



Annual Financial Statements
of
Madhyanchal Vidyut Vitran Nigam Limited
Lucknow

For The Financial Year 2017-18

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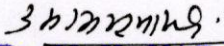


MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A, GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459
BALANCE SHEET as at 31st March 2018

(Amount in Lakhs)

Particulars	Note No.	Figures for the end of current reporting period As At 31st March 2018	Figures for the end of Previous reporting period As At 31st March 2017 (Restated)
ASSETS			
(A) Non-current assets			
(a) Property, Plant and Equipment	2	675,877.76	590,874.97
(b) Capital work-in-progress	3	210,280.10	172,480.13
(c) Loans & Advances	4	250,410.78	242,006.13
(B) Current assets			
(a) Inventories	5	56,672.34	23,170.44
(b) Financial Assets			
(i) Trade receivables	6	1,301,172.36	1,014,375.10
(ii) Cash and cash equivalents	7A	6,664.76	8,825.50
(iii) Bank Balance (Other than ii above)	7B	137,645.01	106,550.78
(iii) Loans & Advances	8	94,951.60	84,775.38
(c) Inter Unit Transactions		189,743.52	125,423.58
Total Assets		2,923,418.23	2,368,482.01
EQUITY AND LIABILITIES			
(A) EQUITY			
(a) Equity Share Capital	9	1,069,904.37	726,608.83
(b) Other Equity	10	(411,893.25)	(288,756.52)
(B) LIABILITIES			
(1) Non-Current liabilities			
(a) Financial Liabilities			
Borrowings	11	1,141,826.77	773,584.77
(b) Other financial liabilities	12	63,981.96	59,823.90
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	3,202.75	3,202.75
(ii) Trade payables	14	451,412.91	609,501.03
(b) Other current liabilities and Provisions	15	604,982.72	484,517.25
Total Equity and Liabilities		2,923,418.23	2,368,482.01
General Information and Significant Accounting Policies	1A		
Notes on Accounts	1B		
Note 1A to 24 form Integral Part of Financial Statement.			


(Abha Sethi Tandon)
Company Secretary
Part Time


Dr. U. K. YADAV
G.M. (F&A)
MVVNL, LUCKNOW


(RAKESH KUMAR)
Director (Finance)
Madhyanchal Vidyut Vitran Nigam Ltd.
Lucknow


(SANJAY GOYAL)
I.A.S.
Managing Director
4A, Gokhale Marg, Lucknow

280918

As per our separate report of even date
For P. S. Bhargava & Co.
Chartered Accountants
(FRN : 000834C)

(K. N. Srivastava)
Partner
(Membership No. 013711)

**MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED**

4-A, GOKHLE MARG LUCKNOW

CIN: U312200UP200SG027459

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March 2018

(Amount in lakhs)

	Particulars	Note No.	Figures for the current reporting period	Figures for the Previous reporting period
			31st March 2018	31st March 2017 (Restated)
I	Revenue From Operations	16	880,173.38	798,060.31
II	Other Income	17	236,356.41	147,654.75
III	Total Income (I+II)		1,116,529.79	945,715.06
	EXPENSES			
	Cost of materials consumed			
	Cost of Power Purchased	18	955,029.99	849,330.12
	Employees Benefits Expenses	19	33,896.37	35,806.65
	Finance Cost	20	62,528.75	29,844.97
	Depreciation and Amortization Expenses	21	19,313.51	19,283.51
	Other Expenses			
	Administrative, General & Other Expenses	22	36,824.35	35,349.64
	Repair & Maintenance	23	37,012.81	34,765.94
	Bad Debts & Provisions	24	15,094.59	14,046.32
IV	Total Expenses		1,159,700.37	1,018,426.75
V	Profit(Loss) before exceptional items and tax (III-IV)		(43,170.58)	(72,711.69)
VI	Exceptional Items		-	-
VII	Profit(Loss) before tax (V+VI)		(43,170.58)	(72,711.69)
VIII	Tax Expenses:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit / (Loss) for the period from continuing operations (VII-VIII)		(43,170.58)	(72,711.69)
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)		(43,170.58)	(72,711.69)
XIV	Other Comprehensive Income		-	-
XV	Total Comprehensive Income for the period (XIV+XV) (Comprising		(43,170.58)	(72,711.69)
XVI	Earnings per equity share (continuing operation) :			
	(1) Basic		(57.16)	(125.77)
	(2) Diluted		(57.16)	(125.77)

General Information and Significant Accounting Policies

1A

Notes on Accounts

1B

Note 1A to 24 form Integral Part of Financial Statement.

ASJ
(Abha Sethi Tandon)
Company Secretary
Part Time

श्रीवत्सल
Dr. U. K. YADAV
G.M. (F&A)
MVVNL, LUCKNOW

RK
(RAKESH KUMAR)
Director (Finance)
Madhyanchal Vidyut Vitran Nigam Ltd.
Lucknow

Sanjay
(SANJAY GOYAL)
I.A.S.
Managing Director
4A, Gokhale Marg, Lucknow

280978

As per our separate report of even date
For P. S. Bhargava & Co.
Chartered Accountants
(FRN : 000834C)

(K. N. Srivastava)
Partner
(Membership No. 013711)



PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Depreciation			Net Block	
	As at 31.03.2017	Additions	Deductions / Adjustments*	As at 31.03.2018	Additions	Deductions / Adjustments*	As at 31.03.2018	As at 31.03.2017
Land & Land Rights	106.81	-	-	106.81	-	-	106.73	106.73
Buildings	16,511.39	1,294.88	-	17,796.27	309.98	-	12,344.36	11,369.46
Other Civil Works	1,416.81	-	-	1,416.81	25.62	-	735.87	761.49
Plant & Machinery	277,727.67	81,878.23	47,260.30	312,345.60	14,454.65	(12,846.86)	306,245.47	298,929.05
Lines, Cable Network etc.	407,248.44	63,931.00	1,423.05	469,756.39	17,642.99	33,032.38	351,371.00	274,073.66
Vehicles	578.61	72.63	-	651.24	69.42	-	110.70	107.49
Furniture & Fixtures	1,024.61	59.72	-	1,084.33	72.57	-	604.29	617.14
Office Equipments	9,609.05	189.54	-	9,778.59	1,320.15	-	3,759.34	4,909.95
TOTAL	714,223.39	147,396.00	48,683.35	812,836.04	33,895.38	20,185.52	675,877.76	590,874.97
Previous Year	596,328.70	165,510.80	47,616.11	714,223.39	29,251.57	16,858.47	590,874.97	485,373.38

NOTE - 3

CAPITAL WORKS IN PROGRESS

PARTICULARS	(Amount in Lakhs)		
	As at 31.03.2017	Additions	Deduction/ Adjustments
Capital Work in Progress *	172,480.13	183,299.91	1,896.05
GRAND TOTAL	172,480.13	183,299.91	1,896.05

* It includes Establishment Cost related to works.

