

## DIRECTORS' REPORT

To,  
The Members,  
Uttar Pradesh Power Transmission Corporation Limited,

The Directors have pleasure in presenting the 9<sup>th</sup> Annual report on the performance of Uttar Pradesh Power Transmission Corporation Limited for the financial year 2012-2013 along with audited Statement of Accounts, Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

### **INTRODUCTION:-**

The Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) 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 State Government through Gazette Notification No. 2974(1)/24-P-2-2010 dated Dec 23,2010, notified the Provisional Transfer Scheme for the purpose of the transfer of the transmission activities from U.P. Power Corporation Ltd. (UPPCL), to the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL), wherein the scope of the business, assets & liabilities of the UPPTCL and other incidental and consequential matters were laid down. Under the Provisional Transfer Scheme the effective date was defined as 01.04.2007, the date since then the UPPTCL had started working as separate entity for the business of transmission and related activities. The UPPTCL is a State Transmission Utility in terms of section 39 of The Electricity Act, 2003.

### **FINANCIAL RESULTS**

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

PARTICULARS	₹ In Crore	
	Year ended 31.03.2013	Year ended 31.03.2012
<b><u>INCOME</u></b>		
Revenue from wheeling of power	1308.78	943.81
Other income	20.74	27.49
<b>TOTAL (A)</b>	<b>1329.52</b>	<b>971.30</b>
<b><u>EXPENDITURE</u></b>		
Operational Expenditure :-		
Repairs & Maintenance Expenses	143.14	118.80
Employees Cost	269.84	228.19
Administrative, General & Other Expenses	6.46	8.72
<b>TOTAL (B)</b>	<b>419.44</b>	<b>355.71</b>
<b>Operational Profit/(Loss) before Dep. Intt. And Prov. C=(A-B)</b>	<b>910.08</b>	<b>615.59</b>

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Interest and Finance Charges	430.86	240.80
Depreciation	374.94	351.55
Bad debts & Provisions	0.00	42.10
<b>TOTAL (D)</b>	<b>805.80</b>	<b>634.45</b>
<b>Profit/(Loss) Before Prior Period Income/(Exp.) and Tax</b>	<b>104.28</b>	<b>(18.86)</b>
<b>ADD : Net Prior Period Income/ (Expenditure)</b>	<b>(81.34)</b>	<b>(33.82)</b>
Preliminary Exp.	-	-
<b>NET PROFIT/(Loss) Before Tax</b>	<b>22.94</b>	<b>(52.68)</b>
Provision for Fringe Benefit Tax	-	-
<b>NET PROFIT/(Loss) After Tax</b>	<b>22.94</b>	<b>(52.68)</b>

**THE AMOUNT, IF ANY, PROPOSED BY THE BOARD TO CARRY TO RESERVE**

Even though there is Net Profit After Tax to the tune of ₹22.94 crores during the FY 2012-13 but in view of the fact that company has accumulated losses upto the year under review, hence, no amount is proposed to be transferred to any reserve.

**DIVIDEND**

Although there is Net Profit After Tax to the tune of ₹22.94 crores during the year, however, the Directors could not recommend any dividend during the year under review, as the company has cumulative losses to the tune of ₹1123.86 crores for the year ending on 31.03.2013.

**PHYSICAL ACHIEVEMENTS**

During the year under review the following transmission works have been completed:-

**A. Lines**

(i)	765 KV Lines	0.00 CKT Kms
(ii)	400 KV Lines	0.00 CKT Kms
(iii)	220 KV Lines	89.568 CKT Kms
(iv)	132 KV Lines	449.306 CKT Kms

**B (i) Sub Stations**

Voltage	New Commissioned		Capacity Augmented	
	Nos. of S/Ss	Capacity (MVA)	Nos. of S/Ss	Capacity (MVA)
400 KV	0	0	1	75
220 KV	5	1260	13	880
132 KV	10	500	71	1683

**B (ii) Capacitors**

- A. 132KV- 80 MVAR  
B. 33KV- 610 MVAR

**B (iii) Bay (Energized)**

1. 220 KV - 2 Nos
2. 132 KV - 15 Nos.
3. 33 KV - 54 Nos.

**C** The energy transmitted during the year 2012-13 stood at 73897.657156 MU (million units) as against 70371.050500 MU during the Previous Year 2011-12, registering an increase of 3526.606656 MU.

**HIGHLIGHTS OF REVENUE ACCOUNTS FOR THE FINANCIAL YEAR 2012-13**

- (i) There was an overall increase in revenue by ₹364.96 crores which is mainly due to increase in volume of energy wheeled by 3526.606656 MU (i.e. 73897.657156 MU – 70371.050500 MU) and also due to increase in rate of wheeling charges by ₹0.048/kwh (₹0.1740 - ₹0.1260).
- (ii) The company had earned net profit of ₹22.94 crores.
- (iii) An accounting on deferred Tax Asset has not been considered in account on prudent basis as the company is not certain about substantial income in near future due to unabsorbed accumulated losses of ₹1123.86 crores. It includes the accumulated loss amounting to ₹967.27 crores which has been transferred by UPPCL under the Provisional Transfer Scheme and ₹57.88 crores accumulated losses pertaining to prior to Transfer Scheme has been debited in FY 2011-12. The transfer of Transmission Undertaking from the transferor (UPPCL) to the transferee (UPPCL) under the above Transfer Scheme shall be a de-merger of the transferor within the meaning of section 2(19AA) of the Income Tax Act, 1961.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE BALANCE SHEET RELATES AND THE DATE OF REPORT**

