

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED



CIN : U40101UP2004SGC028687

BALANCE SHEET

As At

31.03.2021

&

PROFIT & LOSS STATEMENT

for The Year Ended

31.03.2021

Registered Office : Shakti Bhawan, 14-Ashok Marg, Lucknow-226 001

Board of Directors

(As on 31st March, 2021)

President & Chief Secretary (Power)
Shri M. Devraj

Directors

- Shri Senthial Pandian C., Managing Director
- Shri Pankaj Kumar, Managing Director, UPPCL & Nominee Director
 - Shri Anil Jain, Director (Work & Project)
 - Shri Amrendra Singh Kushwaha, Director (SLDC)
 - Shri Bibhu Prasad Mahapatra, Director (Finance)
 - Shri Rakesh Kumar Singh, Director (Operation)
 - Shri Vinod Kumar Khare, Director (P&M)
- Shri Neel Ratan Kumar, Nominee Director, U.P. Govt. (Finance)
 - Shri TMC Bose, Nominee Director (REC)
 - Shri Sanjay Gupta, Director (Power Grid)
- Shri Javed Aslam, Director (Public Enterprise Bureau)

Chief Finance Officer

Shri Anil Kumar Gupta

Company Secretary

Shri Rishi Tandon

Statutory Auditors

M/s. R.M. Lall & Company

Chartered Accountants

Head Office : 4/10, Vishal Khand, Gomti Nagar, Lucknow-226 010

Bankers

State Bank of India

Punjab National Bank

Central Bank of India

ICICI Bank

HDFC Bank

Registered Office

Shakti Bhawan

14, Ashok Marg, Lucknow-226 001

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U.P. Power Transmission Corporation Limited

Shakti Bhawan, 14, Ashok Marg, Lucknow

DIRECTOR'S REPORT

Your Board of Directors has the pleasure of presenting the Seventeenth Annual Report on the performance and operations of the Company during the financial year ending on 31st March, 2021 together with the Audited Financial Statements, Auditors' Report and Review of the Financial Statements by the Comptroller and Auditor General of India for the reporting period under review.

Introduction:-

The Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) was carved out from UPPCL pursuant to Government of U.P notification no. 2974(1)/24-P-2-2010 dated December 23, 2010. The transmission activities including Assets, Liabilities and related proceedings were transferred from UPPCL to UPPTCL w.e.f. 01 April, 2007 under the Transfer Scheme. The UPPTCL is a State Transmission Utility in terms of section 39 of The Electricity Act, 2003.

Financial Performance:-

The salient features of the Company's financial results for the period under review are as follows:-

PARTICULARS	(₹ In Crore)	
	Year ended 31.03.2021	Year ended 31.03.2020
INCOME		
Revenue from Wheeling of Power	3,296.84	3,492.74
Other Income	267.85	330.14
TOTAL (A)	3,564.69	3,822.87
EXPENDITURE		
Operational Expenditure :-		
Repair & Maintenance Expenses	448.65	458.64
Employees Cost	344.46	361.28
Administrative, General & Other Expenses	64.82	63.10
TOTAL (B)	857.93	883.02

Operational Profit/(Loss) before Dep. Intt. & Prov. C=(A-B)	2706.76	2939.85
Interest and Finance Charges	1189.38	1131.12
Depreciation 1391.78	1264.75	
Bad debts & Provisions	-	2.99
TOTAL (D)	2581.16	2398.86
Profit/(Loss) Before Tax	125.60	540.99
Deferred Tax	136.85	226.67
NET PROFIT/(Loss) After Tax	(11.25)	314.32

Capital Structure:

The Company had raised its Share Capital during the year under review by issuing 2,46,30,737 number of Equity Shares to Government of Uttar Pradesh at a price of ₹ 1,000/- per share. As a result, the Equity Share Capital of the Company had increased from ₹ 1,50,60,06,68,000/- to ₹ 1,75,23,14,05,000/- consisting of 17,52,31,405 Equity Shares of ₹1,000/- each.

Information Regarding Board Meetings pursuant to Section 134 (3)(b):

The Company has adhered to all the statutory provisions laid down in respect of conducting and convening the Board meetings and accordingly, the Board met 4 (Four) times during the year and the intervening period between any two Board meetings has not exceeded the maximum gap of 120 days.

- I. 17th April, 2020
- II. 28th July, 2020
- III. 03rd November, 2020
- IV. 16th February, 2021

The provisions of Companies Act, 2013 and Secretarial Standards-1 relating to Board Meetings were adhered to while considering the time gap between two meetings.

Board Procedure

The Board of Directors follow a set of corporate governance practices and guidelines to help fulfill the corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations as and when required for implementation in attaining its objectives. The Board has also constituted various committees to expedite the process of decision making.

The meetings of the Board of Directors are normally held at the Registered Office of the Company. The dates of Board meetings are fixed well in advance and intimated to the Board members so as to enable them

to plan their schedule accordingly. The agenda and notes on agenda are circulated to Directors well in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Under certain circumstances the agenda are also tabled in the meeting with the permission of the Chairman, excepting the items which are price sensitive in nature. The agenda items for the Board meetings and other meetings of various statutory and non-statutory matters are comprehensive and informative in nature to facilitate informed deliberations and appropriate decision making. Sometimes, certain business transactions take place by way of passing Resolution by Circulation in order to address urgent issues. Your Company has undertaken every measure to adhere with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India pertaining to the Board Meeting and General Meeting.

All statutory, significant and material information are placed before the Board. The members of the Board have complete access to all information of the Company. Sometimes, senior management officials are also invited to the Board meetings to provide additional inputs on the items being discussed by the Board. Detailed presentations are made to the Board on various functional and operational areas of the Company like financial highlights, major projects and their progress, operations, etc.

The Board Minutes are prepared at the earliest, after the Board Meetings and thereafter circulated to all the Directors for their comments on the same. After receiving the comments of the Directors the matter is forwarded to the Chairman for signature within the required time frame. Relevant Minutes are then circulated to the concerned department / group for implementation and to all Directors for comments. Action Taken Report (ATR) on the decisions of the Board are obtained and placed for information/review in the succeeding Board meeting.

Directors' Responsibility Statement

Pursuant to the requirements of section 134(3)(c) and 134(5) of the Companies Act, 2013 the Directors hereby confirm that :-

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been adhered to, except few cases which are in consonance with the provisions laid down in Electricity (Supply)(Annual Accounts) Rules, 1985 and the Accounting Policy has been framed accordingly which has been duly applied along with adequate disclosure thereof through Notes to Accounts.
- b. The directors have selected appropriate Accounting Policies and applied them consistently, except the changes mentioned separately, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2021 and of the profit and loss for the said Financial Year under review.

The depreciation has been provided as per method prescribed in “Appendix-I” to The Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 issued by Central Electricity Regulatory Commission vide notification no. L-1/236/2018/CERC dt.07.03.2019 under the powers conferred to it u/s 178 of the Electricity Act, 2003 (36 of 2003) read with section 61. The said regulation is effective for the period from 01.04.2019 to 31.03.2024. The depreciation is charged at prescribed rates on SLM (Straight Line Method) with 10% salvage value of the original cost (except in case of temporary erections such as wooden structures, where depreciation rate is 100% and in case of IT equipment & software, where depreciable value is 100% with salvage value NIL). Depreciation on additions to/deductions from fixed assets during the year is charged on Pro rata basis from/upto the month in which the asset is put to commercial operation/disposed.

- c. Proper and sufficient care has been taken 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. Moreover, it is to inform to the shareholders that various shortcomings, which have been noticed by the management and also those, which have been pointed out, by the Statutory Auditors and the C&AG shall be given cognizance and if required will be accounted for in the ensuing years.
- d. The directors had prepared Annual Accounts for the Financial Year ended 31st March, 2021 on going concern basis.
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration of Independent Directors

The provisions of Section 149 pertaining to the appointment of Independent Directors apply to our Company. The company is in the process of appointment of Independent Directors on the Board.

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

The provisions of Section 178(2), (3) & (4) relating to Nomination and Remuneration Committee are not applicable to the Company vide notification no GSR 463 (E) dated 05.06.2015 and hence the Company has not devised any policy relating to appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of Director and other related matters as provided under Section 178(3) of the Companies Act, 2013.

Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors and the Practising Company Secretary in their Reports

The explanations /comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors including C & AG and the Practising Company Secretary in their respective reports are furnished as Annexure I, II & III and are attached to this report.

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 a Government company vide notification no GSR 463 (E) dated 05.06.2015.

Particulars of Contracts or Arrangements made with Related Parties

The provisions of Contracts or Arrangements made with related parties pursuant to Section 188 is not applicable to the Company as no transactions which were not on arm's length basis were entered in ordinary course of business.

Operational Performance

- a. Uttar Pradesh Power Transmission Corporation Ltd. has a vast electricity transmission network. During the year 2020-21, corporation was having 598 substations of different voltage levels ranging from 765Kv to 132KV and total transformation capacity of 1,28,950 MVA. It takes care of 45,907 Circuit Kms. of lines spanning over whole length and breadth of the state facilitating uninterrupted flow of power. During year 2020-21, peak demand of 23867 MW was met by transmission system. Whereas during year 2021-22, peak demand of 25,475 MW and during year 2022-23 (upto 30 June,2022) peak demand of 26,290 MW was met by transmission system. Operation and maintenance of such a large network demands huge efforts and vigilant monitoring.
- b. For reduction in upstream transmission losses, Improvement in voltage profile, optimum use of available transmission capacity, UPPTCL has taken up installation of capacitor banks at 33KV and 132KV voltage level on priority basis. 910 MVAR capacitors were installed in year 2020-21.

Operational highlights

- a. During year 2020-21- 01no. 400KV Sub-station, 05nos. 220KV sub-station & 17nos. 132KV sub-stations has been energized & increasing capacity works at 01 no. 400KV sub-station, 15nos. 220KV Sub-stations & 78nos. 132KV sub-stations have been completed. 137 Ckms. of 400KV, 448 Ckms. of 220KV, 1274 Ckms. of 132KV lines have been energized. 400 MVAR capacitor banks at 132KV level & 510 MVAR at 33KV level has been energized.

- b. During year 2021-22- 02no. 400KV Sub-station, 06no. 220KV sub-station & 07nos. 132KV sub-stations has been energized & increasing capacity works at 01 no. 400KV sub-station, 18nos. 220KV Sub-stations & 100nos. 132KV sub-stations have been completed.426 Ckms. of 765KV, 242 Ckms. of 400KV, 415 Ckms. of 220KV, 1379 Ckms. of 132KV lines have been energized. 110MVAR capacitor banks at 33KV level has been energized.
- c. During year 2022-23- Upto June,2022- 01no. 400KV Sub-station & 02nos. 220KV sub-station has been energized & increasing capacity works at 2nos. 220KV Sub-stations & 08nos. 132KV sub-stations have been completed. 197 Ckms. of of 220KV, 358 Ckms. of 132KV lines have been energized. 30MVAR capacitor banks at 33KV level has been energized.
- d. Successfully launched online connectivity portal specially for Solar open access projects which shall remain open 24x7 in accordance with the UPERC regulations.

Projects are being monitored by Director(Work & Project), UPPTCL. After commissioning of lines and sub-stations Director (Operation) Office monitors their proper operation and maintenance.

Sustainability of Operation-

Over the course of previous few years, transmission network has been expanded significantly. Hence, for reliable operation with minimum incidents of faults, transmission system requires preventive and routine maintenance of lines and Sub-stations on regular basis. Therefore following major steps taken:-

- a. Increase in number of transmission lines as well as capacity of transformers has made existing overloaded system within normal parameters. Strengthening of existing bus bars of 220KV, 132KV and 33KV voltage levels was also carried out at various substations.
- b. Arrangements were made to operate other available lines in synchronized way. This enhanced reliability of transmission network as well as reduction in transmission losses.
- c. Patrolling of transmission lines, maintenance of proper corridor clearance, jumper tightening, insulator cleaning and replacement of defective insulators, broken ground wire and missing tower member. Cleaning of transmission lines insulator were undertaken to minimize fault in transmission lines.
- d. Thermo vision scanning of transmission lines and switch yard for detection of loose joints. All joints having temperature above a threshold limit were attended promptly after availing shutdown to avoid conductor and equipment failure.
- e. Testing of power transformers oil was done at regular interval to monitor the health of transformers and early detection of any problem. Maintenance of power transformers was done involving filtration of oil, checking of oil leakage, its cooling system etc. Monitoring of switchyard earthing was done regularly for smooth/trouble free operation of system.
- f. Testing and maintenance of isolators, switchgears and protection system.

Physical Achievements during FY 2020-21**A. Lines**

Sl. No.	Voltage level (KV)	Total line length constructed during FY 2020-21 (Ckt. kms)	Total line length as on date 31.03.2021 (Ckt. kms)
1.	765KV	Nil	1085.370
2.	400KV	137.108	6379.489
3.	220KV	448.152	13434.137
4.	132KV	1273.596	25008.211

B (i) Sub Stations

Voltage	New Commissioned		Capacity Augmented		Total transformation capacity as on date 31.03.2020 (MVA)
	Nos. of S/Ss	Capacity (MVA)	Nos. of S/Ss	Capacity (MVA)	
765KV	Nil	Nil	Nil	Nil	6000
400KV	01	400	01	500	21720
220KV	05	860	15	1780	47420
132KV	17	863	78	2514	53810

B (ii) Capacitors:-

132KV –400 MVAR

33KV –510 MVAR

B(iii) Bay (Energized)

- 400KV-05 nos.
- 220KV-07 nos.
- 132KV-33 nos.
- 33KV- 137 nos.

List of 400KV Substation commissioned and in Operation

- 400KV GIS S/S Sector-123,Noida

List of 220KV Substation commissioned and in Operation

- 220KV S/S Vrindawan
- 220KV S/S Madhuban Bapudham

3. 220KV S/S Kashganj
4. 220KV S/S Badhaikala
5. 220KV Hybrid S/S Nirpura

List of 132KV Substation commissioned and in Operation

1. 132KV S/S Rajapur
2. 132KV S/S Mishrikh
3. 132KV S/S Kachhawa
4. 132KV S/S FCI-II
5. 132KV S/S Mohanlalganj
6. 132KV S/S Ahraura
7. 132KV S/S Bharawan
8. 132KV S/S Pailani
9. 132KV S/S Cholapur
10. 132KV S/S Hussainganj
11. 132KV S/S Kairana
12. 132KV S/S Itiathok
13. 132KV S/S Oyel
14. 132KV S/S Meerganj
15. 132KV S/S Tilo
16. 132KV S/S Bada Gaon
17. 132KV S/S Kaisarganj

Uttar Pradesh State Load Dispatch Center (UPSLDC)

Uttar Pradesh State Load Dispatch Center (UPSLDC) has been set up as per provisions of Section 31 of the Electricity Act 2003. Accordingly, UPSLDC is the apex body for integrated operation of the power system in the state of UP. Its functions include scheduling & Dispatch of electricity, monitoring of grid operations, energy accounting, supervision & control of intra state grid, real time grid operations etc. UPSLDC is also doing the demand management by rostering of supply as per administrative/grid security requirement. SLDC is mandated to discharge its responsibility as per the regulations made by central and state regulatory commission. Grid operation is done as per grid code issued by central and state commission. UP Electricity Regulatory Commission has made several other regulations under the act and SLDC is responsible for implementation of the same.

The activities of SLDC broadly are as follows:

- **Real time grid operation :** In the interest of grid security, it is required that the gap between schedule drawl and actual drawl is minimum all the time, over loading of the transmission lines is avoided, voltage at all the substations & generating stations is maintained within the specified limits, dispatch of power is done in such a way that cost of power generation is minimum. The balance in demand and supply is maintained by continuously monitoring the power system parameters at SLDC and ALDCs (Area Load Dispatch Centers), four ALSDCs under SLDC are located at Sarnath, Muradabad, Panki and Modipuram. Back Up SLDC is also located at Modipuram. Congestion management, reactive power management are other aspects of the power system operation which are required to be ensured for secure operation of the grid. SLDC ensures secure grid operation by 24*7 monitoring of the grid parameters, in coordination with Northern Region Load Dispatch Center (NRLDC), generating stations, power distribution companies of UP and transmission system authorities. Rostering of power is implemented to ensure supply of electricity in the rural, Bundelkhand and Tehsil level as per notified hours. Emergency rostering is also required whenever over drawl from the grid exceeds certain limits. During the year average eighteen hours of power supply in the rural areas, twenty hours in Bundelkhand areas, twenty one and half hours at Tehsil level has been ensured. The exemption free power is ensured to certain feeders and duration based upon the recommendation of MD/Director(T) of the Discom. During the year max demand of 23867 MW and 123141 Million units was met without any network constraint.
- As per CERC regulation NRLDC is mandated to issue the instructions to SLDC for corrective actions in the interest of grid security. Whenever required emergency rostering is done as per instructions of NRLDC in compliance to grid code. During the year all out efforts were made to minimize the emergency rostering. For real time operation SCADA is an essential tool for capturing the real time data of substations and generating stations. Process has been initiated to ensure compliance to cyber security guidelines of CERT and Ministry of Power in the month of March'2021 and till September'21, compliance to guidelines of CERT has been ensured.
- SLDC also facilitates the charging of new elements and shut down of the transmission elements/ generating units for maintenance. During the year SLDC facilitated charging of 307 new elements.
- SLDC is the nodal agency for short term open access, during the 2020-21, short term open access to 54 new customers has been allowed. The process for the open access approvals has been made fully on line, SOP and video demonstration of the short term open access process has been made available on the website to help the customers. SLDC is also responsible for the energy accounting of the power

transmitted over the state grid, this is being carried out taking in to account the convenience of the customers. The no of energy account statements are increasing continuously due to addition of open access customers and renewable generators, in the month of March' 21, 633 and in the year 2020-21, around 6000 energy accounts were issued.

Planning and Commercial Activities:-

(a) The major Planning activities are :-

- (i) To evolve a techno-economic Intra-State transmission System.
- (ii) Collection of main input data namely load, Demand, Generation Plan from Discoms/UPPCL/SLDC & Load Flow Studies accordingly.
- (iii) To ensure evolved system should have adequate margins for different load & generations scenarios.
- (iv) Planning & Approval of system network (generally for 5 years horizon) according to CEA Transmission Planning Criteria-2013, which is adopted by BoD, UPPTCL.
- (v) Ensuring of Total Transfer Capability (TTC) matching with import requirements.
- (vi) To obtain approvals from CEA, Central Transmission Utility (CTU) for major works.

Besides above, w.e.f. FY 2020-21 onwards, for all new projects costing above ₹ 20 Crore prior investment approvals is being taken from UPERC on quarterly basis, as per UPERC MYT Regulations, 2019.

During Financial Year 2020-21 various transmission works costing ₹ 1579.49 Cr. were approved. In compliance to UPERC Regulation, projects of ₹ 579.66 Cr (costing above ₹ 20 Cr.), as mentioned below, were submitted to UPERC for Investment Approval:-

Amount in ₹ Crore

Projects
1st & 2nd Quarter FY 2020-21 (Approved in UPERC order dated 10.2.2021)
132 KV Hasanpur, Amroha substation and associated lines.
132 KV Padrauna, Kushinagar substation and associated lines.
132 KV Kailadevi, Sambhal substation and associated lines.
132 KV Fariha substation and associated lines.
132 KV Erach & upgradation of 132 KV Moth, Jhansi substation and associated lines.

3rd Quarter FY 2020-21 (Approved in UPERC order dated 6.5.2021)*
220/33kV Khorabar (Gorakhpur) S/s & Associated lines
132/33kV Gharighat (Gonda) S/s & Associated lines
System strengthening work of U/C 400kV Machlisahar (Jaunpur) S/s
4th Quarter FY2020-21(Approved in UPERC order dated 12.7.2021)
Augmentation at 400/220kV Panki S/s from 2x315MVA to 2x500MVA transformer
LILO of one ckt of 400kV DC Shamli-Aligarh line at THDC Khurja Power Plant (2x660MW)

*modification work of 220/33 kV Kidwainagar, Kanpur s/s was approved in 1st qtr. of FY 2021-22.

During F.Y- 2021-22, total 10 nos. TWC meeting were conducted and various transmission works costing ₹ 1791.56 Cr. were approved. Status of Investment approval granted by UPERC for FY 2021-22 is as below-

Projects
1st Quarter FY2021-22(Approved in UPERC order dated 26.10.2021)
Construction of 3x60MVA, 220/33kV GIS Substation, Kidwai Nagar, Govind Nagar (Kanpur) and associated lines. (Modification in earlier scheme approved by TWC in the 20th meeting of 13th Plan dated 27.12.2018).
2nd Quarter FY2021-22(Approved in UPERC order dated 6.5.2021)
Construction of 132 kV Mauranipur-Gurusarai S/C Line and associated bays
132/33kV Shoratgarh (Sidhartnagar) S/s & Associated lines
3rd Quarter FY2021-22(petition submitted dated 27.04.2022)
2x60MVA 220/33 kV Badaun Road (Bareilly) S/s and its associated lines.
2x63MVA 132kV Budhana-2 (Muzaffarnagar) S/s and its associated lines.)
2x40MVA 132kV Naraini (Banda) S/s and its associated lines.
Construction of 2x40MVA 132kV Ram Nagar (Barabanki) S/s and its associated lines.
4th Quarter FY2021-22 (petition is to be filed)
(2x160+2x63) MVA 220kV Tirwa, Kannuj S/s and its associated lines under TBCB.
Up-gradation of 3x63MVA 132kV Noida Sec-62 to 2x160MVA 220kV Noida sec-62, Gautam Budhnagar S/s and its associated lines.