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
 4-A , GOKHLE MARG LUCKNOW
 CIN: U312200UP200SG027459

NOTE - 4

NON CURRENT FINANCIAL ASSETS
LOANS AND ADVANCES

(Amount in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advances to Capital Suppliers / Contractors	250,427.86	242,023.21
Less - Provision for Doubtful Advances	<u>17.08</u>	<u>17.08</u>
TOTAL	250,410.78	242,006.13

NOTE - 5

INVENTORIES

(Amount in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Stores and Spares		
Stock of Materials - Capital Works	48,729.54	19,740.15
Stock of materials - O & M	<u>8,869.13</u>	<u>3,149.81</u>
Others*		
SUB TOTAL	<u>3,195.20</u>	<u>4,402.00</u>
Less - Provision for Unserviceable Stores	60,793.87	27,291.96
	<u>4,121.53</u>	<u>4,121.52</u>
TOTAL	56,672.34	23,170.44

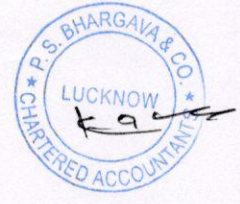
* Other materials Include material issued to fabricators, obsolete material, scrap transformer sent for repair store, excess/shortage pending for investigation and material in transit.

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
 4-A , GOKHLE MARG LUCKNOW
 CIN: U312200UP200SG027459

NOTE -6

TRADE RECEIVABLES

(Amount in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Trade receivables outstanding from Customers		
Secured & Considered good	52855.84	45072.30
Unsecured & Considered good	1248316.52	969302.81
Considered Doubtful	125830.77	110736.17
Less- Provision for Bad & Doubtful Debts	1,427,003.13	1,125,111.28
	125,830.77	110,736.18
Total	1,301,172.36	1,014,375.10

NOTE -7A

CASH AND CASH EQUIVALENTS

(Amount in Lakhs)

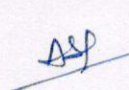
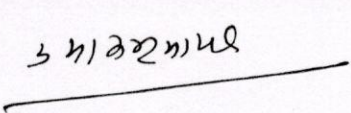

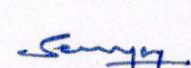
Particulars	As at 31.03.2018	As at 31.03.2017
Cash on Hand		
Cash in Hand (Including Stamps in hand)	5,464.09	7,764.67
Cash at Bank (Fixed Deposits Maturity Less than three months)	1,025.80	922.71
Cash Imprest with Staff	174.87	138.12
	6,664.76	8,825.50
TOTAL	6,664.76	8,825.50

NOTE -7B

BANK BALANCES

(Amount in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Balances with Banks		
In Current & Other account	120,884.54	92,981.14
In Fixed Deposit accounts (Maturity more than three months)	16,760.47	13,569.64
	137,645.01	106,550.78
TOTAL	137,645.01	106,550.78





MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A , GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459

NOTE - 8

CURRENT FINANCIAL ASSETS
LOANS & ADVANCES

(Amount in Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
ADVANCES (Unsecured/Considered Good)				
Suppliers / Contractors	1,800.45		1,395.17	
Less - Provision for Doubtful Advances	<u>34.20</u>	1,766.25	<u>34.20</u>	1,360.97
Tax deducted at source		82.47		20.81
Income Accrued but not Due		250.41		211.35
Receivables from -				
GOUP	26,571.69		17,682.14	
Uttanchal PCL	1.41		1.41	
UPJVUNL	1.53		1.53	
UPPTCL	29,041.89		27,294.17	
KESCO	144.16		144.16	
Dakshinanchal VVNL	8,536.25		8,511.82	
Paschimanchal VVNL	7,675.15		7,675.15	
Purvanchal VVNL	7,610.65		7,549.88	
Sub Total	<u>79,582.73</u>		<u>68,860.26</u>	
Employees	10,259.30		11,913.95	
Others	2,946.11		2,345.80	
Sub Total	<u>92,788.14</u>	92,788.14	<u>83,120.01</u>	83,120.01
Prepaid Expenses		64.33		62.24
Theft of Fixed Assets Pending Investigation	522.50		522.50	
Less - Provision for estimated losses	522.50	-	522.50	-
Total		94,951.60		84,775.38

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A , GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459

NOTE -9

EQUITY SHARE CAPITAL

(Amount in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<u>(A) AUTHORISED :</u>		
200000000 Equity share of par value of Rs.1000/- each (previous year 200000000 Equity share of par value Rs.1000/- each)	2,000,000.00	2,000,000.00
<u>(B) ISSUED SUBSCRIBED AND FULLY PAID UP</u>		
106990437 Equity share of par value Rs.1000/- each (previous year 72660883 Equity share of par value Rs.1000/- each) (of the above shares 500 Equity Shares allotted to promotor's)	1,069,904.37	726,608.83
TOTAL	1,069,904.37	726,608.83

- a) During the year, the Company has issued **34329554** Equity shares of Rs.1000 each only and has not bought back any shares.
- b) The Company has only one class of equity shares having a par value Rs. 1000/- per share.
- c) During the year ended 31st March 2018, no dividend has been declared by board due to heavy accumulated losses.

