



CIN : U40101UP2004SGC028687

16th Annual Accounts Report 2019-2020

Uttar Pradesh Power Transmission Corporation Ltd.

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

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED



CIN : U40101UP2004SGC028687

BALANCE SHEET

As At

31.03.2020

&

PROFIT & LOSS STATEMENT

for The Year Ended

31.03.2020

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

Board of Directors

(As on 31st March, 2020)

President & Chief Secretary (Power)
Shri Arvind Kumar

Directors

- Shri Senthial Pandian C., Managing Director
- Shri M. Devraj, Managing Director, UPPCL & Director
- Shri Ravi Prakash Dubey, Director (Work & Project)
 - Shri Ram Swarath, Director (SLDC)
 - Bibhu Prasad Mahapatra, Director (Finance)
 - Shri Rakesh Kumar Singh, Director (Operation)
 - Shri Vinod Kumar Khare, Director (P&M)
 - Shri Neel Ratan Kumar, Director
- Smt Debjani Chakarvarty, Nominee Director (REC)
 - Shri Sanjay Gupta, Director (Power Grid)

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	Oriental Bank of Commerce
ICICI Bank	HDFC Bank
Canara 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 Sixteenth Annual Report on the performance and operations of the Company during the financial year ending on 31st March, 2020 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 31.03.2020	Year ended 31.03.2019
<u>INCOME</u>		
Revenue from Wheeling of Power	3492.74	2,359.88
Other Income	331.59	170.32
TOTAL (A)	3824.33	2530.20
<u>EXPENDITURE</u>		
Operational Expenditure :-		
Repair & Maintenance Expenses	460.19	420.80
Employees Cost	385.00	272.84
Administrative, General & Other Expenses	67.46	58.56
TOTAL (B)	912.65	752.20

Operational Profit/(Loss) before Dep. Intt. & Prov. C=(A-B)	2911.68	1778.00
Interest and Finance Charges	1090.06	1029.08
Depreciation	1240.08	1078.44
Bad debts & Provisions	2.99	-
TOTAL (D)	2333.13	2107.52
Profit/(Loss) Before Tax	578.55	(329.52)
Deferred Tax	226.66	-
NET PROFIT/(Loss) After Tax	351.89	(329.52)

Capital Structure:

The Authorized Capital of the Company is ₹ 20,000,00,00,000/- (Rupees Twenty Thousand Crores only) divided into 20,000,00,00 (Twenty Crores) Equity Shares of ₹ 1000/- each.

The Company had raised its Share Capital during the year under review by issuing 14,647,270 number of Equity Shares to Government of Uttar Pradesh at a price of ₹1000/- per share. As a result, the Equity Share Capital of the Company had increased from ₹ 135,953,398,000/- to ₹ 150,600,668,000 consisting of 150,600,668 Equity Shares of ₹ 1000/- 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. 27th June, 2019
- II. 09th September, 2019
- III. 09th December, 2019
- IV. 21st January, 2020

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, 2020 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, 2014 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, 2020 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 cause of business.

Operational Performance

- a. Uttar Pradesh Power Transmission Corporation Ltd has a vast electricity transmission network. During the year 2019-20 corporation was having 575 substations of different voltage levels ranging from 765KV to 132KV and total transformation capacity of 1,22,130MVA. It takes care of 44,045 circuit kms. of lines spanning over whole length and breadth of the state facilitating uninterrupted flow of power. During year 2019-20 peak demand of 21632 MW was met by the 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 33 KV and 132 KV voltage levels on priority basis. 2450 MVAR capacitors were installed in year 2019-20.
- c. During year 2021-22 up to November-2021, 02nos. 400KV Sub-station, 04nos. 220KV Sub-station & 04 nos.132KV sub-station has been energised & increasing capacity works at 01no. 400 KV sub-station, 10 nos. 220KV sub-stations, 58 nos. 132KV sub-stations have been completed. 426 Ckt. Kms. of 765Kv, 242 Ckt. Kms. of 400KV, 268 Ckt. Kms of 220KV, 653 Ckt. Kms. of 132KV lines have been energised. 80MVAR Capacitor banks at 33KV level has been energised.

Physical Achievements

During the FY 2019-20under review the following transmission works have been completed:-

A. Lines

Sl. No.	Voltage level (KV)	Total line length constructed during FY 2019-20 (Ckt. kms)	Total line length as on date 31.03.2020 (Ckt. kms)
1.	765KV	Nil	1058.37
2.	400KV	170.31	6242.38
3.	220KV	1085.52	12985.12
4.	132KV	2079.84	23731.90
	TOTAL	3335.67	44017.77

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)	
765 KV	Nil	Nil	Nil	Nil	6000
400 KV	01	1000	08	1920	20820
220 KV	08	1420	48	3970	44900
132 KV	12	603	61	1806	50410
TOTAL	21	3023	117	7696	122130

B (ii) Capacitors (During FY 2019-20):-

1. 132KV- 40 MVAR
2. 33KV- 2410 MVAR

(iii) Bay (Energized)(During FY 2019-20)

1. 220KV-21nos
2. 132KV-26 nos.
3. 33KV-158 nos.

List of 400 KV Substation commissioned and in Operation

1. 400KV –Sector 148, Noida

List of 220 KV Substation commissioned and in Operation

1. 220KV Gola
2. 220KV Amethi

3. 220KV Dahi Chauki, Unnao
4. 220KV Botanical Garden, Sector-38A, Noida
5. 220KV Raja KaTalab
6. 220KV Partapur, Jagritvihar
7. 220KV Pratapvihar
8. 220KV Phoolbagh

List of 132 KV Substation commissioned and in Operation

1. 132KV Kabrai
2. 132KV Bansdih
3. 132KV Narkhi
4. 132KV Hanuman Setu, Lucknow
5. 132KV Akrabad, Aligarh
6. 132KV Lambhua
7. 132KV Sonkh Road
8. 132KV Kalwari
9. 132KV Baghra
10. 132KV Hasanganj
11. 132KV Rudhali
12. 132KV FatehpurSikri

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:-

- Increase in number of transmission lines as well as capacity of transformers has made existing bus bars at older substations overloaded. Therefore, strengthening of existing bus bars of 220 KV, 132 KV and 33 KV voltage levels was carried out at various substations.
- Arrangements were made to operate other available lines in synchronised way. This enhanced reliability of transmission network as well as reduction in transmission losses.
- Patrolling of transmission lines, maintenance of proper corridor clearance, jumper tightening, insulator cleaning and replacement of defective insulators, broken ground wire and missing tower members. Cleaning of transmission lines insulators.

- Thermovision scanning of transmission lines and switch yards for detection of loose joints. All joints having temperature above a threshold limit are attended promptly after availing shutdown to avoid conductor or equipment failure.
- Testing of power transformers' oil at regular interval to monitor the health of transformers and early detection of any problem. Maintenance of power transformers involving filtration of oil, checking of oil leakage, Maintenance of cooling system etc. Monitoring of switchyard earthing.
- Testing and maintenance of switchgears and isolators & protection system.

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 demand 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, Moradabad, Panki and Modipuram. Back Up SLDC is also located at Modipuram. Congestion management and 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 exceed 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 FY-2019-20 max demand of 21632 MW and 120378 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 guidelines in the month of March'2021 and till November'21, compliance to all guidelines of CERT has been ensured.
- SLDC also facilitate the charging of new elements and shut down of the transmission elements/generating units for maintenance. During the year SLDC facilitated charging of approximately 292 new elements.
- SLDC is the nodal agency for short term open access, during the 2019-20, short term open access to 50 new customers have been allowed. 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. During the month of March 2020, 460 energy accounts were issued and in the year 2019-20, around 4500 energy accounts were issued.

1. **Planning and Commercial Activities:-**

(a) **Planning activities:-**

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

05 years Transmission Plan, for FY 2020-21 to 2024-25, has been prepared considering the upcoming generation & demand projection of Discoms and was submitted before U.P. Electricity Regulatory Commission for their approval. State Commission in its order dated 15.10.2020 has considered the same:

FY	2021-22	2022-23	2023-24	2024-25
Expected Peak Demand (MW)	26,500	28,000	30,000	31,500
Capital Expenditure (Rs. in Cr.)	6393*	6525	3529	3041
Transmission Losses (%)	3.33%	3.27%	3.22%	3.18%

* Revised in Tariff order dated 29.06.2021 as Rs. 5123.22 Cr.

Further as per UPERC MYT Regulations, 2019 prior investment approvals of all the Projects, costing above Rs. 20 Crore, is being taken from UPERC on quarterly basis w.e.f. FY 2020-21 onwards. Status of Investment approval granted by UPERC for 1st to 4th Quarter of FY 2020-21 and 1st Quarter of FY 2021-22 is as below:

Sr. No.	Particular	FY 2020-21				FY 2021-22
		1st & 2nd Quarter	3rd Quarter	4th Quarter	Total	1st Quarter
1	Total Capital Expenditure considered by TWC	814.68	545.86	218.95	1579.49	681.53
2	Capital Expenditure of Projects above Rs. 20 Cr.	294.56	225.07	60.03	579.66	24.51
3	Capital Expenditure approved by Hon'ble Commission	283.65	210.89	60.03	554.57	24.51

(b) 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 ongoing 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 (Rs. in Cr.)	3082.50
Energy handled (MU)	116731.81
Revenue from Operations pertaining to FY 2019-20	2214.57
Net Gap (Rs. in Cr.)	867.93
Transmission Tariff (Rs./kWh)	0.2641

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

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

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

2. Transmission Plan for future:-

The peak demand met during FY 2021-22 (till November, 2021) was 24795 MW through the Intra-State network established till November, 2021 as below:-

Voltage Level (kV)	132 KV	220 KV	400 KV	765 KV	Total
No. of Substations (Nos.)	447	137	32	5	621
Transformation Capacity (MVA)	56,652	49,440	30,510	13,000	1,49,602
Transmission Lines (Ckt. Km)	25,833	13,723	7,390	2,146	49,092

The expected peak demand for future years in the State, as considered by UPERC, is as below:-

FY	2021-22	2022-23	2023-24	2024-25
Expected Peak Demand (MW)	26,500	28,000	30,000	31,500

The year wise number of substations planned to meet the demand for upcoming years is as below:-

Voltage Level (in kV)	No. of Substations		
	FY 2022-23	FY 2023-24	FY 2024-25
765	2	2	-
400	2	1	3
220	14	12	16
132	17	17	10
Total	35	32	29

* The tentative plan may change during revisiting as per the demand scenario.

3. Progress & Achievements (FY 2019-20):-

In the FY 2019-20 UPPTCL added 21 nos. new substations (including 01 nos. 400 kV, 08 nos. 220 kV & 12 nos. 132 kV substations), 3336 ckt. km lines and 7696 MVA transformation capacity addition.

The summary of operational achievements is as below:

FY 2019-20

Transformation Capacity (MVA)	1,36,180
Peak Demand Met (MW)	21,632
TTC (MW)	13,900 (at 10,000 MW internal generation)
Power Factor	0.941
Transmission Losses	3.43%
Transmission System Availability	99.47%

Finance Activities:-

The Amount, If Any, Proposed By The Board to be Carried to Reserve

There is Net Profit After Tax to the tune of Rs. 351.89crores during the FY 2019-20 and accumulated losses to the tune of Rs. 805.77crores upto the year under review. 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 After Tax to the tune of ₹ 351.89 crores during the FY 2019-20 and accumulated losses to the tune of Rs. 805.77crores upto the year under review. 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 by ZAO on the basis of audited accounts to Corporate Account Office, there are no such changes/commitments that affect 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.(Annexure V). The CSR Committee constituted under the Act comprised of the following Directors:-

1. Managing Director
2. Director (Finance)
3. Director (Planning & Commercial)
4. Director (Operations)
5. Director (Works & Project)

The Company had suffered a loss for three last financial years, therefore Company is not required to spend any amount towards CSR in the F.Y 2019-20.

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

As per the information drawn from Annual Accounts, no deposits have been called/accepted from public during FY 2019-20, hence, there is no non-compliance of provisions as specified under chapter V of the Companies Act, 2013.