During F.Y- 2021-22, total 10 nos. TWC meeting were conducted and various transmission works costing ₹ 1791.56 Cr. were approved. Status of Investment approval granted by UPERC for FY 2021-22 is as below-

During 1st Quarter of FY 2022-23, mainly projects under revised GEC-II schemes, 19 Nos. Substation and its associated lines, have been approved by TWC and BOD as mentioned below:-

S.No.	Voltage (KV)	Name of Projects
1	765	Creation of 765/400/220kV, 2x1500+3x500 Garotha (Jhansi) (with 240MVAR Line reactor at each end of 765 kV Garotha-Mainpuri Line) and its associated lines
2	765	Creation of 765/400/220kV, 1x1500+2x500 MVA Talbahat(lalitpur)and its associated lines
3	400	Creation of 400/220/132kV, 2x500+2x160MVA Maheba (Jalaun)and its associated lines
4	220	220/132kV, 2x160MVA S/s at Existing 400kV Banda S/s (Double Main Transfer)and its associated lines
5	220	220/132/33 kV 2x160+2x40 MVA Hamirpur S/s and its associated lines
6	220	220/132/33kV, 1x160+1x40MVA Charkhari S/sand its associated lines
7	220	Creation of 220/132/33 kV, 2x160+2x40 MVA Jaitpur(Mahoba)and its associated lines
8	132	132/33 kV 2x40 MVA Baberu (Banda) S/sand its associated lines
9	132	132/33 kV 2x40 MVA Muskara (Hamirpur) S/sand its associated lines
10	220	Creation of 220/132/33 kV, 2x160+2x40 MVA Birdha (Lalitpur)and its associated lines
11	220	220/132/33 kV, 2x160+2x40 MVA Mandawra (Lalitpur)and its associated lines
12	220	220/132/33 kV, 1x160+1x40 MVA Dakaur (Jalaun)and its associated lines
13	220	220/132/33 kV, 2x160+2x40 MVA Bamaur (Jhansi)and its associated lines
14	220	Creation of 220/132/33 kV, 2x160+2x40 MVA Bangra (Jhansi)and its associated lines
15	220	Creation of 220/132/33 kV, 1x160+1x40 MVA Kabrai(Mahoba)and its associated lines
16	132	132/33 kV. 2x40 MVA Kadaura (Jalaun)and its associated lines
17	132	132/33 kV, 2x40 MVA Kuthond, Jalaun (Double Main Transfer)and its associated lines
18	132	132/33 kV, 2x40 MVA Gohand, Hamirpur (Double Main Transfer)and its associated lines
19	132	Creation of 132/33 kV, 2x40 MVA Mehrauni(Lalitpur)and its associated lines

(b) The major Commercial activities:-

- (i) As per MYT Regulation, 2019 the utility has to file its Business Plan for 5 years and True-up Petition for the past year for which audited annual accounts are available, Annual Performance Review (APR) petition for on-going year based on the revised estimates & Annual Revenue Requirement (ARR) petition for ensuing year based on the projections.
- (ii) Regular monitoring of issuance of monthly billing of transmission charges for Discoms and open access consumer by TBU Unit.

Tariff order issued

UPERC vide its order dated 29.06.2021 has approved True-up for FY 2019-20, APR for FY 2020-21 & ARR for FY 2021-22 against our petition.

Trued-up Transmission Tariff for FY 2019-20

Particulars	Approved upon Truing-up
ARR for FY 2019-20 (₹ in Cr.)	3082.50
Energy handled (MU)	116731.81
Revenue from Operations pertaining to FY 2019-20	2214.57
Net Gap (₹ in Cr.)	867.93
Transmission Tariff (₹/kWh)	0.2641

The Commission had allowed recovering the net gap of ₹ 867.93 Cr. on True-up for FY 2019-20.

UPERC has also approved ARR/Tariff for FY 2021-22 as below:-

Trued-up Transmission Tariff for FY 2021-22

Particulars	Approved upon Truing-up
ARR for FY 2021-22 (₹ in Cr.)	2720.50
Energy handled (MU)	112360.21
Transmission Tariff (₹ / kWh)	0.2421

Petition for Tariff/ARR for FY 2022-23, APR for FY 2021-22 & True-up for FY 2020-21, has been filed on 08.03.2022 and Admittance order had been issued by UPERC on 21.04.2022 and final order is awaited.

Transmission Plan for future:-

The Electricity Demand Forecast for the State as provided by Discom for 20th EPS, is as cited is 33,869 MW by FY 2026-27. Considering the increase in demand at the rate of approx. 6.5%, it is planned to add 172 nos. of substations in next 05 years adding 65,153 MVA Transformation Capacity to cater the forecasted demand of 33,869 MW.

Finance Activities-**The amount, if any, proposed by the Board to be carried to Reserve**

There is Net Profit/(Loss) after Tax to the tune of ₹ (11.25) crores during the FY 2020-21 and accumulated losses to the tune of ₹ 888.11 crores upto the year. No amount is proposed to be carried forward to any specific reserve.

The amount, if any recommended to be paid by way of Dividend

There is Net Profit/(Loss) after Tax to the tune of ₹ (11.25) crores during the FY 2020-21 and accumulated losses to the tune of ₹ 888.11 crores upto the year. The Directors have not recommended any dividend during the year under review.

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

As per information made available to Corporate Accounts Office by ZAO, on the basis of audited accounts, there are no such changes/commitments that effect the financial position of the company.

Conservation of Energy, Technology Absorption and Foreign exchange Earnings and outgo

Information in accordance with the provisions 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-IV** of this Report.

Statement Concerning Development and Implementation of Risk Management Policy of the Company

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

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

The Company has adopted a CSR Policy in accordance with Schedule VII of the Companies Act, 2013. The CSR Committee constituted under the Act comprised of the following Directors:-

1. Managing Director-Chairman
2. Director (Finance)-Member

3. Director (Planning & Commercial)-Member
4. Director (Operations)-Member
5. Director (Works & Project)- Member

The Company had suffered a loss based on the average net profit of last three financial years, therefore Company is not required to spend any amount towards CSR in F.Y 2020-21. The Annual Report on CSR activities, is annexed herewith as **Annexure-V**.

Details of Deposits Under Chapter V of the Companies Act, 2013

As per the information drawn from Annual Accounts 2020-21, no deposits have been called/accepted from public during FY 2020-21.

Details of Orders against the company impacting the Going Concern Status and company's operations in Future

During the FY 2020-21 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.

Disclosure of Composition of Audit Committee

The Audit Committee comprised the following-

Chairman, UPPTCL	–	Chairman
Director (Operation)	–	Member
Special Secretary (Finance), Go UP	–	Member
Nominee Director, Powergrid	–	Member

Director (Finance) is the permanent Invitee & Presenter of the Audit Committee while Company Secretary is the facilitator of the Committee Meetings. The Committee reviewed the Annual financial statements, report of the Statutory Auditors and CAG and reply 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.

Vigil Mechanism:-

The vigil mechanism established under the provision of the Companies Act, 2013 is aimed to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The existence of the mechanism has been appropriately communicated within the organization.

Change in Board of Directors & KMP during the year

The changes in the Board of Directors during the year under consideration has been as under:-

S. No.	Name	Designation at the beginning/during the financial	Period (2020-21)	
			Date of Appointment/ Change in Designation/ Cessation	Nature of Change (Appointment Change in Designation/ Cessation)
1	Shri M. Devaraj	Chairman & Nominee Director	02.02.2021	Designated as Chairman
2	Shri Pankaj Kumar	Nominee Director	10.03.2021	Appointment
3	Shri Amrendra Singh Kushwaha	Whole-Time Director	02.02.2021	Appointment
4	Shri Jawed Aslam	Nominee Director	09.09.2020	Appointment
5	Shri TSC Bosh	Nominee Director	18.06.2020	Appointment
6	Shri Anil Jain	Whole-Time Director	06.05.2020	Appointment
7	Shri Arvind Kumar	Chairman & Nominee Director	02.02.2021	Cessation
8	Shri Ravi Prakash Dubey	Whole-Time Director	05.01.2021	Cessation
9	Smt. Debjani Chakraborty	Nominee Director	18.06.2020	Cessation
10	Shri Ram Swarath	Whole-Time Director	11.06.2020	Cessation
11	Shri Anil Kumar Gupta	CFO	28.07.2020	Appointment

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

Statutory Auditors

The Board appointed M/s R.M. Lall&Co., Chartered Accountants, 4/10, Vishal Khand, Gomti Nagar, Lucknow-2260101 as the Statutory Auditors of the Company for the Financial year 2020-21. The Statutory Auditors have audited the accounts of the company for the year ended on 31st March 2021.

Cost Auditors

The Company is under obligation to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. The cost accounts and records are made and maintained at headquarter of the Company.

The Board appointed M/s K.B. Saxena and Associates, 10/287, Indiranagar, Lucknow, U.P-226016 as the Cost Auditors for the financial Year 2020-21.

Secretarial Auditor

In pursuant to Section 204 of the Companies Act, 2013, read with Rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Board of the Company has appointed CS Mardan Singh, Practicing Company Secretary in the capacity of the Secretarial Auditor for the financial year 2020-21. The Report of the Secretarial Auditor together with the Management explanation to such qualification pertaining to financial year ended on 31st March, 2021 is forming the part of this report.

Review of Accounts by the Comptroller and Auditor General of India (C & AG) of India

The final comments of Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act 2013 on the Annual Accounts of the Corporation for the year ended 31st March 2021 along with Management reply on the same are appended to this report.

Reporting of frauds by Auditors

During the year under review, the Statutory Auditors or Secretarial Auditor of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Act, including rules made thereunder.

Particulars of the Employees

Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no person employed for the whole or a part of the year in the Corporation has drawn salary of ₹1.20 Crores per annum or ₹8.5 Lakh per month for the FY-2020-21.

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

The Company is committed to provide a safe and conducive work environment to its employees. The Company has accordingly constituted an Internal Complaints Committee under the aforesaid Act. During the period under review, two cases has been reported under the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 and both of them have been successfully disposed off by the Company.

Internal Financial Control

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

Subsidiary Companies

No company has become or ceased to be subsidiary / joint venture / associate company of UPPTCL during 2020-21.

Industrial Relations

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

Human Resource Development

Your Company believes that, in the current dynamic scenario, the assessment of human resource requirement and the skill sets to meet the emerging business requirements should be an on-going process. Accordingly, the management continuously monitors the situation and puts in place appropriate training policies to address the depletion on account of superannuation as well as the need for new skill sets.

A brief note on Human Resource Development is as follows:-

a. Recruitment & Manpower Addition:

All types of recruitment for UPPTCL were carried out by UPPCL in 2020-21. Total 92 Assistant Engineers were allotted to UPPTCL to add the manpower strength.

b. Promotion:

Promotion of common cadre i.e JE,AE,EE, SE & CE's were carried out by UPPCL and then allotted to the Company.

c. Training & Development Programme:

On Job Training Programme of 92 AE (Trainees) was carried out by UPPTCL at various field offices. Training/Seminar of 07 EE's was organized at Jhansi on 22.02.2021. Orientation Training programmes of promoted e JE,AE,EE, SE & CE's were organized in arrangement with Electricity Training Institute, Lucknow from time to time.

d. Employee Relations:

Employee-Management relations were very amicable during this period.

e. Welfare Activities:

Various welfare activities were carried out time to time by the Company. Sanitization of field offices, sub-stations and providing sanitizers to various office and sub-stations during the Covid-19 pandemic was done. Vaccination of employees and their families were also carried out with the co-ordination of district health and administration officers. Prompt action was taken in the cases of recruitment of dependents of departmental servants dying in harness.

f. Awards and recognition:

Appreciation Letters were given to employees and officers of UPPTCL for their better work and contribution.



Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website at-<https://upptcl.org/upptcl/en/article/annual-returns>.

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, Central power Utilities, PFC, REC, Banks and other Financial Institutions. Besides above, the corporation places its record the support and co-operation of UPPCL, MVVNL, DVVNL, PuVVNL & PVVNL and KESCO. The Board places its appreciation for the contribution of contractors, vendors and consultants for their efforts in timely completion of Projects.

The Board also places on record its deep appreciation for the co-operation extended by Statutory Auditors, Cost Auditors, Secretarial Auditor and Office of the Comptroller and Auditor General of India. The Board appreciates the contribution made by the employees of the Company who have raised your Company to the platform where it is standing today and believe that their continuous dedication would enable your Company to achieve another laurel in the power transmission activities in India in the near future.

For and on behalf of the Board of Directors

-SD-

(Ranjan Kumar Srivastava)

Director-Finance

DIN No-07338796

-SD-

(Guruprasad Porala)

Managing Director

DIN No-07979258

Date : 11.08.2022

Place : Lucknow

Annexure-I

**MANAGEMENT'S REPLY TO STATUTORY AUDITOR'S REPORT ON THE ACCOUNTS OF
UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED FOR THE YEAR
ENDED ON 31-03-2021**

AUDITORS' REPORT	MANAGEMENT REPLY
<p>To, The Members, U.P. Power Transmission Corporation Ltd, Shakti Bhawan, Lucknow</p> <p><u>Report on Standalone Financial Statements</u></p> <p>Qualified Opinion:</p> <p>We have audited the accompanying Standalone Financial Statements of Uttar Pradesh Power Transmission Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements") in which are incorporated accounts of six transmission zones ("Zones"), which have been audited by other auditors.</p>	<p align="center">No Comment</p>
<p>In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view</p>	<p align="center">No Comment</p>

AUDITORS' REPORT	MANAGEMENT REPLY
<p>in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the Profit, including other comprehensive income, its cash flows and changes in equity for the year ended on that date.</p>	
<p>Basis for Qualified Opinion: We draw attention to the matters described in 'Annexure I', the effect of which, individually or in aggregate, are material but not pervasive to the financial statement and matters where we are unable to obtain sufficient and appropriate audit evidence.</p>	<p>No Comment</p>
<p>Our opinion is qualified in respect of these matters. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.</p>	<p>No Comment</p>

AUDITORS' REPORT	MANAGEMENT REPLY
<p>Key Audit Matter:</p> <p>Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters except for the matters described in Annexure I to the “Basis for Qualified Opinion” section. We have determined that there are no other key audit matters to communicate in our report.</p>	<p>No Comment</p>
<p>Emphasis of Matter Paragraph:</p> <p>As explained in <i>Para 24 of Note – 29 “Notes on Accounts”</i>, due to the outbreak of COVID -19 globally and in India, the Company’s management has made an initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term in nature. The management does not see any medium to long-term risks in the company’s ability to continue as a going concern and meeting its liabilities as and when they fall due. Our opinion is not modified in respect of this matter.</p>	<p>No Comment</p>
<p>Information other than the Standalone Financial Statements and Auditor’s Report thereon:</p> <p>The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditor’s report thereon. The above report is expected to be made available to us after the date of this Auditor’s Report.</p>	<p>No Comment</p>

AUDITORS' REPORT	MANAGEMENT REPLY
<p>Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance and conclusion thereon.</p>	
<p>In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>When we read the above identified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.</p>	<p>No Comment</p>
<p>Management's Responsibility for the Standalone Financial Statements:</p> <p>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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate</p>	<p>No Comment</p>

AUDITORS' REPORT	MANAGEMENT REPLY
<p>accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	
<p>In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p>	No Comment
<p>Those charged with Governance are also responsible for overseeing the Company's financial reporting process.</p>	No Comment
<p>Auditor's Responsibility for the Audit of the Standalone 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</p>	No Comment

AUDITORS' REPORT	MANAGEMENT REPLY
<p>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 Standalone Financial Statements.</p>	
<p>As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :-</p> <ul style="list-style-type: none"> ● Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. 	<p>No Comment</p>
<ul style="list-style-type: none"> ● Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls. 	<p>No Comment</p>

AUDITORS' REPORT	MANAGEMENT REPLY
<ul style="list-style-type: none"> ● Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. 	No Comment
<ul style="list-style-type: none"> ● 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. 	No Comment
<ul style="list-style-type: none"> ● Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 	No Comment
<p>Materiality is the magnitude of misstatements in the Standalone Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating</p>	No Comment.

AUDITORS' REPORT	MANAGEMENT REPLY
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.	No Comment.
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.	No Comment
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.	No Comment
Other Matters: We did not audit the books of accounts/information of Zones located at Prayagraj Zone (LC: 11 & 12), Gorakhpur Zone (LC: 13 & 14), Lucknow Zone (LC: 15, 16 & 17), Meerut Zone (LC: 18 & 19), Agra Zone	No Comment

AUDITORS' REPORT	MANAGEMENT REPLY
<p>(LC: 20 & 21) and Jhansi Zone (LC: 22 & 23) included in the Standalone Financial Statements of the Company. The Books of accounts/ information of these zones have been audited by the zone 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 zones, is based solely on the reports of such zone auditors.</p>	
<p>Report on Other Legal and Regulatory Requirements:</p> <p>1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure-II", a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.</p>	No Comment
<p>2. As required by directions issued by the Comptroller & Auditor General of India under section 143(5) of the Act, we give in "Annexure - III (a) and III (b)", a statement on the matters specified in the directions and sub-directions.</p>	No Comment
<p>3. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.</p>	No Comment
<p>4. As required by section 143(3) of the Act, based on our audit, we report that:</p> <p>a. Except for the matters described in the "Basis for Qualified Opinion" section, we</p>	No Comment

AUDITORS' REPORT	MANAGEMENT REPLY
<p>have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.</p>	
<p>b. In our opinion and except for the matters described in "Basis for Qualified Opinion" section, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Zones of the Company not visited and not audited by us.</p>	<p>No Comment</p>
<p>c. The reports on the accounts of the Zones of the Company audited under Section 143(8) of the Act by Zone auditors have been sent to us and have been properly dealt with by us in preparing this report.</p>	<p>No Comment</p>
<p>d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the Zones not visited and not audited by us.</p>	<p>No Comment</p>
<p>e. Except for the matters described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards "Ind AS" prescribed under Section 133 of the Act read with relevant rules issued there under.</p>	<p>No Comment</p>

AUDITORS' REPORT	MANAGEMENT REPLY
<p>f. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India; provisions of sub-section (2) of section 164 of the Act, regarding disqualification of the directors are not applicable to the Company</p>	<p>No Comment</p>
<p>g. With respect to the adequacy of the internal financial controls system in place and the operating effectiveness of such controls, refer to our report in "Annexure-IV".</p>	<p>No Comment</p>
<p>h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: i. Except for the effects of the matters described in the "Basis of Qualified Opinion" section, the Company has disclosed the impact of pending litigations on its financial position in its financial statements. ii. The Company did not have any long-term contracts including derivative contracts entailing any material foreseeable losses. iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.</p>	<p>No Comment</p>

-SD-

A.K. Gupta
Executive Director
(Finance & Accounts)

-SD-

Ranjan Kumar Srivastava
Director (Finance)

-SD-

P. Guruprasad
Managing Director

Annexure-I

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2021.

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

S. No.	Auditors Report	Reply
1.	<p>The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended):</p> <p>a. Trade Receivable (Note-8), Other Current Assets (Note-10) and Other Current Liabilities (Note-17) have been classified as current assets/liabilities include balances which are outstanding for realization /settlement since previous financial years and in the absence of adequate information/explanations regarding the realisability/settlement of such amounts within twelve months after the year end, reasons for not classifying them as non-current assets/liabilities is inconsistent with Ind AS 1 Presentation of Financial Statements. This has resulted in over statement of respective current assets/liabilities and understatement of the corresponding non-current assets/liabilities.</p>	<p>The classification of liabilities / assets into current/ non-current done in the financial statements is consistent with Ind-AS 1. Operating items like trade receivables, trade payables, inventories etc. are part of a normal operating cycle and must be classified as current assets / liabilities as per Ind AS-1.</p>
b.	<p>Additions during the year in property, plant and equipment include employee cost at a fixed percentage of the cost of each addition to property, plant and equipment in accordance with Note-1 Significant Accounting Policy No. 2(II)(b). Such employee cost to the extent not directly attributable to the acquisition and/or installation of property, plant and equipment is inconsistent with Ind AS 16 Property, Plant and</p>	<p>The staff costs which are chargeable to capital works shall be allocated on an ad-valorem basis (i.e., allocation of capitalizable expenses as a percent of the capital expenditure incurred during the period on the project) as per Electricity (Supply) Annual Accounts Rules, 1985 notified under the Electricity Act.As per section 1 (4) (d) of the Companies Act, UPPTCL, being an electricity supply company, has to comply with the Electricity Act.</p>

S. No.	Auditors Report	Reply
	Equipment. This has resulted in overstatement of fixed assets depreciation and Profit, and understatement of employee cost.	Hence, there is no overstatement of fixed assets, depreciation and profit or understatement of employee cost.
c.	The Note – 7 Inventories -(a) Stock of Materials - Capitals Works, has not been classified as part of property, plant and equipment and recognised, measured and disclosed in accordance with Ind AS 16 Property, Plant and Equipment.	The stock of material – Capital Works in Note 7(a) of the financial statements of the company is material procured and held to be issued to capital works in progress, which is required to be classified as inventory as per Ind AS 16.
d.	Recognition of insurance and other claims, refunds of Custom Duty, interest on Income Tax & Trade Tax, interest on loans to staff and other items of income covered by Significant Accounting Policy No. 2(VI)(f) of Note–1 has been done on cash basis. This is not in accordance with the provisions of Ind AS 1 Presentation of Financial Statements	There is no Ind AS that specifically applies to these transactions. The management has, thus, used its judgement in developing and applying the accounting policy for these specific transactions which is consistent with Para 10 of Ind AS 8.
e.	Accounting for employee benefits: Actuarial valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer foot note no. 1 of Note – 21). This is inconsistent with Ind AS 19.	In view of the fact that the liability of Pension and Gratuity in respect of employees covered under GPF scheme has been undertaken by GoUP and the final liability is to be discharged by the Treasury, GoUP, hence there is a ceiling on the liability of UPPTCL up to the fixed percentage of contributions based on actuarial valuation carried out by UPPTCL and accordingly, a fixed percentage of Pay & DA is being contributed.
f.	Assessment of the Impairment of Assets has not been done by the company, which is inconsistent with Ind As-36 Impairment of Assets.	Since, assessment of impairment of assets would require revaluation of assets, which is not permitted under Electricity (Supply) Annual Accounts Rules, 1985 notified under the Electricity Act hence assessment is not required. The same has suitably been indicated in accounting policy of the company also.