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A, GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459

NOTE - 10

Statement of Changes in Equity

Equity Share Capital	
Particulars	Amount
Balance as on 31st March 2017	726,608.83
Changes during the year	343,295.54
Balance as on 31st March 2018	1,069,904.37

Particulars	(Rs. In Lakhs)				Total
	Reserve and Surplus Retained Earnings	Capital Reserve		Restructuring Reserve	
	Consumer Contribution towards service line and other charges	Subsidies towards cost of capital assets	APDRP Grant	Share Application money pending Allotment	
Restated balance as at 31st March 2016	(1,281,992.86)	131,338.70	237,692.83	814.18	(271,882.94)
Restated Profit for the year	(72,711.69)				(72,711.69)
Other comprehensive income for the year (net of Tax)	-				-
Total Comprehensive income for the year	-				-
Addition during the year	24,174.63	153,245.02		185,425.80	362,845.45
Reduction during the year	3,564.91	6,451.66		296,968.67	307,007.34
Balance as on 31st March 2017	(1,354,704.55)	151,948.42	384,486.19	792.08	(288,756.52)
Profit for the year	(43,170.58)				(43,170.58)
Other comprehensive income for the year (net of Tax)	-				-
Total Comprehensive income for the year	-				-
Addition during the year	26,900.60	12,218.82		238,791.83	277,911.25
Reduction during the year	4,124.31	10,436.05		343,295.54	357,877.40
Balance as on 31st March 2018	(1,397,875.13)	174,724.71	386,268.96	770.58	(411,893.25)

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A , GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459

BORROWINGS

Note - 11
(Amount In Lakhs)

PARTICULARS	Non- Current	
	As at 31.03.2018	As at 31.03.2017
A. Secured Loans -		
(i) Power Finance Corporation Ltd. (R - APDRP) (Secured against hypothecation of New Created Assets)	108,230.66	100,644.61
(ii) Rural Electrification Corporation Ltd. (APDRP) (Secured against hypothecation of New Created Assets)	217.79	797.88
(iii) Rural Electrification Corporation Ltd. (R-APDRP) (Secured against hypothecation of New Created Assets)	25,718.31	22,960.13
(iv) Bonds	428,870.00	210,641.41
Total	563,036.76	335,044.03
B Unsecured Loans-		
(i) REC Transitional (Guaranteed by Govt. of UP)	102,495.41	32,537.07
(ii) PFC Transitional (Guaranteed by Govt. of UP)	93,604.88	23,313.95
(iii) UP GOVERNMENT (UDAY SCHEME)	189,350.88	189,350.88
(iv) Bonds	193,338.84	193,338.84
Total	578,790.01	438,540.74
GRAND TOTAL	1,141,826.77	773,584.77

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A , GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459

NOTE- 12

OTHER FINANCIAL LIABILITIES

(Amount in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Security Deposits from Consumers	51,506.35	45,072.30
Interest on Security Deposits from Consumers	1,349.49	3,140.50
Provision		
VII Pay commission	11,126.12	11,611.10
TOTAL	63,981.96	59,823.90

NOTE- 13

Borrowings

(Amount in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
New Okhla Industrial Dev. authority	3,202.75	3,202.75
TOTAL	3,202.75	3,202.75

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A , GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459

TRADE PAYABLE

NOTE- 14

Particulars	(Amount in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Liability for Purchase of Power		
UPPCL	377,422.38	530,082.56
UPPTCL	73,990.53	79,418.47
	451,412.91	609,501.03
TOTAL	451,412.91	609,501.03

OTHER CURRENT LIABILITIES & PROVISIONS

NOTE- 15

Particulars	(Amount in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Current Maturity of Long Term Borrowings	40,904.11	20,849.57
Liability for Capital Supplies/ Works	189,630.28	144,444.06
Liability for O & M Supplies / Works	29,146.20	22,006.79
Staff Related Liabilities	45,883.34	39,299.63
Deposits & Retentions from Suppliers & Others	108,357.65	71,843.10
Electricity Duty & Other Levies payable to Govt.	167,881.93	141,302.10
Deposit for Electrification works	22,586.03	22,078.11
Sundry Liabilities	36,901.60	25,732.62
Payable to UPRVUNL	4.73	4.73
Payable to UPPCL (Corporate)		
IDT Payable	156,569.07	156,361.53
Less - Receivable	148,307.05	147,358.81
Payable on account of loan to	8,262.02	9,002.72
UPPCL	1,112,384.14	1,352,309.83
Less - Receivable against Loan	1,200,853.67	1,408,653.63
	(88,469.53)	(56,343.80)
Liabilities for Expenses	1,641.82	2,428.64
Liabilities towards UPPCL CPF Trust	575.90	291.95
Liabilities towards Power Sector Employee		
Provident Fund	29,643.84	30,284.15
Pension and Gratuity Liability	10,251.46	10,032.27
Interest Accrued but not Due on Borrowings	39,895.30	40,316.42
	1,781.34	1,260.61
TOTAL	604,982.72	484,517.25

Note:- Details of Current Maturity of Long Term Borrowings is annexed with this Note. (Refer Annexure to Note - 15)

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Manager



**MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED**

4-A , GOKHLE MARG LUCKNOW

CIN: U312200UP200SG027459

Annexure to Note-15
(Amount in Lakhs)

Particulars	Current Maturities	
	As at 31.03.2018	As at 31.03.2017
SECURED LOAN		
(i) Power Finance Corporation Ltd. (R - APDRP) (Secured against hypothecation of New Created Assets)	4517.36	3,533.19
(ii) Rural Electrification Corporation Ltd. (APDRP) (Secured against hypothecation of New Created Assets)	580.08	580.08
(iii) Rural Electrification Corporation Ltd. (R-APDRP) (Secured against hypothecation of New Created Assets)	2444.63	2,030.93
(iv) Rural Electrification Corporation Ltd. (STL)	5000.00	0.0
Sub Total	12542.07	6144.20
BONDS		
(i) Power Finance Corporation Ltd.	5969.95	0.00
(ii) Rural Electrification Corporation Ltd.	5821.46	0.00
Sub Total	11791.41	0.0
UNSECURED LOAN		
LOAN BY UPPCL on behalf of MVVNL		
(i) REC Transitional (Guaranteed by Govt. of UP)	5500.00	2,142.50
(ii) PFC Transitional (Guaranteed by Govt. of UP)	11070.63	12,562.87
Sub Total	16570.63	14705.37
	40904.11	20849.57

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
 4-A , GOKHLE MARG LUCKNOW
 CIN: U312200UP200SG027459

NOTE - 16

REVENUE FROM OPERATIONS

(Amount in Lakhs)