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

**ANY CHANGE WHICH HAS OCCURRED DURING THE FINANCIAL YEAR IN THE NATURE OF THE COMPANY BUSINESS, COMPANY SUBSIDIARIES OR IN THE NATURE OF THE BUSINESS CARRIED ON BY THEM AND GENERALLY IN THE CLASSES OF BUSINESS IN WHICH THE COMPANY HAS INTEREST.**

No Such change has occurred.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of section 217(1) (e) of the Indian Companies Act 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this Report.

**PARTICULARS OF THE EMPLOYEES:-**

There was no person employed for the whole and/or part of the year in the Corporation drawing remuneration exceeding ₹ 60 Lakh per annum (or ₹ 5 Lakh per month) for the purpose of Section 217 (2A) of the Companies Act, 1956.

**DIRECTORS**

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

S.No.	Name	Designation	Working Period (for F.Y. 2012-13)	
			Appointment	Retirement/ Cessation (As on 31.03.2013)
1	Shri Sanjeev Mittal	Chairman & Managing Director	16.01.2013	23.01.2013
2	Shri Sanjeev Mittal	Chairman	23.01.2013	08.02.2013
3	Shri Alok Kumar	Chairman & Managing Director	08.02.2013	Working
4	Shri A.K.Awasthi	Managing Director	30.03.2012	30.07.2012
5	Shri A.K.Gupta	Managing Director	31.07.2012	16.01.2013
6	Shri Dheeraj Sahu	Managing Director	23.01.2013	08.02.2013
7	Shri S.K.Agarwal	Director(Finance)	09.01.2009	Working
8	Shri Neel Ratan Kumar	Director	06.10.2010	Working
9	Shri S.K.Gupta	Director	07.06.2011	Working
10	Shri Ravi Shankar Panday	Director(Personnel Management)	21.11.2011	Working
11	Shri Ashok Kumar Singh	Director(Operations)	21.11.2011	Working
12	Shri Sunil Kumar Garg	Director(Work & Planning)	21.11.2011	Working
13	Shri O.P.Jain	Director(Commercial)	25.11.2011	Working
14	Shri Prabhakar Singh	Director	11.12.2012	Working

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of section 217 (2AA) of the Companies Act, 1956 it is hereby confirmed that:

- (i) 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 alongwith adequate disclosure thereof through Notes to Accounts.
- (ii) The Directors have selected appropriate Accounting Policies and applied them consistently, except that 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, 2013 and of the profit and loss for the said Financial Year under review.

- (iii) The depreciation has been provided on Straight Line Method at the rates prescribed in Schedule-XIV of the Companies Act, 1956. Depreciation on additions/deductions has been provided on pro-rata basis.
- (iv) Proper and sufficient care has been taken for the maintenance of adequate Accounting Records in accordance with the provisions of The Companies Act, 1956 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.
- (v) The directors had prepared Annual Account for the Financial Year ended 31<sup>st</sup> March, 2013 on going concern basis.

#### **SUBSIDIARY COMPANIES**

There is no subsidiary of the company.

#### **AUDIT COMMITTEE**

According to section 292A of the Companies Act, 1956 Board has constituted an Audit Committee consisting of the following members as on date:-

Managing Director UPPTCL

Chairman

Special Secretary (Finance), U.P. Govt. &  
Part Time Director UPPTCL

Member

Director (Finance), UPPTCL

Presenter

Company Secretary

Coordinator

The Audit Committee has reviewed the duly approved Annual Financial Statement.

#### **AUDITORS**

M/s Rajeev Nandan & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for the financial year 2012-13 by C&AG of India. The Statutory Auditors have audited the accounts of the company for the year ended on 31<sup>st</sup> March 2013. The reports of the auditors and replies on their comments are annexed to this report.

#### **REVIEW OF ACCOUNTS BY THE C&AG OF INDIA**

The comments of Comptroller and Auditor General of India u/s 619 (4) of the Companies Act 1956 on the Annual Accounts of the Corporation for the year ended 31<sup>st</sup> March 2013 are appended to this report. The comments & reply of the management are also enclosed.

