operational losses under UDAY has already ended on 31 March 2021 and there was no scheme of GoI/GoUP for funding of such operational losses during the year 2021-22, the subsidy released under UDAY was refundable to the GoUP. The GoUP clarified (July 2023) that ₹ 5,372.50 crore was released for funding of losses of DISCOMs under Action Plan/Revamped Distribution Sector Scheme (RDSS), however, the same was treated as UDAY loss subsidy due to mistake.

The reply is not tenable in view of the fact that based on the proposals of the GoUP on the 'steps to be taken for reduction of Company's losses' as per the RDSS provisions *(refer para 4.3 read with para iv of Annexure II)*, the GoI (REC Limited) approved (4 March 22) the Action Plan envisaging the targeted takeover of Company's losses for the FY 2022-23 to 2024-25 by the GoUP. Hence, the Action Plan for RDSS as approved by GoI (REC) did not have any provision for funding Company's losses for the FY 2021-22. Hence, the subsidy of ₹ 1,428.33 crore recognised by the Company for the FY 2021-22 was neither covered under UDAY nor RDSS and same needs to be de-recognised by the Company in its Annual Accounts.

This resulted in understatement of 'Other Equity (debit balance)' and Current Liabilities by ₹ 1,428.33 crore each.

Despite similar comments of CAG on the accounts for the year 2021-22 to 2023-24, no corrective action has been taken by the Management.

B. COMMENTS ON DISCLOSURE

2. The UDAY Scheme of GoI provided for taking over of the future losses of DISCOMs by the States in a graded manner during the year 2017-18 to 2020-21 based on their previous year's actual losses. Similarly, the Action Plan for RDSS as approved by the GoI (REC Limited) based on the roadmap proposed by GoUP envisaged targeted takeover of Company's losses

(actual) for the FY 2022-23 to 2024-25 by the GoUP. Thus, the funding under two Schemes was based on the financial losses of the Company. On the contrary, the funding of DISCOM losses under two Schemes (UDAY and RDSS) as claimed by the holding company (UPPCL) and approved by GoUP was based on the derived figures of 'Operational Funding Requirements' (OFR) of the DISCOMs. This fact should be disclosed in the Notes to Accounts of the Financial Statements.

3. As per the provisions of Schedule-III of the Companies Act 2013 (*refer para 6 (T)(ii) of the 'General Instructions for preparation of Balance Sheet)*, the Company is required to disclose the 'estimated amount of contracts remaining to be executed on capital account and not provided for' under 'Contingent Liabilities and Commitments'. The same has incorrectly been shown as 'nil' under Para 21(F) of Note 1B despite the contractual obligation amounting to ₹ 762.83 crore under RDSS were remaining to be executed and not provided for as on 31st March 2025.

C. COMMENTS ON STATUTORY AUDITORS' REPORT

4. Para 10 of Standard on Auditing (SA) 706 provides that "*if the auditor considers it necessary to communicate a matter other than those that are presented or disclosed in the financial statements that, in the auditor's judgment, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report, the auditor shall include an Other Matter paragraph in the auditor's report.*"

The Statutory Auditors have included three such issues in their Audit Report, which fall under 'Other Matters' category, but wrongly grouped under the heading 'Emphasis of Matters' *(refer para (d), (f) and (g))* instead of 'Other Matters'.

For and on behalf of the
Comptroller & Auditor General of India

Place: Lucknow

Date:

Sanjay Kumar

Accountant General (Audit-II), UP

REPLY TO THE FINAL COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED, LUCKNOW FOR THE YEAR ENDED 31 MARCH 2025

Comment	Reply
The preparation of financial statements of Madhyanchal Vidyut Vitran Nigam Limited, Lucknow(Company MVVNL) for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May 2025.	
I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Madhyanchal Vidyut Vitran Nigam Limited, Lucknow for the year ended 31 March 2025 under section 143 (6)(a) of the Act. This supplementary audit has been carried out independently without access to working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.	Being introductory para, comment is not required.
Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report: -	