S. No.	Auditors Report	Reply
g.	<p>The Financial Assets-Trade Receivables (Note-8), Advances to Employees, Advances to Suppliers/Contractors (O&M), Receivables (Note- 10) have not been measured at fair value as required by Ind AS 109 Financial Instruments (Refer Para 2(XII) of Note-1 “Significant Accounting Policies”) and proper disclosures as required in Ind AS 107 Financial Instruments: Disclosures have not been done for the same. (Refer Para 3 of Note – 29 “Notes on Accounts”)</p>	<p>As per Electricity (Supply) Annual Accounts Rules, 1985 notified under the Electricity Act, all assets, liabilities, expenses and revenue are required to be recorded at the amounts at which the transactions took place and does not allow adjustment for stating them at replacement cost, current cost, etc.</p> <p>Hence, measuring any of the above at fair value, will be inconsistent with Electricity Act and thus, with section 1 (4) (d) of the Companies Act, 2013 also.</p>
2.	<p>No documentary evidence in respect of ownership/title of land, land rights and buildings were made available to us and hence ownership as well as accuracy of balances could not be verified.</p>	<p>The documentary evidence in respect of ownership/ title of land, land rights and buildings are available at divisions / sub-divisions spread across the state of UP for scrutiny by various internal and statutory auditors. They being very old and bulky were made available on sample basis to the auditors.</p>
3.	<p>Due to non-availability of Assets Commissioning Certificate by the appropriate authority regarding the date of energization/capitalization of fixed assets, we are unable to comment on the accuracy of the amount of borrowing cost capitalized and depreciation charged thereon.</p>	<p>Work wise calculation of interest during construction (IDC) transferred to Capital Works-in-progress and depreciation charged on assets were reviewed and found accurate by the auditors subject to the date of capitalization of the fixed assets as provided by field units. Hence, necessary instructions have been issued to ensure Asset Commissioning Certificate for all works capitalized during the year.</p>
4.	<p>The Company has transferred its 2.2250 hectares of land to the Department of Tourism, Etawah in the earlier financial years. However, the appropriate accounting adjustment under the head ‘Property, Plant & Equipment’ in this regard is still pending.</p>	<p>The matter is being taken up with the higher officials of the Government of U.P. and the necessary accounting will be done on the basis of final decision of top authorities regarding receipt of consideration against transfer of the above land, which is still awaited. Efforts are regularly being made to recover the amount against transfer of land.</p> <p>The Disclosure of the same has been made in the annual accounts under notes on accounts.</p>

S. No.	Auditors Report	Reply
5.	The Company has transferred its land measuring 5.9 acres, located at TajMahal, East Gate Road to Tourism Department for construction of Mughal Museum. However, the appropriate accounting adjustment under the head 'Property, Plant & Equipment' in this regard is still pending.	The land was given free of cost in compliance of GoUP Order No.117/2015/1892/41-2015-92 YO/15 dt. 11.08.2015. Hence, under the above circumstances no adjustment was made in the accounts. The Disclosure of the same has been made in the annual accounts under notes on accounts.
6.	The Company has transferred its land measuring 993 square meter located at 132/33 KV G/S Sub-station Neembu Park, Lucknow to Madhyanchal Vidyut Vitran Nigam Limited. However, the appropriate accounting adjustment under the head 'Property, Plant & Equipment' in this regard is still pending.	No consideration has been received from MVVNL so far. However, the Disclosure of the same has been made in the annual accounts under notes on accounts.
7.	Inter unit transfers amounting ₹ 253.02 Crores, (Refer Note-10 & 29 Para 18)) are subject to reconciliation and consequential adjustments.	Efforts are being made for improvement in reconciliation. It is also worthwhile to mention here that an effective new system for control of IUT transactions of the entire company has been introduced w.e.f. FY 2017-18. As a result, there are no un-reconciled transactions from FY 2017-18 onwards. Additionally, in efforts to reconcile balances relating to earlier periods, debit IUT Balances of ₹35,748 crores and Credit IUT Balances of ₹35,748 crores (Total ₹71,496 crores) have been reconciled, neutralized and settled up to date. Efforts are also being made for further reconciliation of balances relating to earlier periods.
8.	Common expenditure (Charged by UPPCL) amounting to ₹ 15.26 Crores (Refer Note-21) is subject to tax deduction at source under section 194C of the Income Tax Act, 1961, which has not been deducted by the Company.	The common expenditure charged by UPPCL is mere sharing of common expenditure incurred by UPPCL on behalf of all State Government owned power sector companies and do not have any profit element to be treated as income by UPPCL. Hence, TDS is not deductible. Legal opinion in the matter has also been obtained.

S. No.	Auditors Report	Reply
9.	Advances to Suppliers/Contractors (Capital) (Note-3), Trade Receivables (Note-8), Advances to Employees, Suppliers & Contractors (O&M) and Receivables from Employees and Others (Note-10), Liability for Capital/O&M Suppliers/ Works, Deposits from Suppliers, DISCOMS, Electrification works, PSDF, Inter Company Balances (Note-17) are subject to confirmation and reconciliation.	No Comment
10.	It was observed that the maintenance of party-wise subsidiary ledgers and its reconciliation with primary books of accounts i.e., cash books and sectional journal are not proper and effective.	The records are maintained at unit level.
11.	Sufficient and appropriate documentary audit evidence in respect of Contingent liabilities disclosed in Para 6 of Note – 29 “Notes on Accounts” were not provided to us.	The disclosure of Contingent liabilities in Para 6 of Note 29 “Notes on Accounts” has been done on the basis of contingent liabilities as certified by the Branch Statutory Auditors and the same were placed for review by Central Auditors.
12.	In Significant accounting policy (Para 2(II)(c) of Note-1) supervision charges received against deposit work has been considered as revenue income (non-tariff income) and on the other side it has also been considered as capital receipt by crediting to capital reserve. As per Generally Accepted Accounting Practices, when the receipt and related expenses are being considered as revenue nature then it cannot be considered again as capital nature. Therefore, capital reserve & capital expenditure both are overstated by ₹ 44.02 crores.	Supervision charges received against deposit works have been considered only as revenue income (non-tariff income) as per the accounting policy of the company and UPERC Regulations. Hence, there is no overstatement of capital reserve or capital expenditure.

13. Audit observations in Zones' Audit Reports, excluding those which have been appropriately dealt with elsewhere in the report.

S. No.	Auditors Report				Reply
i)	Prayagraj Zone (LC: 11 & 12)				<p>Executive Engineer, EFU, Naini and Executive Engineer, Electricity 765 KK S/s, Anparahave been instructed to provide complete details/records of material under these heads.</p> <p>Executive Engineer, ETD, Mirzapurto recognize excess material received as income in the ensuing accounts.</p> <p>Rectification has been done by Executive Engineer, ETD-I, Prayagraj in June 2021.</p>
a)	Material Stock [AG-22] includes "material stock Excess/short pending investigation" which are lying old since very long and pending for reconciliation and necessary adjustments, if any, arising thereof. Unit-wise details of excess material are as hereunder:-				
S. No.	Name of the unit	New LC	Account Head	Amount (In Rs.)	
1.	EFU-Naini	107	22.810	19,24,510.00 Cr.	
2.	E-765 KV S/s Anpara	113	22.810	64,78,120.17 Cr.	
3.	ETD-Mirzapur	114	22.810	21,795.72 Cr.	
4.	ETD-I Prayagraj	105	22.830	44,301.00 Cr.	
b)	Various entries pertaining to earlier years are pending for adjustment in the bank reconciliation statement under the unit ETD Fatehpur.				Necessary adjustments have been made in the ensuing accounts in hand and there are no balances pertaining to earlier year
ii)	Gorakhpur Zone (LC: 13 & 14)Entries pertaining to earlier years are still appearing in the bank reconciliation statements of the various units which are lying unadjusted.				Necessary instructions for adjustment of entries pertaining to earlier years have been issued.
iii)	Lucknow Zone (LC: 15, 16 & 17)Zone has inventory of ₹ 335.65 crores however only quantity is being physically verified by concerned units but the inventory records with valuation were not available for audit and item wise details of valuation of inventory as at end of the financial year were not available.				Necessary instructions have been issued to the units.

S. No.	Auditors Report	Reply
iv)	Meerut Zone (LC: 18 & 19)	
a)	Zone had discarded the Assets worth ₹ 62.90 cores under transmission division and ₹ 0.02 crores under civil division and shown ₹ 47.97 crores and ₹ 0.01 crores respectively in the material stock account of transmission and civil zone respectively, after charging the depreciation up to the month of discard of the assets, In our opinion such method is in contravention to the IND AS-36 of Impairment of assets and IND AS-2 of the inventory. Value of assets discarded and Depreciation on such assets can't be obtained individually from fixed assets schedule in the absence of the complete records at the zone	The cost of the assets retired, scrapped etc. along with depreciation thereon has to be withdrawn from fixed asset base and transferred to a separate account as per Electricity (Supply) Annual Accounts Rules, 1985 notified under the Electricity Act. The accounting has been done according to the accounting policy drafted as per the provisions of Companies Act 2013 read with Central Electricity Act and Rules & Regulations notified thereunder.
b)	Depreciation of ₹ 7.35 crores in transmission division and ₹ 0.01 crores in Civil division is charged over and above the 90% value of the assets in the previous years in contravention to the accounting policy of the company.	Necessary rectification has been done in the ensuing accounts.
c)	CWIP consist of the project started since long and the current Status of project is also not informed to audit hence we are unable to comment on the status of CWIP.	The current status is available at units, necessary instructions have been issued to units to ensure availability of the same during audits.
d)	Zone had received Deposit/Grant from the various govt / Non govt organization of ₹ 729.60 crores and ₹ 0.05 Crores respectively in transmission division and civil division for doing the various work. Zone had not provided the party wise detail of amount received, current status of the project undertaken and the INDAS-20 with regard to the Government grant is also	Necessary instructions have been issued.

S. No.	Auditors Report	Reply
	not followed by the Zone. Adjustment, if any, arises at the time of reconciliation is not ascertainable at this stage.	
e)	An amount of ₹ 0.77 crores paid on the lease rent/ rent for use of land. The company had not followed IND AS-116 for lease accounting	The accounting for lease has been done as per ESAAR rules and applicable provisions of IND AS 116
14.	For want of complete information, the cumulative impact of our observations in paras 1 to 14 above and in the Annexure II to this report on assets, liabilities, income and expenditure is not ascertained.	No Comments

-SD-

A.K. Gupta
Executive Director
(Finance & Accounts)

-SD-

Ranjan Kumar Srivastava
Director (Finance)

-SD-

P. Guruprasad
Managing Director

Annexure-II

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March 2021.

Auditors Report	Reply
<p>1 (a) The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p>	<p>Year-wise consolidated assets register since 01-04-2007 to date along with register for opening balance (as per Accounts) has been prepared by all respective Zones. However the Plant register with complete details are being maintained at substation level and the consolidation is in progress at Zonal level and HQ level. Necessary instructions have been issued to the concerned zonal offices.</p>
<p>(b) The company has not carried out physical verification of the fixed assets, hence we are unable to comment whether any material discrepancy was noticed as such or not, except Agra & Jhansi zone where auditors has reported as below:-"As explained to us, the Fixed Asset of the Transmission Zone (South West), has been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets."</p>	<p>Necessary instructions have been issued to the concerned zonal offices.</p>
<p>(c) The title deeds of immovable properties have not been provided, except Agra & Jhansi zone. Hence, we are unable to comment on the matter whether the title deeds of immovable properties are held in the name of the company or not.</p>	<p>The title deeds of immovable properties are available at units for review by auditors.</p>
<p>2 (a) The physical verification for inventories has been conducted by the management at reasonable interval during the year except Meerut zone.</p>	<p>Necessary instructions were issued and it has been informed that physical verification has been conducted at the year end. Hence, the same is available to auditor's review.</p>

Auditors Report	Reply
<p>(b) Auditors of the Lucknow zone have reported that the physical verification reports were not made available to them, and auditors of Gorakhpur & Prayagraj zone have reported as below:-”</p> <p>As per information and explanations given to us, the Physical verification of inventory has been conducted by the management (SDO of the units) at reasonable intervals during the year. Physically verified balance needs to be compared with book balances, discrepancies to be identified, recorded, and reconciled. The procedure of physical verification of Inventories followed by the management is required to be strengthened in relation to the size of the units and nature of its business. Since the Units/Zone is not maintaining proper records of inventory, we can't comment whether the discrepancies between physical and book balances of stocks have been properly dealt with in the books of account”</p> <p>Hence, we are unable to comment whether any material discrepancies were noticed and if so, whether they have been properly dealt within the books of accounts.</p>	<p>Necessary instructions have been issued to the concerned zonal offices.</p>
<p>3 According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189</p>	<p>No Comment</p>

Auditors Report			Reply
of the Companies Act 2013. Accordingly, paragraph 3(iii) of "the Order" is not applicable.			
4 The Company has not made any loans, investments, guarantees and security under provisions of section 185 and 186 of the Companies Act 2013. Accordingly, paragraph 3(iv) of "the Order" is not applicable.			No Comment
5 The company have not accepted any deposit from the public and therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and other relevant provisions of the Act and rules framed there under are not applicable.			No Comment
6 The cost records prescribed under section 148(1) of the Companies Act, 2013 have been made available to us by the company.			No Comment
7 a) According to the information and explanation given to us, the company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Service Tax, Cess, Duty of Customs, Duty of Excise and any other statutory dues to the appropriate authorities except following dues.			Necessary instructions have been issued to the concerned zonal offices for necessary compliance regarding Provident Fund contributions. Payables against other statutory dues have been settled and accounted for in the ensuing accounts.
Nature of the dues	Name of the Statute	Amount (Rs. In Lacs)	
Provident fund contribution	Employees' Provident. Funds and Miscellaneous Provisions Act, 1952	2,430.05	
TDS Payable	Income Tax Act, 1961	43.20	
WCT-Sales Tax	The Uttar Pradesh Value Added Tax Act, 2008.	0.86	
GST	CGST Act 2017, SGST Act 2017 & IGST Act 2017	3.58	
GST-TDS	CGST Act 2017, SGST Act 2017 & IGST Act 2017	0.28	

Auditors Report					Reply
*Debit balance in few accounts in MTB has not been included in the above table.					
b) According to information and explanations given to us, there are no statutory dues including Provident Fund, Employees' State Insurance, Goods and Service Tax, Cess, Duty of Customs, Duty of Excise and any other statutory dues to the appropriate authorities except of the Lucknow zone(*) and following dues, which have not been deposited on account of any dispute:					
Name of the statute	Nature of the due	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Uttar Pradesh, VAT Value Added Tax Act, 2008		17,73,045	2011-12	Addl. Commissioner Grade- 2 (Appeal) Commercial Department, Varanasi	The litigation in VAT cases related to FY 2011-12, 2012-13, 2014-15 and 2015-16 have been forwarded by Addl. Commissioner Grade- 2 (Appeals) to Deputy Commissioner (Commercial) for final disposal, who has assured early disposal of the case.
Uttar Pradesh, VAT Value Added Tax Act, 2008		17,42,678	2012-13	Addl. Commissioner Grade- 2 (Appeal) Commercial Department, Varanasi	
Uttar Pradesh, VAT Value Added Tax Act, 2008		47,75,873	2014-15	Addl. Commissioner Grade- 2 (Appeal) Commercial Department, Varanasi	
Uttar Pradesh, VAT Value Added Tax Act, 2008		46,91,721	2015-16	Addl. Commissioner Grade- 2 (Appeal) Commercial Department, Varanasi	
Income Tax Act, 1961	Income Tax TDS	3,32,270	2018-19	TDS Ward, Income Tax Department	
(*) Since details of disputes against statutory dues has not been provided by the management of Lucknow zone, we are unable to state whether any					

Auditors Report	Reply
amounts in respect of Income tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited with appropriate authorities on account of any dispute as at 31 March, 2021	The liability against TDS payable has also been settled and accounted for in the ensuing accounts in hand.
8. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.	No Comments
9. As per the information given and explanations provided, no moneys were raised by the company by way of initial public offer or further public offer (including debt instruments). The Company has raised moneys by way of term loans and the same have been applied for the purpose for which they were raised.	No Comments
10. To the best of our knowledge and according to the information and explanations given to us by the Management, no fraud by the company or no material fraud on the company by its officers or employees have been noticed or reported for the year ended 31st March 2021.	No Comments
11. As per Notification no. GSR 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 relating to Managerial Remunerations is not applicable to the Government Companies. Accordingly, provisions of clause 3(xi) of the Order are not applicable to the Company.	No Comments
12. The Company is not a chit fund or a Nidhi / mutual benefit fund/ society; hence clause 3(xii) of the order is not applicable.	No Comments
13. In our opinion and according to the information and explanation given to us, the company is in compliance with section 177 and 188 of the	No Comments

S.No.	Auditors Report	Reply
	Companies Act, 2013 wherever applicable, for all transactions with the related party and the details of related party transactions have been disclosed in the standalone financial statements as required by the Ind AS.	
14.	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.	No Comments
15.	According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to under section 192 of the Companies Act, 2013.	No Comments
16.	According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.	No Comments

-SD-

A.K. Gupta
Executive Director
(Finance & Accounts)

-SD-

Ranjan Kumar Srivastava
Director (Finance)

-SD-

P. Guruprasad
Managing Director

Annexure-III (a)

As referred to in, and forming part of, our audit report of even date to the members U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2021.

Directions of Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

S. No.	Directions	Reply	Management Reply
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 for with the financial implications, if any, may be stated.	The Company has no system in place to process the accounting transactions through IT system. The Cash book and Sectional Journals in SJ1, SJ2, SJ3 & SJ4 are maintained but ledgers/sub ledgers are not maintained.	Tally is in operation and ERP is under implementation.
2.	Whether there is any restructuring of an existing loans or cases of waiver/write off debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan? If yes, the financial implant may be stated.	There are no cases of restructuring of an existing loan or cases of waiver/write off debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan during the year.	No comment
3.	Whether fund received/receivable for specific schemes from Central/State Agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Funds received at HO are properly accounted for/ utilized as per its term and conditions and remitted to respective zones for utilization thereof. Zone auditors have not reported any case of deviation in this regard.	No comment

-SD-
A.K. Gupta
Executive Director
(Finance & Accounts)

-SD-
Ranjan Kumar Srivastava
Director (Finance)

-SD-
P. Guruprasad
Managing Director

Annexure-III (b)

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2021.

Sub-Directions of Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

S.No.	Sub-Directions	Remarks	Management Reply
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided	As per the information provided by the management of the company, they have not declared any land as surplus and further no incidence of encroachment was reported by any unit during the year under audit. Suitable steps are being taken to prevent encroachment of idle land owned by the Company	No comment
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	Land acquisition is involved in setting up new projects and settlements of dues are done expeditiously. No case of deviation was reported by the Zone Auditors. The Transmission system of evacuation of power is	No comment
3.	Is the system of evacuation of Power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	commensurate with power available for transmission with state owned generating company.	No comment

S.No.	Sub-Directions	Remarks	Management Reply
4.	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same has been properly accounted for in the books of accounts?	UPERC, a state commission, has approved intra-state transmission loss of 3.41% for the FY 2020-21. UPPTCL incurred actual intra-state transmission loss of 3.37% which is less than and within the limit of approved intra-state transmission loss for the FY 2020-21.	No comment
5.	Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements.	The constructions of assets are carried out by the company on the request of the beneficiary agency. As per terms of Agreement, if the assets become the property of the agency on completion of deposit works, it is handed over to the agency along with a statement showing item or work wise total expenditure incurred.	No comment

-SD-
A.K. Gupta
Executive Director
(Finance & Accounts)

-SD-
Ranjan Kumar Srivastava
Director (Finance)

-SD-
P. Guruprasad
Managing Director

Annexure-IV

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2021.

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

We have audited the internal financial controls over financial reporting of U.P. Power Transmission Corporation Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Directions	Reply
<p>Management's Responsibility for Internal Financial Controls</p> <p>The management of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.</p>	No comment
<p>Auditors' Responsibility</p> <p>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</p>	No comment

Directions	Reply
<p>on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.</p>	
<p>Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</p>	No comment
<p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.</p>	No comment
<p>Meaning of Internal Financial Controls Over Financial Reporting</p> <p>A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the presentation of financial reporting and the preparation of financial</p>	No comment

Directions	Reply
<p>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 un-authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.</p>	
<p>Inherent Limitations of Internal Financial Controls Over Financial Reporting</p> <p>Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	<p>No comment</p>

Directions	Reply
<p>Opinion:</p> <p>In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India except for the deficiencies reported by us in ‘Annexure I’ and ‘Annexure II’ to our audit report of even date on the Standalone Financial Statements of the Company for the year ended 31st March, 2021, and as reported by the branch auditors.</p>	<p>No comment</p>
<p>a. Prayagraj and Gorakhpur Zone</p> <p>(i) Dual control over banking and cash transactions is necessitated at all the units of the Zone,</p> <p>(ii) Daily cash balancing of cash book is recommended to ascertain cash balance at a particular date.</p>	<p>No comment</p>
<p>b. Lucknow Zone</p> <p>(i) The Zone does not have an appropriate internal control system for inventory. Only quantitative Physical verification of inventory is done. Item wise inventory valuation at the end of financial year is not prepared.</p> <p>(ii) There is no system of reconciliation and/or balance confirmation with suppliers, contractors, staffs and other parties and in some cases the accounts reflect adverse</p>	<p>No comment</p>

Directions	Reply
<p>balances. This could potentially result in misstatements of balances of suppliers, contractors, staffs and other parties in MTB.</p> <p>(iii) The system of reconciliation of inter-unit accounts at unit/ zone level needs improvement as there is huge pendency of Opening Balances outstanding earlier than FY 2015-16..</p> <p>(iv) Although internal auditors have been appointed for internal audit of units of the Zone, out of 49 Units only 25 reports were made available to us till the date of this report. The system of review and action on points raised in internal audit reports needs improvement</p>	

-SD-

A.K. Gupta
Executive Director
(Finance & Accounts)

-SD-

Ranjan Kumar Srivastava
Director (Finance)

-SD-

P. Guruprasad
Managing Director

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED FOR THE YEAR ENDED 31, MARCH 2021.