#### **INDUSTRIAL RELATIONS**

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

## 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.

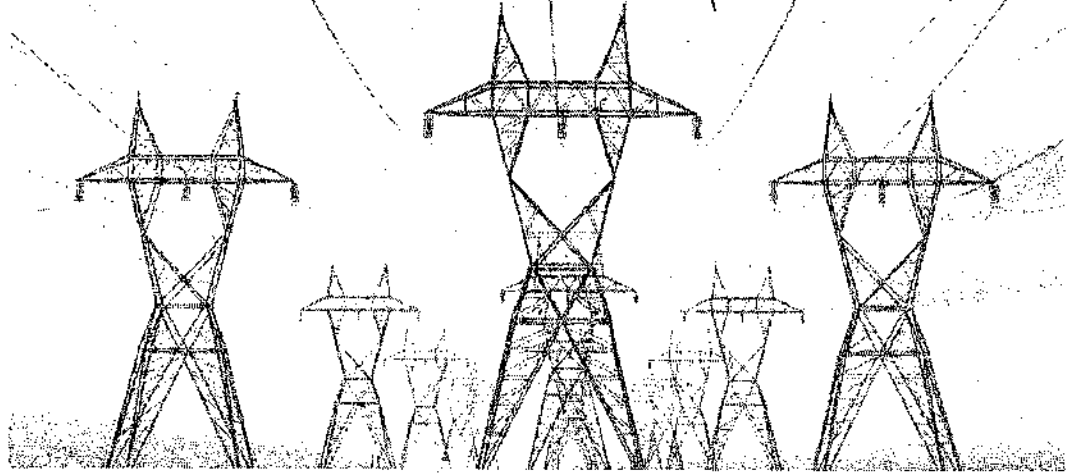
The Directors also appreciated the constructive suggestions and co-operation of Statutory Auditors M/s Rajeev Nandan & Co., Chartered Accountants, various Branch Auditors and the office of the C&AG.

Your Directors acknowledge with appreciation the services rendered by the Executives, staff and workers of the company.

For and on behalf of the Board of Directors

Date: 15-09-2014  
Place: Lucknow

  
(Kamran Rizvi)  
Chairman & Managing Director



## ANNEXURE I-TO THE DIRECTORS' REPORT

Disclosure under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

**A. CONSERVATION OF ENERGY:** Not applicable  
 (UPPTCL is not covered in the list of industries required to furnish the information as contained in the Schedule.)

**B. TECHNOLOGY ABSORPTION:**

**(a) RESEARCH AND DEVELOPMENT (R&D):**

No significant work has been done in R&D during the year.

**(b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

1. Efforts made towards Technology Absorption, Adaptation and innovation in brief are as under:

UPPTCL developed in the year 2010, Sub-Station Automation System (SAS) of distributed type (Kiosks consisting bays to switchyard) to control and monitor all the sub-station equipment from Remote Control Centre (RCC) as well as local control center. Gateways are provided for State Load Dispatch Centers to communicate with existing SCADA network. Dedicated Bay Control Units (BCUs) are provided for various Bays of 220KV, 132 KV & 33KV. The system thus developed is user friendly and already 5 nos. 220KV substations and 14 nos. 132 KV substations as follows have been successfully commissioned and in operation :-

LIST OF SAS BASED SUBSTATIONS COMMISSIONED AND IN OPERATRIION	
220 KV SUBSTATIONS	132 KV SUBSTATIONS
1 S/S BEHAT	1 S/S UJHANI
2 S/S JANSETH	2 S/S ANOORSHAHR ROAD
3 S/S KUSRI ROAD, LUCKNOW	3 S/S KANHA UPVAN
4 S/S R.C. GREEN, NOIDA	4 S/S GARWARA
5 S/S FARIDNAGAR	5 S/S PURA
	6 S/S MOHADDIPUR
	7 S/S TILA MOR
	8 S/S ANOOP SHAHR
	9 S/S KHURJA- II
	10 S/S AFZALGARH
	11 S/S BACHRAUN
	12 S/S BAMOULI
	13 S/S MOHAN ROAD, LUCKNOW
	14 S/S RAHIMABAD, LUCKNOW

2. **Benefits derived as result of the above efforts:**

- (i) The system incorporates the control, monitoring and protection functions specified, self monitoring, signaling and testing facilities, measuring as well as memory functions event recording and evaluation of disturbance records through the use of HMI (Human Machine Interface).
- (ii) Self monitoring components, modules and communication to increase the availability and reliability of equipments and minimum disturbance. This is also available through HMI in the control room.
- (iii) Reduction in manpower as against conventional system and connectivity in groups.

3. **Imported Technology:**

Polymer insulators in high voltage transmission lines were introduced in the year 2007 and since then are being used in 400KV, 220 KV and 132 KV transmission lines. The introduction of these insulators has considerably reduced tripping of lines due to failure of porcelain insulators and associated failures of pins and caps. The introduction of polymer insulators has also reduced the incidence of tripping caused due to foggy conditions. This is a technology which is widely used world over and has proved to be beneficial in maintaining grid stability particularly in Northern India where the incidence of snowfall and fog are quite common.