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

During the FY 2019-20 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 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 (2019-20)	
			Date of Appointment/ Change in Designation Cessation	Nature of Change (Appointment Change in Designation/ Cessation)
1	Shri Arvind Kumar	Chairman & Nominee Director	09.11.2019	Appointment
2	Shri M. Devaraj	Nominee Director	05.11.2019	Appointment
3	Sri Bibhu Prasad Mahapatra	Whole-Time Director	16.12.2019	Appointment
4	Shri Rakesh Kumar Singh	Whole-Time Director	15.07.2019	Appointment
5	Shri Vinod Kumar Khare	Whole-Time Director	16.09.2019	Appointment
6	Shri Sanjay Gupta	Nominee Director	10.02.2020	Appointment
7	Shri Alok Kumar	Chairman & Nominee Director	09.11.2019	Cessation
8	Smt. Aparna Upadhyayula	Nominee Director	05.11.2019	Cessation

9	Sri Suman Guchh	Whole-Time Director	28.10.2019	Cessation
10	Sri Sudhanshu Dwivedi	Whole-Time Director	30.06.2019	Cessation
11	Shri Chandra Mohan	Whole-Time Director	29.06.2019	Cessation
12	Sri Brajesh Kumar Khare	Whole-Time Director	30.06.2019	Cessation
13	Smt. Manju Shankar	Nominee Director	31.12.2019	Cessation
14	Shri Rakesh Kumar Singh	Nominee Director	30.06.2019	Cessation

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

Statutory Auditors

M/s R.M. Lall & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for the Financial year 2019-20 by C&AG of India. The Statutory Auditors have audited the accounts of the company for the year ended on 31st March 2020. The replies to the report of the auditors are annexed to this report.

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 2019-20. The Cost Auditor submitted their report to the Board which has been filed with Ministry of Corporate Affairs, Cost Audit Branch in Form CRA-2.

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 M/s. Dileep Dixit & Co., Company Secretaries in the capacity of the Secretarial Auditor for the financial year 2019-20. The Report of the Secretarial Auditor together with the Management explanation to such qualification pertaining to financial year ended on 31st March, 2020 is forming the part of this report.

Particulars of the Employees

Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there was no person employed for the whole or a part of the year in the Corporation has drawn salary of ₹ 1.20 crore per annum or ₹ 8.5 Lakh per month for the FY-2019-20.

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 no case has been reported under the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

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 2019-20.

Review of Accounts by the C & AG of India

The comments of Comptroller and Auditor General of India u/s 143(6)(b) of the Companies Act 2013 on the Annual Accounts of the Corporation for the year ended 31st March 2020 are appended to this report. The replies to the report of the C&AG of India are also annexed to this report.

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.

Extract of the Annual Return

The extract of Annual return in terms of Section 134(3) read with Section 92(3) of the Companies Act, 2013 is placed as Annexure-VI forming part of this Report. Copy of the Annual Report comprising the extract of Annual Return will be hoisted on the website of the Company after filing the same with Registrar of Companies. The extract will be available on the web -address of the Company i.e. www.upptcl.org.

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 : 05-01-2022

Place : Lucknow

**MANAGEMENT'S REPLY TO STATUTORY AUDITOR'S REPORT ON THE ACCOUNTS OF
UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED FOR THE YEAR
ENDED ON 31-03-2020**

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, 2020, 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 four 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 in conformity with the Indian Accounting</p>	<p align="center">No Comment</p>

AUDITORS' REPORT	MANAGEMENT REPLY
<p>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, 2020, 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:</p> <p>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.</p> <p>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 style="text-align: center;">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>No Comment</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>No Comment</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</p>	<p>No Comment</p>

AUDITORS' REPORT	MANAGEMENT REPLY
<p>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.</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:</p> <p>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.</p>	No Comment

AUDITORS' REPORT	MANAGEMENT REPLY
<p>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.</p>	
<p>As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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</p>	No Comment.

AUDITORS' REPORT	MANAGEMENT REPLY
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.	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 financial statements/ information of Zones located at Prayagraj Zone (LC: 100,250), Lucknow Zone (LC: 300, 400, and 450), Meerut Zone (LC: 500, 600) and Agra Zone (LC: 700,	No Comment

AUDITORS' REPORT	MANAGEMENT REPLY
<p>800) included in the Standalone Financial Statements of the Company. The financial statements/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:</p> <p>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.</p> <p>ii. The Company did not have any long-term contracts including derivative contracts entailing any material foreseeable losses.</p> <p>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-
S.K. Awasthi
DGM
(Finance & Accounts)

-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, 2020.

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 realisation/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>All those liabilities/assets that are expected to be settled / realized within twelve months period have been classified as current. Moreover, as per Ind AS 1, the assets/liabilities are to be classified into current/non-current based upon their nature. Since operating items like trade receivables, trade payables, inventories etc. are part of a normal operating cycle, they are required to be classified as current assets/liabilities as per Ind AS 1, even when they are not expected to be realized within twelve months after the reporting period. Hence, the classification of liabilities/assets into current/non-current done in the financial statements is consistent with 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 Equipment. This has resulted in overstatement</p>	<p>Since the Company is engaged in supply of electricity, it has to comply with the provisions of Electricity Act 2003 (read with rules and regulations notified thereunder) as per section 1 (4) (d) of the Companies Act, 2013.</p> <p>Further, as per Electricity (Supply) Annual Accounts Rules, 1985 notified under the Electricity Act, 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</p>

S. No.	Auditors Report	Reply
	of fixed assets depreciation and Profit, and understatement of employee cost.	<p>the capital expenditure incurred during the period on the project).</p> <p>Accordingly, the staff costs have been allocated on the basis on fixed percentage of the capital expenditure incurred during the period on the project which is consistent with the requirements of the Companies Act. Hence, there is no overstatement of fixed assets, depreciation and profit or understatement of employee cost.</p>
c.	The Stock of Materials - Capital Works (Note – 7(a)) 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. There are neither spare parts nor stand-by equipment nor servicing equipment that meets the definition of property, plant and equipment. As per Ind AS 16 these items are required to be classified as inventory.
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, the liability of UPPTCL has been hedged up to the fixed percentage of contributions based on actuarial valuation carried out by UPPCL 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	Since, assessment of impairment of assets would require revaluation of assets, which is not permitted

S. No.	Auditors Report	Reply
	inconsistent with Ind As- 36 Impairment of Assets.	under Electricity (Supply) Annual Accounts Rules, 1985 notified under the Electricity Act, assessment is not required. The same has suitably been indicated in accounting policy of the company also.
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”)	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. Hence, measuring any of the above at fair value, will be inconsistent Electricity Act and thus, with section 1 (4) (d) of the Companies Act, 2013 also.
2.	No documentary evidence in respect of ownership/title of land, land rights and buildings was made available to us and hence ownership as well as accuracy of balances could not be verified.	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.
3.	Due to non-availability of necessary information 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.	The information regarding the date of energization / capitalization of fixed assets as provided by zonal offices and forming the basis of calculating the amount of borrowing cost capitalized were placed before the audit team along with individual work wise unit wise loan wise calculation of interest during construction (IDC). Further, considering that capitalization and depreciation thereon is posted at division level which has already been covered under the scope of audit by internal as well as branch statutory auditors, and that documents related to capitalization / depreciation of all 190 units is not available at headquarter, the same were provided on sample basis for review.

S. No.	Auditors Report	Reply
		Moreover, capitalization & depreciation appearing in Annual Accounts is compiled on the basis of accounts of all zones only, which have already been audited by Independent Auditors appointed by CAG, which also appoints the Independent Auditors at HQ.
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.	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. The Disclosure of the same has been made in the annual accounts of F.Y. 2019-20
5.	The Company has transferred its land measuring 5.9 acres, located at Taj Mahal, 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.	132KV S/s Taj was energized in 1965. The land measuring 5.9 acre out of 11.38 acre land available at 132KV S/s Taj was given to Tourism Deptt. free of cost in compliance of U.P. Govt. Order No.117/2015/1892/41-2015-92 YO/15 dt. 11.08.2015 on approval accorded by Board of Directors in the 49 th meeting held on 25.07.2016. Since the land was given free of cost. Hence, under the above circumstances no adjustment was made in the accounts. The Disclosure of the same has been made in the annual accounts of F.Y. 2019-20.
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 of F.Y. 2019-20
7.	Inter unit transfers amounting ₹ 252.90 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

S. No.	Auditors Report	Reply
		<p>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.</p> <p>Additionally, in efforts to reconcile balances relating to earlier periods, debit IUT Balances of Rs.35,748 crores and Credit IUT Balances of Rs.35,748 crores (Total Rs.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.</p>
8.	<p>Common expenditure (Charged by UPPCL) amounting to ₹ 10.13 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.</p>	<p>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. Since the Income Tax Act seeks to levy income tax in respect of "incomes" which includes various types of gains, profits, accretion, value addition, etc., in the absence of any profit element, a receipt cannot be classified as income, but reimbursement and therefore, should not be subject to income tax, unless specified otherwise.</p> <p>In absence of any specific provision to levy tax on reimbursements, no tax was deducted. However, the management has sought legal opinion on the matter and necessary compliance will be ensured, if required.</p>
9.	<p>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.</p>	<p style="text-align: center;">No Comment</p>

S. No.	Auditors Report	Reply
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.	Zone wise details as audited by the branch auditors have been provided.
12.	In Significant accounting policy (Para 2(II)(c) of Note-1) & Notes on accounts (Para 16(b) of Note – 29), 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 ₹ 44.40 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. Hence, there is no overstatement of capital reserve or capital expenditure.
13.	The Zone auditors have expressed the audit opinion on the Trial Balances as at 31st March, 2020 of the Zonal Accounts Office Prayagraj Zone (LC: 100, 250), Lucknow Zone (LC: 300, 400, and 450), Meerut Zone (LC: 500, 600) and Agra Zone (LC: 700, 800), and these have been considered for the preparation of the financial statement of the company. As per existing practices, financial statements of the Zones have not been prepared.	The duties of an auditor of the company have been defined under section 143 (2) to (5) of the Companies Act, wherein apart from other duties, the auditor has to express an opinion if the ‘Financial Statements’ give a ‘true and fair view’ of the state of company’s affairs. Whereas the duties of the branch auditors have been defined under section 143 (8) of the Act, which require a branch auditor to prepare a report on ‘accounts’ of the branch examined by him and send it to the auditor of the company who shall deal with it in his report in such manner as he considers necessary. The Act neither requires branch auditors

S. No.	Auditors Report	Reply
		<p>to express any opinion on financial statements not does the Act require preparation of financial statements at Branch level.</p> <p>In view of the above, non-preparation of financial statements of the zone should not form basis of qualified opinion.</p>
14.	<p>Audit observations in Zones Audit Reports, excluding those which have been appropriately dealt with elsewhere in the report.</p> <p>i) Prayagraj Zone (LC: 100 & 250)</p> <p>a. No identification is made by various units of zone of unserviceable plant & machinery, vehicles, furniture & fixture, office equipment and lines cable network. Hence, no provision is made by the Zone/Units for such unserviceable & obsolete assets.</p>	<p>The Zonal office has informed that necessary instructions have already been issued to units.</p>
b.	<p>Material stock includes written down value of assets not in use brought from AG-16 and Capital work-in-progress AG-14 includes cost of work on old abandoned projects which have not been put to use so far. The anticipated reduction in realizable value of such assets/ material lying under head AG-14 and AG-16 has not been provided for in the accounts. Moreover, physically verified inventories/ material stock as is received from various incumbents have not been valued and mapped with the accounts. For want of complete details and information, we could not quantify its impact, if any, on the Trial Balance.</p>	<p>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. Further, these are valued at cost as per the accounting policy drafted as per the provisions of Companies Act read with Central Electricity Act and Rules & Regulations notified thereunder.</p>
c.	<p>Material Stock AG-22 includes "material stock Excess/short pending investigation" which are lying old pending for reconciliations and necessary adjustments, if any, arising thereof.</p>	<p>The Zonal office has informed that instructions for providing complete details / records have already been issued to units.</p>

S. No.	Auditors Report	Reply
d.	Daily cash/bank balances have not been drawn hence the balance of cash/bank at a particular date is not available from the cash register.	It has been informed by the zonal office that the Cash Book is drawn on monthly basis as per rules prescribed in Volume VI of Financial Handbook. However, instructions have been issued for drawing daily cash/bank balances.
e.	Entries pertaining to earlier years are still appearing in the bank reconciliation statements of the various units which are lying unadjusted.	It has been informed by the zonal office that these entries are related to bank charges deducted by the bank in last many years and correspondence of reversal of those charges is under process with bank.
f.	Balances of work-in-progress vis-a-vis material lying with contractors etc., are subject to preparation of complete details, confirmations, reconciliations and consequential adjustments, if any, arising thereof.	It has been informed by the zonal office that the unit-wise complete details of CWIP and material lying with contractors have been provided to the audit team.
g.	Credit balances under the head Inventory - Stock (Capital) and stock (O&M) and debit balances under the head provision for depreciation, at certain units are pending for correction, linking and consequential adjustments. Old balances under the heads - retention margin and earnest money etc., are subject to confirmation and adjustments, if any.	It has been informed by the zonal office that the units have been instructed for preparation of complete details and reconciliations.
h.	Debit balance of ₹ 2,20,05,776.97 at location code 106 - EFU Naini, under the Account heads AG 22.710 for - workshop suspense materials for fabrication and ₹ 1,35,64,921.70 under account head AG 22.770 for related scrap materials, are subject to complete material accounting and adjustments. Moreover, complete and transparent details regarding valuation of material stock [AG-22.60 and 22.61] aggregating to ₹ 10,43,67,648.53 were not made available to us for verification.	It has been informed by the zonal office that Valuation details along with physical verification report & 2S Register copy were provided to the audit team.
i.	AG Code-22.770 in Unit No. 106 includes therein stock of scrap of STEEL, ZINC DROSS,	Necessary compliance will be ensured in ensuing accounts in hand.