CAG's FINAL COMMENTS	MANAGEMENT REPLY
<p>The preparation of financial statements of Uttar Pradesh power transmission Company Limited (Company) for the year ended 31 March 2021 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 & Auditor General of India under Section 139(5) of the Act is 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 23 December 2021.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Uttar Pradesh Power Transmission Company Limited for the year ended 31 March 2021 under Section 143(6) (a) of the Act. This Supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the company personnel and a selective examination of some of the accounting records.</p> <p>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</p>	<p align="center">No Comments</p>

CAG's FINAL COMMENTS	MANAGEMENT REPLY
<p>my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:</p>	
<p>A. COMMENTS ON FINANCIAL STATEMENT Current Assets Trade receivables (Note-8): ₹ 6,357.62 crore Doubtful trade Receivable-Nil</p> <p>1. The above includes unsecured receivables from Extra State Consumers (Madhya Pradesh and Himanchal Pradesh) amounting to ₹ 19.62 crore pertaining to years 2010-11 to 2015-16. These receivables are more than three years old and confirmation of balances against these parties were also not available with the Company, but no provision for bad & doubtful debt against these receivable has been made in the accounts. Despite the comment on the accounts for the year 2019-20, no corrective action has been taken by the management.</p>	<p>Provision against receivables of ₹ 19.62 crore has been made in the accounts of financial year 2021-22.</p>
<p>B. COMMENTS ON AUDITOR REPORT</p> <p>2. The Statutory Auditor issued the Audit report on account for the year on 23 December 2021, before adoption of previous years' accounts in Annual General Meeting (AGM). However, fact of non-adoption of previous years' accounts in AGM has not been stated by this Statutory Auditor in their Audit Report as required under section 96 read with section 129(2) of Companies Act, 2013 and point No. 4 of the 'Condition for the Auditors' of appointment letter of auditors issued by CAG.</p>	<p>The Statutory Auditors are aware of the fact and necessary action will be taken at their end.</p>

-SD-

Sharvan Babbar
Dy. General Manager
(Finance & Accounts)

-SD-

A.K. Gupta
Executive Director
(Finance & Accounts)

-SD-

Ranjan Kumar Srivastava
Director (Finance)

-SD-

P. Guruprasad
Managing Director

ANNEXURE III-TO THE DIRECTORS' REPORT**Management Reply to the Secretarial Auditor's Report for the F.Y ending 31st March 2021**

<p>1. As per the provisions of section 129 read with section 96 of the Companies Act, 2013, the Audited Financial Statement of the company for the financial year 2019-20 was required to be adopted in the annual general meeting of the company within six months of the closing of the financial year i.e. latest by 30/09/2020, but due to COVID-19 situation, the last date of holding AGM was extended by Ministry of Corporate Affairs till 3/12/2020. Eventually, the AGM was held on 08/12/2020. The Annual Financial Statement (Annual Accounts) of the company for the financial year 2019-20 were not ready for their adoption and this General meeting was adjourned. Thus by the non adoption of Annual Accounts of the company for the financial year 2019-20 in this Annual General Meeting, the company has failed to comply with the provisions of section 129 of the Companies Act, 2013.</p>	<p>The Company has called the Annual General Meeting for the F.Y 2019-20 before the due date, but due to pending of the audit of the Accounts by the Comptroller & Auditor General of India (C&AG), the Audited Accounts for the FY 2019-20 couldn't be adopted by the members at the AGM held on 08/12/2020.</p> <p>Eventually, post receiving of comments from Comptroller & Auditor General of India (C&AG), accounts for F.Y 2019-20 were adopted in the adjourned Annual General Meeting held on 12/01/2022 and the same had been already filed with Ministry of Corporate Affairs as well.</p> <p>The circumstances for delay were beyond the control of the Company.</p>
<p>2. As per the provisions of section 149 of the Companies Act, 2013 read with the Rule (4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to appoint at least two number of Independent Directors on the board of directors of the company. Further while constituting the Audit Committee under section 177 of the Companies Act, 2013, at least one Independent Director is required to be appointed. Similarly while constituting the Corporate Social Responsibility Committee under section 135 of the Act at least one independent director has to be appointed on such committee during the year</p>	<p>The proposal for appointment of Independent Director had been sent to Government of Uttar Pradesh.</p>

<p>2020-21. The company has not appointed any Independent director on the board of directors of the company, the Audit Committee and Corporate Social Responsibility Committee.</p>	
<p>3. As per the provisions of section 148 of the Companies Act, 2013 and the rule (5) of the companies (Cost records and Audit) Rules, 2014, the company is required to appoint the cost auditor within 180 days of the commencement of every financial year and as per the provisions of rule (6) of these rules, every cost auditor shall forward his report to the board of directors of the company within 180 days of the closure of the financial year to which the report relates .M/S K.B. Saxena & Associates, Lucknow were appointed as the cost auditor of the company for the financial year 2020-21 well within the time limit prescribed under above provisions. The cost audit report of the financial year 2019-20 was required to be placed before the board within 180 day of the closing of the financial yea i.e latest by 30/09/2020. As per the information based on record during audit, the cost audit report of 2019-20 has not been placed before the board of directors within the above prescribed time limit. Thus to this extent the above provisions of section 148 of the companies Act, 2013 were not complied with by the company.</p>	<p>Since, the audited accounts of Financial Year 2019-20 were delayed due to pendency of comments from Comptroller & Auditor General of India (C&AG), the Cost Audit Report also got delayed. However, the Cost Audit Report has been approved by the Board in its meeting held on 27.07.2021 and had been already filed with Ministry of Corporate Affairs as well.The circumstances for delay were beyond the control of the Company.</p>

For and on behalf of the Board of Directors

-SD-

(Ranjan Kumar Srivastava)
Director (Finance)

DIN No.: 07338796

-SD-

(Guruprasad Porala)
Managing Director

DIN No.: 07979258

Date : 11-08-2022

Place : Lucknow

ANNEXURE IV-TO THE DIRECTORS' REPORT

Disclosure under Rule 8(3) of the Companies (Accounts) Rules, 2014 framed under section 134(3)(m) of the Companies Act 2013.

Information regarding Board Report related to Financial Year 2020-21

A. Conservation of Energy:

- (i) The steps taken or impact on conservation of energy :-
 - Use of Energy efficient tube light to all substations/offices.
 - Use of energy efficient auxiliaries and adopting clean technology.
 - Optimum utilization of capacitor bank and close monitoring thereof for reactive loss compensation.
- (ii) The steps taken by company for utilizing alternate sources of energy:-
 - Currently various renewable energy plants with an aggregate capacity of 4483 MW are already connected to grid network of UPPTCL & UPPCL. The installed generation capacity of Uttar Pradesh is around 31,306 MW out of which renewable energy generation form only 14.31% (4483 MW) of the entire installed capacity.
- (iii) The capital investment of energy conservation of equipments-NIL

B. Technology absorption-

- (i) The efforts made towards technology absorption:-
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution.

For Substations:-

Existing transmission sub-station are pre-dominantly "AIR INSULATED"(AIS) type. The ever-growing population and urbanization has forced space constraints hampering the availability of land required for construction of substations. Further AIS type of substations, are prone to tripping/interruptions. Hence UPPTCL has ensured to extent possible solution to this problem by opting-

- Substation automation system for EHV class substations.
- Gas Insulated substation (GIS) for 132kV to 400 kV substations. In FY 2021-22, 02 nos 400kV, 01 no. 220kV and 01 no. 132kV GIS substation have been commissioned.
- Hybrid switchgear technology for 132kV & 220kV substations has been adopted abd during FY 2020-21, 01 no. 220 kV hybrid substation has been commissioned.

These substations are quite stable in operation and are less prone to tripping interruptions.

For Transmission Lines:-

Transmission lines are limited in their conductor ampacity by stability constraints. Also, laying of overhead transmission lines attracts invariable Right-of-Way issues. To address this issue by way of use of technology, UPPTCL have undertaken following steps:-

- Replacing existing relatively low ampacity conductors ACSR Panther by high ampacity HTLS (High Temperature Low Sag) conductors.
 - Monopole design for EHV lines.
 - Optical Fiber Ground Wire (OPGW) for efficient protection signaling and communication.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -
- (a) The details of technology imported;
 - (b) The year of import;
 - (c) Whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development:- NIL

C. Technology absorption-

- (i) Earnings In Foreign Exchange : NIL
- (ii) Foreign Exchange Outgo : NIL

For and on behalf of the Board of Directors

-SD-

(Ranjan Kumar Srivastava)

Director (Finance)

DIN No.: 07338796

-SD-

(Guruprasad Porala)

Managing Director

DIN No.: 07979258

Date : 11-08-2022

Place : Lucknow

ANNEXURE V-TO THE DIRECTORS' REPORT

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company-

The main objective of Corporate Social Responsibility (CSR) Policy of U.P. POWER TRANSMISSION CORPORATION LIMITED ("the Company") is:

- to lay down guidelines to make CSR a key business process for sustainable development of the society.
- to directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities around our area of operation and society at large.
- to generate goodwill and recognition among all stake holders of the Company.

This Policy shall apply to all CSR projects/programmes/activities undertaken by the Company in India as per Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee :

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	ShriSenthilPandian C.	Managing Director/ Chairman of CSR Committee	2	2
2.	ShriRakesh Kumar Singh	Director-Operation/ Member	2	2
3.	ShriBibhu Prasad Mahapatra	Director-Finance/ Member	2	2
4.	Shri Anil Jain	Director-Planning & Commercial/Member	2	2
5.	Shri Ravi PrakashDubey	Director-Works & Project/Member	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:-

- a. Composition of CSR committee-<https://upptcl.org/upptcl/en/page/csr-committee>
- b. CSR Policy-<https://upptcl.org/upptcl/en/page/csr-policy>
- c. CSR projects-N.A

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).- N.A
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N.A

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2017-18	—	—
2	2018-19	—	—
3	2019-20	—	—
	Total	—	—

6. Average net profit/(Loss) of the company as per section 135(5).- (₹ 70,27,61,350.28)
7. (a) Two percent of average net profit of the company as per section 135(5)-NIL
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.-NIL
 (c) Amount required to be set off for the financial year, if any-NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c).-NIL
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,00,000/-	—	—	—	—	—

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency (Yes/No)	
				State	District						Name	CSR Registration number
1.	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Covid-19	Schedule 7(i) Promoting Healthcare	Yes	U.P./Ghaziabad		5,000,00	Yes	-	-
	Total	-	-	-	-	5,000,00	-	-	-

(d) Amount spent in Administrative Overheads-NIL

(e) Amount spent on Impact Assessment, if applicable-NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)-Rs.5,00,000/-

(g) Excess amount for set off, if any-N.A

Sl.No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit (loss) of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: N.A

(1) Sl. No.	(2) Preceding Financial Year	(3) Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	(4) Amount spent in the reporting Financial Year (in ₹)	(5) Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			(6) Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):-N.A

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project - Completed / Ongoing
1.	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).-N.A

(a) Date of creation or acquisition of the capital asset(s).-N.A

(b) Amount of CSR spent for creation or acquisition of capital asset.-N.A

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.-N.A

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).-N.A

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).-N.A

For and on behalf of the Board of Directors

-SD-

(Ranjan Kumar Srivastava)
Director (Finance)

-SD-

(Guruprasad Porala)
Managing Director

Date : 11-08-2022

DIN No.: 07338796

DIN No.: 07979258

Place : Lucknow

BALANCE SHEET AS AT 31st MARCH 2021

(₹ in Lakhs)

PARTICULARS	Note No.	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
1. Non-current Assets			
(a) Property, Plant & Equipment	2	21,50,946.79	19,51,262.71
(b) Capital Work-in-progress	3	7,95,832.17	7,79,356.21
(c) Other Intangible Assets	4	417.47	122.43
(d) Deferred Tax Assets	5	2,969.76	16,655.16
(e) Other Non-current Assets	6	454.34	456.30
2. Current Assets			
(a) Inventories (Stores & Spares)	7	1,60,791.32	1,62,714.84
(b) Financial Assets			
(i) Trade Receivables	8	6,35,762.13	5,60,054.57
(ii) Cash and Cash Equivalents	9	65,475.64	75,214.47
(c) Other Current Assets	10	39,936.76	40,505.88
Total Assets		38,52,586.38	35,86,342.57
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	17,52,314.05	15,06,006.68
(b) Other Equity (Refer SOCE)		1,05,488.55	1,19,386.18
Liabilities			
1. Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	11,82,214.38	11,59,335.40
(ii) Other Financial Liabilities	13	—	2,470.95
(b) Provisions	14	28,439.77	28,449.04
(c) Other Non Current Liabilities	15	97.23	103.28
2. Current Liabilities			
(a) Financial Liabilities	16	1,69,242.13	1,63,641.81
(b) Other Current Liabilities	17	6,13,309.27	6,05,251.81
(c) Provisions	18	1,481.00	1,697.42
Significant Accounting Policies	1		
Notes on Accounts	29		
Note 1 to 29 form integral part of accounts			
Total Equity & Liabilities		38,52,586.38	35,86,342.57

-SD-

(S.K. Awasthi)Deputy General Manager
(Finance & Accounts)

-SD-

(A. K. Gupta)Executive Director
(Finance & Accounts)

-SD-

(Ranjan K. Srivastava)Director (Finance)
DIN-07338796

Subject to our report of even date

For R.M. Lall & Co.

Chartered Accountants

-SD-

(Rishi Tandon)

Company Secretary

-SD-

(Senthil Pandian C)Managing Director
DIN-08235586

-SD-

(R.P. Tewari)Partner
M. No. 071448

F.R.N. 000932C

Place : Lucknow

Date : 23-12-2021

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2021

(₹ in Lakhs)

PARTICULARS	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
I Revenue from operations	19	3,30,221.26	3,49,808.12
II Other income	20	26,247.60	32,478.85
III TOTAL INCOME (I+II)		3,56,468.86	3,82,286.97
EXPENSES			
Employee benefits expense	21	34,446.22	36,128.83
Finance costs	22	1,18,937.20	1,13,111.64
Depreciation and amortization expenses	23	1,39,178.47	1,26,474.60
Other expenses			
(a) Administrative, general & other expenses	24	6,481.88	6,309.99
(b) Repair & maintenance expenses	25	44,864.84	45,864.69
(c) Bad Debts & Provisions	26	–	298.50
IV TOTAL EXPENSES		3,43,908.61	3,28,188.25
V Profit/(Loss) before tax (III-IV)		12,560.25	54,098.72
VI Tax expenses:			
(a) Current tax		–	–
(b) Deferred tax	27	13,685.40	22,666.27
VII Profit / (Loss) for the period from continuing operations (V-VI)		(1,125.15)	31,432.45
VIII Profit / (Loss) from discontinued operations		–	–
IX Tax expense of discontinued operations		–	–
X Profit / (Loss) from discontinued operations (after tax) (VIII-IX)		–	–
XI Profit / (Loss) for the period (VII+X)		(1,125.15)	31,432.45
XII Other comprehensive income Items that will not be reclassified to profit or loss	28	1,299.25	(1,553.67)
XIII Total comprehensive income for the period (XI + XII) (Comprising profit/(loss) and other comprehensive income for the period)		174.10	29,878.78
XIV Earnings per equity share (For continuing operation) (Figures in actuals)			
(1) Basic EPS ¹		(0.71)	21.37
(2) Diluted EPS ¹		(0.71)	20.70

XV Earning per equity share (For discontinued operation)			
(Figures in actuals)			
(1) Basic EPS ¹		—	—
(2) Diluted EPS ¹		—	—
XVI Earning per Equity Share (For discontinued & continuing operations)(Figures in actuals)			
(1) Basic EPS ¹		(0.71)	21.37
(2) Diluted EPS ¹		(0.71)	20.70
Significant accounting policies	1		
Notes on accounts	29		
Note 1 to 29 form integral part of accounts			

¹ Refer point 10 to Note No.29

-SD-
(S.K. Awasthi)
Deputy General Manager
(Finance & Accounts)

-SD-
(A. K. Gupta)
Executive Director
(Finance & Accounts)

-SD-
(Ranjan K. Srivastava)
Director (Finance)
DIN-07338796

Subject to our report of even date
For R.M. Lall & Co.
Chartered Accountants

-SD-
(Rishi Tandon)
Company Secretary

-SD-
(Senthil Pandian C)
Managing Director
DIN-08235586

-SD-
(R.P. Tewari)
Partner
M. No. 071448
F.R.N. 000932C

Place : Lucknow
Date : 23-12-2021

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

FOR THE YEAR ENDED 31st MARCH 2021

(₹ in Lakhs)

Balance as at 01.04.2020	Changes in equity share capital during the year	Balance as at 31.03.2021
15,06,006.68	2,46,307.37	17,52,314.05

B. Other Equity

FOR THE YEAR ENDED 31st MARCH 2021

(₹ in Lakhs)

Description	Share Application Money pending allotment	Reserves & Surplus			Other items of Other Comprehensive Income (Actuarial Gains & Losses)	Total
		Capital Reserve	Other Reserve	Retained Earnings		
Balance as at 01.04.2020	51,594.38	1,55,021.58	1,291.56	(80,576.97)	(619.15)	1,26,711.40
Changes in accounting policy or prior period errors	0.00	(216.25)	0.00	(7,108.97)	0.00	(7,325.22)
Restated Balance as at 01.04.2020	51,594.38	1,54,805.33	1,291.56	(87,685.94)	(619.15)	1,19,386.18
Total Comprehensive Income for the year	0.00	0.00	0.00	0.00	1,299.25	1,299.25
Dividends	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	(1,125.15)	0.00	(1,125.15)
Any other change	(51,594.38)	37,472.46	50.19	0.00	0.00	(14,071.73)
Balance as at 31.03.2021	0.00	1,92,277.79	1,341.75	(88,811.09)	680.10	1,05,488.55

-SD-

(S.K. Awasthi)

Deputy General Manager
(Finance & Accounts)

-SD-

(A. K. Gupta)

Executive Director
(Finance & Accounts)

-SD-

(Ranjan K. Srivastava)

Director (Finance)
DIN-07338796

Subject to our report of even date

For R.M. Lall & Co.

Chartered Accountants

-SD-

(Rishi Tandon)

Company Secretary

-SD-

(Senthil Pandian C)

Managing Director
DIN-08235586

-SD-

(R.P. Tewari)

Partner
M. No. 071448

F.R.N. 000932C

Place : Lucknow

Date : 23-12-2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2021

(₹ in Lakhs)

	PARTICULARS	For the year ended 31 March, 2021	For the year ended 31 March, 2020
A)	Cash Flow from Operating Activities		
	Net Profit/(Loss) before Tax	12,560.25	54,098.72
	Adjustment for :-		
(a)	Depreciation	1,39,178.47	1,26,474.60
(b)	Revenue recognized from Consumer Contribution	(12,962.03)	(10,452.02)
(c)	Proceeds from Consumers Contribution	50,434.49	39,696.15
(d)	Interest & Finance Charges	1,18,937.20	1,13,111.64
(e)	Provision for Loss on Capital Expenditure Incurred	—	113.00
(f)	Provision for Loss - Advances to Suppliers/Contractors	—	185.50
(g)	Provision for Earned Leave Encashment (Terminal Benefit)	(370.02)	3,490.08
(h)	Interest Income	(1,644.17)	(3,223.04)
(i)	Provision for Gratuity - CPF Employees	1,443.59	1,010.85
(j)	Other Capital Reserves	50.19	97.18
(k)	Deferred Income	(6.05)	103.28
	Operating Profit Before Working Capital Changes	3,07,621.92	3,24,705.94
	Adjustment for :-		
(a)	Decrease/(Increase) in Inventories (Stores & Spares)	1,923.53	(19,603.25)
(b)	Decrease/(Increase) in Trade Receivables	(75,707.57)	(1,38,632.95)
(c)	Decrease/(Increase) in Other Current Assets	3,165.67	4,768.23
(d)	Increase/(Decrease) in Other Current Liabilities	13,657.77	93,462.45
	Cash Generated from Operations	2,50,661.32	2,64,700.42
	Less: Taxes paid	2,596.55	4,224.46
	Net cash flow from Operating Activities (A)	2,48,064.77	2,60,475.96
B)	Cash Flow from Investing Activities		
(a)	Decrease/(Increase) in Property, Plants & Equipments	(3,33,207.48)	(2,95,476.97)
(b)	Depreciation Reserve adjusted/deducted on PPE	(5,509.35)	(10,789.02)
(c)	Decrease/(Increase) in Intangible Assets	(440.76)	(2.98)
(d)	Decrease/(Increase) in Capital Work-in-Progress	(16,475.96)	(75,924.20)
(e)	Decrease/(Increase) in Other Non-current Assets	1.96	(96.95)
(f)	Interest received	1,644.17	3,223.04
	Net cash used in Investing Activities (B)	(3,53,987.42)	(3,79,067.08)

PARTICULARS	For the year ended 31 March, 2021	For the year ended 31 March, 2020
C) Cash Flow from Financing Activities		
(a) Proceeds from Borrowings (Net)	22,878.98	69,165.14
(b) Proceeds from Share Capital	2,46,307.37	1,46,472.70
(c) Proceeds from Share Application Money	(51,594.38)	5,121.68
(d) Other Long-term Liabilities	(2,470.95)	(11,516.94)
(e) Interest & Finance Charges	(1,18,937.20)	(1,13,111.65)
Net cash flow from Financing Activities (C)	96,183.82	96,130.93
Net (Decrease)/Increase in cash & cash equivalents (A+B+C)	(9,738.83)	(22,460.19)
Cash & cash equivalents as at beginning of the year	75,214.47	97,674.66
Cash & cash equivalents as at end of the year	65,475.64	75,214.47

Notes to the Cash flow Statement:

(i) Cash & cash equivalents as at end of the year:-

Cash in hand 13.41 17.16Cash in Transit - -**Balances with banks**In Current & Other Account 65,459.34 75,189.56In Fixed Deposit Account 2.89 7.75**Total** **65,475.64** **75,214.47**

(ii) This statement has been prepared using indirect method as prescribed under Para 20 to Ind AS 7.