Particulars	For the Year ended on 31.03.2018	For the Year ended on 31.03.2017
<u>SALE OF POWER</u>		
Extra State Consumers	3,214.07	4,030.21
<u>LARGE SUPPLY CONSUMERS</u>		
Industrial	177,429.97	167,522.89
Traction	26,163.76	11,937.56
Irrigation	9,008.89	5,563.71
Public Water Work	35,123.69	23,167.76
	247,726.31	208,191.92
<u>SMALL & OTHER CONSUMERS</u>		
Domestic	357,415.41	320,626.80
Commercial	123,791.12	113,755.60
Industrial Low & Medium Voltage	37,349.94	36,900.76
Public Lighting	27,237.75	23,510.91
STW & Pump Canal	43,273.96	39,076.55
PTW & Sewage Pumping	23,465.14	18,235.92
Miscellaneous Charges from Consumers	16,699.68	33,720.76
Less - ED Payable	-	10.88
TOTAL	880,173.38	798,060.31

NOTE - 17

OTHER INCOME

(Amount in Lakhs)

Particulars	For the Year ended on 31.03.2018	For the Year ended on 31.03.2017
a Revenue Subsidies & Grants	135,202.38	76,394.96
b <u>Interest from :</u>		
Loans to Staff	0.68	0.06
Fixed Deposits	634.40	746.62
Others	263.03	1,088.98
	898.11	1,835.66
c Delayed Payment Charges from Consumers	97,118.04	67,890.44
d <u>Other non operating income</u>		
Income from Contractors/Suppliers	945.05	1,127.11
Rental from Staff	3.63	6.15
Miscellaneous Receipts	2,189.00	399.89
	3,137.68	1,533.15
e Excess found in Physical Verification of Stock	0.20	0.54
TOTAL	236,356.41	147,654.75

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A , GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459

NOTE - 18

COST OF POWER PURCHASE

(Amount in Lakhs)

Particulars	For the Year ended on 31.03.2018	For the Year ended on 31.03.2017
Power Purchased from UPPCL	916,201.69	817,440.64
Transmission Charges to UPPTCL	38,828.30	31,889.48
TOTAL	955,029.99	849,330.12

NOTE - 19

EMPLOYEES BENEFIT EXPENSES

(Amount in Lakhs)

Particulars	For the Year ended on 31.03.2018	For the Year ended on 31.03.2017
Salaries & Allowances	27,149.27	28,525.33
Dearness Allowance	13,074.83	19,165.98
Other Allowances	1,879.51	1,597.01
Bonus/ Ex-gratia	396.93	380.37
Medical Expenses (Re-imbursement)	650.42	582.53
Recreation Expenses	-	0.16
Earned Leave Encashment	6,577.41	3,340.79
Compensation	8.63	15.18
Staff Welfare Expenses	7.28	13.91
Pension & Gratuity	3,931.79	3,905.91
Other Terminal Benefits	1,635.39	1,282.45
SUB TOTAL	55,311.46	58,809.62
LESS - Expenses Capitalised	21,415.09	23,002.97
TOTAL	33,896.37	35,806.65

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
 4-A , GOKHLE MARG LUCKNOW
 CIN: U312200UP200SG027459

NOTE - 20

FINANCE COST

(Amount in Lakhs)

Particulars	For the Year ended on 31.03.2018		For the Year ended on 31.03.2017	
<u>Interest on Loans</u>				
PFC	12,081.88		3,916.63	
REC	8,943.25		7,447.19	
BANKS	1,132.27		3,530.81	
HUDCO	-		(431.69)	
Working Capital	1,734.40	23,891.80	1,531.46	15,994.40
Interest to Consumers		4,409.65		2,466.93
Interest On Bonds		39,341.27		13,283.98
<u>Other borrowing costs</u>				
Finance Charges	2,158.60		1,551.01	
Bank Charges	249.71	2,408.31	167.82	1,718.83
Interest on General Provident Fund		2,390.22		2,365.91
Sub Total		72,441.25		35,830.05
Less - Interest Capitalised		9,912.50		5,985.08
		62,528.75		29,844.97

NOTE - 21

DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in Lakhs)

Particulars	For the Year ended on 31.03.2018		For the Year ended on 31.03.2017	
Depreciation				
Buildings	309.98		250.28	
Other Civil Works	25.62		26.92	
Plant & Machinery	14,454.65		12,249.12	
Lines, Cable Network etc.	17,642.99		15,463.12	
Vehicles	69.42		38.66	
Furniture & Fixtures	72.57		67.26	
Office Equipments	1,320.15	33,895.38	1,226.82	29,322.18
		14,581.87		10,038.67
Less - Equivalent amount of dep. On Assets acquired against Consumers Contributions towards Service Line and other charges				
GRAND TOTAL		19,313.51		19,283.51

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A , GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459

NOTE - 22

ADMINISTRATIVE, GENERAL & OTHER EXPENSES

(Amount in Lakhs)

Particulars	For the Year ended on 31.03.2018	For the Year ended on 31.03.2017
Rent	26.32	41.89
Insurance	35.47	31.12
Communication Charges	619.03	609.16
Legal Charges	563.07	135.05
Audit Fee	6.60	6.60
Service Tax	0.96	0.96
Consultancy Charges	636.72	517.23
Technical Fees & Professional Charges	58.01	47.47
Travelling and Conveyance	711.68	534.84
Printing and Stationery	330.97	343.35
Advertisement Expenses	210.18	325.66
Electricity Charges	23,639.06	23,303.16
Water Charges	2.52	34.64
Entertainment	18.47	-
Expenditure on Trust	50.93	65.48
Payment to contractual person	1,785.88	1,216.57
Expenses on Spot Billing Centre	4,976.68	6,290.56
Miscellaneous Expenses	2,399.07	1,620.73
Compensation (Other than staff)	752.73	225.17
	36,824.35	35,349.64

NOTE - 23

REPAIRS AND MAINTENANCE

(Amount in Lakhs)

Particulars	For the Year ended on 31.03.2018	For the Year ended on 31.03.2017
Plant & Machinery	8,985.59	8,547.76
Buildings	1,662.40	1,903.45
Other Civil Works	211.20	109.76
Lines, Cables Networks etc.	25,307.22	22,928.38
Vehicles	655.92	167.00
Furniture & Fixtures	1.85	19.98
Office Equipments	188.63	1,089.21
TOTAL	37,012.81	34,765.54