C. **FOREIGN EXCHANGE EARNING AND OUTGO:**

- (i) Earnings in foreign exchange: NIL
- (ii) Foreign exchange outgo: 892 (USD)

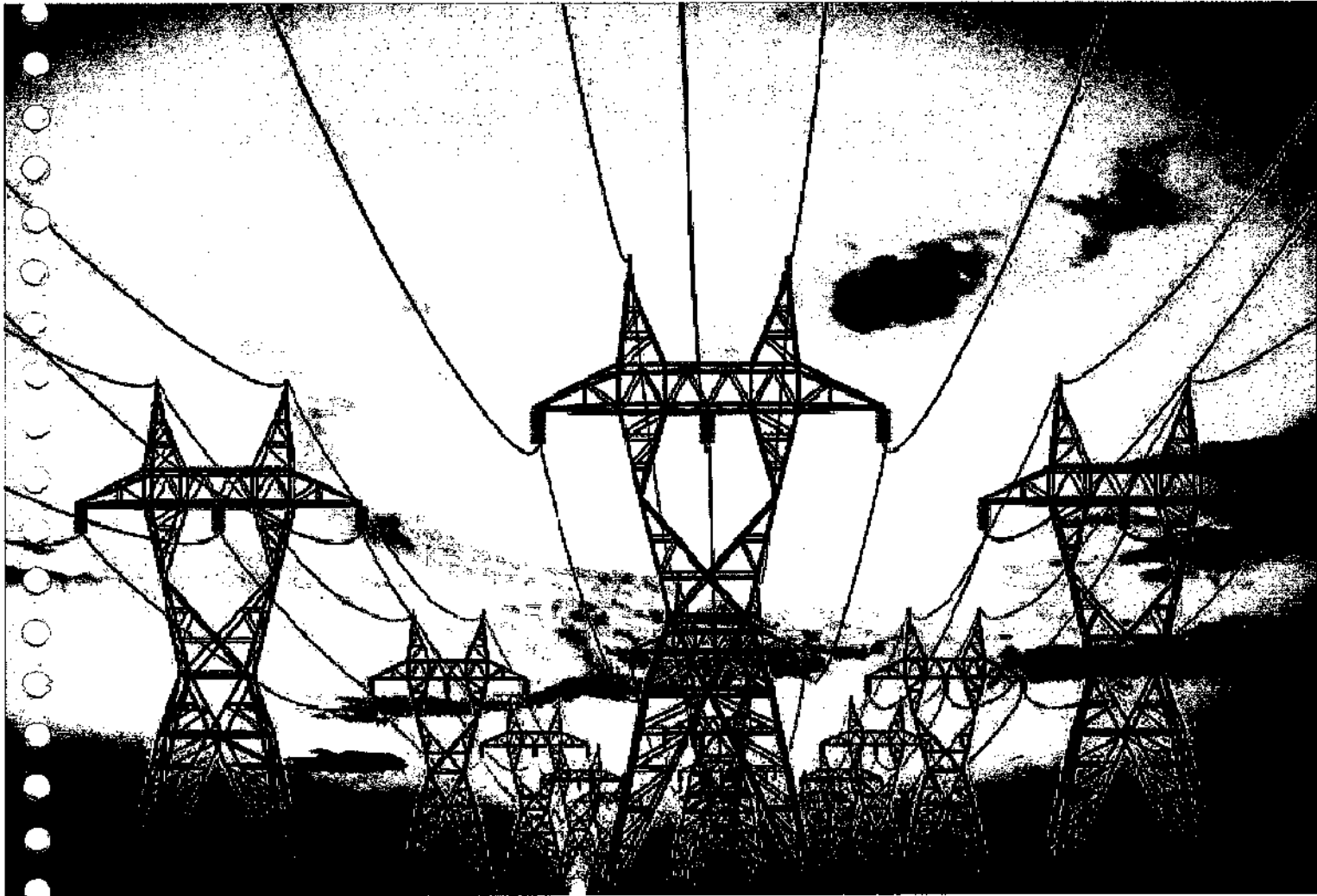
for and on behalf of the Board of Directors

(Kamran Rizvi)

**Chairman & Managing Director**



**UTTAR PRADESH POWER  
TRANSMISSION  
CORPORATION LIMITED**



**BALANCE SHEET AS AT 31.03.2013**

**&**

**PROFIT & LOSS STATEMENT FOR  
THE YEAR ENDED 31.03.2013**

Registered Office :- 14, Ashok Marg, Shakti Bhawan, Lucknow - 226001.

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

**BALANCE SHEET AS AT 31st MARCH, 2013**

Particulars	Note No.	As at 31st March 2013	(Amount in ₹) As at 31st March 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	1	45,755,100,000	4,335,500,000
(b) Reserves and surplus	2	(5,935,512,282)	(6,290,665,201)
(c) Money received against share warrants			
<b>(2) Share application money pending allotment</b>	3	6,670,000,000	40,089,600,000
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	4	59,551,147,782	43,136,800,585
(b) Deferred Tax Liabilities (Net)			
(c) Other Long-Term Liabilities	5	2,589,783,517	2,653,320,695
(d) Long Term Provisions			
<b>(4) Current liabilities</b>			
(a) Short Term Borrowings	6		2,000,000,000
(b) Trade Payables			
(c) Other Current liabilities	7	33,242,621,523	29,439,696,573
(d) Short-Term Provisions			
<b>Total</b>		<b>141,873,140,540</b>	<b>115,364,252,652</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible Assets	8	48,656,330,732	47,675,025,652
(ii) Intangible Assets	9	10,544,929	539,671
(iii) Capital Work-in-Progress	10	24,165,409,202	18,562,224,692
(iv) Intangible Assets under Development			
(b) Non-Current Investments			
(c) Deferred Tax Assets (Net)			
(d) Long-Term Loans and Advances	11	28,760,400,642	21,841,122,771
(e) Other Non-Current Assets			
<b>(2) Current assets</b>			
(a) Current Investments			
(b) Inventories (Stores & Spares)	12	7,278,181,112	6,418,518,932
(c) Trade Receivables	13	27,675,597,987	15,925,695,302
(d) Cash and Cash Equivalents	14	3,609,200,754	4,324,422,575
(e) Short-Term Loans and Advances	15	457,640,102	388,980,443
(f) Other Current Assets	16	1,259,835,080	227,722,614
Significant Accounting Policies	26(A)		
Notes on Accounts	26(B)		
Note 1 to 26(B) form Integral Part of Accounts			
<b>Total</b>		<b>141,873,140,540</b>	<b>115,364,252,652</b>