(iii) Cash and cash equivalents consists of cash in hand, bank balances in current & other account and fixed deposits with banks.

(iv) Previous year figures have been regrouped/reclassified/recast wherever considered necessary.

-SD-**(S.K. Awasthi)**Deputy General Manager
(Finance & Accounts)**-SD-****(A. K. Gupta)**Executive Director
(Finance & Accounts)**-SD-****(Ranjan K. Srivastava)**Director (Finance)
DIN-07338796

Subject to our report of even date

For R.M. Lall & Co.

Chartered Accountants

-SD-**(Rishi Tandon)**

Company Secretary

-SD-**(Senthil Pandian C)**Managing Director
DIN-08235586**-SD-****(R.P. Tewari)**Partner
M. No. 071448

F.R.N. 000932C

Place : Lucknow

Date : 23-12-2021

Note - 1**SIGNIFICANT ACCOUNTING POLICIES (FINANCIAL YEAR 2020-21)****1) GENERAL / BASIS OF PREPARATION**

- (a) **Governing Statute**The Company is governed by the Electricity Act, 2003 read with Electricity (Supply) Act, 1948 to the extent applicable.
- (b) **Statement of Compliance**The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India 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, the provisions of the Electricity Act, 2003 and the provisions of Electricity (Supply) Annual Accounts Rules, 1985 to the extent applicable. The provisions of Electricity (Supply) Annual Accounts Rules 1985 have prevailed wherever the same are inconsistent with the provisions of the Companies Act, 2013. The accounting policies have been consistently applied by the company unless otherwise stated.
- (c) **Functional and presentation currency**These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.
- (d) **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 consumed in normal operating cycle;
 - Expected to be realized within twelve months after the reporting period; or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for the last twelve months after the reporting period.
- All other assets are classified as non-current.
- A liability is current when:
- It is expected to be settled in normal operating cycle;
 - It is 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) Deferred tax assets/liabilities have been classified as Non-current.

(e) Use of Estimates

The preparation of financial statements requires estimates & assumption that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates & assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.

2. SIGNIFICANT ACCOUNTING POLICIES

I) PROPERTY, PLANT & EQUIPMENT

- (a) Property, Plant and Equipment (PPE) are shown at historical cost less accumulated depreciation.
- (b) Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (c) In case of assets put to use, where final settlement of bills with the contractor is yet to be affected, capitalization is done on provisional basis subject to the necessary adjustments in the year of final settlement.
- (d) Transmission system Assets are considered as ready for intended use from the date of commercial operation declared in terms of UPERC Tariff Regulation and capitalized accordingly.
- (e) Revaluation of Property, Plant and Equipment is not permitted in light of the provisions contained in The Electricity (Supply) Annual Accounts Rules, 1985.

II) CAPITAL WORK IN PROGRESS (CWIP)

- (a) Cost of material, erection charges and other expenses incurred for construction of property, plant and equipment are shown as CWIP till the date of capitalization.
- (b) Due to multiplicity of functional unit as well as multiplicity of functions at particular unit, employee costs are apportioned as a percentage of total expenditure of capital works incurred during the year as per the Electricity (Supply) Annual Accounts Rules, 1985 are as follows:
 - (1) In case of capital transmission works
 - (i) @9% on 132 & 220 KV Substations and Lines,
 - (ii) @7% on 400 KV Substations and Lines, and
 - (iii) @5% on 765 KV Substations and Lines.
 - (2) In case of other Capital works @ 10%.

- (c) Supervision charges on Deposit Works are apportioned @ 15% (except as stated otherwise under notes) of total expenditure of capital works.
- (d) Interest during construction allocated to construction of PPE are kept as a separate item under CWIP and apportioned to the related assets being capitalized.
- (e) Advances to Suppliers/Contractors (Capital) under CWIP are as per the Electricity (Supply) Annual Accounts Rules, 1985.

III) DEPRECIATION

- (a) Each part of the item of property, plant and equipment having significant cost in relation to the total cost of the item has been depreciated separately.
- (b) Depreciation is charged as per method prescribed in "Appendix I" to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 issued by Central Electricity Regulatory Commission vide notification no. L-1/236/2018/CERC Dt. 07.03.2019 under the powers conferred to it u/s 178 of the Electricity Act, 2003 (36 of 2003) read with section 61. The said regulation is effective for the period from 01.04.2019 to 31.03.2024.
- (c) In view of (b) above depreciation is charged on Property, Plant and Equipment at prescribed rates on SLM (Straight Line Method) considering 10% salvage value of the original cost (except in case of temporary erections such as wooden structures, where depreciation rate is 100% and in case of, IT equipment & Software where depreciable value is 100% with salvage value NIL).
- (d) Depreciation on additions to the Property, Plant and Equipment during the year is charged on pro-rata basis from the month of commercial operation. Similarly, depreciation on deductions from Property, Plant and Equipment during the year is charged on pro-rata basis upto the month in which the asset is disposed.
- (e) In respect of leasehold assets (unlike other assets where depreciable value is 90%), the depreciation is charged to write-off 100 per cent (leaving a nominal value for identification of lease asset) of the cost of leasehold asset, on a straight line method.(i) as per III(b) above or(ii) over the period of the lease, whichever is shorter. In considering the period of the lease, the renewal clause, if any, in the lease agreement has been ignored.

IV) BORROWING COST

Borrowing costs toward the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets upto the effective date of commercial operation. A qualifying asset is

one that necessarily takes substantial period of time to get ready for commercial use. All other borrowing costs are recognized in the statement of Profit & Loss in the period they occur.

V) STORES & SPARES

- (a) Stores & Spares are valued at cost (i.e., transaction value) as per Historical Cost Convention under the Electricity (Supply) Annual Accounts Rules, 1985, which does not permit revaluation for adjusting them to replacement cost, current cost etc.
- (b) Steel and zinc scrap is valued at realizable value and other scraps are accounted for in the accounts, 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 and thereafter any excess, if established is shown under the head of Income. Similarly shortages after investigation are either recovered from staff concerned or charged to Profit & Loss Account, as the case may be.
- (d) Shortage/Loss due to theft or any other reason are first debited to the head “Misc. Advance to Staff” and are shown as Current Assets till the finalization of enquiry/settlement of the case.

VI) REVENUE RECOGNITION

- (a) Transmission revenue is incorporated in the accounts on the basis of tariff approved by the UPERC for intra-state transmission of energy. Any difference in transmission tariff approved by UPERC and the actual tariff presented in the true-up on the basis of audited accounts is accounted for on the decision of the UPERC on true-up petition.
- (b) In consonance with the provisions of “Ind AS 115 - Revenue from contracts with customers”, the consumer contribution received towards cost of Capital Assets, after being initially accounted as capital reserve, are recognized as revenue over a period which is the useful life of the underlying capital asset ascertained on the basis of general rate of depreciation as determined by the Regulator (i.e., CERC), vide CERC Regulations issued in exercise of powers conferred under section 178 of the Electricity Act, 2003, except when such period has been specifically determined by the terms of the agreement with the customer. The revenue has been recognized as equal annual income over the abovesaid period, except in the year of initial recognition of Consumer Contribution Reserve, when only 50% of equal annual income is recognized as revenue and at the end of the abovesaid period when the whole unrecognized balance has been recognized as revenue.
- (c) In view of Organizations’s policy of advance collection of charges through NRLDC in case of Inter-state Short Term Open Access transactions and as per schedule of payment issued

by SLDC in case of Intra-state Short Term Open Access transactions, the revenue from open access is recognized /accounted after receipt of charges on accrual basis at the tariff approved by CERC/UPERC.

Further, as per Ind AS 115 on Revenue from contracts with customers, the revenue received in advance against short term open access (STOA) proportionate to the period falling under the relevant Financial year is recognized as revenue either when the access has been provided or when the STOA period has expired and there are no remaining obligations or when the contract gets terminated. However, before being recognized as revenue, the consideration received from STOA customers has been accounted for as a liability.

- (d) Government grants are accounted for in Balance Sheet by setting up the grant as Liability on receipt and it is transferred to Reserves as deferred income only when there is reasonable assurance that the conditions attached to it have been complied. Such deferred income is recognized in Statement of Profit & Loss on a systematic basis over a period which is the useful life of the underlying capital asset ascertained on the basis of general rate of depreciation as determined by the Regulator (i.e., CERC) vide CERC Regulations issued in exercise of powers conferred under section 178 of the Electricity Act, 2003.
- (e) Supervision charges on Deposit Works (as per applicable rates) are recognised as revenue in proportion to related expenditure during the relevant period.
- (f) Insurance and Other Claims, Refund of Custom duty, Interest on Income Tax & Trade Tax are accounted for on receipt basis. Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

VII) MATERIAL PRIOR PERIOD ERRORS

All material prior period errors have been corrected retrospectively in the financial statements approved for issue after discovery of the error by restating the comparative amounts for the prior periods presented in which the error occurred or where the error occurred before the earliest presented period by restating the opening balances of assets, liabilities and equity for the earliest presented period, as the case may be. In case it is impracticable to determine the period-specific effects/cumulative effect on all prior periods, the opening balances of assets, liabilities and equity/comparative information has been restated for the earliest date practicable.

VIII) EMPLOYEE BENEFITS

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

- (b) Provision for Earned Leave encashment (Post employment defined benefit plan) is accounted for as per the actuarial valuation report.
- (c) Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.

IX) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) Accounting of the provisions has been made on the basis of estimated expenditure to the extent possible as may be required to settle the present obligation and are reviewed at the end of each financial year and adjusted to reflect the estimated expenditure, to the extent possible.
- (b) Contingent liabilities have been disclosed in the Notes to Accounts, unless the possibility of an outflow of resources embodying economic benefits is remote. Whereas, contingent assets have not been disclosed in the Notes to Accounts, unless an inflow of economic benefits has become probable.
- (c) Where it is not practicable to disclose any contingent liability or contingent asset, the fact to that effect has been disclosed.

X) DEFERRED TAX

Ind AS 12 - 'Income Tax' requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred Tax Assets of Income tax recoverable in future periods in respect of deductible temporary differences & Deferred Tax Liabilities of Income tax payable in future periods in respect of taxable temporary differences are recognised using the Balance Sheet approach.

XI) CASH FLOW STATEMENT

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

XII) FINANCIAL ASSETS

Initial recognition and measurement:

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 instruments in entities are measured at fair value through profit & loss (FVTPL) as the same is not held for trading.

XIII) FINANCIAL LIABILITIES

Initial recognition and measurement: Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All the financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade payables, borrowings and other payables. Subsequent Measurement: Borrowings have been measured at fair value using effective interest rate (EIR) method. Effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest and other expenses over the relevant period. Since each borrowings has its own separate rate of interest and risk, therefore the rate of interest at which they have been acquired is treated as EIR. Trade and other payables are shown at contractual value. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

-SD-**(S.K. Awasthi)**Deputy General Manager
(Finance & Accounts)**-SD-****(A. K. Gupta)**Executive Director
(Finance & Accounts)**-SD-****(Ranjan K. Srivastava)**Director (Finance)
DIN-07338796

Subject to our report of even date

For R.M. Lall & Co.

Chartered Accountants

-SD-**(Rishi Tandon)**

Company Secretary

-SD-**(Senthil Pandian C)**Managing Director
DIN-08235586**-SD-****(R.P. Tewari)**Partner
M. No. 071448

F.R.N. 000932C

Place : Lucknow

Date : 23-12-2021

NOTE - 2 : PROPERTY, PLANT & EQUIPMENT (₹ in Lakhs)

Particulars	GROSS BLOCK			
	As at 01-04-2020	Addition	Deduction/ Adjustment	As at 31-03-2021
Land & Land Rights				
(i) Land Owned under full title	9,944.79	1,673.27	-	11,618.06
(ii) Land Owned under Lease	5.54	0.03	-	5.57
Total (i+ii)	9,950.33	1,673.30	-	11,623.63
Buildings	1,23,005.50	11,862.50	2.10	1,34,865.90
Other Civil Works	10,354.06	969.40	-	11,323.46
Plant & Machinery	13,96,865.93	1,53,144.23	16,713.53	15,33,296.63
Lines, Cables Network etc.	13,00,149.70	1,83,208.37	1,488.46	14,81,869.61
Vehicles	337.14	1.44	5.67	332.91
Furniture & Fixtures	997.58	120.81	-	1,118.39
Office Equipments	1,211.23	97.05	-	1,308.28
Other assets	11,008.64	387.52	47.38	11,348.78
Total	2,853,880.11	351,464.62	18,257.14	3,187,087.59

(₹ in Lakhs)

Particulars	DEPRECIATION AND AMORTISATION				NET CARRYING VALUE	
	As at 01-04-2020	Addition	Deduction/ Adjustment	As at 31-03-2021	Balance as at 31-03-2021	Balance as at 31-03-2020
Land & Land Rights						
(i) Land Owned under full title	-	-	-	-	11,618.06	9,944.79
(ii) Land Owned under Lease	-	-	-	-	5.57	5.54
Total (i+ii)	-	-	-	-	11,623.63	9,950.33
Buildings	27,402.62	4,256.92	1.89	31,657.65	1,03,208.25	95,602.88
Other Civil Works	3,658.30	399.45	-	4,057.75	7,265.71	6,695.76
Plant & Machinery	4,29,145.63	71,447.85	4,544.85	4,96,048.63	10,37,248.00	9,67,720.30
Lines, Cables Network etc.	4,32,350.11	61,989.77	911.33	4,93,428.55	9,88,441.06	8,67,799.59
Vehicles	302.94	2.14	5.23	299.85	33.06	34.20
Furniture & Fixtures	299.65	64.46	-	364.11	754.28	697.93
Office Equipments	592.48	136.02	-	728.50	579.78	618.75
Other assets	8,865.67	736.14	46.05	9,555.76	1,793.02	2,142.97
Total	9,02,617.40	1,39,032.75	5,509.35	10,36,140.80	21,50,946.79	19,51,262.71

NOTE-'3' CAPITAL WORK IN PROGRESS**(₹ in Lakhs)**

Particulars	As at 31-03-2021		As at 31-03-2020	
Capital Work in Progress ¹	3,62,778.35		3,63,820.84	
Less: Provision on account of CWIP loss (Due to abandonment or otherwise)	192.26	3,62,586.09	192.26	3,63,628.58
Borrowing Cost pending for capitalization upto Previous Year	56,018.39		52,502.60	
Add: Addition during the year	19,747.42		12,713.87	
Less: capitalization during the year	8,842.63	66,923.18	9,198.08	56,018.39
Material with Contractors for construction work	3,35,880.09		3,14,632.65	
Less: Provision for Bad & Doubtful Advances to Suppliers & Contractors (Capital)	185.50	3,35,694.59	185.50	3,14,447.15
Advances to Suppliers/Contractors (Capital) (Other than material)	30,628.31		45,262.09	
Total	7,95,832.17		7,79,356.21	

¹ Excluding borrowing cost & material and other advances with contractors.

NOTE-4 : OTHER INTANGIBLE ASSETS**(₹ in Lacs)**

Particulars	GROSS BLOCK			
	As at 01-04-2020	Additions	Deduction/ Adjustment	As at 31-03-2021
Intangible Assets				
Software	429.57	440.76	—	870.33
Total	429.57	440.76	—	870.33

(₹ in Lacs)

Particulars	DEPRECIATION AND AMORTISATION				NET CARRYING VALUE	
	As at 01-04-2020	Additions	Deduction/ Adjustment	As at 31-03-2021	Balance as at 31-03-2021	Balance as at 31-03-2020
Intangible Assets						
Software	307.14	145.72	—	452.86	417.47	122.43
Total	307.14	145.72	—	452.86	417.47	122.43

NOTE-'5' DEFERRED TAX ASSETS**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Net Deferred Tax Assets	2,969.76	16,655.16
Total	2,969.76	16,655.16
Details of DTA & DTL:		
Deferred Tax Assets		
Difference in book depreciation and tax depreciation	–	–
Provisions/expenses allowable on payment basis	5,087.27	5,394.75
Unused tax losses	1,50,344.88	1,41,636.88
Others	– 1,55,432.15	– 1,47,031.63
Deferred Tax Liability		
Difference in book depreciation and Tax depreciation	(1,52,462.39)	(1,30,376.47)
Others	– (1,52,462.39)	– (1,30,376.47)
Total	2,969.76	16,655.16

NOTE-'6' OTHER NON-CURRENT ASSETS**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Deferred Revenue Costs (Land Lease Premium)	454.34	456.30
Total	454.34	456.30

NOTE-'7' INVENTORIES**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Stores & Spares		
(a) Stock of Materials-Capital Works	1,30,171.83	1,28,360.84
(b) Stock of Materials-O&M	24,106.02	28,005.85
(c) Other Materials ¹	6,513.47	6,348.15
Total	1,60,791.32	1,62,714.84

¹ Other Materials include material issued to fabricators, obsolete material, scrap, transformers sent for repair, stores, excess/shortage pending for investigation and material in transit.

NOTE-'8' FINANCIAL ASSETS - TRADE RECEIVABLES**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Trade receivables secured, considered good	—	—
Trade receivable unsecured, considered good	6,35,762.13	5,60,054.57
Trade receivables - Doubtful	—	—
Total	6,35,762.13	5,60,054.57
Details of Trade Receivables :-		
Madhyanchal V.V.N.L., Lucknow	1,20,774.69	1,07,118.81
Purvanchal V.V.N.L., Varanasi	1,49,584.21	1,31,235.59
Pashchimanchal V.V.N.L., Meerut	1,97,827.93	1,80,003.09
Dakshinanchal V.V.N.L., Agra	1,46,023.51	1,32,055.64
KESCO, Kanpur	7,190.41	5,601.08
Others	14,361.38	4,040.36
	6,35,762.13	5,60,054.57

NOTE-'9' : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
(a) Cash in Hand (including Stamps in Hand)	13.41	17.16
(b) Balance with Banks		
In Current & Other Account (including flexi balances)	65,459.34	75,189.56
In Fixed Deposit Account	2.89	7.75
Total	65,475.64	75,214.47

NOTE-'10' : OTHER CURRENT ASSETS**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Unsecured, Considered Good		
Advances to Employees (Adjustable/recoverable from salary)	4.42	6.75
Tax Deducted at Source	2,596.55	4,229.00
Advances to Suppliers/Contractors (O&M)	1,489.40	1,555.83
Receivables :		
Employees	793.91	861.34
Others	9,916.48	8,729.37
	<u>10,710.39</u>	<u>9,590.71</u>
Less: Provision for Doubtful Receivables	186.60	186.60
Interest accrued but not due on F.D.	2.19	1.93
Prepaid Expenses	0.65	0.68
Deferred Revenue Costs (Land Lease Premium)	17.97	17.97
Inter-Unit Transfers ¹	25,301.79	25,289.61
Total	39,936.76	40,505.88

¹ Refer point (18) of Note 29.

NOTE-'11' : EQUITY SHARE CAPITAL**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
(A) Authorised Capital		
200000000 Equity Shares of par value ₹ 1000 each (Previous year 200000000 Equity share of par value ₹ 1000 each)	20,00,000.00	20,00,000.00
(B) Issued, Subscribed and Paid-up Capital		
175231405 Fully paid Equity Shares of par value ₹ 1000 each. (Previous year 150600668 Fully paid Equity Shares of par value ₹ 1000 each)	17,52,314.05	15,06,006.68
Total	17,52,314.05	15,06,006.68

(A) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at 31.03.2021	As at 31-03-2021	As at 31-03-2020	As at 31-03-2020
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Shares outstanding at the beginning of the year	15,06,00,668	15,06,006.68	13,59,53,398	13,59,533.98
Shares Issued during the year- Fresh Issue	2,46,30,737	2,46,307.37	1,46,47,270	1,46,472.70
Shares outstanding at the end of the year	17,52,31,405	17,52,314.05	15,06,00,668	15,06,006.68

(B) Terms / Rights attached to Equity Shares

- (i) The Company has only one class of Equity Shares having a par value of ₹ 1000/- per share.
- (ii) During the year ended 31.03.2021, the company has issued 24630737 shares.
- (iii) During the year ended 31.03.2021, no dividend has been declared by the Board of Directors due to heavy accumulated losses.