S. No.	Auditors Report	Reply
	ZINCASH AND OLD ZINC valued at scrap sale rate of 06/2019 as against policy no. (V) (b) which states that Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts, as and when sold.	
j.	Neither bank balance certificate nor bank statement w.r.t. Flexi-fixed deposit in case of Unit having location Code:251 was not made available to us, hence unable to make any comment on banking transactions held in the unit during the financial year.	It has been informed by the zonal office that many correspondence have been made by Unit code -251 with bank for providing flexi balance confirmation certificate but the same was not provided by the bank. As a corrective measure the account has been shifted by the unit to other bank and compliance will be ensured in ensuing accounts in hand.
ii)	Lucknow Zone (LC: 300, 400, and 450)	
a.	Details of Unserviceable items are required to ascertain scrap material and stock related accounts (AG Code- 22, amounting to ₹ 325.53 Crores included in Inventories (Note-7)). Since, detail of Un-serviceable items along with value could not be made available to the audit, hence quantification of qualification is not possible.	It has been informed by the zonal office that necessary instructions have been issued to the units.
b.	Age wise analysis of Capital Expense in Progress Account (AG Code- 14, amounting to ₹ 623.8 Crore included in Capital Work in Progress (Note- 3)) is not readily available at ZAO-TC due to this reason, old entries relating to Capital Expenses in Progress Account is not ascertainable along with reasons of non-capitalization.	The work-wise/scheme-wise details of individual ongoing works are available at unit level for review by auditors. The zonal office has informed that no capitalization is pending for want of details and age wise analysis during the relevant year.
iii)	Meerut Zone (LC: 500 and 600)	
a.	Bank Reconciliation Statements of some of the units are carrying old outstanding entries which include obsolete cheques issued but not presented, other credits.	Necessary instructions have been issued to the concerned zonal offices.

S. No.	Auditors Report	Reply
b.	No system for identifying and segregating unserviceable/slow moving/non-moving stocks. Such stocks are mixed with other stocks and are valued as normal stock.	Necessary instructions have been issued to the concerned zonal offices.
15.	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-
S.K. Awasthi
DGM
(Finance & Accounts)

-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, 2020.

S.No.	Auditors Report	Reply
1.	(a) The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.	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, maintenance and updating of fixed assets register showing full particulars including quantitative details and situations of fixed assets is under process. Necessary instructions have been issued to the concerned zonal offices.
	(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.	Necessary instructions have been issued to the concerned zonal offices.
	(c) The title deeds of immovable properties have not been provided. 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.	The title deeds of immovable properties are available at units for review by auditors.
2.	The physical verification for inventories has been conducted by the management at reasonable interval during the year. Auditors of all the Zones except Agra Zone have reported that the physical verification reports were not made available to them. 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.	Necessary instructions have been issued to the concerned zonal offices.
3.	According to information and explanation given to us, the company has not granted any loan,	No Comment

S.No.	Auditors Report			Reply
	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.			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 not been made available to us by the company.			Cost Audit for the FY 2019-20 has been completed and report has been signed on 18.08.2021.
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.
	Name of the statute	Nature of the due	Amount (₹)	Period to which the amount relates (FY)
	Income Tax Act, 1961	Income Tax – TDS*	Not Quantified	2019-20
	Income Tax Act, 1961	Income Tax – TDS (Employee)	319.00	2012-13
	Income Tax Act, 1961	Income Tax – TDS (Employee)	6,500.00	2016-17

S.No.	Auditors Report				Reply	
	Income Tax Act, 1961	Income Tax – TDS (Contractor)	31,129.79	2015-16		
	Income Tax Act, 1961	Income Tax – TDS (Contractor)	34,256.00	2006-07		
	Uttar Pradesh, Value Added Tax Act, 2008	VAT	1,48,089.50	2017-18		
	Provident Fund	General Provident Fund and interest thereon	118,99,48,665.00	2019-20, 2018-19 and earlier Years		
	Provident Fund	Contributory Provident Fund and interest thereon	20,27,95,266.00	2019-20, 2018-19 and earlier Years		
*Refer Para 8 Annexure I of this report.						
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 following dues, which have not been deposited on account of any dispute:				Necessary instructions have been issued to the concerned zonal offices.	
	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	

S.No.	Auditors Report					Reply
	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	
	Labour Cess	Labour Cess	2,60,00,000	2015-16	Allahabad High Court Case is handling via Sub-station, Design Circle, Shakti Bhawan, Lucknow	
8.	The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.					No comment
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 comment
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 2020.					No Comment
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 comment

S.No.	Auditors Report	Reply
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 comment
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.	No Comment
14.	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.	No comment
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 comment
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 comment

-SD-
S.K. Awasthi
DGM
(Finance & Accounts)

-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 of U.P. Power Transmission Corporation Limited on the Standalone Financial Statements of the Company for the year ended 31st March, 2020.

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 and Zone auditors have not reported any case of deviation in this regard.	No comment

-SD-
S.K. Awasthi
DGM
(Finance & Accounts)

-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, 2020.

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.	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.	The Transmission system of evacuation of power is 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 3.560% for the FY 2019-2020. UPPTCL incurred actual intra-state transmission loss of 3.434% which is less than and within the limit of approved intra-state transmission loss for the FY 2019-2020.	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-
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DGM
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-SD-
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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, 2020.

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, 2020 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>	<p>No comment</p>
<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>	<p>No comment</p>

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 and 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, 2020, 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, 2020.</p>	<p style="text-align: center;">No comment</p>

-SD-
S.K. Awasthi
DGM
(Finance & Accounts)

-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 2020.

CAG's FINAL COMMENTS	MANAGEMENT REPLY
<p>The preparation of financial statements of Uttar Pradesh Power Transmission Corporation Limited (Company) for the year ended 31 March, 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act 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 27 March, 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 Corporation Limited for the year ended 31 March, 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to working papers of the statutory auditor and is limited primarily to enquiries of the statutory auditors and 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 PROFITABILITY</p> <p>Expenses</p> <p>Employee Benefit Expenses (Note-21) :</p> <p>₹ 385.00 crore</p> <p>1. The above includes ₹ 24.41 crore¹ on account of 7th pay commission arrears for the period 01.08.2016 to 31.12.2016 for which liability / provision had already been created in the books of accounts in earlier years. Instead of adjusting existing provision, the Company while making payment charged the same as Employee Benefit Expenses for current year.</p> <p>This resulted in overstatement of Employee Benefit Expenses and Other Current Liabilities by ₹ 24.41 crore each. Consequently, Profit for the year has been understated by the same amount.</p> <p>¹ GPF employee ₹ 12.89 crore, CPF employee ₹ 8.41 crore, pension contribution ₹ 1.95 crore, Gratuity Contribution ₹ 0.28 crore and CPF Contribution -Employer share ₹ 0.88 crore.</p>	<p>Compliance has already been done by setting off the liability created for 7th Pay Commission arrears through prior period expenses in Annual Accounts of F.Y. 2020-21.</p>
<p>B. COMMENTS ON FINANCIAL STATEMENT:</p> <p>Non-Current Assets</p> <p>Capital Work in Progress (Note-3) :</p> <p>₹ 7,837.75 crore</p> <p>2. The Company in violation of provision of Ind AS 23 (Borrowing Costs) booked penal interest of ₹ 4.88 crore paid during 2016-17 due to delay in payment of principal and interest to the lending agencies under Capital Work-in-Progress</p>	<p>Compliance has already been done by reversing the penal interest booked under Capital Work-in-Progress (CWIP) through prior period expenses in Annual Accounts of F.Y. 2020-21.</p>

CAG's FINAL COMMENTS	MANAGEMENT REPLY
<p>(CWIP) instead of charging to Profit and Loss account.</p> <p>Thus, due to capitalization of penal interest, CWIP and other equity is overstated by ₹ 4.88 crore each.</p> <p>Despite the comment on the accounts for the years 2016-17, 2017-18 and 2018-19, no corrective action has been taken by the Management.</p>	
<p>C. OTHER COMMENTS</p> <p>3. Under Trade Receivables, Company has booked unsecured receivables from Extra State Consumers (Madhya Pradesh and Himachal 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 receivables has been made in the accounts.</p>	<p>The matter is under deliberation at NRPC level and the realizability of the receivable amount shall be final upon outcome of the deliberation. Hence, the provision for bad and doubtful debts, if required, shall be made in ensuing accounts in hand upon outcome of the deliberation.</p>

-SD-
S.K. Awasthi
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 2020

<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 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.</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 C&AG, the Audited Accounts for the year couldn't be adopted by the members at the AGM held on 08/12/2020. As the comments from C&AG on the annual accounts of the Company for F.Y 2019-20 had been received very recently; the same will be put up before members for adoption at the proposed adjourned AGM.</p> <p>Similar is the case for F.Y 2018-19 as well wherein post receiving of comments from C&AG, accounts for F.Y 2018-19 were adopted in the adjourned Annual General Meeting held on 07/11/2020.</p> <p>The circumstances for delay were beyond the control of the Company.</p>
<p>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</p>	<p>Since, the audited accounts of Financial Year 2019-20 were delayed due to pendency of comments from 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.</p> <p>The circumstances for delay were beyond the control of the Company.</p>

<p>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.</p>	
<p>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.</p>	<p>The proposal for appointment of Independent Director had been sent to Government of Uttar Pradesh.</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 : 05-01-2022

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 2019-20

A. Conservation of Energy:

- (i) The steps taken or impact on conservation of energy :-
Directions has been issued to ensure :-
- 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 solar power plants with an aggregate capacity of 1385 MW are already connected to grid network of UPPTCL & UPPCL. The installed generation capacity of Uttar Pradesh is around 24,365 MW out of which Solar Power generation form only 4.9% (1385 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.

I. 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 FY2019-20 01 no 400kV, 02 nos. 220kV and 02 nos. 132kV GIS substation have been commissioned.
- Hybrid switchgear technology for 132kV & 220kV substations. In FY 2019-20 01 no. 220kV hybrid substation has been commissioned.

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

II. 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 : 05-01-2022

Place : Lucknow

ANNEXURE V-TO THE DIRECTORS' REPORT
Disclosures about CSR Policy as per Annexure to Companies
(Corporate Social Responsibility) Rules, 2014
(Pursuant to Section 135 of the Act and Rule 9 of the Companies (Accounts) Rules, 2014
Corporate Social Responsibility
U.P. Power Transmission Corporation Limited

A. Objective

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/programmes 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.

B. Scope

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.

C. CSR Activities

The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Companies Act, 2013 (as amended from time to time). The CSR Activities shall be chosen from among the following:

- Eradicating hunger, poverty and malnutrition , promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women , setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic "institutions which are approved by the Central Government;
- Rural development projects.
- Slum area development.
- Such other matters as may be prescribed by the Central Government.
- Activities related to Clean U.P. Green U.P. campaign.
- Activities related to Energy Conservation.
- Contribution to the CM Relief Fund (U.P.).
- Activities identified by Udyog Bandhu, Government of U.P..

Explanation -for the purposes of this item, the 'slum area' shall mean any area declared as such by the Central government or any State Government or any other competent authority under any law for the time being in force.

D. Implementation of CSR Activities

The Company shall undertake the CSR Activities (out of the activities specified in Clause C above) in the area of operation of the Company or in any area in U.P. for the benefit of society at large. The CSR Activities shall be undertaken through schemes/ programmes identified by Udyog Bandhu , Government of U.P. / the District Magistrates of the concerned area/ Company's officers.

The CSR Activities shall be carried out:

- Directly by the Company for fulfilling its responsibilities towards various stakeholders.
- Through Contribution/donation made to such other Organization/ Institutions as may be permitted under the applicable laws from time to time.

E. Exclusion from CSR

The following activities shall not form part of the CSR activities of the Company:

- The activities undertaken in pursuance of normal course of business of a company.
- CSR projects/programs or activities that benefit only the employees of the Company and their families.
- Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes.
- Any CSR projects/programs or activities undertaken outside India.