A. COMMENTS ON FINANCIAL POSITION **Balance Sheet** Equity and Liabilities Other Equity (Note 13): ₹18,938.57crore (debit) 1. The above includes ₹1428.33 crore(credit) pertaining to the subsidy for operational losses claimed unwarrantedly and released under Ujwal DISCOMs Assurance Yojana (UDAY). As per Office Memorandum (O.M.) dated 20 November 2015 issued by Ministry of Power, Government of India (GoI) for implementation of UDAY, future losses of the State owned power distribution companies(DISCOMs) were to be taken over by the respective States in a graded manner during the year 2017-18 to 2020-21 at the rate of 5 to 50 *per cent* of the actual losses incurred in the respective previous years. Accordingly, GoUP had taken over the losses of the DISCOMs during the aforesaid period ending up to 2020-21 under UDAY. However, UPPCL, the Holding Company, on behalf of its five subsidiary DISCOMs, unwarrantedly claimed an amount of ₹5,372.50 crore from the GoUP during the year 2021-22 for funding of operational losses under UDAY which was incorrectly sanctioned and released by the GoUP under UDAY. Out of Scheme funding so received (₹5,372.50 crore), UPPCL allocated an amount of ₹1428.33 crore to the Company during the year 2021-22. As the admissibility period for funding of operational losses under UDAY has already ended on 31 March 2021 and there was no scheme of GoI/GoUP for funding of such operational losses during the year 2021-22, the subsidy released under UDAY was refundable to the GoUP. The GoUP clarified (July 2023) that ₹5,372.50 crore was released for funding of losses of DISCOMs under Action Plan/Revamped Distribution Sector Scheme (RDSS), however, the same was treated as UDAY loss subsidy due to mistake.	It is being kindly informed that the said amount of Rs 1428.33 crores is on account of additional loss subsidy received from Govt of Uttar Pradesh and is not related to UDAY loss subsidy. In this regard necessary clarification has been received from Govt of Uttar Pradesh vide letter no. 1772/24-1-2023-03/2023 dt 05.07.23 which is self-explanatory. The copy of the letter has also been marked to the respected office of C&AG, Prayagraj and Lucknow. The observations raised by C&AG need to be reviewed on the following facts stated in the clarification order briefed as follows- 1. Regarding DISCOM having made the claim unwarrantedly is not correct. The claimed amount has already been released by the GoUP and hence the claim is tenable and hence correctly accounted. 2. Further clarification in this regard has already been made by GoUP vide letter no. 1772/24-1-2023-03/2023 which is self-explanatory. 3. Kindly refer to point no 3 of clarification letter which states that the state government is required to ensure operational loss subsidy to DISCOM for which budget allocation has been made for operational loss funding. 4. There has been a clear clarification in the Govt. order issued by GoUP that the said amount is paid for operational loss funding. 5. Reference is invited to the point no 3(x) of accounting policy for FY 21-22 which states that "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. 6. Thus, the accounting treatment is totally in

The reply is not tenable in view of the fact that based on the proposals of the GoUP on the 'steps to be taken for reduction of Company's losses' as per RDSS provisions *(refer para 4.3 read with para iv of Annexure III)* the GoI (REC Limited) approved (4March 22) the Action plan envisaging the targeted takeover of Company's losses for the FY 2022-23 to 2024-25 by the GoUP. Hence the action plan for RDSS as approved by GoI (REC) did not have any provision for funding Company's losses for the FY 2021-22.Hence the subsidy of ₹1428.33 crore recognised by the company for the FY 2021-22 was neither covered under UDAY nor RDSS and same needs to be de-recognised by the Company in its Annual Accounts. This resulted in understatement of 'Other Equity (debit balance)' and Current Liabilities by ₹1428.33 crore each. Despite similar comments of CAG on the accounts for the year 2021-22 to 2023-24, no corrective action has been taken by the management.	accordance with the accounting policy as well as relevant provisions of Ind AS. The receipt of the amount is fully supported by relevant credit notes as well as Govt. orders which have already been submitted to Audit. The company has not received any demand from UPPCL or State Government for returning the amount received as loss subsidy and hence the same cannot be de-recognised.
B. COMMENTS ON DISCLOSURE 2. The UDAY Scheme of GoI provided for taking over the future losses of DISCOMs by the States in a graded manner during the year 2017-18 to 2020-21 based on their previous year's actual losses. Similarly, the Action Plan for RDSS as approved by the GoI(REC Limited)based on the roadmap proposed by GoUP envisaged targeted takeover of Company's losses(actual) for the FY 2022-23 to 2024-25 by the GoUP. Thus, the funding under two Schemes was based on the financial losses of the Company. On the contrary the funding of DISCOM losses under two Schemes(UDAY and RDSS) as claimed by the holding company(UPPCL) and approved by GoUP was based on the derived figures of 'Operational Funding Requirements'(OFR) of the DISCOMs. This fact should be disclosed in the Notes to Accounts of the Financial Statements.	The claim for funding of the targeted takeover of Company's losses is calculated by holding company(UPPCL) on the basis of 'Operational Funding Requirements'(OFR) of the DISCOMs.

3. As per the provisions of Schedule-III of the Companies Act 2013(*refer para 6(T)(ii) of the General Instruction for preparation of Balance sheet)*, the Company is required to disclose the 'estimated amount of contracts remaining to be executed on capital account and not provided for' under 'Contingent Liabilities and Commitments'. The same has incorrectly been shown as 'nil' under Para 21(F) of Note 1B despite the contractual obligation amounting to ₹762.83 crore under RDSS were remaining to be executed and not provided for as on 31st March 2025.	The above facts has been appropriately disclosed in the Director's Report of the Company for the financial year 2024–25 and have also been reflected in the quarterly accounts for F.Y. 2025–26.
C. COMMENTS ON STATUTORY AUDITORS' REPORT 4. Para 10 of Standard on Auditing (SA) 706 provides that "*if the auditor considers it necessary to communicate a matter other than those that are presented or disclosed in the financial statements that in the auditor's judgement, is relevant to users understanding of the audit, the auditor's responsibilities or the auditor's report, the auditor shall include an Other Matter paragraph in the auditor's report.*" The Statutory Auditors have included three such issues in their Audit Report, which fall under 'Other Matters' category, but wrongly grouped under the heading 'Emphasis of Matters'(refer para(d),(f)and(g) instead of Other Matters'.	The auditor has replied that the observation has been duly noted and due care will be exercised in future.