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A , GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459

NOTE - 24

BAD DEBTS & PROVISIONS

(Amount in Lakhs)

Particulars	For the Year ended on 31.03.2018	For the Year ended on 31.03.2017
PROVISIONS		
Doubtful Debts (Sale of Power)	15,094.59	13,747.60
Estimated Losses (Fixed Assets)	-	298.72
TOTAL	15,094.59	14,046.32

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MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED
4-A, GOKHALE MARG, LUCKNOW
CIN – U31200UP2003SGC027459

NOTE No 1A

GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1. 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 is accounted for on receipt basis after the recovery of principal in full.
- (d) **Statement of compliance**

The financial statements are prepared on accrual basis of accounting, unless stated otherwise, and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were authorized by Board of Directors on 25-09-2018

(e) **Functional and presentation currency**

The financial statements are prepared in Indian Rupee (₹) which is the Company's functional currency. All financial information presented in Indian rupees has been rounded to the nearest rupees in lakhs (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 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**

- 1) 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

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- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for the last twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1st April 2015, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

I PROPERTY, PLANT AND EQUIPMENT

- Property, Plant and Equipment are shown at historical cost less accumulated depreciation.
- All cost relating to the acquisition and installation of Property, Plant and Equipment till the date of commissioning are capitalized.
- 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.
- 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.
- 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.
- 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

- Depreciation is charged on Straight Line Method as per schedule II of the Companies Act 2013.
- Depreciation on addition to / deduction from Property, Plant and Equipment during the year is charged on Pro rata basis.

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- (c) Property, Plant and Equipment are depreciated up to 95% of the original cost except in case of temporary erections/construction where 100% depreciation is charged.

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.

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 are accounted for on accrual basis on raised by the U.P. Power Transmission Corporation Limited 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.

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XII DEFERRED TAX LIABILITY

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

XIII CASH FLOW STATEMENT

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

XIV FINANCIAL ASSETS

Initial recognition and measurement:

Financial assets of the Company 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 become a party to the contractual provisions of the instrument.

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

Subsequent Measurement:

- A- **Debt Instrument:** - A debt instrument is measured at the amortized cost in accordance with Ind AS 109.
- B- **Equity Instrument:** - All equity investments in entities are measured at fair value through P & L (FVTPL) as the same is not held for trading.

Impairment on Financial Assets- Expected credit loss or provisions are recognized for all financial assets subsequent to initial recognition. The impairment losses and reversals are 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.

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(Abha Sethi Tandon)
Company Secretary
Part Time

31/3/2016
Dr. U. K. YADAV
G.M. (F&A)
MVVNL, LUCKNOW

Ran
(RAKESH KUMAR)
Director (Finance)
Madhyanchal Vidyut Vitran Nigam Ltd.
Lucknow

Sanjay
(SANJAY GOYAL)
I.A.S.
Managing Director
4A, Gokhale Marg, Lucknow

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As per our separate report of even date
For P. S. Bhargava & Co.
Chartered Accountants
(FRN : 000834C)
[Signature]
(K. N. Srivastava)
Partner
(Membership No 013711)



MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED

4-A GOKHLEY MARG LUCKNOW

CIN-U31200UP2003SGC027459

GSTIN-09AAECM0108J1Z0

NOTE No.1B

Notes on Accounts annexed to and forming part of Balance Sheet as at 31st March 2018 and Statement of Profit & Loss for the 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. 12.8.2003 in terms of Government of U.P. Notification No. 2740/P-1/2003-24-14P/2003 dated 12.8.2003.
2. The Company is a wholly owned subsidiary of U.P. Power Corporation Limited, Lucknow (a State Government Company) and engaged in the business of distribution of electricity in its specified area.
3. **Financial Risk Management**

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

The 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

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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 of to ultimate consumers.

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- (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.)

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

(Rs In Lakhs)

Particulars	31.03.2017	31.03.2018
Financial Assets		
Fixed Interest Rate Instruments- Deposits with Bank	14492.35	17786.27
Total	14492.35	17786.27
Financial Liabilities		
Fixed Interest Rate Instruments- Financial Instrument Loans	773584.77	1141826.77
Variable Interest Rate Instruments- Cash Credit from Banks	0.00	0.00
Total	773584.77	1141826.77

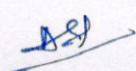
Fair value sensitivity analysis for fixed-rate instruments

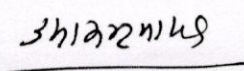
The company's fixed rate instruments are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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

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

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











7. The Equity includes 500 Equity Shares of Rs. 1000 each allotted to the subscribers of the Memorandum of Association and shown separately in Balance Sheet.
8. The loan taken by the Company during the financial year amounting to Rs. 412958.72 Lakh, out of which Rs. 27306.22 Lakh directly and Rs. 385652.50 Lakh by Parent Company i.e. UPPCL for and on behalf of MVVNL as per details given below: -

(Rs In Lakhs)

SN	Particulars	MVVNL	UPPCL	Total
1	U.P Govt.	0.00	0.00	0.00
2	REC Ltd	15202.81	75000.00	90202.81
3	PFC Ltd	12103.41	80632.50	92735.91
4	Bonds	0.00	230020.00	230020.00
	Total	27306.22	385652.50	412958.72

9. The Board of Directors of Madhyanchal Vidyut Vitran Nigam Limited has escrowed all the Revenue Receipt Accounts in favour of U.P Power Corporation Limited, Lucknow. The Parent Company has been further authorized to those escrow 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.
10. 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 year.
11. Disclosure as per Ind AS 24 issued (related party): -
- (1) List of related parties:
- (a) List of Parent and Fellow Subsidiary: -

Sr 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	KESCO, Kanpur	Fellow Subsidiary
6	Sonebhadra Power Generation Company Limited	Fellow Subsidiary
7	Southern Power Transmission Corporation Limited	Fellow Subsidiary
8	Yamuna Power Generation Company Limited	Associate of Parent Company

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(b) Key Managerial Personnel: -
(i) Parent Company: -