F. CSR Expenditure

The Company shall, in every financial year, spend at least two per cent of the average net profits of the Company made during the three immediately preceding financial years on CSR Activities.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

G. Monitoring

The CSR Committee will be responsible for the monitoring of progress of CSR activities and amount spent on said activities and report to the Board from time to time.

H. Disclosures

The Annual Report of the Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

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 : 05-01-2022

Place : Lucknow

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31 March 2020

{Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014}

I. REGISTRATION & OTHER DETAILS:

(i)	CIN	U40101UP2004SGC028687
(ii)	Registration Date	31-05-2004
(iii)	Name of the Company	Uttar Pradesh Power Transmission Corporation Limited
(iv)	Category/Sub-category of the Company	State Government Company
(v)	Address of the Registered office & contact details	SHAKTI BHAWAN, 14-A, ASHOK MARG, LUCKNOW, Uttar Pradesh, India Ph. No.: 0522-2287107
(vi)	Whether listed company	No
(vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Transmission of Electricity, State Transmission Utility	99691110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1			NA		

IV. SHARE HOLDING PATTERN (Equity share capital break up as % to total equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt or State Govt.	0	113820046	113820046	83.72	0	128467316	128467316	85.30	1.58
c) Bodies Corporates	0	22132752	22132752	16.28	0	22132752	22132752	14.70	-1.58
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other (Directors)	0	600	600	0	0	600	600	0	0
Sub Total (A) (1)	0	135953398	135953398	100.00	0	150600668	150600668	100.00	0

(2) Foreign

a) NRI Individuals	0	0	0	0.00%	0	0	0	0.00%	0
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0
d) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	0	135953398	135953398	100.00	0	150600668	150600668	100.00	0

B. PUBLIC SHAREHOLDING

1. Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
i) Others (Alternate investment Fund)	0	0	0	0.00%	0	0	0	0.00%	0
SUB TOTAL (B)(1):-	0	0	0	0.00%	0	0	0	0.00%	0.00%

2. Non Institutions

a) Bodies Corporates									
i) Indian	0	0	0	0.00%	0	0	0	0.00%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00%	0	0	0	0.00%	0.00%
ii) Individual shareholders holding nominal share capital above Rs 1 lakh	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
(i) N.R.I.-Repatriats and Non Repatriats	0	0	0	0.00%	0	0	0	0.00%	0.00%
(ii) Hindu Undivided Family	0	0	0	0.00%	0	0	0	0.00%	0.00%
(iii) Clearing Members	0	0	0	0.00%	0	0	0	0.00%	0.00%
(iv) NBFC Registered with RBI	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (B)(2):-	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total Public Shareholding (B) = (B)(1)+ (B)(2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)	0	135953398	135953398	100%	0	150600668	150600668	100%	0

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	UPPCL	22132752	16.28%	-	22132752	14.70%	-	-1.58%
2	GOUP	113820046	83.72%	-	128467316	85.30%	-	1.58%
3	SENTHIL PANDIAN C.	200	0.00%	-	100	0.00%	-	0.00%
4	SUMAN GUCHH	100	0.00%	-	0	0.00%	-	0.00%
5	RAM SWARATH	100	0.00%	-	100	0.00%	-	0.00%
6	NEEL RATAN KUMAR	100	0.00%	-	100	0.00%	-	0.00%
7	BRAJESH KUMAR KHARE	100	0.00%	-	0	0.00%	-	0.00%
8	VK KHARE	0	0.00%	-	100	0.00%	-	0.00%
9	RAVI PRAKASH DUBEY	0	0.00%	-	100	0.00%	-	0.00%
10	BIBHU PRASAD MAHAPATRA	0	0.00%	-	100	0.00%	-	0.00%
	Total	135952998	100.00%	-	150600168	100.00%	-	0.00%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the year		Cumulative Share Holding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	UPPCL				
	At the beginning of the year	22132752	16.28%		
	At the end of the year			22132752	14.70%
2	GOUP				
	At the beginning of the year	113820046	83.72%		
	Add: Purchase through Allotment	14647270			
	At the end of the year			128467316	85.30%
3	SENTHIL PANDIAN C.				
	At the beginning of the year	200	0.00%		
	At the end of the year			100	0.00%
4	SUMAN GUCHH				
	At the beginning of the year	100	0.00%		
	At the end of the year			0	0.00%
5	BIBHU PRASAD MAHAPTRA				
	At the beginning of the year	0	0.00%		
	At the end of the year			100	0.00%
6	V K KHARE				
	At the beginning of the year	0	0.00%		
	At the end of the year			100	0.00%
7	SUMAN GUCHH				
	At the beginning of the year	100	0.00%		
	At the end of the year			0	0.00%
8	RAM SWARATH				
	At the beginning of the year	100	0.00%		
	At the end of the year			100	0.00%

9	NEEL RATAN KUMAR				
	At the beginning of the year	100	0.00%		
	At the end of the year			100	0.00%
10	BRAJESH KUMAR KHARE				
	At the beginning of the year	100	0.00%		
	At the end of the year			0	0.00%
11	RAVI PRAKASH DUBEY				
	At the beginning of the year	0	0.00%		
	At the end of the year			100	0.00%

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 Share holders	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	0	0.00%		
	At the end of the year			0	0.00%

(v) Shareholding of Directors and KMP :

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	SENTHIL PANDIAN C.				
	At the beginning of the year	200	0.00%		
	At the end of the year			100	0.00%
2	BIBHU PRASAD MAHAPATRA				
	At the beginning of the year	0	0.00%		
	At the end of the year			100	0.00%
3	BRAJESH KUMAR KHARE				
	At the beginning of the year	100	0.00%		
	At the end of the year			0	0.00%
4	V K KHARE				
	At the beginning of the year	0	0.00%		
	At the end of the year			100	0.00%
5	SUMAN GUCHH				
	At the beginning of the year	100	0.00%		
	At the end of the year			0	0.00%
6	RAM SWARATH				
	At the beginning of the year	100	0.00%		
	At the end of the year			100	0.00%
7	NEEL RATAN KUMAR				
	At the beginning of the year	100	0.00%		
	At the end of the year			100	0.00%
8	RAVI PRAKASH DUBEY				
	At the beginning of the year	0	0.00%		
	At the end of the year			100	0.00%

V. INDEBTEDNESS (2019-20)

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,18,30,74,31,774.25	55,65,17,636.00	–	1,18,86,39,49,410.25
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1,20,98,65,640.00	1,62,53,06,766.00	–	2,83,51,72,406.00
Total (i+ii+iii)	1,19,51,72,97,414.25	2,18,18,24,402.00	–	1,21,69,91,21,816.25
Change in Indebtedness during the financial year				
Addition (Principal+Interest)	21,71,14,01,862.00	–	–	21,71,14,01,862.00
Reduction (Principal+Interest)	10,31,26,93,130.00	55,30,14,524.00	–	10,86,57,07,654.00
Net Change	11,39,87,08,732.00	(55,30,14,524.00)	–	
Indebtedness at the end of the financial year				
i) Principal Amount	1,29,64,03,45,642.00	23,00,21,207.00	–	1,29,87,03,66,849.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1,27,56,60,504.00	1,39,87,88,671.00	–	2,67,44,49,175.00
Total (i+ii+iii)	1,30,91,60,06,146.00	1,62,88,09,878.00	–	1,32,54,48,16,024.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Ravi Prakash Dubey	Chandra Mohan	Brajesh Kumar Khare	Rakesh Kumar Singh	Vinod Kumar Khare	
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	39,39,625.00	35,33,679.00	7,72,065.00	20,03,746.00	15,43,834.00	1,17,92,949.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	–	–	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–	–	–	–
2	Stock option	–	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–	–
4	Commission	–	–	–	–	–	–
	as % of profit	–	–	–	–	–	–
5	Others-Leave Encashment	–	–	–	–	–	–
	Total (A)	39,39,625.00	35,33,679.00	7,72,065.00	20,03,746.00	15,43,834.00	1,17,92,949.00
	Ceiling as per the Act	Exempt for Government Companies as per MCA Notification dated June 5, 2015					

B. Remuneration to other Directors

Sl.No.	Particulars of Remuneration	Name of Directors			Total
1	Independent Directors				Total
	(a) Fee for attending board/ committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify (Travelling)	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	(a) Fee for attending board/ committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	Company Secretary	CFO Director (Finance)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,39,902.00	-	1,39,902.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
5	Others- Bonus and Leave encashment	-	-	-
	Total	1,39,902.00	-	1,39,902.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board of Directors

-SD-

(Ranjan Kumar Srivastava)

Director-Finance

DIN No-07338796

-SD-

(Guru Prasad Porala)

Managing Director

DIN No-07979258

Date : 05.01.2022

Place : Lucknow

BALANCE SHEET AS AT 31st MARCH 2020

(₹ in Lakhs)

PARTICULARS	Note No.	As at 31 March, 2020	As at 31 March, 2019
ASSETS			
1. Non-current Assets			
(a) Property, Plant & Equipment	2	19,56,948.32	17,74,637.19
(b) Capital Work-in-progress	3	7,83,774.89	7,04,140.38
(c) Other Intangible Assets	4	157.50	207.97
(d) Deferred Tax Assets	5	16,655.16	39,321.42
(e) Other Non-current Assets	6	456.30	359.34
2. Current Assets			
(a) Inventories (Stores & Spares)	7	1,62,712.53	1,43,111.17
(b) Financial Assets			
(i) Trade Receivables	8	5,60,055.86	4,21,421.63
(ii) Cash and Cash Equivalents	9	75,346.53	97,750.55
(c) Other Current Assets	10	40,970.98	41,126.73
Total Assets		35,97,078.07	32,22,076.38
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	15,06,006.68	13,59,533.98
(b) Other Equity (Refer SOCE)		1,26,711.40	58,453.51
Liabilities			
1. Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	11,59,335.40	10,90,170.27
(ii) Other Financial Liabilities	13	2,470.95	13,987.89
(b) Provisions	14	28,449.04	22,270.43
(c) Other Non Current Liabilities	15	103.27	—
2. Current Liabilities			
(a) Financial Liabilities	16	1,63,641.81	1,12,833.07
(b) Other Current Liabilities	17	6,08,662.10	5,63,005.80
(c) Provisions	18	1,697.42	1,821.43
Significant Accounting Policies	1		
Notes on Accounts	29		
Note 1 to 29 form integral part of accounts			
Total Equity & Liabilities		35,97,078.07	32,22,076.38

-SD-

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

-SD-

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

-SD-

(B.P. Mahapatra)Director (Finance)
DIN-01368109

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 : 27-05-2021

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2020

(₹ in Lakhs)

PARTICULARS	Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
I Revenue from operations	19	3,49,809.40	2,36,436.81
II Other income	20	32,623.45	16,583.38
III TOTAL INCOME (I+II)		3,82,432.85	2,53,020.19
EXPENSES			
Employee benefits expense	21	38,500.27	27,283.61
Finance costs	22	1,09,005.82	1,02,908.15
Depreciation and amortization expenses	23	1,24,008.29	1,07,844.42
Other expenses			
(a) Administrative, general & other expenses	24	6,746.33	5,856.34
(b) Repair & maintenance expenses	25	46,018.57	42,079.74
(c) Bad Debts & Provisions	26	298.50	–
IV TOTAL EXPENSES		3,24,577.78	2,85,972.26
V Profit/(Loss) before tax (III-IV)		57,855.07	(32,952.07)
VI Tax expenses:			
(a) Current tax		–	–
(b) Deferred tax	27	22,666.27	–
VII Profit / (Loss) for the period from continuing operations (V-VI)		35,188.80	(32,952.07)
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)		35,188.80	(32,952.07)
XII Other comprehensive income Items that will not be reclassified to profit or loss	28	(1,553.67)	(227.98)
XIII Total comprehensive income for the period (XI + XII) (Comprising profit/(loss) and other comprehensive income for the period)		33,635.13	(33,180.05)
XIV Earnings per equity share (For continuing operation) (Figures in actuals)			
(1) Basic EPS ¹		23.93	(25.92)
(2) Diluted EPS ¹		23.90	(25.92)

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		23.93	(25.92)
(2) Diluted EPS ¹		23.90	(25.92)
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-
(B.P. Mahapatra)
Director (Finance)
DIN-01368109

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 : 27-05-2021

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

FOR THE YEAR ENDED 31st MARCH 2020

(Rs. in Lakhs)

Balance as at 01.04.2019	Changes in equity share capital during the year	Balance as at 31.03.2020
13,59,533.98	1,46,472.70	15,06,006.68