(C) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020	As at 31-03-2020
	No. of Shares	% Holding	No. of Shares	% Holding
Hon'ble Governor of Government of U.P.	15,30,98,053	87.37%	12,84,67,316	85.30%
Uttar Pradesh Power Corporation Ltd.	2,21,32,752	12.63%	2,21,32,752	14.70%

Reconciliation of Share Application Money**(₹ in Lakhs)**

Description	Share Application Money as on 31-03-2020	Received during the Year 2020-21	Alloted during the year 2020-21	Share Application Money as on 31-03-2021
Share Application Money	51,594.38	1,94,712.99	2,46,307.37	-

NOTE-'12' : NON-CURRENT FINANCIAL LIABILITIES: BORROWINGS (₹ in Lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Secured Loans		
Term loans		
From Others	13,26,201.47	12,96,403.46
(Secured by exclusive charge on asset created under the PFC & REC Scheme)		
Unsecured Loans		
Term loans		
From Others	1,505.39	2,300.21
(All the above loans are guaranteed by Govt of U.P.)		
Sub-Total of Secured & Unsecured Loans	13,27,706.86	12,98,703.67
Less: Current Maturity of Long Term Borrowings (Refer Annexure A)	1,45,492.48	1,39,368.27
Total	11,82,214.38	11,59,335.40

- 1) Detail of terms etc. of borrowings have been annexed at Annexure-A.
- 2) Detail of default in debt servicing have been annexed at Annexure-B

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW

 DISCLOSURES OF TERMS ETC. OF BORROWINGS AS REQUIRED IN SCHEDULE-III THE COMPANIES ACT, 2013
 Annexure A to Note 12
 (Amount in Lakhs ₹)

Loans	Security & Guarantee Details	Interest Rate	Repayment Terms	Balance as on 31-03-2020 (A)	Current Maturity for Long term debt as on 31-03-2020 (B)	Long term borrowing as on 31-03-2020 C=(A-B)	Loan received during the year (FY 20-21) (D)	Loan repaid during the year (FY 20-21) (E)	Balance as on 31-03-2020 F=(A+D-E)	Current Maturity for Long term debt as on 31-03-2021 (G)	Long term borrowing as on 31-03-2021 H=(F-G)
(A) Secured											
(i) Power Finance Corporation Ltd (Hypo)	Secured by hypothecation of Lines & Substations under the PFC scheme	9.00% to 13.25%	40 to 60 EQIS	5,65,929.93	61,237.56	5,04,692.37	76,499.38	63,366.75	5,79,062.56	64,595.91	5,14,466.65
(ii) Rural Electrification Corporation Ltd (Transmission)	Secured by hypothecation of Lines & Substations under the REC scheme	11% to 13%	10 EYIs / 120 EMIs	7,30,473.53	77,335.89	6,53,137.64	96,657.56	79,992.18	7,47,138.91	80,020.66	6,67,118.25
			Total [A]- (i+ii)	12,96,403.46	1,38,573.45	11,57,830.01	1,73,156.94	1,43,358.93	13,26,201.47	1,44,616.57	11,81,584.90
(B) Unsecured											
(i) Rural Electrification Corporation Ltd (Reschedule)	Guaranteed by Govt. of U.P.	10.11%	180 EMIs	2,300.21	794.82	1,505.39	-	794.82	1,505.39	875.91	629.48
			Total [B]- (i+iii+iv)	2,300.21	794.82	1,505.39	-	794.82	1,505.39	875.91	629.48
			Grand Total (A+B)	12,98,703.67	1,39,368.27	11,59,335.40	1,73,156.94	1,44,153.75	13,27,706.86	1,45,492.48	11,82,214.38

EMI = Equated monthly Installment, EQI = Equal quarterly installment, EYI = Equal yearly installment

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW
Annexure B to Note '12'
(Amount in ₹)

DISCLOSURES OF DEFAULT IN DEBT SERVICING AS REQUIRED IN SCHEDULE-III TO THE COMPANIES ACT, 2013

Loans	Repayment Terms				Default as on 31-03-2020			Default as on 31-03-2021		
	Date of Restructuring	Installments	Repayment Due from	Rate of Interest (%)	Principal	Interest	Principal Default w.e.f	Interest Default w.e.f	Principal Default w.e.f	Interest Default w.e.f
Secured										
(i) Power Finance Corporation Ltd										
(ii) Rural Electrification Corporation Ltd										
Total(A)										
Unsecured										
(ii) Rural Electrification Corporation Ltd (Reschedule)										
Total (B)										
Grand Total(A+B)										

NOTE-'13' : OTHER FINANCIAL LIABILITIES**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Interest accrued but not due on borrowings	–	2,470.95
Total	–	2,470.95

NOTE-'14' : NON-CURRENT PROVISIONS**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Provision for Earned Leave Encashment	20,570.75	20,714.65
Provision for Gratuity (CPF Employees)	6,869.02	7,734.39
Total	28,439.77	28,449.04

NOTE-'15' : OTHER NON-CURRENT LIABILITIES**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Deferred Income	97.23	103.28
Total	97.23	103.28

NOTE-'16' : CURRENT FINANCIAL LIABILITIES**(₹ in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Current Maturities of Long-term Debt ¹	1,45,492.48	1,39,368.27
Interest accrued but not due on borrowings	23,749.65	24,273.54
Total	1,69,242.13	1,63,641.81

¹ Details of Current Maturity of Long Term Borrowings (Refer Annexure A) is annexed with Note No. 12

NOTE-'17' : OTHER CURRENT LIABILITIES**(₹ in Lakhs)**

Particulars	As at 31-03-2021		As at 31-03-2020	
Liability for Capital Supplies/Works	1,43,216.67		1,50,956.17	
Liability for O & M Supplies/Works	15,017.65		18,397.32	
Staff Related Liabilities	11,253.32		13,782.99	
Deposit & Retentions from Suppliers & Others	1,37,349.60		1,32,008.26	
Deposit Works for DISCOMS	11,812.07		10,438.38	
Deposit for Electrification Works	2,16,048.31		2,16,897.68	
Deposit for PSDF (Cent. Govt. Contribution)	9,276.92		12,163.21	
Inter-Corporation Balances	24,769.47		19,063.52	
Sundry Liabilities	20,197.79		7,986.50	
Liabilities for Expenses	3,523.07		3,842.98	
Deferred Income	6.05		6.05	
Liabilities towards UP Power Sector Employee Trust				
Provident Fund Liabilities (Principal)	3,808.56		3,831.54	
Add : Cumulative Interest provision on unremitted balance	8,913.69		8,070.46	
	<u>12,722.25</u>		<u>11,902.00</u>	
Add: Pension & Gratuity Liability	5,853.98	18,576.23	5,751.70	17,653.70
Liabilities towards UPPCL CPF Trust				
CPF Liability - (Principal)	1,147.12		1,085.82	
Add : Cumulative Interest provision on unremitted balance	1,115.00	2,262.12	969.23	2,055.05
Total		6,13,309.27		6,05,251.81

NOTE-'18' CURRENT PROVISIONS**(₹ in Lakhs)**

Particulars	As at 31-03-2021		As at 31-03-2020	
Provision for Earned Leave Encashment	1,354.49		1,580.61	
Provision for Gratuity (CPF Employees)	126.51		116.81	
Total		1,481.00		1,697.42

NOTE-'19' : REVENUE FROM OPERATIONS**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Sale of Services		
Transmission Charges	32,36,54,04,430	34,53,33,67,347
Open Access Charges	60,30,36,600	39,39,75,444
Sub Total¹	32,96,84,41,030	34,92,73,42,791
SLDC Charges²		
Open Access Charges	1,22,90,000	1,27,00,000
Open Access Charges	4,13,94,517	4,07,68,679
Revenue from operations (Gross)	33,02,21,25,547	34,98,08,11,471

¹The transmission charges related to DISCOMs, KESCO, NPCL and intra-state transmission of energy has been accounted for on the basis of tariff approved by the UPERC i.e. ₹ 0.1848/kwh (01-04-2020 to 20-11-2020) & ₹ 0.2378/kwh (21-11-2020 to 31-03-2021). Energy transmitted/wheeled during the year was 119060.689559 MU. (Previous year-116731.808341 MU).

Period	Unit Transmitted(kwh)	Rate	Amount
01-04-2020 to 20-11-2020	80,49,90,06,111	0.1848	14,87,62,16,329
21-11-2020 to 31-03-2021	36,08,58,50,981	0.2378	8,58,12,15,365
Transmission Charges on Solar energy @50% of normal rates As per Regulation 26b(iii) of UPERC CRE Regulations, 2019	1,40,64,258	0.1189	16,72,240
Supplementary Invoice & Other Agencies	2,46,17,68,210		83,00,37,096
True up for 2019-20	-		8,67,93,00,000
Net Transmission Charges	1,19,06,06,89,559		32,96,84,41,030

² As a part of separate function of SLDC, the company is maintaining separate account for SLDC. The break-up of charges relating to SLDC is given below.

NOTE-'20' : OTHER INCOME**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Interest Income on :		
Fixed Deposits	12,677	36,889
Loans to Staff	-	1,185
Others	<u>16,44,04,091</u>	<u>32,22,65,705</u>
	16,44,16,768	32,23,03,779
Maintenance & Shutdown Charges	24,17,09,171	19,67,76,311
Other Non-Operating Income		
Income from Contractors/Suppliers	43,46,07,899	39,07,23,794
Income from Consumer Contribution Reserve	1,29,62,02,807	1,04,52,01,898
Supervision Charges	44,01,83,124	44,58,86,801
Rental From Staff	48,14,086	13,45,471
Miscellaneous Receipts	4,28,26,258	3,53,46,688
Income from subsidies & Grants (Repayment of Loan Principal)	-	81,03,00,000
Total	2,62,47,60,112	3,24,78,84,742

NOTE-'21' : EMPLOYEE BENEFIT EXPENSES**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Salaries & Allowances	3,95,29,80,050	3,91,40,18,556
Dearness Allowance	68,35,71,514	6,358,34,163
Bonus/ Ex-gratia	-	2,78,41,459
Other Allowances	18,32,71,640	21,47,59,532
Pension & Gratuity ^{1&2}	44,50,25,218	4,16,455,613
Medical Expenses(Re-imburement) ³	1,86,01,665	1,83,05,818
Earned Leave Encashment ⁴	9,70,12,853	53,00,03,442
Compensation	5,03,428	16,05,880
Contribution to Provident & Other Funds	29,27,22,673	24,31,50,473
Expenditure on Trust	1,58,31,055	4,99,00,708
Staff Welfare Expenses	50,95,700	82,48,726
Common Expenditure(Charged by UPPCL)	15,25,77,845	10,12,66,619
Sub Total	5,84,71,93,641	6,16,13,90,989
Less: Expenses Capitalised	2,40,25,72,661	2,54,85,09,195
Total	3,44,46,20,980	3,61,28,81,794

¹ Since the Government has not yet finalised the absorption of Officers and Employees of the UP Power Transmission Corporation Limited by way of notification, hence, in lines with the methodology for provision of pension & gratuity has been made in the Annual Accounts of UP Power Corporation Limited based on actuarial valuation report dated 09.11.2000 (adopted by Board of Directors of UPPCL) provisions for accrued liability on account of pension and gratuity in respect of employees covered under GPF Scheme has been made @ 16.70% and 2.38% respectively on the amount of basic pay and grade pay plus DA and in case of UP Power Corporation Limited obtaining actuarial valuation afresh during the pendency of finalisation of absorption of Officers and Employees of the UP Power Transmission Corporation Limited, suitable action will be taken for booking of the provision accordingly as required.

² As required by Ind AS 19, the company has measured and accounted for its liability arising from Gratuity of employees covered under CPF Scheme on the basis of Actuarial Valuation Reports.

³ Medical benefits and LTC are accounted for on the basis of claims received and approved during the year.

⁴ Inclusive of provision for Earned Leave Encashment (Terminal Benefits) made as per Actuarial Valuation Report for the current financial year.

NOTE-'22' : FINANCE COSTS**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(A) Interest expenses		
Long term loans		
PFC	6,12,74,62,124	5,67,78,00,949
Less: Interest Subsidy	69,38,13,000	93,77,35,597
	<u>5,43,36,49,124</u>	<u>4,74,00,65,352</u>
REC	8,43,41,83,285	13,86,78,32,409
		<u>7,84,16,37,256</u>
		12,58,17,02,608
(B) Other Borrowings Cost		
Guarantee Charges	1,907	244,180
Bank Charges	6,28,342	6,05,303
Sub Total	13,86,84,62,658	12,58,25,52,091
Less: Interest Capitalised/Transferred to Capital WIP	1,97,47,41,619	1,27,13,86,724
Total	11,89,37,21,039	11,31,11,65,367

NOTE-'23' : DEPRECIATION & AMORTIZATION EXPENSES**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Depreciation & Amortization on Fixed Assets :		
Buildings	42,49,56,002	38,96,92,754
Other Civil Works	3,99,09,417	3,76,48,966
Plant & Machinery	7,14,64,52,474	6,55,27,86,686
Lines, Cable Network etc.	6,19,82,09,686	5,52,20,46,103
Vehicles	83,884	1,19,581
Furniture & Fixtures	64,45,288	53,62,850
Softwares	1,45,71,902	88,23,514
Office Equipments	1,36,02,731	1,02,88,205
Other Assets	7,36,14,303	12,06,90,147
Total	13,91,78,45,686	12,64,74,58,805

NOTE-'24' : ADMINISTRATIVE, GENERAL & OTHER EXPENSES**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021		For the year ended 31-03-2020	
Payment to Auditor				
(a) Statutory Auditors				
Audit Fee	17,70,000		12,98,000	
Travelling & other expenses	2,85,411	20,55,411	<u>2,37,655</u>	15,35,655
(b) Other Auditors (Internal Audit, Cost Audit, Tax Audit & Secretarial Audit)				
Audit Fee	86,59,392		60,65,626	
Travelling & other expenses	4,84,282	91,43,674	<u>8,90,601</u>	69,56,227
Advertisement Expenses		3,19,95,942		4,75,73,169
Communication Charges		2,59,17,477		2,42,68,661
Consultancy Charges		47,57,710		63,64,816
Tariff Assessment & License Fee		6,53,60,500		6,53,57,000
Electricity Expenses		1,77,91,682		2,36,80,905
Entertainment		4,000		-
Expenditure on Trust		6,24,977		14,03,180
Corporate Social Responsibility		5,00,000		-
Insurance		1,77,846		1,64,293
Interest on GPF & CPF Balance		89,03,581		10,18,63,706
Legal Charges		2,55,31,599		3,27,09,319
Outsourced Manpower for Administrative		18,30,15,963		16,46,38,629
Miscellaneous Expenses		2,86,19,216		4,03,66,130
Printing & Stationery		1,23,86,742		1,54,87,933
Rates & Taxes		50,65,654		1,69,59,815
Rent		1,62,847		1,27,980
Technical Fees & Professional Charges		1,89,73,027		1,44,99,987
Travelling & Conveyance		6,16,03,017		6,45,27,726
Water Charges		39,720		35,794
Common Expenditure (Charged by UPPCL)		60,822		9,56,250
Compensation (Other than staff)		4,60,364		-
Other Expenses & losses		50,34,530		15,20,353
Total		64,81,86,301		63,09,97,528

NOTE-'25' : REPAIRS & MAINTENANCE EXPENSES**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Plant & Machinery	3,72,18,66,082	3,70,32,58,205
Buildings	15,07,80,149	18,43,43,095
Other Civil Works	1,09,20,503	22,87,000
Lines, Cables Networks etc.	58,94,02,369	68,79,44,816
Vehicles-Expenditure	16,75,61,649	16,05,09,251
Less: Transferred to Different Capital & O&M Works/Administrative Exp.	16,75,61,649	16,05,09,251
Expenditure on Contractual Manpower	60,28,83,961	47,79,89,470
Less: Transferred to Different Capital & O&M Works/Administrative Exp.	60,28,83,961	47,79,89,470
Furniture & Fixtures	-	11,328
Softwares	76,66,698	53,10,000
Office Equipments	58,48,398	33,15,184
Total	4,48,64,84,198	4,58,64,69,627

NOTE-'26' : BAD DEBTS & PROVISIONS**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Provision for Loss on Capital Expenditure Incurred	–	1,13,00,000
Provision for Loss - Advances to Suppliers/Contractors	–	1,85,50,382
Total	–	2,98,50,382

NOTE-'27' : DEFERRED TAX**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Deferred Tax Expense / (Income)	1,36,85,39,844	2,26,66,26,845
Total	1,36,85,39,844	2,26,66,26,845

NOTE-'28' : OTHER COMPREHENSIVE INCOME**(₹ in Actuals)**

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Items that will not be reclassified to Profit & Loss		
Actuarial (Gains) /Losses - CPF Employees	(12,99,25,406)	15,53,66,849
Gratuity Provision ¹		
Total	(12,99,25,406)	15,53,66,849

¹ Recognized in the books on the basis of actuarial valuation report for Gratuity for the current financial year.

NOTE NO. 29**NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2021 AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON THAT DATE**

- 1) (a) Uttar Pradesh Power Transmission Corporation Limited (UPPTCL or 'The Company') is a company domiciled and incorporated in India under the provisions of Companies Act and is limited by shares. The registered office of the Company is situated at Shakti Bhawan, 14-Ashok Marg, Lucknow, Uttar Pradesh, India. Under the Electricity Act 2003, the Company is notified as the State Transmission Utility by the GoUP, vide its notification No.: 2974(1)/24-P-2-2010 dated - 23rd December, 2010.
- (b) The Company came into existence when in compliance to GoUP letter No. 293 dated 16.05.2006, the Name and Object Clause of the Memorandum of Association of the erstwhile Uttar Pradesh Vidut Vyapar Nigam Limited (incorporated on 31.05.2004) was changed on 13.07.2006. The Company started its business independently with effect from 01.04.2007.
- (c) With an objective of separation of the activities of bulk purchase/sale of energy and transmission of energy under separate corporate entities respectively by Uttar Pradesh Power Corporation Ltd. (UPPCL) and UPPTCL with effect from 01.04.2007 under the provisions of the notification No.:2974(1)/24-P-2-2010 dated: 23rd December, 2010, i.e., Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities including the Assets & Liabilities and Related Proceedings) Scheme, 2010, issued by Urja Anubhag-2, the Government of Uttar Pradesh vide powers conferred under sub-section (4) of section 131 of The Electricity Act, 2003 (Act No.36 of 2003) and in partial modification of scheme formulated under section 23 of The Uttar Pradesh Electricity Reforms Act, 1999 (Uttar Pradesh Act No.24 of 1999) the Government of Uttar Pradesh issued Provisional Transfer Scheme for Transfer of Transmission and Related Activities including the Assets & Liabilities and Related Proceedings from UPPCL to UPPTCL alongwith determination of terms and conditions of incorporation, according to which in the context of transmission undertaking (UPPTCL), unless stated otherwise by the State Government and/or UPPCL, the entire Assets, Liabilities and Proceedings related to transmission shall provisionally vest in the transmission undertaking. The UPPTCL has started functioning/operating independently with effect from 01.04.2007. UPPTCL is a State Transmission Utility in terms of section 39 of The Electricity Act, 2003.

- (d) In exercise of the powers conferred under sub-section (4) of section 131 of the Electricity Act, 2003 (Act No. 36 of 2003) and sub-section (4) of section 23 of the Uttar Pradesh Electricity Reforms Act, 1999 (U.P. Act no. 24 of 1999) read with clause 7 of the Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities Including the Assets & Liabilities and Related Proceedings) Scheme, 2010 (notification no. 2974 (1)/XXIV-P-2-2010, dated December 23, 2010), the Governor, by way of modification, variation and otherwise change in the terms and conditions of the said Uttar Pradesh Electricity Reforms (Transfer of Transmission and Related Activities Including the Assets & Liabilities and Related Proceeding) Scheme, 2010 in regard to the transfer of properties, interest, rights, liabilities, personnel and proceedings by substituting the schedule to the notification No.: 1529/XXIV-P-2-2015-Sa.(218)-2014 Dated: November 3, 2015 issued by Urja Anubhag-2, GoUP in place of the Schedule to the notification no.: 2974 (1)/XXIV-P-2-2010, dated: December 23, 2010, the transfer scheme has been finalised which shall be effective for all intent and purposes with modifications thereto.
- (e) In partial modification of the Scheme formulated under section 23 of the Uttar Pradesh Electricity Reforms Act, 1999 (UP Act No.24 of 1999) by application of the powers conferred under section 133 of The Electricity Act, 2003 the State Government with the purpose of effectuating such Transfer Scheme, issued the terms and conditions for transfer of personnel of UPPCL working in the transmission undertaking and proceedings related thereto, by way of notification No.: 2974/24P-2-2010 Dated: December 23, 2010 issued by Urja Anubhag-2 of GoUP i.e. the Provisional Transfer Scheme comprising of methodology relating to provisional classification and transfers, the final transfer of personnel is yet to be notified by the Govt. of Uttar Pradesh.
- 2) Where historical cost of a discarded/retired/obsolete fixed asset is not available, the estimated value of such asset and depreciation, thereon, has been adjusted and accounted for.
- 3) All Assets, Liabilities, Expenses and Revenue have been recorded at the amounts at which the transactions took place.
- 4) Earning/Expenditure in foreign currency during FY 2020-21 is NIL.
- 5) Since the Company is principally engaged in the business of transmission 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. However, the transactions of activities relating to separate function of SLDC have already been specified in Note 19.

6) Capital Commitments, Contingent Liabilities & Contingent Assets:-

(to the extent ascertainable and not provided for)

(₹ in Lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Contingent Liabilities & Capital Commitments		
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided	1,90,814	1,89,887
(ii) Other claims against company not acknowledged as debts	12,642	1,923
Total	2,03,456	1,91,810
Contingent Assets		
(i) Claims by company not acknowledged as receivables	1,31,681	71,734
(ii) Others	–	–
Total	1,31,681	71,734

A review petition has been filed against the disallowance of revenue gap of ₹ 717.34 crores in True-up Order for financial years 2017-18 & 2018-19 and ₹ 599.47 crores in True-up Order for financial years 2019-20. Other than as stated above, liabilities, if any, arising out of cases/claims filed by employees as well as parties against company are unascertainable as such the same shall be met on arising thereof.