	Name	Designation	Working Period(FY 2017-18)	
			Appointment	Retirement / Cessation
1	Sri. Sanjay Agarwal	Chief Secretary (energy) and Chairman	17.05.2013	20.05.2017
	Sri. Alok Kumar		20.05.2017	Working
2	Sri. Vishal Chauhan	Managing Director	25.03.2017	03.09.2017
	Smt. Aparna U.		26.10.2017	Working
3	Sri. Sudhanshu Dwivedi	Director (Finance)	30.06.2016	Working
4	Sri. Satya Prakash Pandey	Director (PM & A)	01.07.2016	Working
5	Sri. Krishna Murari Mittal	Director (Distribution)	06.12.2014	5.12.2017
	Sri. Vijay Kumar		06.01.2018	Working
6	Sri. Ramanand Yadav	Director (Corporate Planning)	23.02.2015	01.01.2018
	Sri. V.P Srivastava		04.01.2018	Working
7	Sri. Sanjay Kumar Singh	Director (Comm.)	06.03.2013	12.02.2018
8	Sri. Vishal Chauhan	Managing Director UPPTCL	18.06.2015	29.06.2017
	Sri. Kamraan Rizvi		30.06.2017	31.12.2017
	Sri. Amit Gupta		22.01.2018	Working
9	Sri. Neel Ratan Kumar, Special Secretary (Finance)	Part time Director, Finance Department	16.04.2013	Working
10	Smt. Manju Shankar	Part time Director, Bureau of Public Enterprises	10.12.2015	Working

(ii) Key Managerial Personnel at Madhyanchal Vidyut Vitran Nigam Ltd: -

SN	Name	Designation	Working Period (for FY 2017-18)	
			Appointment	Retirement/ Cessation
1	Sri Sanjay Agarwal	Chairman	17.05.2013	20.05.2017
	Sri. Alok Kumar		20.05.2017	Working
2	Sri Satya Prakash Pandey	Managing Director	17.08.2016	10.04.2017
	Sri Arvind Rajvedi		10.04.2017	20.09.2017
	Sri. Arun Pratap Singh		14.08.2017	26.03.2018
3	Sri Subh Chand Jha		27.03.2018	working
4	Sri Rakesh Kumar	Director (Finance)	31.12.2016	Working
5	Sri Ved Prakash Verma	Director (PM & A)	24.03.2015	03.04.2017

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6	Sri Subh Chand Jha	Director (PM & A)	21.06.2017	working
7	Sri. Ajit Singh	Director (Tech.)	11.04.2017	working
8	Sri Subh Chand Jha	Director (Comm)	17.10.2017	working
9	Sri Vishal Chauhan	Nominee Director	18.06.2015	30.09.2017
10	Sri. Kamraan Rizvi	Nominee Director	30.06.2017	31.12.2017
11	Smt. Aparna U	Nominee Director	26.10.2017	working
12	Sri Sudhanshu Dwivedi	Nominee Director	30.06.2016	working
13	Smt Selve Kumari J	Women Director	31.03.2016	02.08.2018
14	Sri Indra Mohan Kaushal	CFO	19.12.2015	05.09.2017
	Sri. Uma Kant Yadav		05.09.2017	Working
15	Smt Neetu Arora Tandon	Company Secretary	10.09.2015	Working

(c) The Company is a State Public Sector Undertaking (SPSU) controlled by State Government by holding majority of shares through its associate 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 have made limited disclosures in the financial statements. Such entities which company has significant transactions includes, but not limited to, UP Power transmission corporation Limited, Uttar Pradesh Rajya Utpadan Nigam Limited and Uttar Pradesh Jal Vidyut Nigam Limited.

(d) Post Employment Benefit Plan; -

Uttar Pradesh Power Sector Employees Trust

(2) Transactions with Related Parties: -

(i) Transactions during the year with Parent and Fellow Subsidiary: -

(Rs In Lakhs)

Particulars	Uttar Pradesh Power Corporation Limited		KESCO		Dakshinanchal vidyut vitran nigam limited		Paschimanchal Vidyut Vitran Nigam Limited		Purvanchal Vidyut Vitran Nigam Limited	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
i) Sales	-	-	-	-	-	-	-	-	-	-
ii) Purchase	916201.69	817440.64	-	-	-	-	-	-	-	-
iii) Dividend Received	-	-	-	-	-	-	-	-	-	-
iv) Equity Contribution Received	238791.83	185425.79	-	-	-	-	-	-	-	-
v) Loans Granted	-	-	-	-	-	-	-	-	-	-

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vi) Guarantee Received	-	-	-	-	-	-	-	-	-	-
vii) Others	-	-	-	190.16	24.43	142.53	-	19.63	60.77	361.54

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

(Rs In Lakhs)

Particulars	2017-18	2016-17
Salary & Allowances	132.99	71.60
Leave Encashment	22.58	0.00
Contribution to Gratuity /Pension/PF	21.97	11.27

(iii) Transactions with related parties under the control of same government

(Rs In Lakhs)

S N	Name of the company	Nature of Transactions	2017-18	2016-17
1	Uttar Pradesh Power Transmission Corporation Limited	Power Transmission Cost	38828.30	31889.48
2	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	N/A	Nil	Nil
3	Uttar Pradesh Jal Vidyut Utpadan Nigam Limited	N/A	Nil	Nil
4	Up power sector employee trust	Employee benefit contributions (net)	(137.17)	3758.02

(iv) Outstanding Balances with related parties: -

(Rs In Lakhs)

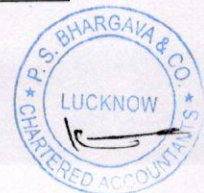
Particulars	Balances as on 31.03.2017	Balances as on 31.03.2018
Amount Payable towards loans		
Uttar Pradesh Power Corporation Limited	(56343.80)	(88469.53)
KESCO	NIL	NIL
Dakshinanchal Vidyut Vitran Nigam Limited	NIL	NIL
Paschimanchal Vidyut Vitran Nigam Limited	NIL	NIL
Purvanchal Vidyut Vitran Nigam Limited	NIL	NIL
Key Managerial Personnel	NIL	NIL