*Abha Sethi Tandon*  
(Abha Sethi Tandon)  
Company Secretary  
(Part Time)

*Dr. Uma Kant Yadav*  
(Dr. Uma Kant Yadav)  
Dy. General Manager  
(Accounts)

*A.K. Gupta*  
(A.K. Gupta)  
General Manager  
(Accounts)

*S.K. Agarwal*  
(S.K. Agarwal)  
Director (Finance)

*Kamran Rizvi*  
(Kamran Rizvi)  
(Chairman & Managing Director)

Subject to our report of even date  
For RAJEEV NANDAN & CO.  
Chartered Accountants  
*Rajeev Nandan*  
(PAWAN KUMAR AGARWAL)  
PARTNER  
M.No. 073070  
Lucknow  
Firm's Regn. No.: 003347C

PLACE: LUCKNOW  
DATE: 17 APR 2014

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

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2013**

Particulars	Note No.	(Amount in ₹)	
		For the year ended 31st March 2013	For the year ended 31st March 2012
(I) Revenue from Operations (Gross)	17	13,087,774,944	9,438,141,224
(II) Other income	18	207,420,722	274,934,177
<b>(III) TOTAL REVENUE (I+II)</b>		<b>13,295,195,666</b>	<b>9,713,075,401</b>
<b>EXPENSES</b>			
1 Cost of Materials Consumed		-	-
2 Purchase of Stock-in-Trade		-	-
3 Changes in Inventories of Finished Goods, Works in Progress and Stock-in-Trade		-	-
4 Employee Benefits Expenses	19	2,698,362,929	2,281,908,006
5 Finance costs	20	4,308,618,648	2,407,921,838
6 Depreciation and Amortization Expenses	21	3,749,394,428	3,515,537,063
7 Other Expenses			
a) Administrative, General & Other Expenses	22	64,571,685	87,268,990
b) Repairs & Maintenance Expenses	23	1,431,365,493	1,187,962,527
c) Bad Debts & Provisions	24	-	421,045,040
<b>(IV) TOTAL EXPENSES</b>		<b>12,252,313,183</b>	<b>9,901,643,464</b>
V Profit/(Loss) before Prior Period Income/(Expenditure), Exceptional and Extraordinary Items and Tax (III-IV)		1,042,882,483	(188,568,063)
VI Prior Period Income/(Expenditure)	25	(813,458,439)	(338,256,003)
VII Exceptional Items		-	-
VIII Profit/(Loss) before Extraordinary Items and Tax (V-VI-VII)		229,424,044	(526,824,066)
IX Extraordinary Items		-	-
X Profit/(Loss) before Tax (VIII-IX)		229,424,044	(526,824,066)
XI Tax expenses:			
a) Current Tax		-	-
b) Deferred Tax		-	-
XII Profit/(Loss) for the Period from Continuing Operations (X-XI)		229,424,044	(526,824,066)
XIII Profit/(Loss) from Discontinuing Operations		-	-
XIV Tax Expense of Discontinuing Operations		-	-
XV Profit/(Loss) from Discontinuing Operations (After Tax) (XIII-XIV)		-	-
XVI Profit/(Loss) for the Period (XII+XV)		229,424,044	(526,824,066)
XVII <b>Earnings per Equity Share:</b>			
(a) Basic EPS		8.05	(121.51)
(b) Diluted EPS		4.85	(12.40)
Significant Accounting Policies	26(A)		
Notes on Accounts	26(B)		
Note 1 to 26(B) form Integral Part of Accounts			

*Abha Sethi Tandon*  
(Abha Sethi Tandon)  
Company Secretary  
(Part Time)

*Dr. Uma Kant Yadav*  
(Dr. Uma Kant Yadav)  
Dy. General Manager  
(Accounts)

*(A.K. Gupta)*  
(A.K. Gupta)  
General Manager  
(Accounts)

*(S.K. Agarwal)*  
(S.K. Agarwal)  
Director (Finance)

*(Kamran Rizvi)*  
(Kamran Rizvi)  
(Chairman & Managing Director)

Subject to our report of even date

For RAJEEV NANDAN & CO  
Chartered Accountants

(PAWAN KUMAR AGARWAL)  
PARTNER  
M. No. 073070  
Firm's Regn. No.: 0033470



PLACE: LUCKNOW  
DATE:

**17 APR 2014**

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

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amount in ₹)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>NOTE '1' - SHARE CAPITAL</b>		
<b>(A) Authorised Capital</b>		
100000000 Equity Shares of par value ₹ 1000 each (Previous year 100000000 Equity share of par value ₹ 1000 each)	100,000,000,000	100,000,000,000
<b>(B) Issued, Subscribed and Paid-up Capital</b>		
45755100 Equity Shares of par value ₹ 1000 each issued for cash (Previous year 4335500 Equity Shares of par value ₹ 1000 each)	45,755,100,000	4,335,500,000
<b>Total</b>	<b>45,755,100,000</b>	<b>4,335,500,000</b>

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

	As at 31.03.2013 No. of Shares	As at 31.03.2013 Amount	As at 31.03.2012 No. of Shares	As at 31.03.2012 Amount
Shares outstanding at the beginning of the year	4,335,500	4,335,500,000	4,335,500	4,335,500,000
Shares Issued during the year- Fresh Issue	41,419,600	41,419,600,000	-	-
Shares outstanding at the end of the year	45,755,100	45,755,100,000	4,335,500	4,335,500,000

**(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 31st March 2013, the company has issued 41419600 shares.
- (iii) During the year ended 31st March 2013, no dividend has been declared by board due to heavy accumulated losses.

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

Name of Shareholder	As at 31.03.2013 No. of Shares	As at 31.03.2013 % Holding	As at 31.03.2012 No. of Shares	As at 31.03.2012 % Holding
Hon'ble Governor of Government of U.P.	23,621,748	51.63%	4,285,500	98.85%
Uttar Pradesh Power Corporation Ltd.	22,132,752	48.37%	-	-

*Alsha Sathianandan* 31/03/2013

*[Handwritten Signature]*



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

(Amount in ₹)

Particulars	As at 31.03.2013	As at 31.03.2012
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**NOTE '2' - RESERVES & SURPLUS**

**(a) Capital Reserve**

**Consumer Contribution towards Capital Works**

Balance as per last Balance Sheet	3,370,083,372	2,282,435,054
Add: Addition during the year	305,428,309	1,218,920,406
Less: Deduction during the year	179,699,434	131,272,088
Closing Balance	<u>3,495,812,247</u>	<u>3,370,083,372</u>

**(b) Restructuring Reserve**

Balance as per last Balance Sheet	1,807,231,000	1,807,231,000
Add: Addition during the year		
Less: Deduction during the year		
Closing Balance	<u>1,807,231,000</u>	<u>1,807,231,000</u>

**(c) Surplus in Profit & Loss Statement**

Balance as per last Balance Sheet	(11,467,979,573)	(10,362,362,635)
Add : Accumulated loss pertaining prior to transfer scheme		(578,792,872)
Add : Trf. from Statement of Profit & Loss	229,424,044	(526,824,066)
Closing Balance	<u>(11,238,555,529)</u>	<u>(11,467,979,573)</u>

<b>Total</b>	<b>(5,935,512,282)</b>	<b>(6,290,665,201)</b>
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**NOTE '3' - SHARE APPLICATION MONEY**

Share Application Money pending for allotment	6,670,000,000	40,089,600,000
<b>Total</b>	<b>6,670,000,000</b>	<b>40,089,600,000</b>

**Reconciliation of Share Application Money**

Share Application Money as on 31.03.2012	Received during the year	Allotted during the year	Share Application Money as on 31.03.2013
40,089,600,000	8,000,000,000	41,419,600,000	6,670,000,000

Abha Sethi Pandey

31/03/2013

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

Particulars	(Amount in ₹)	
	As at 31.03.2013	As at 31.03.2012
<b>NOTE '4' - LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Term loans		
From Others (Secured by exclusive charge on asset created under the PFC & REC Scheme)	56,072,376,565	37,636,043,570
<b>Unsecured Loans</b>		
Term loans		
From Government of U.P.	997,146,000	997,146,000
From Others (All the above loans are guaranteed by Govt of U.P.)	5,890,196,103	6,887,342,103
	<u>7,035,271,923</u>	<u>8,032,417,923</u>
<b>Sub-Total of Secured &amp; Unsecured Loans</b>	<b>62,959,716,668</b>	<b>45,668,461,493</b>
Less: Current Maturity of Long Term Borrowings (Refer Annexure A)	3,408,570,886	2,531,660,908
<b>Total</b>	<b>59,551,147,782</b>	<b>43,136,800,585</b>

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

Asha Bhatnagar

30/03/2013

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

**DISCLOSURES OF TERMS ETC. OF BORROWINGS AS REQUIRED IN SCHEDULE-VI**

Annexure A to Note 4  
(Amount in ₹)