B. Other Equity

FOR THE YEAR ENDED 31st MARCH 2019

(Rs. 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 01.04.2019	46,472.70	1,25,617.68	1,194.38	(1,80,924.18)	934.52	(6,704.90)
Changes in accounting policy or prior period errors	0.00	0.00	0.00	65,158.41	0.00	65,158.41
Restated Balance as at 01.04.2019	46,472.70	1,25,617.68	1,194.38	(1,15,765.77)	934.52	58,453.51
Total Comprehensive Income for the year	0.00	0.00	0.00	0.00	(1,553.67)	(1,553.67)
Dividends	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to retained earnings	0.00	0.00	0.00	35,188.80	0.00	35,188.80
Any other change	5,121.68	29,403.90	97.18	0.00	0.00	34,622.76
Balance as at 31.03.2020	51,594.38	1,55,021.58	1,291.56	(80,576.97)	(619.15)	1,26,711.40

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(S.K. Awasthi)
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(B.P. Mahapatra)
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DIN-08235586

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

Place : Lucknow
Date : 27-05-2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2020

(₹ in Lakhs)

	PARTICULARS	For the year ended 31 March, 2020	For the year ended 31 March, 2019
A)	Cash Flow from Operating Activities		
	Net Profit/(Loss) before Tax	57,855.07	(32,952.07)
	Adjustment for :-		
(a)	Depreciation	1,24,008.29	1,07,844.42
(b)	Revenue recognized from Consumer Contribution	(10,268.50)	(8,303.07)
(c)	Proceeds from Consumers Contribution	39,672.40	38,146.71
(d)	Interest & Finance Charges	1,09,005.82	1,02,908.15
(e)	Provision for Loss on Capital Expenditure Incurred	113.00	—
(f)	Provision for Earned Leave Encashment (Terminal Benefit)	3,490.08	1,461.59
(g)	Interest Income	(3,210.18)	(4,087.81)
(h)	Provision for Gratuity - CPF Employees	1,010.85	850.42
(i)	Other Capital Reserves	97.18	(893.19)
(j)	Deferred Income	103.27	—
	Operating Profit Before Working Capital Changes	3,21,877.28	2,04,975.15
	Adjustment for :-		
(a)	Decrease/(Increase) in Inventories (Stores & Spares)	(19,601.35)	(13,417.74)
(b)	Decrease/(Increase) in Trade Receivables	(1,38,634.24)	(33,190.31)
(c)	Decrease/(Increase) in Other Current Assets	4,380.20	(115.25)
(d)	Increase/(Decrease) in Other Current Liabilities	96,465.03	94,345.58
	Cash Generated from Operations	2,64,486.92	2,52,597.43
	Less: Taxes paid	4,224.45	3,880.28
	Net cash flow from Operating Activities (A)	2,60,262.47	2,48,717.15
B)	Cash Flow from Investing Activities		
(a)	Decrease/(Increase) in Property, Plants & Equipments	(2,95,476.95)	(2,84,647.16)
(b)	Depreciation Reserve adjusted/deducted on PPE	(10,789.01)	(9,269.96)
(c)	Decrease/(Increase) in Intangible Assets	(2.99)	—
(d)	Decrease/(Increase) in Capital Work-in-Progress	(79,747.52)	(72,492.69)
(e)	Decrease/(Increase) in Other Non-current Assets	(96.95)	17.97
(f)	Interest received	3,210.18	4,087.81
	Net cash used in Investing Activities (B)	(3,82,903.24)	(3,62,304.03)

PARTICULARS	For the year ended 31 March, 2020	For the year ended 31 March, 2019
C) Cash Flow from Financing Activities		
(a) Proceeds from Borrowings (Net)	69,165.13	13,940.90
(b) Proceeds from Share Capital	1,46,472.70	1,10,091.50
(c) Proceeds from Share Application Money	5,121.68	46,472.70
(d) Other Long-term Liabilities	(11,516.94)	(2,243.76)
(e) Interest & Finance Charges	(1,09,005.82)	(1,02,908.15)
Net cash flow from Financing Activities (C)	1,00,236.75	65,353.19
Net (Decrease)/Increase in cash & cash equivalents (A+B+C)	(22,404.02)	(48,233.69)
Cash & cash equivalents as at beginning of the year	97,750.55	1,45,984.24
Cash & cash equivalents as at end of the year	75,346.53	97,750.55

Notes to the Cash flow Statement:

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

Cash in hand 17.16 19.75Cash in Transit - -**Balances with banks**In Current & Other Account 75,321.62 97,721.73In Fixed Deposit Account 7.75 9.07**Total** **75,346.53** **97,750.55**

(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-****(B.P. Mahapatra)**Director (Finance)
DIN-01368109

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 : 27-05-2021

Note - 1**SIGNIFICANT ACCOUNTING POLICIES (FINANCIAL YEAR 2019-20)****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 work.
- (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 scrap is valued at realizable value and scrap other than steel is 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 above said period when the whole unrecongized 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.

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Partner
M. No. 071448
F.R.N. 000932C

Place : Lucknow
Date : 27-05-2021

NOTE - 2 : PROPERTY, PLANT & EQUIPMENT

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET CARRYING VALUE	
	As at 01-04-2019	Addition	Deduction/ Adjustment	As at 31-03-2020	As at 01-04-2019	Addition	Deduction/ Adjustment	As at 31-03-2020	Balance as at 31-03-2020	Balance as at 31-03-2019
Land & Land Rights										
(i) Land Owned under full title	14,197.15	131.27	4,383.64	9,944.79	-	-	-	-	9,944.79	14,197.16
(ii) Land Owned under Lease	125.60	9.33	129.38	5.55	-	-	-	-	5.55	125.60
Total (i+ii)	14,322.76	140.60	4,513.02	9,950.34	-	-	-	-	9,950.34	14,322.76
Buildings	1,08,513.80	14,576.33	84.65	1,23,005.48	23,557.62	3,865.91	76.18	27,347.35	95,658.13	84,956.18
Other Civil Works	9,163.22	1,190.83	-	10,354.05	3,281.80	371.58	-	3,653.38	6,700.67	5,881.42
Plant & Machinery	12,82,218.94	1,43,539.35	28,892.35	13,96,865.94	3,70,844.27	64,457.29	9,053.89	4,26,247.67	9,70,618.27	9,11,374.67
Lines, Cables Network etc.	11,31,473.69	1,70,737.09	2,061.07	13,00,149.71	3,77,369.93	53,896.77	1,650.46	4,29,616.24	8,70,533.47	7,54,103.76
Vehicles	337.14	-	-	337.14	308.93	1.19	-	310.12	27.02	28.21
Furniture & Fixtures	874.40	123.18	-	997.58	246.08	53.23	-	299.31	698.27	628.32
Office Equipments	955.02	256.21	-	1,211.23	490.08	102.62	-	592.70	618.53	464.94
Other assets	10,544.19	474.29	9.84	11,008.64	7,667.26	1,206.24	8.48	8,865.02	2,143.62	2,876.93
Total	25,58,403.16	3,31,037.88	35,560.93	28,53,880.11	7,83,765.97	1,23,954.83	10,789.01	8,96,931.79	19,56,948.32	17,74,637.19

(81)

Subject to our report of even date

For R.M. Lall & Co.
 Chartered Accountants

-SD-
(B.P. Mahapatra)
 Director (Finance)
 DIN-01368109

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

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

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

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

-SD-
(Rishi Tandon)
 Company Secretary

 Place : Lucknow
 Date : 27-05-2021

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

Particulars	As at 31-03-2020		As at 31-03-2019	
Capital Work in Progress ¹	3,63,643.11		3,37,712.67	
Less: Provision on account of CWIP loss (Due to abandonment or otherwise)	192.26	3,63,450.85	79.26	3,37,633.41
Borrowing Cost pending for capitalization upto Previous Year	52,990.88		51,846.80	
Add: Addition during the year	16,819.70		14,192.06	
Less: capitalization during the year	9,198.08		13,047.98	52,990.88
Material with Contractors for construction work	3,14,632.66		2,71,507.95	
Less: Provision for Bad & Doubtful Advances to Suppliers & Contractors (Capital)	185.50		–	
Advances to Suppliers/Contractors (Capital) (Other than material)	45,264.38		42,008.14	
Total	7,83,774.89		7,04,140.38	

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

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

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET CARRYING VALUE	
	As at 01-04-2019	Additions	Deduction/ Adjustment	As at 31-03-2020	As at 01-04-2019	Addition	Deduction/ Adjustment	As at 31-03-2020	Balance as at 31-03-2019
Intangible Assets									
Software	426.58	2.99	-	429.57	218.61	53.46	-	272.07	207.97
Total	426.58	2.99	-	429.57	218.61	53.46	-	272.07	207.97

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

Particulars	As at 31-03-2020	As at 31-03-2019
Net Deferred Tax Assets	16,655.16	39,321.42
Total	16,655.16	39,321.42
Details of DTA & DTL:		
Deferred Tax Assets		
Provisions/expenses allowable on payment basis	5,394.75	8,917.52
Unused tax losses	1,41,636.88	1,80,914.40
Unused tax credits	–	–
Others	– 1,47,031.63	– 1,89,831.92
Deferred Tax Liability		
Difference in book depreciation and Tax depreciation	(1,30,376.47)	(1,50,510.50)
Others	– (1,30,376.47)	– (1,50,510.50)
Total	16,655.16	39,321.42

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

Particulars	As at 31-03-2020	As at 31-03-2019
Deferred Revenue Costs (Land Lease Premium)	456.30	359.34
Total	456.30	359.34

NOTE-'7' INVENTORIES**(₹ in Lakhs)**

Particulars	As at 31-03-2020	As at 31-03-2019
Stores & Spares		
(a) Stock of Materials-Capital Works	1,28,359.57	1,20,108.72
(b) Stock of Materials-O&M	28,005.85	21,164.22
(c) Other Materials ¹	6,347.11	1,838.23
Total	1,62,712.53	1,43,111.17

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 31-03-2020	As at 31-03-2019
Trade receivables secured, considered good	-	-
Trade receivable unsecured, considered good	5,60,055.86	4,21,421.63
Trade receivables - Doubtful	-	-
Total	5,60,055.86	4,21,421.63
Details of Trade Receivables :-		
Madhyanchal V.V.N.L., Lucknow	1,07,118.81	79,769.25
Purvanchal V.V.N.L., Varanasi	1,31,235.59	97,367.37
Pashchimanchal V.V.N.L., Meerut	1,80,003.09	1,37,977.14
Dakshinanchal V.V.N.L., Agra	1,32,055.64	1,01,397.77
KESCO, Kanpur	5,601.08	1,117.30
Others	4,041.65	3,792.80
	5,60,055.86	4,21,421.63

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

Particulars	As at 31-03-2020	As at 31-03-2019
(a) Cash in Hand (including Stamps in Hand)	17.16	19.75
(b) Balance with Banks		
In Current & Other Account (including flexi balances)	75,321.62	97,721.73
In Fixed Deposit Account	7.75	9.07
Total	75,346.63	97,750.55

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

Particulars	As at 31-03-2020	As at 31-03-2019
Unsecured, Considered Good		
Advances to Employees (Adjustable/recoverable from salary)	6.82	9.60
Tax Deducted at Source	4,224.45	3,914.65
Advances to Suppliers/Contractors (O&M)	1,555.83	1,418.18
Receivables :		
Employees	859.16	434.88
Others	9,200.82	10,429.38
	10,059.98	10,864.26
Less: Provision for Doubtful Receivables	186.60	186.60
Interest accrued but not due on F.D.	1.93	3.64
Prepaid Expenses	0.99	1.27
Deferred Revenue Costs (Land Lease Premium)	17.97	17.97
Inter-Unit Transfers ¹	25,289.61	25,083.76
Total	40,970.98	41,126.73

¹ Refer point (18) of Note 29.