- 7) Nothing adverse regarding compliance of the provisions in respect of units covered under the MSMED Act, 2006, regarding the amount of unpaid liabilities and interest thereon as required u/s 22 of the said Act has been reported either by the Zonal units of UPPTCL or the concerned parties covered under the Act.

8) RELATED PARTY INFORMATION :-

As per Ind AS 24 issued by the Institute of Chartered Accountants of India, the Company's related parties are as under:

a) List of Related Parties (Key Management Personnel):**I. Key management personnel & their relatives:**

Name	Designation	Working Period (for F.Y. 2020-21)	
		Appointment	Retirement/ Cessation as on 31.03.2021
Shri Arvind Kumar	Prin. Secy.(Energy) & Chairman	09.11.2019	02.02.2021
Shri M. Devraj	Prin. Secy.(Energy) & Chairman	02.02.2021	working
Dr. Senthil Pandian C	MD	10.09.2018	working
Shri M. Devraj	MD, UPPCL & Nominee Director	05.11.2019	10.03.2021
Shri Pankaj Kumar	MD, UPPCL & Nominee Director	10.03.2021	working
Shri Anil Jain	Director (Commercial & Planning)	06.05.2020	Working
Shri Ravi Prakash Dubey	Director (Works & Project)	16.01.2018	05.01.2021
Shri Ram Swarath	Director (SLDC)	13.02.2015	11.06.2020
Shri Amrendra Singh Kushwaha	Director (SLDC)	02.02.2021	working
Shri Bibhu Prasad Mahapatra	Director (Finance)	16.12.2019	working
Dr Vinod Kumar Khare	Director (P&A)	16.09.2019	working
Shri Rakesh Kumar Singh	Director (Operation)	15.07.2019	working
Shri Neel Ratan Kumar	Nominee Director - U.P. Govt. (Finance)	06.10.2010	working
Smt. Debjani Chakraborty	Nominee Director (REC)	30.08.2018	18.06.2020
Shri TSC Bosh	Nominee Director (REC)	18.06.2020	working
Shri Sanjai Gupta	Nominee Director (Power Grid)	10.02.2020	working
Shri Jawed Aslam	Director (Bureau of Public Enterprises)	09.09.2020	working
Shri Anil Kumar Gupta	Chief Financial Officer	28.07.2020	working
Shri Rishi Tandon	Company Secretary	06.02.2020	working

b) Transactions:**(Amount in ₹)**

Particulars	2020-21	2019-20
	Referred in (a) (I) above	Referred in (a) (I) above
Salary & Allowances	1,81,74,894	1,11,68,934
Contribution to Gratuity/Pension/PF	13,69,302	7,63,917
Debts due from Directors	—	—

(c) The Chairman, Managing Director and other Directors who have been appointed/posted by the Govt. of U.P. for the UPPCL and have the additional charge of the company also, have drawn their remuneration from the UPPCL as per their entitlement.

(d) The company has no related party enterprises other than state controlled enterprises, details/ transactions of which have not been disclosed in view of Para '25' of Ind AS 24 "Related Party Disclosures" which exempts State Controlled Enterprises from making any disclosure pertaining for their transactions with other related parties which are also State Controlled. The nature of transactions with such state controlled enterprises (usually DISCOMS) include wheeling charges and other receivables in ordinary course of business.

- 9) Deferred Tax Assets, against unused tax losses arising from unabsorbed depreciation of Rs. 5973.65 crores, have been recognized. In view of the accounting profit for the current year and increased tariff rate for future, it is probable that taxable profit will be available in future against which such unused tax losses can be utilised.
- 10) Basic and diluted earnings per share have been shown in the Profit & Loss Account in accordance with Ind AS 33 (EPS). Basic earnings per share have been computed by dividing net profit/loss after tax by the weighted average number of equity shares outstanding during the year. Numbers used for calculating diluted earnings per equity share includes the amount of equity share money (pending for allotment).

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
(I) Basic EPS	(Amount in Lakh ₹)	(Amount in Lakh ₹)
Profit after Tax as per Profit & Loss A/c (A)	(1,125)	31,432
Weighted Average Number of Equity Shares (B)	15,93,49,958	14,70,59,001
Basic Earning Per Share (A/B)	(0.71)	21.37
Face Value per share	1,000	1,000
(II) Diluted EPS		
Profit after Tax as per Profit & Loss A/c (A)	(1,125)	31,432
Weighted Average Number of Equity Shares (B)	16,17,13,406	15,18,63,955
Diluted Earning Per Share (A/B)	(0.71)	20.70
Face Value per share	1,000	1,000

11) **Disclosure statement as per Ind AS 19 for the period 01.04.20 - 31.03.21 based on actuarial valuation report Gratuity:**

(Amount in ₹)

a) Expenses Recognized in the Statement of Profit or Loss for Current Period

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Current Service Cost	9,48,41,816	6,42,35,302
Net Interest Cost	5,39,37,737	4,11,30,350
Expenses Recognized	14,87,79,553	10,53,65,652

b) Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Actuarial (Gains)/Losses on Obligations for the Period	(12,99,25,406)	15,53,66,849
Return on Plan Assets, Excluding Interest Income	–	–
Change in Asset Ceiling	–	–
Net (Income)/Expense For the Period Recognized in OCI	(12,99,25,406)	15,53,66,849

c) Amount Recognized in the Balance Sheet

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
(Present Value of Benefit Obligation at the end of the Period)	(79,95,53,155)	(78,51,19,904)
Fair Value of Plan Assets at the end of the Period	–	–
Net Obligations	(79,95,53,155)	(78,51,19,904)
Amount not recognized due to asset limit	–	–
Net (Liability)/Asset Recognized in the Balance Sheet	(79,95,53,155)	(78,51,19,904)

Leave Encashment:**a) Expenses Recognized in the Statement of Profit or Loss for Current Period**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Current Service Cost	64,842,201	529,970,242
Net Interest Cost	152,053,656	–
Net actuarial (gain) / loss	(119,883,004)	–
Expenses Recognized	97,012,853	529,970,242

b) Amount Recognized in the Balance Sheet

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
(Present Value of Benefit Obligation at the end of the Period)	2,192,523,504	2,229,525,746
Fair Value of Plan Assets at the end of the Period	–	–
Net Obligations	2,192,523,504	2,229,525,746
Amount not recognized due to asset limit	–	–
Net (Liability)/Asset Recognized in the Balance Sheet	2,192,523,504	2,229,525,746

12) Disclosure of movement in provisions:-

(Amount in ₹)

Particulars	Movement of Provisions			
	Balance as on 01.04.2020	Provision made during the year	Provision adjusted during the year	Balance as on 31.03.2021
Provision for doubtful receivables	187	0	0	187
Provision on account of CWIP loss (Due to abandonment or otherwise)	192	0	0	192
Provision for Bad & Doubtful Advances to Suppliers & Contractors (Capital)	186	0	0	186
Total	565	0	0	565

- 13) The average net profit of the company made during the three immediately preceding financial years was negative. However, an amount of ₹ 5,00,000/- has been spent on CSR activities in FY 2020-21 which shall be set off against CSR obligations (if any) during next three years.
- 14) Equity share against share application money of ₹ 5,15,94,38,000 received in Financial Year 2019-20 have been allotted during FY 2020-21.
- 15) I) The company handed over following lands to departments/companies under State Government control:
- Land measuring 5.9 acres located at Taj Mahal East Gate Road, Agra to Tourism Department for construction of the Mughal Museum,
 - Land measuring 993 square meter located at 132/33 KV GIS Sub-station Neembu Park, Lucknow to Madhyanchal Vidyut Vitran Nigam Limited.
 - Physical possession of 2.2250 hectares of land to Department of Tourism, Etawah.
- II) The company has made available the Land measuring 2380 square meter located at 132 KV SGPGI Sub-station to MVVNL on right to use basis.
- 16) Change in Accounting Policies:
- The accounting policy for valuation of zinc scrap has been changed. In view of the same, there is a decrease of ₹ 1.63 crores in the value of zinc scrap as compared to the erstwhile policy.
- 17) Inter-company balances includes an amount of ₹ 358 crores payable to & ₹110 crores receivable from power sector companies owned by State Government of Uttar Pradesh and are subject to reconciliation of differences, which is a continuous process and accounting for the same is done as and when found in the books of either of the companies as the case may be.
- 18) An effective new system for control of IUT transactions of the entire company has been introduced w.e.f. FY 2017-18. As a result, there are no unreconciled transactions from FY 2017-18 onwards. Inter Unit Balances prior to FY 2017-18 are subject to reconciliation of differences, which is a continuous process and accounting for the same is done as and when found in the books of either of the concerned units as the case may be.
- 19) The company has opted for new section 115BAA of the Income Tax Act, 1961 from the assessment year 2020-21 where the income tax payable in respect of the total income of the company shall be computed at the rate of twenty two percent plus surcharge and cess as applicable whereas before the adoption of such option the tax rate for the assessment year 2019-20 was thirty percent plus surcharge and cess as applicable.
- 20) Previous year figures have been regrouped/ reclassified/recasted wherever considered necessary.
- 21) The figures as shown in the Balance Sheet, Profit & Loss Statement, Cash Flow Statement, Statement of Equity and Notes to accounts have been rounded up/down to the nearest lakh rupees unless specified otherwise.

- 22) The significant Accounting Policies specific to first time adoption have been suitably amended wherever considered necessary.
- 23) Due to the outbreak of COVID 19 globally and in India the company management has made an initial assessment of likely adverse impact on business and financial risk and believes that the impact is likely to be short-term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- 24) The Financial Statements for the current year were approved for issue by Board of Directors on November 18, 2021.

-SD-**(S.K. Awasthi)**Deputy General Manager
(Finance & Accounts)**-SD-****(A. K. Gupta)**Executive Director
(Finance & Accounts)**-SD-****(Ranjan K. Srivastava)**Director (Finance)
DIN-07338796

Subject to our report of even date

For R.M. Lall & Co.

Chartered Accountants

-SD-**(Rishi Tandon)**

Company Secretary

-SD-**(Senthil Pandian C)**Managing Director
DIN-08235586**-SD-****(R.P. Tewari)**Partner
M. No. 071448
F.R.N. 000932C

Place : Lucknow

Date : 23-12-2021

SCHEDULE OF RESTATEMENT FOR BALANCE SHEET FIGURES AS ON 31.03.2021

(₹ in Lakhs)

Head Name (Assets/Liabilities)	Balance as on 31-03-2020	Nature of Item	Details	Amount to be restated	Restated Balance
ASSETS					
1. Non current assets					
Property Plant & Equipment	19,56,948.32		–		
		Depreciation	(5,685.61)		
			–	(5,685.61)	19,51,262.71
Capital Work in Progress	7,83,747.89		–		
		Other Income	217.65		
		Repairs & Maintenance	36.06		
		Employee Cost	(78.28)		
		Interest and other Finance Charges	(4,594.11)		
			–	(4,418.68)	7,79,356.21
Other Intangible Assets	157.50		–		
		Depreciation	(35.07)		
			–	(35.07)	122.43
Deferred Tax Assets	16,655.16		–		
			–	–	16,655.16
Other Non Current Asset	456.30		–		
			–	–	456.30
2. Current Assets					
Inventories (Stores & Spares)	1,62,712.53		–		
		Repair & Maintenance	2.31		
			–	2.31	1,62,714.84
Financial Assets					
Trade Receivables	5,60,055.86	Revenue from Sale of Power	(1.29)		
			–	(1.29)	5,60,054.57
Cash & Cash Equivalents	75,346.53		–		
		Other Income	(5.22)		
		Repair & Maintenance	(21.16)		
		Employee Costs	(105.65)		
		Administration and General Expenses	(0.04)		
		Interest and other Finance Charges	0.01	(132.06)	75,214.47
Other Current Assets	40,970.98		–		
		Other Income	(469.02)		
		Repair & Maintenance	3.87		
		Employee Costs	(0.18)		
		Administration and General Expenses	0.23		
		Interest and other Finance Charges	(0.00)	(465.10)	40,505.88



R.M. LALL & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on Standalone Financial Statements

Qualified Opinion:

We have audited the accompanying Standalone Financial Statements of Uttar Pradesh Power Transmission Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements") in which are incorporated accounts of six transmission zones ("Zones"), which have been audited by other auditors.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the Profit, including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion:

We draw attention to the matters described in 'Annexure I', the effect of which, individually or in aggregate, are material but not pervasive to the financial statement and matters where we are unable to obtain sufficient and appropriate audit evidence. Our opinion is qualified in respect of these matters.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matter:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters except for the matters described in Annexure I to the "Basis for Qualified Opinion" section. We have determined that there are no other key audit matters to communicate in our report.

Emphasis of Matter Paragraph:

As explained in *Para 24 of Note – 29 "Notes on Accounts"*, due to the outbreak of COVID -19 globally and in India, the Company's management has made an initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term in nature. The management does not see any medium to long-term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they fall due. Our opinion is not modified in respect of this matter.

Information other than the Standalone Financial Statements 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 the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. The above report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

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

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

Management's Responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and 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 Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone 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 Standalone 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

We did not audit the books of accounts/information of Zones located at Prayagraj Zone (LC: 11 & 12), Gorakhpur Zone (LC: 13 & 14), Lucknow Zone (LC: 15, 16 & 17), Meerut Zone (LC: 18 & 19), Agra Zone (LC: 20 & 21) and Jhansi Zone (LC: 22 & 23) included in the Standalone Financial Statements of the Company. The Books of accounts/ information of these zones have been audited by the zone 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 zones, is based solely on the reports of such zone auditors.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure-II", a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by directions issued by the Comptroller & Auditor General of India under section 143(5) of the Act, we give in "Annexure - III (a) and III (b)", a statement on the matters specified in the directions and sub-directions.
3. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.
4. As required by section 143(3) of the Act, based on our audit, we report that:
 - a. Except for the matters described in the "Basis for Qualified Opinion" section, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion and except for the matters described in "Basis for Qualified Opinion" section, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Zones of the Company not visited and not audited by us.

- c. The reports on the accounts of the Zones of the Company audited under Section 143(8) of the Act by Zone auditors have been sent to us and have been properly dealt with by us in preparing this report.
- d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the Zones not visited and not audited by us.
- e. Except for the matters described in the “Basis for Qualified Opinion” section, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards “Ind AS” prescribed under Section 133 of the Act read with relevant rules issued there under.
- f. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India; provisions of sub-section (2) of section 164 of the Act, regarding disqualification of the directors are not applicable to the Company
- g. With respect to the adequacy of the internal financial controls system in place and the operating effectiveness of such controls, refer to our report in “Annexure–IV”.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the effects of the matters described in the “Basis of Qualified Opinion” section, the Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts entailing any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R.M. LALL & CO.
Chartered Accountants
(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)
Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

Place : Lucknow
Date : 23-12-2021

Annexure-I

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2021.

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

1. The Company has not complied with the following Ind AS notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended):
 - a. Trade Receivable (Note-8), Other Current Assets (Note-10) and Other Current Liabilities (Note-17) have been classified as current assets/liabilities include balances which are outstanding for realization /settlement since previous financial years and in the absence of adequate information/ explanations regarding the realisability/settlement of such amounts within twelve months after the year end, reasons for not classifying them as non-current assets/liabilities is inconsistent with Ind AS 1 Presentation of Financial Statements. This has resulted in over statement of respective current assets/liabilities and understatement of the corresponding non-current assets/liabilities.
 - b. Additions during the year in property, plant and equipment include employee cost at a fixed percentage of the cost of each addition to property, plant and equipment in accordance with Note-1 Significant Accounting Policy No. 2(II)(b). Such employee cost to the extent not directly attributable to the acquisition and/or installation of property, plant and equipment is inconsistent with Ind AS 16 Property, Plant and Equipment. This has resulted in overstatement of fixed assets depreciation and Profit, and understatement of employee cost.
 - c. The Note – 7 Inventories -(a) Stock of Materials - Capitals Works, has not been classified as part of property, plant and equipment and recognised, measured and disclosed in accordance with Ind AS 16 Property, Plant and Equipment.
 - d. Recognition of insurance and other claims, refunds of Custom Duty, interest on Income Tax & Trade Tax, interest on loans to staff and other items of income covered by Significant Accounting Policy No. 2(VI)(f) of Note–1 has been done on cash basis. This is not in accordance with the provisions of Ind AS 1 Presentation of Financial Statements
 - e. Accounting for employee benefits: Actuarial valuation of gratuity liability of the employees covered under GPF scheme has not been obtained. (Refer foot note no. 1 of Note – 21). This is inconsistent with Ind AS 19.
 - f. Assessment of the Impairment of Assets has not been done by the company, which is inconsistent with Ind As-36 Impairment of Assets.
 - g. The Financial Assets-Trade Receivables (Note-8), Advances to Employees, Advances to Suppliers/ Contractors (O&M), Receivables (Note- 10) have not been measured at fair value as required by

Ind AS 109 Financial Instruments (Refer Para 2(XII) of Note-1 “Significant Accounting Policies”) and proper disclosures as required in Ind AS 107 Financial Instruments: Disclosures have not been done for the same. (Refer Para 3 of Note – 29 “Notes on Accounts”)

2. No documentary evidence in respect of ownership/title of land, land rights and buildings were made available to us and hence ownership as well as accuracy of balances could not be verified.
3. Due to non-availability of Assets Commissioning Certificate by the appropriate authority regarding the date of energization/capitalization of fixed assets, we are unable to comment on the accuracy of the amount of borrowing cost capitalized and depreciation charged thereon.
4. The Company has transferred its 2.2250 hectares of land to the Department of Tourism, Etawah in the earlier financial years. However, the appropriate accounting adjustment under the head ‘Property, Plant & Equipment’ in this regard is still pending.
5. The Company has transferred its land measuring 5.9 acres, located at TajMahal, East Gate Road to Tourism Department for construction of Mughal Museum. However, the appropriate accounting adjustment under the head ‘Property, Plant & Equipment’ in this regard is still pending.
6. The Company has transferred its land measuring 993 square meter located at 132/33 KV G/S Sub-station Neembu Park, Lucknow to MadhyanchalVidyutVitrana Nigam Limited. However, the appropriate accounting adjustment under the head ‘Property, Plant & Equipment’ in this regard is still pending.
7. Inter unit transfers amounting ₹ 253.02 Crores, (Refer Note-10 & 29 Para 18)) are subject to reconciliation and consequential adjustments.
8. Common expenditure (Charged by UPPCL) amounting to ₹ 15.26 Crores(Refer Note-21) is subject to tax deduction at source under section 194C of the Income Tax Act, 1961, which has not been deducted by the Company.
9. Advances to Suppliers/Contractors (Capital) (Note-3), Trade Receivables (Note-8), Advances to Employees, Suppliers & Contractors (O&M) and Receivables from Employees and Others (Note-10), Liability for Capital/O&M Suppliers/Works, Deposits from Suppliers, DISCOMS, Electrification works, PSDF, Inter Company Balances (Note-17) are subject to confirmation and reconciliation.
10. It was observed that the maintenance of party-wise subsidiary ledgers and its reconciliation with primary books of accounts i.e., cash books and sectional journal are not proper and effective.
11. Sufficient and appropriate documentary audit evidence in respect of Contingent liabilities disclosed in Para 6 of Note – 29 “Notes on Accounts” were not provided to us.
12. In Significant accounting policy (Para 2(II)(c) of Note-1) supervision charges received against deposit work has been considered as revenue income (non-tariff income) and on the other side it has also been considered as capital receipt by crediting to capital reserve. As per Generally Accepted Accounting Practices, when the receipt and related expenses are being considered as revenue nature then it cannot be considered again as capital nature. Therefore, capital reserve & capital expenditure both are overstated by ₹ 44.02 crores.

13. Audit observations in Zones' Audit Reports, excluding those which have been appropriately dealt with elsewhere in the report.

i) Prayagraj Zone (LC: 11 & 12)

a) Material Stock [AG-22] includes "material stock Excess/short pending investigation" which are lying old since very long and pending for reconciliation and necessary adjustments, if any, arising thereof. Unit-wise details of excess material are as hereunder:-

S. No.	Name of the unit	New LC	Account Head	Amount (In Rs.)
1.	EFU-Naini	107	22.810	19,24,510.00 Cr.
2.	E-765 KV S/s Anpara	113	22.810	64,78,120.17 Cr.
3.	ETD-Mirzapur	114	22.810	21,795.72 Cr.
4.	ETD-I Prayagraj	105	22.830	44,301.00 Cr.

b) Various entries pertaining to earlier years are pending for adjustment in the bank reconciliation statement under the unit ETD Fatehpur.

- ii) Gorakhpur Zone (LC: 13 & 14) Entries pertaining to earlier years are still appearing in the bank reconciliation statements of the various units which are lying unadjusted.
- iii) Lucknow Zone (LC: 15, 16 & 17) Zone has inventory of ₹ 335.65 crores however only quantity is being physically verified by concerned units but the inventory records with valuation were not available for audit and item wise details of valuation of inventory as at end of the financial year were not available.

iv) Meerut Zone (LC: 18 & 19)

- a) Zone had discarded the Assets worth ₹ 62.90 cores under transmission division and ₹ 0.02 crores under civil division and shown ₹ 47.97 crores and ₹ 0.01 crores respectively in the material stock account of transmission and civil zone respectively, after charging the depreciation up to the month of discard of the assets, In our opinion such method is in contravention to the IND AS-36 of Impairment of assets and IND AS-2 of the inventory. Value of assets discarded and Depreciation on such assets can't be obtained individually from fixed assets schedule in the absence of the complete records at the zone
- b) Depreciation of ₹ 7.35 crores in transmission division and ₹ 0.01 crores in Civil division is charged over and above the 90% value of the assets in the previous years in contravention to the accounting policy of the company.
- c) CWIP consist of the project started since long and the current Status of project is also not informed to audit hence we are unable to comment on the status of CWIP.