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Others		
Uttar Pradesh Power Transmission Corporation Limited	NIL	NIL
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	NIL	NIL
Uttar Pradesh Jal Vidyut Utpadan Nigam Limited	NIL	NIL
Uttar Pradesh Power Sector Employees Trust	NIL	NIL
Amount Payable towards other than loans		
Uttar Pradesh Power Corporation Limited (Iut)	9002.72	8262.02
Uttar Pradesh Power Corporation Limited (Power Purchase)	530082.56	377422.38
KESCO	NIL	NIL
Dakshinanchal Vidyut Vitran Nigam limited	NIL	NIL
Paschimanchal Vidyut Vitran Nigam limited	NIL	NIL
Purvanchal vidyut vitran nigam limited	NIL	NIL
Key Managerial Personnel	NIL	NIL
Others		
Uttar Pradesh Power Transmission Corporation Limited	79418.47	73990.53
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	4.73	4.73
Uttar Pradesh Jal Vidyut Utpadan Nigam Limited	NIL	NIL
Uttar Pradesh Power Sector Employees Trust	40608.37	40471.20
Amount Receivable towards other than loans		
Uttar Pradesh power corporation limited	NIL	NIL
KESCO	144.16	144.16
Dakshinanchal vidyut vitran nigam limited	8511.82	8536.25
Paschimanchal vidyut vitran nigam limited	7675.15	7675.15
Purvanchal vidyut vitran nigam limited	7549.88	7610.65
Key Managerial Personnel	NIL	NIL
Others		
Uttar Pradesh Power Transmission Corporation Limited	27294.17	29041.89
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	NIL	NIL
Uttar Pradesh Jal Vidyut Utpadan Nigam Limited	1.53	1.53
Uttar Pradesh Power Sector Employees Trust	NIL	NIL

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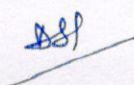
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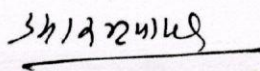
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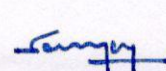


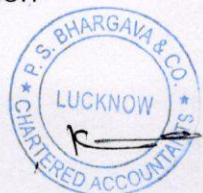
12. Provision for Employee Cost has been reduced by Rs. 484.98 lakh for the period 01.04.2017 to 31.03.2018 regarding 7th Pay Commission order no. 999/ काविनी एवं वे०प्र०-29/पाकालि/2018-5-काविनी एवं वे०प्र०/16 dated 01.09.2018.
13. (a) The Property, Plant and Equipment including Land remained with the 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) In terms of powers confirmed by the Notification no. GSR 627(E) dated 29th August 2014 of Ministry of Corporate Affairs, Govt. of India, the depreciation/ amortization on Property, Plant and Equipment / Intangible assets have been calculated taking into consideration the useful life of assets as approved in the orders of UPERC (terms & conditions for determination of distribution tariff) Regulation, 2006.
14. Capitalization of Interest on borrowed fund utilized during construction stage of Property, Plant & Equipment has been done by identifying the Schemes/Assets and the funds used for the purpose to the extent established. The Borrowing Cost has been capitalized for Rs. 9912.50 lakhs during the year (Rs. 5985.08 Lakh Previous Year).
15. The amount of Equity, Loans, Subsidies and Grants were received from the State Government by the Uttar Pradesh 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.
16. (a) The Stores and spares are valued at Cost.
(b) The provision for bad and doubtful debts against debtors from sale of Power has been made @ 5% on the incremental debtors during the year.
17. 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 has been made @16.70% and 2.38% respectively on the amount of Basic pay, Grade pay and DA paid to employees.

18. 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.
19. Bill of power purchase and transmission charges are being taken in to account as per the bills raised by Uttar Pradesh Power Corporation Limited/Uttar Pradesh Power Transmission Corporation Limited after due verification.
20. Amount due to Micro, Small and medium enterprises (under the MSMED Act 2006) could not be ascertained and interest thereon could not be provided for want of sufficient related information.
21. Liability towards medical expenses and LTC has been provided to the extent established.
22. Basic and diluted earnings per share has been shown in the Statement of Profit & Loss in accordance with Ind AS-33 "Earnings Per Share". Basic earnings per share have been computed by dividing net loss after tax by the weighted average number of equity shares outstanding during the year. Number used for calculating diluted earnings per equity share includes the amount of share application money (pending for allotment).

(Rs In Lakhs)

Particulars	Earning per Share	
	31.03.2018	31.03.2017 Restated
(a) Net Loss after tax (numerator used for calculation)	(43170.58)	(72711.69)
(b) Weighted average number of Equity Shares* (denominator for calculating Basic EPS)	75521679	57812450
(c) Weighted average number of Equity Shares* (denominator for calculating Diluted EPS)	136578511	116190146
(d) Basic earnings per share of Rs. 1000/- each	(57.16)	(125.77)
(e) Diluted earnings per share of Rs. 1000/- each	(57.16)	(125.77)

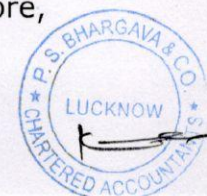
(As per para 43 of Ind AS-33 issued by Institute of Chartered Accountants of India, Potential Equity Shares are treated as Anti Dilutive as their conversion to Equity Share would decrease loss per share, therefore,

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effect of Anti Dilutive Potential Equity Shares is ignored in calculating Diluted Earning Per Share).

23. Payments to Directors and officers in foreign currency towards foreign tours were Nil (Previous year NIL).
24. Debts due from Directors were Nil (Previous year NIL).
25. Additional Information required under the Schedule-III of the Companies Act, 2013 are as under: -

(a) Quantative details of energy purchased and sold: -

Sl.	Details	2017-2018 (units in MU)	2016-2017 (units in MU)
(i)	Total no of Units Purchased	21857.019	19128.972
(ii)	Total no of Units Sold	17007.329	14759.009
(iii)	Distribution Losses	22.19%	22.84%

(b) Contingent Liabilities and Commitments: -

Sl.	Details	(Rs in Lakhs)	
		2017-18	2016-17
(1)	Claims against the Company not acknowledged as debts	166.99	140.00
(2)	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(3)	Other money for which the Company is contingent liable	-	-
(4)	Statutory Dues	-	-