(S.K Awasthi)
Chief Financial Officer

(S.K Jadia)
Director (Finance)

(Riya Kejriwal)
Managing Director

TALKLAWS ®

FCS TANU AGARWAL
FCS:5514 PCS:14615

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Member of Quality Review Board
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COMPANY SECRETARIES| LEGAL ADVISORS| CONSULTANTS| CORPORATE STRATEGISTS

SKILLED IN: CORPORATE LAWS| RBI | SEBI |CORPORATE INVESTIGATIONS (SFIO, EOW & ALLIED)| FOREIGN FUNDING & COMPLIANCE | LEGAL DOCUMENTATIONS |EQUITY INFUSIONS | DEBT FUNDING | CORPORATE RE-STRUCTURING | MERGERS & ACQUISITIONS

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED,

(CIN – U312001UP2003SGC027459)

4-A GOKHALE MARG

LUCKNOW-226001

UTTAR PRADESH

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the

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conduct of secretarial audit,

I hereby report that in my opinion

i. The Company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also

ii. That the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;**-Not applicable as the securities issued by the Company are not listed during the period under review**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;- **Not applicable as the securities issued by the Company are not listed during the period under review**

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;**-Not applicable as the Company has not made any such transactions during the financial year under review**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable as the Company has not made any public offer of securities during the period under review;**

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- **Not applicable as the Company has not made any public offer of securities during the period under review;**

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not applicable as the Company has not made any public offer of securities during the period under review;**

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - **Not applicable as the Company has not granted any options during the financial year under review**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ; **Not applicable as the Company has not issued any debts during the financial year under review**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange**

during the financial year under review;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.**

vi. The following other laws as may be applicable specifically to the Company:

(a) The Air (Prevention and Control Pollution) Act, 1981
(b) The Water (Prevention and Control Pollution) Act, 1974
(c) The Environment Protection Act, 1986
(d) Gas Cylinders Rules, 2004
(e) The Legal Metrology Act, 2009
(f) Explosives Rules, 2008
(g) Explosives Act, 1884
(h) The Petroleum and Natural Gas Regulatory Board Act, 2006
(i) Petroleum Rules, 2002
(j) The Petroleum Act, 1934

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) Listing Agreements entered into by the Company with BSE Limited for its debt instruments. – **Not applicable as the securities issued by the Company are not listed during the period under review**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

observations:

*(i)**Incorporation of Video Conferencing Facility and Audio-Visual Recording in Meeting Documentation***

It has been observed that the Notices and Minutes of the meetings of the Board and its Committees do not explicitly incorporate the provision for conducting meetings through Video Conferencing or other audio-visual means, as permitted under the Companies Act, 2013 and in accordance with the applicable Secretarial Standards (SS-1 and SS-2).

It is recommended that the Company incorporate appropriate references in the Notices and Minutes to indicate the availability and utilization of Video Conferencing facilities.

*(ii)**Delayed Statutory Filings***

During the course of the audit, it was observed that there have been certain instances of delayed filings with the Registrar of Companies under the provisions of the Companies Act, 2013 due to non filing of Form INC-22A. As on the date of this Report, a few of these filings remain pending and are yet to be completed.

The Company is advised to undertake appropriate corrective measures to ensure that all pending filings are completed at the earliest.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Nominee Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

- The meetings of the Board of Directors and committee thereof are generally as per

the Act and Secretarial Standards and notice and intimation is given to all directors to schedule the Meetings. Agenda and detailed notes on agenda are sent to all the directors. However, I have noted that a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that the systems and processes in the Company require further strengthening and improvements, considering the size and operations of the Company to enable better monitoring and ensuring of timely compliance with applicable laws, rules, regulations and guidelines.

Tanu Agarwal

(TANU AGARWAL)
Practicing Company Secretary
Membership No.: F-5514
C.P. No. 14615
Date: 29.07.2025
Place: Lucknow
UDIN: F005514G000881994
Note: This report should be read with the letter of even date by the Secretarial Auditors.

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To,

The Members,

MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED,

(CIN – U312001UP2003SGC027459)

4-A GOKHALE MARG

LUCKNOW-226001

UTTAR PRADESH

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(TANU AGARWAL)
Practicing Company Secretary
Membership No. : F-5514
C.P. No. 14615
Date: 29.07.2025
Place: Lucknow
UDIN: F005514G000881994