Loans	Security & Guarantee Details	Interest Rate	Repayment Terms	Balance as on 31.03.2012 (A)	* Current Maturity for Long term debt (F.Y. 11-12) (B)	Long term borrowing as on 31.03.2012 C= (A+B)	Loan received during the year (F.Y. 12-13) (D)	Loan repaid during the year (F.Y. 12-13) (E)	Balance as on 31.03.2013 F=(A+D-E)	* Current Maturity for Long term debt (F.Y. 12-13) (G)	Long term borrowing as on 31.03.2013 H=(F-G)
(A) Secured (i) Power Finance Corporation Ltd (Hypo)	Secured by hypothecation of Lines & Substations under the PFC scheme	8.75% to 13.25%	Forty to sixty equal quarterly installments.	14587240317	935338890	13651904437	3388477941	934601240	17041117018	1317327279	15723789739
(ii) Power Finance Corporation Ltd (BLC)	Secured by hypothecation of Lines & Substations under the PFC scheme	13.75%	Forty equal quarterly installments	48911538	48911538	0	0	48911538	0	0	0
(iii) Rural Electrification Corporation Ltd (Transmission)	Secured by hypothecation of Lines & Substations under the REC scheme	11% to 13%	One hundred twenty equal monthly installments	22996891715	201497511	22798394204	16232865343	201497511	39031258547	772571961	38258687586
(B) Unsecured (i) Power Finance Corporation Ltd (Govt Guarantee)	Guaranteed by Govt. of U.P.	8.75% to 13.25%	Total (A)	37636043570	1185744929	36450298641	19821343284	1185010289	56072376565	2068989240	53982477325
(ii) Rural Electrification Corporation Ltd (Reschedule)	Guaranteed by Govt. of U.P.	10.11%	Forty equal quarterly installments	3476017698	584779168	2891238530	0	584779168	2891238532	569114211	2322124321
(iii) Rural Electrification Corporation Ltd (Transmission)	Guaranteed by Govt. of U.P.	11% to 13%	One hundred eighty equal monthly installments (EM)	652118153	93270566	559847587	0	93270566	559847587	102714789	456132788
(iv) Rural Electrification Corporation Ltd (UPPCL)	Guaranteed by Govt. of U.P.	11% to 12.50%	One hundred twenty equal monthly installments	726103680	90762960	635340720	0	90762960	635340720	90762960	544577760
(v) Govt of U.P.	Guaranteed by Govt. of U.P.	13.5% to 15.25%	One hundred twenty equal monthly installments	2093532392	288763128	1804769264	0	288763128	1804769264	288763128	1516006136
(vi) National Capital Region Planning Board	Guaranteed by Govt. of U.P.	7%	Ten equal annually installments to thirty semi-annual installments	6947771923	1057579622	5890196101	0	1057579622	5890196103	1051355086	4838841015
			Total (v)	997146000	200840157	796305843	0	0	997146000	267316558	729829442
			Six to Eight equal annual installments	87500000	87500000	0	0	87500000	0	0	0
			Total (vi)	875000000	87500000	0	0	875000000	0	0	0
			Total (B)	8632417923	134591879	6686501944	0	1146075820	6887342103	1318671646	5568670487
			Grand Total (A + B)	49666461493	2531860906	4313680535	19621343284	2330038109	6259718668	3405570866	59451147782



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*Asha Lathi Laddan 3/13/2014*



**UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED**  
**14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.**  
**DISCLOSURES OF DEFAULT IN DEBT SERVICING AS REQUIRED IN SCHEDULE-VI**

Annexure-B to Note 4  
 (Amount in ₹)

Loans	Repayment Terms			Default as on 31.03.2012			Default as on 31.03.2013			
	Date of Restructuring	Instalments	Repayment Due from	Rate of Interest(%)	Principal	Interest	Principal Default w.e.f	Interest	Principal Default w.e.f	Interest Default w.e.f
Unsecured (i) Govt of U.P.	2003-04	180 (monthly)	2010-11	13.5% to 15.25%	134363755	4653100960	200840157	4798530352	2011-12	2007-08
<b>Total</b>					<b>134363755</b>	<b>4653100960</b>	<b>200840157</b>	<b>4798530352</b>		

*Sd/- Lethi Laxman*  
*3/12/2013*



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

Particulars	(Amount in ₹)	
	As at 31.03.2013	As at 31.03.2012
<b>NOTE '5' - OTHER LONG-TERM LIABILITIES</b>		
Interest accrued but not due on REC	2,589,783,517	2,653,320,695
<b>Total</b>	<b>2,589,783,517</b>	<b>2,653,320,695</b>
<b>NOTE '6' - SHORT-TERM BORROWINGS</b>		
<u>Unsecured</u> <u>Loans Repayable on Demand</u> From Financial Institutions	-	2,000,000,000
<b>Total</b>	-	<b>2,000,000,000</b>

Note- Term loan of ₹ 2,000,000,000 from Power Finance Corporation is @13% interest and repayable in four installments.