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

Rs in Lakhs

Particulars	Movement of Provisions			
	Opening Balance as on 01.04.2017	Provision Made During The Year	Withdrawal / Adjustment of Provision During the Year	Closing Balance as on 31.03.2018
Provision for Doubtful Advances (Loans and advances (Note-4))	17.08	-	-	17.08
Provision for Doubtful debts on Sundry Debtors (Sale of Power)	110736.18	15094.59	-	125830.77

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Provision for Doubtful Advances (Note -8)	34.20	-	-	34.20
Provision for estimated losses on theft of Property, Plant and Equipment pending for investigation	522.50	-	-	522.50
Provision for unserviceable stores (Inventories)	4121.52	-	-	4121.52

27. 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.
28. Due to heavy carried forward losses/depreciation and uncertainties to recover such losses/depreciation in near future, the deferred tax assets have not been recognized in accordance with Ind AS 12 issued by ICAI.
29. Consequent to the applicability of Ind AS the financial statements for the year ended 2017-18 has been prepared as per Ind AS. Accordingly previous year's figures have been regrouped/ restated wherever necessary to confirm to this year classification.
30. The figures as shown in the Balance Sheet, Statement of Profit & Loss & Notes shown in "()" denotes negative figures.
31. Government dues in respect of Electricity Duty and other Levies amounting to Rs. 167881.93 shown in Note-15 includes Rs. (1121.45) on account of Other Levies realized from consumers.
32. The Annual Accounts of Financial Year 2015-2016 are yet to be adopted in Annual General Meeting as final comments of C.A.G are awaited and the Supplementary Audit by C.A.G for the year 2016-17 is yet to be started.
33. 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.

ASP
(Abha Sethi Tandon)
Company Secretary
Part Time

श्रीधर
Dr. U. K. YADAV
G.M. (F&A)
MVVNL, LUCKNOW

Rak
(RAKESH KUMAR)
Director (Finance)
Madhyanchal Vidyut Vitran Nigam Ltd.
Lucknow

Sanjay
(SANJAY GOYAL)
I.A.S.
Managing Director
4A, Gokhale Marg, Lucknow

280918

As per our separate report of even date
For P. S. Bhargava & Co.
Chartered Accountants
(FRN : 000834C)
K. N. Srivastava
(K. N. Srivastava)
Partner
(Membership No. 00000000)

**MADHYANCHAL VIDYUT VITRAN NIGAM LIMITED**4-A , GOKHLE MARG LUCKNOW
CIN: U312200UP200SG027459**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2018**

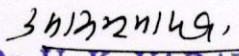
(Amount in Lakhs)

	2017-18	2016-17
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss Before Taxation & Extraordinary items	(43,170.58)	(72,711.69)
Adjustment For:		
a Depreciation	19,313.51	19,283.51
b Interest & Financial Charges	62,528.75	29,844.97
c Bad Debts & Other Provision	15,094.59	14,046.32
d Interest Income	(898.11)	(1,835.66)
e Prior Period Expenditure (Net)	-	-
f Fringe Benefit Tax	-	-
Sub Total	96,038.74	61,339.14
Operating Profit Before Working Capital Change	52,868.16	(11,372.55)
Adjustment for:		
a Stores & Spares	(33,501.90)	(10,011.51)
b Trade Receivable	(301,891.85)	(274,951.98)
c Other Current Assets	(10,176.22)	(14,019.17)
d Inter Unit Transfer	(64,319.94)	(1,693.92)
e Other Current Liab.	120,465.48	(335,103.19)
f Short-Term Borrowings	-	(793.50)
g Trade Payable	(158,088.12)	163,019.85
Sub Total	(447,512.55)	(473,553.42)
NET CASH FROM OPERATING ACTIVITIES (A)	(394,644.39)	(484,925.97)
B CASH FLOW FROM INVESTING ACTIVITIES		
a Decrease (Increase) in Fixed Assets	(118,898.17)	(134,823.77)
c Decrease (Increase) in Work in Progress	(37,799.97)	(32,294.79)
d (Increase)/Decrease in Investments	-	-
e Decrease (Increase) in Other Non Current Assets	(8,404.65)	(61,579.96)
f Decrease/(Increase) in Restructuring A/c	-	-
g Decrease/(Increase) in Long Term Loans & Advances	-	-
h Interest Incomes	898.11	1,835.66
NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	(164,204.68)	(226,862.86)
C CASH FLOW FROM FINANCING ACITIVITIES		
a Proceeds from Borrowing ;	368,242.00	387,368.34
b Proceeds from Share Capital	343,295.54	296,968.66
c Proceed from Share Application Money	(104,503.71)	(111,542.87)
d Proceed from GOUP Subsidy and Consumer Contribution	39,119.42	177,419.65
e Other long term liabilities	4,158.06	15,577.41
f Interest & Financial Charges	(62,528.75)	(29,844.97)
g Accumulated losses as per transfer Scheme	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	587,782.56	735,946.22
NET INCREASE (DECREASE) IN CASH & BANK BALANCE (A+B+C)	28,933.49	24,157.39
CASH & BANK BALANCE AT THE BEGINNING OF THE YEAR	115,376.28	91,218.89
CASH & BANK BALANCE AT THE END OF THE YEAR	144,309.77	115,376.28

Notes to the Cash-Flow Statement

- This Statement has been prepared under indirect method as prescribed by accounting standard.
- Cash and cash equivalent consists of cash in hand, bank balances with scheduled banks and fixed deposits with banks.
- The figures in this statement have been rounded off to the rupees in lakhs up to two decimals.
- Previous year figures have been regrouped and restated wherever considered necessary.
- Due to implementation of Revised Schedule-VI, the opening balances are regrouped/recasted to the extent possible, hence figures of Other Current Liabilities & Borrowings are not comparable.


(Abha Sethi Tandon)
Company Secretary
Part Time


Dr. U. K. YADAV
G.M. (F&A)
MVVNL, LUCKNOW


(RAKESH KUMAR)
Director (Finance)
Madhyanchal Vidyut Vitran Nigam Ltd.
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(SANJAY GOYAL)
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Managing Director
4A, Gokhale Marg, Lucknow

280918

As per our separate report of even date
For P. S. Bhargava & Co.
Chartered Accountants
(FRN : 000834C)


(K. N. Srivastava)
Partner
(Membership No. 013711)