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

Particulars	As at 31-03-2020	As at 31-03-2019
(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 150600668 Fully paid Equity Shares of par value ₹ 1000 each. (Previous year 135953398 Fully paid Equity Shares of par value ₹ 1000 each)	15,06,006.68	13,59,533.98
Total	15,06,006.68	13,59,533.98

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

	As at 31.03.2020	As at 31-03-2020	As at 31-03-2019	As at 31-03-2019
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Shares outstanding at the beginning of the year	13,59,53,398	13,59,533.98	1,24,944,248	12,49,442.48
Shares Issued during the year- Fresh Issue	1,46,47,270	1,46,472.70	1,10,09,150	1,10,091.50
Shares outstanding at the end of the year	15,06,00,668	15,06,006.68	13,59,53,398	13,59,533.98

(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 31.03.2020, the company has issued 14647270 shares.
- (iii) During the year ended 31.03.2020, 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 31-03-2020	As at 31-03-2020	As at 31-03-2019	As at 31-03-2019
	No. of Shares	% Holding	No. of Shares	% Holding
Hon'ble Governor of Government of U.P.	12,84,67,316	85.30%	11,38,20,046	83.72%
Uttar Pradesh Power Corporation Ltd.	2,21,32,752	14.70%	2,21,32,752	16.28%

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

Description	Share Application Money as on 31-03-2019	Received during the Year 2019-20	Alloted during the year 2019-20	Share Application Money as on 31-03-2020
Share Application Money	46,472.70	1,51,594.38	1,46,472.70	51,594.38

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

Particulars	As at 31-03-2020	As at 31-03-2019
<u>Secured Loans</u>		
Term loans		
From Others	12,96,403.46	11,83,074.32
(Secured by exclusive charge on asset created under the PFC & REC Scheme)		
<u>Unsecured Loans</u>		
Term loans		
From Others	2,300.21	5,565.18
(All the above loans are guaranteed by Govt of U.P.)		
Sub-Total of Secured & Unsecured Loans	12,98,703.67	11,88,639.50
Less: Current Maturity of Long Term Borrowings (Refer Annexure A)	1,39,368.27	98,469.23
Total	11,59,335.40	10,90,170.27

- 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

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 31-03-2019 (A)	Current Maturity for Long term debt as on 31-03-2019 (B)	Long term borrowing as on 31-03-2019 C=(A-B)	Loan received during the year (FY 19-20) (D)	Loan repaid during the year (F.Y. 19-20) (E)	Balance as on 31-03-2020 F=(A+D-E)	Current Maturity for Long term debt as on 31-03-2020 (G)	Long term borrowing as on 31-03-2020 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%	Forty to sixty equal quarterly installments.	5,07,728.02	30,766.52	4,77,021.50	91,625.09	33,423.18	5,65,925.93	61,237.56	5,04,692.37
(ii) Rural Electrification Corporation Ltd (Transmission)	Secured by hypothecation of Lines & Substations under the REC scheme	11% to 13%	Ten equal yearly installments/ one hundred twenty equal monthly installments	6,75,346.30	64,497.74	6,10,848.56	1,24,830.98	69,793.78	7,30,473.83	77,335.89	6,53,137.64
			Total [A]- (i+ii)	11,83,074.32	95,204.26	10,87,870.06	2,16,456.07	1,03,126.93	12,96,403.46	1,38,572.45	11,57,830.01
(B) Unsecured											
(i) Power Finance Corporation Ltd (Govt Guarantee)	Guaranteed by Govt. of U.P.	9.00% to 13.25%	Forty to Sixty equal quarterly installments	913.70	913.70	-	-	913.70	-	-	-
(ii) Rural Electrification Corporation Ltd (Reschedule)	Guaranteed by Govt. of U.P.	10.11%	One hundred eighty equated monthly installments (EMI)	3,021.94	721.73	2,300.21	-	721.72	2,300.21	794.82	1,505.39
(iii) Rural Electrification Corporation Ltd (Transmission)	Guaranteed by Govt. of U.P.	11% to 13%	One hundred twenty equal monthly installments	907.63	907.63	-	-	907.63	-	-	-
(iv) Rural Electrification Corporation Ltd (UPPCL)	Guaranteed by Govt. of U.P.	11% to 12.50%	One hundred twenty equal monthly installments	721.91	721.91	-	-	721.91	-	-	-
			Total [B]- (i+ii+iii+iv)	5,565.18	3,264.97	2,300.21	-	3,264.97	2,300.21	794.82	1,505.39
			Grand Total (A+B)	11,88,639.50	98,469.23	10,90,170.27	2,16,456.07	1,06,391.90	12,98,703.67	1,39,368.27	11,59,335.40

DISCLOSURES OF DEFAULT IN DEBT SERVICING AS REQUIRED IN SCHEDULE-III TO THE COMPANIES ACT, 2013 Annexure B to Note '12'
(Amount in ₹)

Loans	Repayment Terms			Default as on 31-03-2019			Default as on 31-03-2020			Interest Default w.e.f
	Date of Restructuring	Installments	Repayment Due from	Rate of Interest (%)	Principal	Interest	Principal Default w.e.f	Interest	Principal Default w.e.f	
Secured										
(i) Power Finance Corporation Ltd										
(ii) Rural Electrification Corporation Ltd										
Total(A)										
Unsecured										
(i) Power Finance Corporation Ltd										
(ii) Rural Electrification Corporation Ltd (Reschedule)										
(ii) Rural Electrification Corporation Ltd (Transmission)										
(iv) Rural Electrification Corporation Ltd (PCL)										
Total (B)										
Grand Total(A+B)										

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

Particulars	As at 31-03-2020	As at 31-03-2019
Interest accrued but not due on borrowings	2,470.95	13,987.89
Total	2,470.95	13,987.89

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

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for Earned Leave Encashment	20,714.65	17,064.10
Provision for Gratuity (CPF Employees)	7,734.39	5,206.33
Total	28,449.04	22,270.43

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

Particulars	As at 31-03-2020	As at 31-03-2019
Deferred Income	103.27	–
Total	103.27	–

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

Particulars	As at 31-03-2020	As at 31-03-2019
Current Maturities of Long-term Debt ¹	1,39,368.27	98,469.23
Interest accrued but not due on borrowings	24,273.54	14,363.84
Total	1,63,641.81	1,12,833.07

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 31-03-2020	As at 31-03-2019
Liability for Capital Supplies/Works	1,50,957.73	1,46,379.68
Liability for O & M Supplies/Works	18,655.66	11,136.82
Staff Related Liabilities	16,267.21	15,637.30
Deposit & Retentions from Suppliers & Others	1,32,004.12	1,18,297.26
Deposit Works for DISCOMS	10,438.38	9,610.78
Deposit for Electrification Works	2,16,891.74	1,99,565.79
Deposit for PSDF (Cent. Govt. Contribution)	12,163.21	12,711.93
Inter-Corporation Balances	18,988.02	17,414.64
Sundry Liabilities	8,011.33	10,399.22
Liabilities for Expenses	4,599.82	3,629.99
Deferred Income	6.05	—
Liabilities towards UP Power Sector Employee Trust		
Provident Fund Liabilities (Principal)	3,829.02	3,774.90
Add : Cumulative Interest provision on unremitted balance	8,070.46	7,195.55
	11,899.48	10,972.45
Add: Pension & Gratuity Liability	5,751.40	5,619.45
	17,650.88	16,591.90
Liabilities towards UPPCL CPF Trust		
CPF Liability - (Principal)	1,068.95	803.85
Add : Cumulative Interest provision on unremitted balance	959.00	826.64
	2,027.95	1,630.49
Total	6,08,662.10	5,63,005.80

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

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for Earned Leave Encashment	1,580.61	1,741.08
Provision for Gratuity (CPF Employees)	116.81	80.35
Total	1,697.42	1,821.43

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

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Sale of Services		
Transmission Charges	3,45,333.67	2,30,073.04
Open Access Charges	3,940.22	5,914.60
Sub Total¹	3,49,273.89	2,35,987.54
SLDC Charges²	535.51	449.17
Revenue from operations (Net)	3,49,809.40	2,36,436.61

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. ₹ 0.1905/kwh (01-04-2019 to 10-09-2019/30-09-2019) & ₹ 0.1848/kwh (11-09-2019/01-10-2019 to 31-03-2020). Energy transmitted/wheeled during the year was 116731.808341 MU. (Previous year-111745.034647 MU).

Period	Unit Transmitted(kwh)	Rate	Amount
DISCOMS 01-04-2019 to 30-09-2019	66,50,24,01,000.000	0.1905	1,26,687.07
DISCOMS 01-10-2019 to 31-03-2020	45,72,25,23,000.000	0.1848	84,495.22
Other than DISCOMS : 01-04-2019 to 10-09-2019	1,42,79,56,216.758	0.1905	2,720.26
Other than DISCOMS : 11-09-2019 to 31-03-2020	1,67,38,85,658.787	0.1848	3,093.34
Supplementary Invoice & Other Agencies	1,40,50,42,465.478		3,927.11
True up Gap for Financial Year 2017-18	-		46,206.00
True up Gap for Financial Year 2018-19	-		81,360.00
Total	1,16,73,18,08,341,023		3,48,487.00
Add: Transmission charges under POC mechanism of PGCIL			786.89
Net Transmission Charges			3,49,273.89

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.

Annual Charges	127.00	102.20
Application fee/Concurrence fee/SLDC Charges	408.51	346.97
Total	535.51	449.17

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

Particulars	For the year ended 31-03-2020		For the year ended 31-03-2019	
<u>Interest Income on :</u>				
Fixed Deposits	0.37		2,722.55	
Loans to Staff	0.01		0.01	
Others	<u>3,209.80</u>	3,210.18	<u>1,365.26</u>	4,087.82
<u>Maintenance & Shutdown Charges</u>		1,889.50		2,695.92
<u>Other Non-Operating Income</u>				
Income from Contractors/Suppliers		43,02.38		1,309.77
Income from Consumer Contribution Reserve		10,292.25		8,303.07
Supervision Charges		4,440.08		13.56
Rental From Staff		13.45		15.93
Miscellaneous Receipts		372.61		157.31
Income from subsidies & Grants (Repayment of Loan Principal)		8,103.00		-
Total		32,623.45		16,583.38

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

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Salaries & Allowances	41,230.27	37,321.55
Dearness Allowance	6,351.48	3,569.29
Bonus/ Ex-gratia	278.02	0.96
Other Allowances	2,146.77	1,823.54
Pension & Gratuity ^{1&2}	4,387.16	4,163.13
Medical Expenses(Re-imburement) ³	184.14	251.43
Leave Travel Assistance ³	-	0.30
Earned Leave Encashment ⁴	5,299.70	4,158.72
Compensation	16.06	5.00
Contribution to Provident & Other Funds	2,533.27	2,026.84
Expenditure on Trust	499.01	30.01
Staff Welfare Expenses	82.49	12.89
Common Expenditure(Charged by UPPCL)	1,012.67	2,101.53
Sub Total	64,021.04	55,465.19
Less: Expenses Capitalised	25,520.77	28,181.58
Total	38,500.27	27,283.61

¹ Since the Government has yet not 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 Lakhs)**

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
(A) Interest expenses		
Long term loans		
PFC	56,778.01	48,245.44
Less: Interest Subsidy	9,377.36	9,636.74
	<u>47,400.65</u>	<u>38,608.70</u>
REC	78,416.37	78,447.92
	1,25,817.02	1,17,056.62
(B) Other Borrowings Cost		
Guarantee Charges	2.44	15.16
Bank Charges	6.06	28.44
Sub Total	1,25,825.52	1,17,100.21
Less: Interest Capitalised/Transferred to Capital WIP	16,819.70	14,192.06
Total	1,09,005.82	1,02,908.15

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

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Depreciation & Amortization on Fixed Assets :		
Buildings	3,865.91	3,406.21
Other Civil Works	371.58	348.11
Plant & Machinery	64,453.58	57,492.00
Lines, Cable Network etc.	53,900.45	45,880.59
Vehicles	1.20	1.03
Furniture & Fixtures	53.23	45.83
Softwares	53.47	44.95
Office Equipments	102.63	65.43
Other Assets	1,206.24	560.27
Total	1,24,008.29	1,07,844.42

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

Particulars	For the year ended 31-03-2020		For the year ended 31-03-2019	
Payment to Auditor				
(a) Statutory Auditors				
Audit Fee	12.98		12.98	
Travelling & other expenses	<u>2.38</u>	15.36	<u>3.89</u>	16.87
(b) Other Auditors (Internal Audit, Cost Audit, Tax Audit & Secretarial Audit)				
Audit Fee	57.74		85.55	
Travelling & other expenses	<u>4.67</u>	62.41	<u>9.58</u>	95.13
Advertisement Expenses		475.78		358.12
Communication Charges		243.11		265.17
Consultancy Charges		502.37		100.21
Tariff Assessment & License Fee		653.57		735.15
Electricity Expenses		249.42		234.42
Entertainment		-		0.03
Expenditure on Trust		14.03		3.06
Insurance		3.73		6.55
Interest on GPF & CPF Balance		1,008.41		998.18
Legal Charges		327.09		251.87
Outsourced Manpower for Administrative		1,646.35		1,151.49
Miscellaneous Expenses		403.65		482.07
Printing & Stationery		154.88		173.72
Rates & Taxes		169.60		267.20
Rent		1.28		3.98
Technical Fees & Professional Charges		145.00		68.49
Travelling & Conveyance		645.17		630.40
Water Charges		0.36		0.26
Common Expenditure (Charged by UPPCL)		9.56		-
Compensation (Other than staff)		-		3.67
Other Expenses & losses		15.20		10.30
Total		6,746.23		5,856.34

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

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Plant & Machinery	37,263.35	32,503.18
Buildings	1,781.17	1,717.76
Other Civil Works	22.87	43.15
Lines, Cables Networks etc.	6,878.11	7,739.14
Vehicles-Expenditure	1,605.09	1,418.47
Less: Transferred to Different Capital & O&M Works/Administrative Exp.	<u>1,605.09</u> –	<u>1,418.47</u> –
Expenditure on Contractual Manpower	4,779.89	4,173.61
Less: Transferred to Different Capital & O&M Works/Administrative Exp.	<u>4,779.89</u> –	<u>4,173.61</u> –
Furniture & Fixtures	0.11	0.24
Softwares	39.83	53.10
Office Equipments	33.13	23.17
Total	46,018.57	42,079.74

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

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Provision for Loss on Capital Expenditure Incurred	113.00	–
Provision for Loss - Advances to Suppliers/Contractors	185.50	–
Total	298.50	–

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

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Deferred Tax Expense / (Income)	22,666.27	–
Total	22,666.27	–

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

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Items that will not be reclassified to Profit & Loss		
Actuarial (Gains) /Losses - CPF Employees	1,553.67	227.98
Gratuity Provision ¹		
Total	1,553.67	227.98

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 31.03.2020 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 Vidyut 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 transfer, 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) On the overall basis the assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the balance sheet.
- 4) Earning/Expenditure in foreign currency during FY 2019-20 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 disclosure to Note 19.