- d) Zone had received Deposit/Grant from the various govt / Non govt organization of ₹ 729.60 crores and ₹ 0.05 Crores respectively in transmission division and civil division for doing the various work. Zone had not provided the party wise detail of amount received, current status of the project undertaken and the IND AS-20 with regard to the Government grant is also not followed by the Zone. Adjustment, if any, arises at the time of reconciliation is not ascertainable at this stage.
- e) An amount of ₹ 0.77 crores paid on the lease rent/ rent for use of land. The company had not followed IND AS-116 for lease accounting
14. For want of complete information, the cumulative impact of our observations in paras 1 to 14 above and in the Annexure II to this report on assets, liabilities, income and expenditure is not ascertained.

For R.M. LALL & CO.
Chartered Accountants
(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)
Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

Place : Lucknow

Date : 23-12-2021

Annexure-II

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2021.

- 1 (a) The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has not carried out physical verification of the fixed assets, hence we are unable to comment whether any material discrepancy was noticed as such or not, except Agra & Jhansi zone where auditors has reported as below:-"As explained to us, the Fixed Asset of the Transmission Zone (South West), has been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets."
- (c) The title deeds of immovable properties have not been provided, except Agra & Jhansi zone. Hence, we are unable to comment on the matter whether the title deeds of immovable properties are held in the name of the company or not.
- 2 (a) The physical verification for inventories has been conducted by the management at reasonable interval during the year except Meerut zone.
- (b) Auditors of the Lucknow zone have reported that the physical verification reports were not made available to them, and auditors of Gorakhpur & Prayagraj zone have reported as below:-
As per information and explanations given to us, the Physical verification of inventory has been conducted by the management (SDO of the units) at reasonable intervals during the year. Physically verified balance needs to be compared with book balances, discrepancies to be identified, recorded, and reconciled. The procedure of physical verification of Inventories followed by the management is required to be strengthened in relation to the size of the units and nature of its business. Since the Units/Zone is not maintaining proper records of inventory, we can't comment whether the discrepancies between physical and book balances of stocks have been properly dealt with in the books of account"
Hence, we are unable to comment whether any material discrepancies were noticed and if so, whether they have been properly dealt within the books of accounts.
- 3 According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act 2013. Accordingly, paragraph 3(iii) of "the Order" is not applicable.

- 4 The Company has not made any loans, investments, guarantees and security under provisions of section 185 and 186 of the Companies Act 2013. Accordingly, paragraph 3(iv) of “the Order” is not applicable.
- 5 The company have not accepted any deposit from the public and therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and other relevant provisions of the Act and rules framed there under are not applicable.
- 6 The cost records prescribed under section 148(1) of the Companies Act, 2013 have been made available to us by the company.
- 7 a) According to the information and explanation given to us, the company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees’ State Insurance, Goods and Service Tax, Cess, Duty of Customs, Duty of Excise and any other statutory dues to the appropriate authorities except following dues.

Nature of the dues	Name of the Statute	Amount (₹ In Lacs)
Provident fund contribution	Employees’ Provident. Funds and Miscellaneous Provisions Act, 1952	2,430.05
TDS Payable	Income Tax Act, 1961	43.20
WCT-Sales Tax	The Uttar Pradesh Value Added Tax Act, 2008.	0.86
GST	CGST Act 2017, SGST Act 2017 & IGST Act 2017	3.58
GST-TDS	CGST Act 2017, SGST Act 2017 & IGST Act 2017	0.28

*Debit balance in few accounts in MTB has not been included in the above table.

- b) According to information and explanations given to us, there are no statutory dues including Provident Fund, Employees’ State Insurance, Goods and Service Tax, Cess, Duty of Customs, Duty of Excise and any other statutory dues to the appropriate authorities except of the Lucknow zone(*) and following dues, which have not been deposited on account of any dispute:

Name of the statute	Nature of the due	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Uttar Pradesh, Value Added Tax Act, 2008	VAT	17,73,045	2011-12	Addl. Commissioner Grade- 2 (Appeal) Commercial Department, Varanasi	

Uttar Pradesh, Value Added Tax Act, 2008	VAT	17,42,678	2012-13	Addl. Commissioner Grade- 2 (Appeal) Commercial Department, Varanasi	
Uttar Pradesh, Value Added Tax Act, 2008	VAT	47,75,873	2014-15	Addl. Commissioner Grade- 2 (Appeal) Commercial Department, Varanasi	
Uttar Pradesh, Value Added Tax Act, 2008	VAT	46,91,721	2015-16	Addl. Commissioner Grade- 2 (Appeal) Commercial Department, Varanasi	
Income Tax Act, 1961	Income Tax TDS	3,32,270	2018-19	TDS Ward, Income Tax Department	

(*) Since details of disputes against statutory dues has not been provided by the management of Lucknow zone, we are unable to state whether any amounts in respect of Income tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited with appropriate authorities on account of any dispute as at 31 March, 2021

8. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. As per the information given and explanations provided, no moneys were raised by the company by way of initial public offer or further public offer (including debt instruments). The Company has raised moneys by way of term loans and the same have been applied for the purpose for which they were raised.
10. To the best of our knowledge and according to the information and explanations given to us by the Management, no fraud by the company or no material fraud on the company by its officers or employees have been noticed or reported for the year ended 31st March 2021.
11. As per Notification no. GSR 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 relating to Managerial Remunerations is not applicable to the Government Companies. Accordingly, provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a chit fund or a Nidhi / mutual benefit fund/ society; hence clause 3(xii) of the order is not applicable.
13. In our opinion and according to the information and explanation given to us, the company is in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable, for all transactions with the related party and the details of related party transactions have been disclosed in the standalone financial statements as required by the Ind AS.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to under section 192 of the Companies Act, 2013.



16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R.M. LALL & CO.

Chartered Accountants

(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)

Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

Place : Lucknow

Date : 23-12-2021

Annexure III (a)

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2021.

Directions of Comptroller and Auditor General of India under section 143 (5) of the Companies Act, 2013.

S.No.	Directions	Reply
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 for with the financial implications, if any, may be stated.	The Company has no system in place to process the accounting transactions through IT system. The Cash book and Sectional Journals in SJ1, SJ2, SJ3 & SJ4 are maintained but ledgers/sub ledgers are not maintained.
2.	Whether there is any restructuring of an existing loans or cases of waiver/write off debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan? If yes, the financial implant may be stated.	There are no cases of restructuring of an existing loan or cases of waiver/write off debts/loans/interest etc. made by lender to the Company due to the company's inability to repay the loan during the year.
3.	Whether fund received/receivable for specific schemes from Central/State Agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Funds received at HO are properly accounted for/ utilized as per its term and conditions and remitted to respective zones for utilization thereof. Zone auditors have not reported any case of deviation in this regard.

For R.M. LALL & CO.
Chartered Accountants
(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)

Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

Place : Lucknow

Date : 23-12-2021

Annexure III (b)

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2021.

Sub-Directions of Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

S.No.	Sub-Directions	Remarks
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided	As per the information provided by the management of the company, they have not declared any land as surplus and further no incidence of encroachment was reported by any unit during the year under audit. Suitable steps are being taken to prevent encroachment of idle land owned by the Company
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	Land acquisition is involved in setting up new projects and settlements of dues are done expeditiously. No case of deviation was reported by the Zone Auditors.
3.	Is the system of evacuation of Power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	The Transmission system of evacuation of power is commensurate with power available for transmission with state owned generating company.
4.	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same has been properly accounted for in the books of accounts?	UPERC, a state commission, has approved intra-state transmission loss of 3.41% for the FY 2020-21. UPPTCL incurred actual intra-state transmission loss of 3.37% which is less than and within the limit of approved intra-state transmission loss for the FY 2020-21.
5.	Whether the assets constructed and completed on behalf of other agencies and handed over to	The constructions of assets are carried out by the company on the request of the beneficiary

S.No.	Sub-Directions	Remarks
	them has been properly accounted for in the financial statements.	agency. As per terms of Agreement, if the assets become the property of the agency on completion of deposit works, it is handed over to the agency along with a statement showing item or work wise total expenditure incurred.

For R.M. LALL & CO.

Chartered Accountants

(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)

Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

Place : Lucknow

Date : 23-12-2021

Annexure IV

As referred to in, and forming part of, our audit report of even date to the members of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2021.

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

We have audited the internal financial controls over financial reporting of U.P. Power Transmission Corporation Limited (“the Company”) as of 31st March, 2021 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 management of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the presentation of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and 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 un-authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India except for the deficiencies reported by us in 'Annexure I' and 'Annexure II' to our audit report of even date on the Standalone Financial Statements of the Company for the year ended 31st March, 2021, and as reported by the branch auditors.

a. Prayagraj and Gorakhpur Zone

- (i) Dual control over banking and cash transactions is necessitated at all the units of the Zone,
- (ii) Daily cash balancing of cash book is recommended to ascertain cash balance at a particular date.

b. Lucknow Zone

- (i) The Zone does not have an appropriate internal control system for inventory. Only quantitative Physical verification of inventory is done. Item wise inventory valuation at the end of financial year is not prepared.

- (ii) There is no system of reconciliation and/or balance confirmation with suppliers, contractors, staffs and other parties and in some cases the accounts reflect adverse balances. This could potentially result in misstatements of balances of suppliers, contractors, staffs and other parties in MTB.
- (iii) The system of reconciliation of inter-unit accounts at unit/ zone level needs improvement as there is huge pendency of Opening Balances outstanding earlier than FY 2015-16..
- (iv) Although internal auditors have been appointed for internal audit of units of the Zone, out of 49 Units only 25 reports were made available to us till the date of this report. The system of review and action on points raised in internal audit reports needs improvement.

For R.M. LALL & CO.
Chartered Accountants
(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)
Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

Place : Lucknow

Date : 23-12-2021



भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय प्रधान महालेखाकार
(लेखापरीक्षा-II), उ.प्र.
"आडिट भवन" टीसी-35-V-1, विभूति खण्ड
गोमती नगर, लखनऊ-226010



Indian Audit & Accounts Department
Office of the Principal Accountant General
(Audit-II), U.P.
"Audit Bhawan" TC-35-V-1, Vibhuti Khand
Gomti Nagar, Lucknow-226010

पत्रांक : म.ले. (आडिट-II)/ए.ए.म.जी.-II/लेखा/यू.पी.पा.ट्रां.का.लि.-2020-21/174

दिनांक : 07-07-2022

सेवा में,

प्रबन्ध निदेशक,
उ.प्र. पावर ट्रांसमिशन कारपोरेशन लिमिटेड
राजिंद भवन, 14-अशोक मार्ग,
लखनऊ, उत्तर प्रदेश।

महोदय,

एतत्सह कम्पनी अधिनियम, 2013 की धारा 143(5) के अधीन उ.प्र. पावर ट्रांसमिशन कारपोरेशन लिमिटेड के 31 मार्च, 2021 को समाप्त वर्ष के लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टीका-टिप्पणियां कम्पनी अधिनियम, 2013 की धारा 143(8)(b) के निबन्धनों के अनुसरण में कम्पनी की वार्षिक सामान्य बैठक के सम्मत् प्रस्तुत करने हेतु अपेक्षित की जा रही हैं। कृपया वार्षिक सामान्य बैठक के सम्मत् इन टीका-टिप्पणियों के प्रस्तुत किये 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 auditee.

कृपया पत्र की पावती भेजें।

संलग्नक- यथोपरि।

भवदीया

-SD-

(भाविका जोशी साठे)
वरिष्ठ उप महालेखाकार

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED FOR THE YEAR ENDED 31, MARCH 2021.

The preparation of financial statements of Uttar Pradesh power transmission Company Limited (Company) for the year ended 31 March 2021 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 & Auditor General of India under Section 139(5) of the Act is 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 23 December 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Uttar Pradesh Power Transmission Company Limited for the year ended 31 March 2021 under Section 143(6) (a) of the Act. This Supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the 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 STATEMENT

Current Assets

Trade receivables (Note-8): ₹ 6,357.62 crore

Doubtful trade Receivable-Nil

1. The above includes unsecured receivables from Extra State Consumers (Madhya Pradesh and Himanchal Pradesh) amounting to ₹ 19.62 crore pertaining to years 2010-11 to 2015-16. These receivables are more than three years old and confirmation of balances against these parties were also not available with the Company, but no provision for bad & doubtful debt against these receivable has been made in the accounts.

Despite the comment on the accounts for the year 2019-20, no corrective action has been taken by the management.



B. COMMENTS ON AUDITOR REPORT

2. The Statutory Auditor issued the Audit report on account for the year on 23 December 2021, before adoption of previous years' accounts in Annual General Meeting (AGM). However, fact of non-adoption of previous years' accounts in AGM has not been stated by this Statutory Auditor in their Audit Report as required under section 96 read with section 129(2) of Companies Act, 2013 and point No. 4 of the 'Condition for the Auditors' of appointment letter of auditors issued by CAG.

**For and on the behalf of the
Comptroller & Auditor General of India**

-SD-

(Tanya Singh)

Accountant General (Audit-II)

Uttar Pradesh, Lucknow

Place : Lucknow
Date : 07.07.2022



CS Mardan Singh
B.Sc., LL.B., F.C.S.
Practicing Company Secretary

Office : 7/581/10, Sector-7
Vikas Nagar
Lucknow-226 016
Mob. : 7355060301, 9415467771, 8960630345
Pan No. : AJUPS3081N

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE PERIOD ENDED : 31-03-2021

To,

The Members,
M/s U.P. POWER TRANSMISSION CORPORATION LIMITED
SHAKTI BHAWAN
ASHOK MARG,
LUCKNOW - 226001
CIN NO. : U40101UP2004SGC028687

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s U P POWER TRANSMISSION CORPORATION LIMITED** (herein after referred as "the company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

I have examined the registers, records, books and papers of the Company as required to be maintained under the Companies Act, 2013, (the Act) and the rules made there under and the provisions contained in the Memorandum and Articles of Association of the Company for the year ended March 31, 2021.

In my opinion and to the best of our information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, we report that Subject to the observations given hereunder, the Company has complied with the provisions of the Act, the Rules made there under and the Memorandum and Articles of Association of the Company with regard to:

- (a) Maintenance of various statutory registers and documents and making necessary entries therein
- (b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;
- (c) Service of documents by the Company on its Members, and the Registrar of Companies;
- (d) Notice of Board and various Committee meetings of Directors;



CS Mardan Singh
B.Sc., LL.B., F.C.S.
Practicing Company Secretary

Office : 7/581/10, Sector-7
Vikas Nagar
Lucknow-226 016
Mob. : 7355060301, 9415467771, 8960630345
Pan No. : AJUPS3081N

- (e) Meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- (f) Notice and convening of Annual General Meeting.
- (g) Minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- (h) Approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required.
- (i) Constitution of the Board of Directors, Committees of Directors.
- (j) Appointment and remuneration of Statutory Auditors and Cost Auditors;
- (k) Transfer of the Company's shares, issue and allotment of shares;
- (l) Declaration and payment of dividend;
- (m) Borrowings and registration of charges;
- (n) Report of the Board of Directors;
- (o) Generally, all other applicable provisions of the Act and the Rules there under.

I further report that:

- a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;
- b) The Directors have complied with the disclosure requirements in respect to their eligibility of appointment, their being independent, compliance with the code of conduct for Directors and Senior or Management Personnel,
- c) The Company has obtained all necessary approvals under various provisions of the Act where necessary;
- d) There was no prosecution initiated against or show cause notice received by the Company during the year under review under the Companies Act and rules, regulations and guidelines under the Act.

Objervation :-

1. As per the provisions of section 129 read with section 96 of the Companies Act, 2013, the Audited Financial Statement of the company for the financial year 2019-20 was required to be adopted in the annual general meeting of the company within six months of the closing of the financial year i.e. latest by 30/09/2020, but due to COVID-19 situation, the last date of holding AGM was extended by Ministry of



CS Mardan Singh
B.Sc., LL.B., F.C.S.
Practicing Company Secretary

Office : 7/581/10, Sector-7
Vikas Nagar
Lucknow-226 016
Mob. : 7355060301, 9415467771, 8960630345
Pan No. : AJUPS3081N

Corporate Affairs till 3/12/2020. Eventually, the AGM was held on 08/12/2020. The Annual Financial Statement (Annual Accounts) of the company for the financial year 2019-20 were not ready for their adoption and this General meeting was adjourned. Thus by the non adoption of Annual Accounts of the company for the financial year 2019-20 in this Annual General Meeting, the company has failed to comply with the provisions of section 129 of the Companies Act, 2013.

2. As per the provisions of section 149 of the Companies Act, 2013 read with the Rule (4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to appoint at least two number of Independent Directors on the board of directors of the company. Further while constituting the Audit Committee under section 177 of the Companies Act, 2013, at least one Independent Director is required to be appointed. Similarly while constituting the Corporate Social Responsibility Committee under section 135 of the Act at least one independent director has to be appointed on such committee during the year 2020-21. The company has not appointed any Independent director on the board of directors of the company, the Audit Committee and Corporate Social Responsibility Committee.
3. As per the provisions of section 148 of the Companies Act, 2013 and the rule (5) of the companies (Cost records and Audit) Rules, 2014, the company is required to appoint the cost auditor within 180 days of the commencement of every financial year and as per the provisions of rule (6) of these rules, every cost auditor shall forward his report to the board of directors of the company within 180 days of the closure of the financial year to which the report relates .

M/S K.B. Saxena & Associates, Lucknow were appointed as the cost auditor of the company for the financial year 2020-21 well within the time limit prescribed under above provisions.

The cost audit report of the financial year 2019-20 was required to be placed before the board within 180 day of the closing of the financial yea i.e latest by 30/09/2020. As per the information based on record during audit, the cost audit report of 2019-20 has not been placed before the board of directors within the above prescribed time limit. Thus to this extent the above provisions of section 148 of the companies Act, 2013 were not complied with by the company.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals



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I further report that subject to the above observations, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.- Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. - Decisions of the Board Meetings, as represented by the management and recorded in minutes, were taken unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws rules, regulations and guidelines.

Place: - Lucknow
Date: - 20.05.2022

Sd/-
(Mardan Singh)
Practicing Company Secretary
F.C.S. : 1933
C.P. No. : 10705
UDIN : F001933D000355539

Dileep Dixit & Co.
Company Secretaries

Annexure-A

1. As per the provisions of section 129 read with section 96 of the Companies Act, 2013, the audited Financial Statement of the company for the financial year 2019-20 and the report of the board of directors was required to be adopted in the annual general meeting of the company within six months of the closing of the financial year i.e. latest by 30/09/2020. The Ministry of Corporate Affairs has extended the due date of conducting Annual General Meeting for the F/Y 2019-20 till 31.12.2020 in effect to which the Annual General Meeting of the company was held on 08/12/2020. But the Financial Statement (Annual Accounts) of the company for the financial year 2019-20 were not audited and consequently the report of the board of directors was not prepared and hence not ready for their adoption in this Annual General Meeting which was eventually got adjourned. Further, During the audit, it has been found that the Annual Accounts of the Company for the Financial Year 2018-19 has been adopted in the adjourned Annual General Meeting held on 07/11/2020.
2. As per the provisions of section 148 of the Companies Act, 2013 read with the rule 5 of the Companies (Cost and Audit) Rules, 2014, the Company is required to appoint the cost auditor within 180 days of the Commencement of every Financial Year and as per the provisions of rule (6) sub rule (5) of these rules, every cost auditor shall forward his report to the board of directors of the Company within 180 days of the closure of the financial year to which the report relates. Further, During the audit, it has been found that the cost audit report of the Company for the Financial Year 2018-19 was required to be presented before the board of directors latest by 30/09/2019 but the same has not been submitted before the board of directors within 180 days of the closure of the Financial Year i.e. by 30/09/2019 as required by rule (6) sub rule (5) of the above rules. Thus, to this extent the above provisions of the Companies Act, 2013 and the relevant rules have not been complied with.
3. As per the provisions of section 149 of the Companies Act, 2013 read with the rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to appoint at least two numbers of Independent Directors on the Board of directors of the Company. Further, while constituting the Audit Committee under Section 177 of the Companies Act, 2013, at least one Independent Director required to be appointed in the composition of the Audit Committee. Moreover, while constituting the Social Responsibility Committee under Section 135 of the Companies Act, 2013, at least one Independent Director has to be appointed in the composition of the Social Responsibility Committee during the year 2019-20. The Company has neither appointed Independent Directors in the composition of its Board of directors nor in the composition of the Audit Committee and Social Responsibility Committee.

UDIN : F006244C001578067

Place : Lucknow

Date : 29.11.2021

For M/s. Dileep Dixit & Co.

—SD—

Dileep Kumar Dixit

FCS. No. 6244

C.P. No. 6770



Dileep Dixit & Co.
Company Secretaries

To,
The Members,
M/s U.P. POWER TRANSMISSION CORPORATION LIMITED
COMPANY CIN : U40101UP2004SGC028687
Regd. Office : SHAKTI BHAWAN
14-A, ASHOK MARG, LUCKNOW
Uttar Pradesh 226001 India
Email id : cs@upptcl.org

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company so far it is not concerned with our audit related matters.
4. Where ever required, we 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 are the responsibility of management. Our 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.

UDIN : F006244C001578067

Place : Lucknow

Date : 29.11.2021

For M/s. Dileep Dixit & Co.

—SD—

Dileep Kumar Dixit

FCS. No. 6244

C.P. No. 6770