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

(to the extent ascertainable and not provided for)

(₹ in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Contingent Liabilities & Capital Commitments		
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided	1,89,887	1,84,819
(ii) Other claims against company not acknowledged as debts	1,923	3,715
Total	1,91,810	1,88,534
Contingent Assets		
(i) Claims by company not acknowledged as receivables	71,734	—
(ii) Others	—	—
Total	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.

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. 2019-20)	
		Appointment	Retirement/ Cessation as on 31.03.2020
Shri Alok Kumar	Prin. Secy.(Energy) & Chairman	25.01.2018	09.11.2019
Shri Arvind Kumar	Prin. Secy.(Energy) & Chairman	09.11.2019	working
Dr. Senthil Pandian C	MD	10.09.2018	working
Smt. Aparna U	MD, UPPCL & Director	26.10.2017	05.11.2019
Shri M. Devraj	MD, UPPCL & Director	05.11.2019	working
Shri Suman Guchh	Director (Commercial & Planning)	14.08.2017	28.10.2019
Shri Ravi Prakash Dubey	Director (Works & Project)	16.01.2018	working
Shri Ram Swarath	Director (SLDC)	13.02.2015	working
Shri Sudhanshu Dwivedi	Director (Finance)	28.02.2019	30.06.2019
Shri Bibhu Prasad Mahapatra	Director (Finance)	16.12.2019	working
Shri Brajesh Kumar Khare	Director (P&A)	30.06.2016	30.06.2019
Dr Vinod Kumar Khare	Director (P&A)	16.09.2019	working
Shri Chandra Mohan	Director (Operation)	30.06.2016	29.06.2019
Shri Rakesh Kumar Singh	Director (Operation)	15.07.2019	working
Shri Neel Ratan Kumar	Director	06.10.2010	working
Smt. Debjani Chakraborty	Nominee Director (REC)	30.08.2018	working
Shri Rakesh Kumar Singh	Nominee Director (Power Grid)	16.07.2018	30.06.2019
Shri Sanjai Gupta	Director (Power Grid)	10.02.2020	working
Smt Manju Shankar	Director (Bureau of Public Enterprises)	10.12.2015	31.12.2019

b) Transactions:**(Amount in ₹)**

Particulars	2019-20	2018-19
	Referred in (a) (I) above	Referred in (a) (I) above
Salary & Allowances	1,11,68,934	1,29,16,323
Contribution to Gratuity/Pension/PF	7,63,917	15,53,289
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 ₹ 5627.66 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 31-03-2020	For the year ended 31-03-2019
(I) Basic EPS	(Amount in Lakh ₹)	(Amount in Lakh ₹)
Profit after Tax as per Profit & Loss A/c (A)	35,189	(32,952)
Weighted Average Number of Equity Shares (B)	14,70,59,001	12,71,76,103
Basic Earning Per Share (A/B)	23.93	(25.92)
Face Value per share	1,000	1,000
(II) Diluted EPS		
Profit after Tax as per Profit & Loss A/c (A)	35,189	(32,952)
Weighted Average Number of Equity Shares (B)	14,72,16,685	12,84,93,435
Diluted Earning Per Share (A/B)	23.90	(25.92)
Face Value per share	1,000	1,000

11) Gratuity disclosure statement as per Ind AS 19 for the period 01-04-2019- 31-03-2020 based on actuarial valuation report.

(Amount in ₹)

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

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Current Service Cost	6,42,35,302	5,53,42,008
Net Interest Cost	4,11,30,350	3,30,34,941
Past Service Cost	—	—
(Expected Contributions by the Employees)	—	—
(Gains)/Losses on Curtailments and Settlements	—	—
Net Effect of Changes in Foreign Exchange Rates	—	—
Expenses Recognized	10,53,65,652	8 83 76 949

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

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Actuarial (Gains)/Losses on Obligations for the Period	15,53,66,849	2,27,97,753
Return on Plan Assets, Excluding Interest Income	—	—
Change in Asset Ceiling	—	—
Net (Income)/Expense For the Period Recognized in OCI	15,53,66,849	2,27,97,753

c) Amount Recognized in the Balance Sheet

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(Present Value of Benefit Obligation at the end of the Period)	(78,51,19,904)	(52,86,67,743)
Fair Value of Plan Assets at the end of the Period	—	—
Funded Status (Surplus/ (Deficit))	(78,51,19,904)	(52,86,67,743)
Net (Liability)/Asset Recognized in the Balance Sheet	(78,51,19,904)	(52,86,67,743)

12) Disclosure of movement in provisions:-

(Amount in ₹)

Particulars	Movement of Provisions			
	Balance as on 01.04.2019	Provision made during the year	Provision adjusted during the year	Balance as on 31.03.2020
Provision for doubtful receivables	187	0	0	187
Provision on account of CWIP loss (Due to abandonment or otherwise)	79	113	0	192
Provision for Bad & Doubtful Advances to Suppliers & Contractors (Capital)	0	186	0	186
Total	266	299	0	565

13) There have been consecutive losses in three immediately preceding financial years. In view of the same, average net profit of the company made during the three immediately preceding financial years was negative. No amount was spent on CSR activities in FY 2019-20.

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 MVVN L on right to use basis.

16) Change in Accounting Policies:

- The accounting policy for depreciation on IT equipment & softwares has been changed in view of CERC Regulations, 2019. In view of the same, there is an increase of ₹ 5.93 crores in overall depreciation for the year.
- Accounting policy for recognition of income from supervision charges against deposit works has also been changed which has resulted in an increase of ₹ 44.4 crores in income from supervision charges and an equal amount of decrease in capitalization of employee cost.

- c) The accounting policy for recognition of deferred tax asset/liability has been changed in view of the accounting profit for the current year and increased tariff rate for future. This has resulted in opening deferred tax assets of ₹ 393.21 crores and deferred tax expense of ₹ 226.66 crores during the year.
- 17) Inter-company balances includes an amount of ₹ 300 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) The Financial Statements for the current year were approved for issue by Board of Directors on February 16, 2021.
- 24) 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.

SCHEDULE OF RESTATEMENT FOR BALANCE SHEET FIGURES AS ON 31.03.2020

(₹ in Lakhs)

Head Name (Assets/Liabilities)	Balance as on 31-03-2019	Nature of Item	Details	Amount to be restated	Restated Balance
ASSETS					
1. Non current assets					
Property Plant & Equipment	17,78,010.99		–		
		Repairs & Maintenance	(9.33)		
		Employee Cost	(0.52)		
		Depreciation	(3,363.95)		
			–	(3,373.80)	17,74,637.19
Capital Work in Progress	6,80,505.00		–		
		Other Income	547.95		
		Repairs & Maintenance	(18.31)		
		Employee Cost	261.93		
			22,843.81		
			–	23,635.38	7,04,140.38
Other Intangible Assets	207.97		–		
			–		207.97
Deferred Tax Assets	–		39,321.42		
			–	39,321.42	39,321.42
Other Non Current Asset	359.34		–		
			–		359.34
2. Current Assets					
Inventories (Stores & Spares)	1,43,111.17		–		
			–		1,43,111.17
Financial Assets					
Trade Receivables	4,21,421.63		–		
			–		4,21,421.63
Cash & Cash Equivalent	97,729.13	Revenue from Sale of Power	31.00		
		Other Income	21.32		
		Repair & Maintenance	1.50		
		Employee Costs	(47.98)		
		Administration and General Expenses	15.50		
		Interest and other Finance Charges	0.08	21.42	97,750.55
Other Current Assets	39,972.49	Revenue from Sale of Power	0.44		
		Other Income	1,152.61		
		Repair & Maintenance	(1.67)		
		Employee Costs	2.82		
		Administration and General Expenses	0.04		
			–	1,154.24	41,126.73

SCHEDULE OF RESTATEMENT FOR BALANCE SHEET FIGURES AS ON 31.03.2020

(₹ in Lakhs)

Head Name (Assets/Liabilities)	Balance as on 31-03-2019	Nature of Item	Details	Amount to be restated	Restated Balance
Equity and Liabilities					
Equity					
Equity Share Capital	13,59,533.98		-	-	13,59,533.98
Other Equity (Refer SOE)	(6,704.90)		-	-	
		Impact of restatement as on 01-04-2019	62,483.50		
		Net restatement of Profit/Loss	2,674.91	65,158.41	58,453.51
Liabilities					
1. Non Current Liabilities					
Financial Liabilities					
Borrowing	10,90,170.27		-	-	10,90,170.27
Other Financial Liabilities	13,987.89		-	-	13,987.89
Provisions	22,270.43		-	-	22,270.43
Other Non Current Liabilities	-		-	-	
2. Current Liabilities					
Financial Liabilities					
Financial Liabilities	1,12,833.07		-	-	1,12,833.07
Other Current Liabilities	5,67,405.55		-	-	
		Other Income	(53.85)		
		Repairs & Maintenance	(951.29)		
		Employee Costs	(3,316.84)		
		Administration and General Expenses	(77.77)		
			-	(4,399.75)	5,63,005.80
Provisions	1,821.43		-	-	1,821.43
NET IMPACT OF RESTATEMENT			-	0	0.00

-SD-

(S.K. Awasthi)

Deputy General Manager
(Finance & Accounts)

-SD-

(A. K. Gupta)

Executive Director
(Finance & Accounts)

-SD-

(B.P. Mahapatra)

Director (Finance)
DIN-01368109

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 : 27-05-2021

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, 2020, 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 four 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, 2020, 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 scepticism 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 financial statements/ information of Zones located at Prayagraj Zone (LC: 100,250), Lucknow Zone (LC: 300, 400, and 450), Meerut Zone (LC: 500, 600) and Agra Zone (LC: 700, 800) included in the Standalone Financial Statements of the Company. The financial statements/ 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.

Place : Lucknow

Date : 27-05-2021

For R.M. LALL & CO.

Chartered Accountants

(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)

Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

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, 2020.

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 realisation/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 Stock of Materials - Capital Works (Note – 7(a)) 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 was made available to us and hence ownership as well as accuracy of balances could not be verified.
3. Due to non-availability of necessary information 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 Taj Mahal, 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 Madhyanchal Vidyut Vitran Nigam Limited. However, the appropriate accounting adjustment under the head ‘Property, Plant & Equipment’ in this regard is still pending.
7. Inter unit transfers amounting ₹ 252.90 Crores, (Refer Note-10 & 29 Para 18)) are subject to reconciliation and consequential adjustments.
8. Common expenditure (Charged by UPPCL) amounting to ₹ 10.13 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) & Notes on accounts (Para 16(b) of Note – 29), 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 ₹ 44.40 crores.

13. The Zone auditors have expressed the audit opinion on the Trial Balances as at 31st March, 2020 of the Zonal Accounts Office Prayagraj Zone (LC: 100, 250), Lucknow Zone (LC: 300, 400, and 450), Meerut Zone (LC: 500, 600) and Agra Zone (LC: 700, 800), and these have been considered for the preparation of the financial statement of the company. As per existing practices, financial statements of the Zones have not been prepared.
14. Audit observations in Zones' Audit Reports, excluding those which have been appropriately dealt with elsewhere in the report.
- i) Prayagraj Zone (LC: 100 and 250)**
- a. No identification is made by various units of zone of unserviceable plant & machinery, vehicles, furniture & fixture, office equipment and lines cable network. Hence, no provision is made by the Zone/Units for such unserviceable & obsolete assets.
 - b. Material stock includes written down value of assets not in use brought from AG-16 and Capital work-in-progress AG-14 includes cost of work on old abandoned projects which have not been put to use so far. The anticipated reduction in realizable value of such assets/ material lying under head AG-14 and AG-16 has not been provided for in the accounts. Moreover, physically verified inventories/ material stock as is received from various incumbents have not been valued and mapped with the accounts. For want of complete details and information, we could not quantify its impact, if any, on the Trial Balance.
 - c. Material Stock AG-22 includes "material stock Excess/short pending investigation" which are lying old pending for reconciliations and necessary adjustments, if any, arising thereof.
 - d. Daily cash/bank balances have not been drawn hence the balance of cash/bank at a particular date is not available from the cash register.
 - e. Entries pertaining to earlier years are still appearing in the bank reconciliation statements of the various units which are lying unadjusted.
 - f. Balances of work-in-progress vis-a-vis material lying with contractors etc., are subject to preparation of complete details, confirmations, reconciliations and consequential adjustments, if any, arising thereof.
 - g. Credit balances under the head Inventory - Stock (Capital) and stock (O&M) and debit balances under the head provision for depreciation, at certain units are pending for correction, linking and consequential adjustments. Old balances under the heads - retention margin and earnest money etc., are subject to confirmation and adjustments, if any.
 - h. Debit balance of ₹ 2,20,05,776.97 at location code 106 - EFU Naini, under the Account heads AG 22.710 for - workshop suspense materials for fabrication and ₹ 1,35,64,921.70 under account head AG 22.770 for related scrap materials, are subject to complete material accounting and adjustments. Moreover, complete and transparent details regarding valuation

of material stock [AG-22.60 and 22.61] aggregating to ₹ 10,43,67,648.53 were not made available to us for verification.

- i. AG Code-22.770 in Unit No. 106 includes therein stock of scrap of STEEL, ZINC DROSS, ZINCASH AND OLD ZINC valued at scrap sale rate of 06/2019 as against policy no. (V) (b) which states that Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts, as and when sold.
- j. Neither bank balance certificate nor bank statement w.r.t. Flexi-fixed deposit in case of Unit having location Code:251 was not made available to us, hence unable to make any comment on banking transactions held in the unit during the financial year.

ii) Lucknow Zone (LC: 300, 400, and 450)

- a. Details of Unserviceable items are required to ascertain scrap material and stock related accounts (AG Code- 22, amounting to ₹ 325.53 Crores included in Inventories (Note-7)). Since, detail of Un-serviceable items along with value could not be made available to the audit, hence quantification of qualification is not possible.
- b. Age wise analysis of Capital Expense in Progress Account (AG Code- 14, amounting to ₹ 623.8 Crore included in Capital Work in Progress (Note- 3)) is not readily available at ZAO-TC due to this reason, old entries relating to Capital Expenses in Progress Account is not ascertainable along with reasons of non-capitalization.

iii) Meerut Zone (LC: 500 and 600)

- a. Bank Reconciliation Statements of some of the units are carrying old outstanding entries which include obsolete cheques issued but not presented, other credits.
- b. No system for identifying and segregating unserviceable/slow moving/non-moving stocks. Such stocks are mixed with other stocks and are valued as normal stock.

15. 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.

Place : Lucknow

Date : 27-05-2021

For R.M. LALL & CO.

Chartered Accountants

(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)

Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

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, 2020.

- 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.
(c) The title deeds of immovable properties have not been provided. 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. The physical verification for inventories has been conducted by the management at reasonable interval during the year. Auditors of all the Zones except Agra Zone have reported that the physical verification reports were not made available to them. 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 not 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

Name of the statute	Nature of the due	Amount (₹)	Period to which the amount relates (FY)
Income Tax Act, 1961	Income Tax – TDS*	Not Quantified	2019-2020
Income Tax Act, 1961	Income Tax – TDS (Employee)	319.00	2012-13
Income Tax Act, 1961	Income Tax – TDS (Employee)	6,500.00	2016-17
Income Tax Act, 1961	Income Tax – TDS (Contractor)	31,129.79	2015-16
Income Tax Act, 1961	Income Tax – TDS (Contractor)	34,256.00	2006-07
Uttar Pradesh, Value Added Tax Act, 2008.	VAT	1,48,089.50	2017-18
Provident Fund	General Provident Fund and interest thereon	118,99,48,665.00	2019-20, 2018-19 and earlier Years
Provident Fund	Contributory Provident Fund and interest thereon	20,27,95,266.00	2019-20, 2018-19 and earlier Years

*Refer Para 8 Annexure I of this report.

- 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 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.	
Labour Cess	Labour Cess	2,60,00,000	2015-16	Allahabad High Court	Case is handling via Sub-station, Design Circle, Shakti Bhawan, Lucknow

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 2020.
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.

Place : Lucknow

Date : 27-05-2021

For R.M. LALL & CO.

Chartered Accountants

(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)

Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

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, 2020.

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.

Place : Lucknow

Date : 27-05-2021

For R.M. LALL & CO.

Chartered Accountants

(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)

Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

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, 2020.

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 3.560% for the FY 2019-2020. UPPTCL incurred actual intra-state transmission loss of 3.434% which is less than and within the limit of approved intra-state transmission loss for the FY 2019-2020.
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.

Place : Lucknow
Date : 27-05-2021

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

-SD-
(CA R.P. Tewari)
Partner
M. No. 071448
UDIN : 21071448AAAAAY6080

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, 2020.

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, 2020 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, 2020, 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, 2020.

Place : Lucknow

Date : 27-05-2021

For R.M. LALL & CO.

Chartered Accountants

(F.R.N. 000932C)

-SD-

(CA R.P. Tewari)

Partner

M. No. 071448

UDIN : 21071448AAAAAY6080

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-I, Vibhuti Khand
Gomti Nagar, Lucknow-226010

पत्रांक : प्र.म.ले. (आडिट-II) / ए.एम.जी.-II / लेखा / यू.पी.पा.ट्रां.का.लि.-2019-20 / 249

दिनांक : 22-11-2021

सेवा में,

प्रबन्ध निदेशक,
उ.प्र. पावर ट्रांसमिशन कारपोरेशन लिमिटेड
शक्ति 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, 2020 को समाप्त वर्ष के लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टीका-टिप्पणियां कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के निबन्धनों के अनुसरण में कम्पनी की वार्षिक सामान्य बैठक के समक्ष प्रस्तुत करने हेतु अग्रेषित की जा रही हैं। कृपया वार्षिक सामान्य बैठक के समक्ष 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।

भवदीय

-SD-

(उत्सव पराशर)
उपमहालेखाकार

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 2020.

The preparation of financial statements of Uttar Pradesh Power Transmission Corporation Limited (Company) for the year ended 31 March, 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act 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 27 May, 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 Corporation Limited for the year ended 31 March, 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to working papers of the statutory auditor and is limited primarily to enquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

A COMMENTS ON PROFITABILITY

Expenses

Employee Benefit Expenses (Note-21) : ₹ 385.00 crore

The above includes ₹ 24.41 crore¹ on account of 7th pay commission arrears for the period 01.08.2016 to 31.12.2016 for which liability / provision had already been created in the books of accounts in earlier years. Instead of adjusting existing provision, the Company while making payment charged the same as Employee Benefit Expenses for current year.

This resulted in overstatement of Employee Benefit Expenses and Other Current Liabilities by ₹ 24.41 crore each. Consequently, Profit for the year has been understated by the same amount.

¹ GPF employee ₹ 12.89 crore, CPF employee ₹ 8.41 crore, pension contribution ₹ 1.95 crore, Gratuity Contribution ₹ 0.28 crore and CPF Contribution -Employer share ₹ 0.88 crore.

B. COMMENTS ON FINANCIAL STATEMENT:**Non-Current Assets****Capital Work in Progress (Note-3) : ₹ 7,837.75 crore**

2. The Company in violation of provision of Ind AS 23 (Borrowing Costs) booked penal interest of ₹ 4.88 crore paid during 2016-17 due to delay in payment of principal and interest to the lending agencies under Capital Work-in-Progress (CWIP) instead of charging to Profit and Loss account. Thus, due to capitalisation of penal interest, CWIP and other equity is overstated by ₹ 4.88 crore each.

Despite the comment on the accounts for the years 2016-17, 2017-18 and 2018-19, no corrective action has been taken by the Management.

C. OTHER COMMENTS

3. Under Trade Receivables, Company has booked unsecured receivables from Extra State Consumers (Madhya Pradesh and Himachal 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 receivables has been made in the accounts.

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

-SD-

(Raj Kumar)

Principal Accountant General

Place : Lucknow

Date : 22.11.2021

Dileep Dixit & Co.
Company Secretaries

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE PERIOD ENDED 31st MARCH, 2020

[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]

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

1. 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.
2. I have examined the registers, records, books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st Day of March, 2020 according to the provisions of :
 - i. The Companies Act, 2013 and rules made there under and various allied acts warranting compliance;
 - ii. The Indian Electricity Act, 1948;
 - iii. The Memorandum and Articles of Association of the Company;

Dileep Dixit & Co.

H.O. : 19-B, Cantt. Road, Lal Bagh, Lucknow-226001

Mob.: +91-8354980010, +91-7393966509, e-mail : dileepdixit.co@gmail.com

Dileep Dixit & Co.
Company Secretaries

3. Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion. The company has, during the audit period covering the financial year ended on **31st day of March, 2020** complied with the statutory provisions listed hereunder ***subject to the observations as annexed with this Audit report :***
- (i) maintenance of various statutory registers and documents and making necessary entries therein;
 - (ii) forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
 - (iii) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - (iv) notice of Board and various Committee meetings of Directors;
 - (v) meetings of Directors and all the Committees of Directors and passing of circular resolutions;
 - (vi) notice and convening of Annual General Meeting;
 - (vii) minutes of the proceedings of the Board Meetings, Committee and Member Meetings;
 - (viii) approvals of the Board of Directors, Committee of Directors, Members and Government authorities, wherever required;
 - (ix) constitution of the Board of Directors, Committees of Directors and appointment and reappointment of Directors;
 - (x) payment of remuneration to Directors and Managing Director and Key Managerial Personnel;
 - (xi) appointment and remuneration of Statutory Auditors, Secretarial Auditors and Internal Auditors;
 - (xii) transfer of Company's shares, issue and allotment shares;
 - (xiii) contracts, registered office and publication of name of the company;
 - (xiv) report of the Board of Directors;
 - (xv) investment of Company's funds;
 - (xvi) generally, all other applicable provisions of the Act and the Rules there under;
 - (xvii) The company has, in our opinion, proper Board-processes and compliance mechanism and has complied with the applicable statutory provisions, Act(s), rules, regulations, guidelines, applicable secretarial standards, etc mentioned above and as stipulated under the Memorandum and Articles of Association the company.

Dileep Dixit & Co.
Company Secretaries

4. I further report that as per the information and representation by the officers of the company, it has complied with the provisions of the other laws to the extent applicable on the company subject to the annexed observations mentioned below :-

- 1- The provident fund and miscellaneous provisions Act
- 2- Payment of gratuity Act, 1972,
- 3- Payment of bonus Act, 1965,
- 4- Minimum wages Act, 1948,
- 5- The Workmen compensation Act, 1923,
- 6- Industrial dispute Act, 1947,
- 7- The trade unions Act, 1926,
- 8- The prevention of work place sexual harassment Act, 2013 and the rules framed there under.

5. I further report that :

- i) 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;
- ii) 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 Management Personnel and,
- iii) The Company has obtained all necessary approvals under various provisions of the Companies Act, 2013 wherever necessary;
- iv) There was no prosecution initiated against or show cause notice received by the Company during the year under review the Companies Act, 2013 and rules, regulations and guidelines there under.

6. I further report that during the year :

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, Articles of Association of the Company and as per the applicable orders issued by the concerned regulatory body and government in this regard.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance in most of the meetings, however, the notices for meetings were found to be circulated for a period lesser than the time limit as statutorily prescribed yet a system exists for

Dileep Dixit & Co.
Company Secretaries

seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We 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.

We further report that the applicable financial laws, such as Direct and Indirect Tax Laws have not been reviewed under our audit in its entirety as same falls under review of the statutory audit and by other designated professionals and we relied upon the reports of such statutory auditor and other designated expert professionals.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Para wise Report on specific observations/audit qualification, reservation or adverse remarks in respect of the applicable laws are provided in the "Annexure-A" attached with this report (forming integral part of report).

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

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