Abha Sethi Chaudhary

31/03/2013

*[Signature]*

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

(Amount in ₹)

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>NOTE '7' - OTHER CURRENT LIABILITIES</b>				
Current Maturities of Long-term Debt		3,408,570,886		2,531,660,908
<u>Interest accrued &amp; due on borrowings</u>				
Govt. of U.P.	4,798,530,352		4,653,100,960	
REC	63,537,178	4,862,067,530	57,695,183	4,710,796,143
Interest accrued but not due on borrowings		616,802,764		452,647,932
Liability for Capital Supplies/Works		8,842,986,059		8,276,497,201
Liability for O & M Supplies/Works		585,401,775		526,906,705
Staff Related Liabilities		1,479,279,884		1,583,284,999
Deposit & Retentions from Suppliers & Others		3,788,977,440		2,531,834,268
Deposit for Electrification Works		7,109,842,770		5,900,877,593
<u>Inter-Corporation Balances</u>				
UPPCL	157,134,268		573,648,576	
KESCO	23,840,420		18,469,745	
Dakshinanchal VVNL	68,811,636		46,889,751	
Madhyanchal VVNL	232,501,481		226,691,318	
Paschimanchal VVNL	13,032,807		11,584,954	
Poorvanchal VVNL	35,922,837	531,243,449	38,394,203	915,678,547
Inter-Unit Transfers				564,622,438
Sundry Liabilities		126,833,276		36,426,149
Liabilities for Expenses		45,180,326		68,485,809
<u>Liabilities towards UP Power Sector Employee Trust</u>				
Provident Fund Liabilities	811,457,362		615,516,097	
Pension & Gratuity Liability	891,821,718	1,703,279,080	651,920,074	1,267,436,171
<u>Liabilities towards UPPCL CPF Trust</u>				
CPF Liability		142,143,576		72,529,002
<u>Balance with Government Authorities:</u>				
Fringe Benefit Tax - Provision	12,183,959		12,183,959	
Less: Advance Tax	12,171,251	12,708	12,171,251	12,708
<b>Total</b>		<b>33,242,621,523</b>		<b>29,439,696,573</b>

Note: Details of Current Maturity of Long Term Borrowings (Refer Annexure A) is annexed with Note No. 4

Shri Lakhendra Singh

*(Signature)*

*(Signature)*



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

**NOTE OF TANGIBLE ASSETS AS AT 31.03.2013**

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET CARRYING VALUE		
	As at 01.04.2012	Addition	Deduction/ Adjustment	As at 31.03.2013	As at 01.04.2012	Addition	Deduction/ Adjustment	As at 31.03.2013	Balance as at 31.03.2012
Land & Land Rights									
(i) Land Owned under full title	316,455,500	1,246,262	-	317,701,762	-	-	-	317,701,762	316,455,500
(ii) Land Owned under Lease	52,296,572	(51,764,518)	-	532,054	-	-	-	532,054	52,296,572
<b>Total (i+ii)</b>	<b>368,752,072</b>	<b>(50,518,256)</b>	<b>-</b>	<b>318,233,816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318,233,816</b>	<b>368,752,072</b>
Buildings	2,782,313,111	254,122,451	280,950	3,036,154,612	925,037,187	88,920,344	66,883	2,022,263,964	1,857,275,924
Other Civil Works	438,730,071	4,215,351	-	442,945,422	173,211,832	7,650,213	-	262,083,377	265,518,239
Plant & Machinery	44,028,103,591	3,872,445,912	967,674,311	46,992,875,192	15,622,540,943	2,173,089,408	328,863,702	29,464,108,543	28,405,562,648
Lines, Cables Network etc.	33,457,599,831	1,465,031,218	16,112,944	34,906,518,105	17,086,483,540	1,624,135,029	9,583,660	16,205,503,196	16,371,136,291
Vehicles	35,484,204	-	538,000	34,946,204	29,080,305	1,933,559	413,351	4,345,691	6,403,899
Furniture & Fixtures	14,444,610	1,120,957	46,595	15,518,972	6,798,561	937,027	43,189	7,826,573	7,646,049
Office Equipments	25,897,339	13,198,117	6,700	39,088,756	16,865,502	3,233,902	2,853	18,992,205	9,031,837
Other assets	700,019,530	3,457,826	-	703,477,356	316,320,837	34,183,152	-	352,973,367	383,698,693
<b>Total</b>	<b>81,851,344,359</b>	<b>5,563,073,576</b>	<b>984,659,500</b>	<b>86,429,768,435</b>	<b>34,176,318,707</b>	<b>3,934,082,634</b>	<b>336,973,638</b>	<b>48,656,330,732</b>	<b>47,675,025,652</b>
Previous Year	75,129,503,917	7,428,981,978	706,567,091	81,851,898,804	30,682,888,393	3,750,089,062	256,643,974	47,675,565,323	44,446,615,524

**NOTE OF INTANGIBLE ASSETS AS AT 31.03.2013**

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET CARRYING VALUE		
	As at 01.04.2012	Addition	Deduction/ Adjustment	As at 31.03.2013	As at 01.04.2012	Addition	Deduction/ Adjustment	As at 31.03.2013	Balance as at 31.03.2012
Intangible Asset Software	554,445	12,527,650	-	13,082,095	14,774	2,522,392	-	10,544,929	539,671
<b>Total</b>	<b>554,445</b>	<b>12,527,650</b>	<b>-</b>	<b>13,082,095</b>	<b>14,774</b>	<b>2,522,392</b>	<b>-</b>	<b>10,544,929</b>	<b>539,671</b>
Previous Year									

Previous Year

Note:- 1) Addition to Intangible assets includes ₹ 1,06,00,365 & Depreciation Reserve amounting to ₹ 8,04,072 related to previous year.  
2) Opening Balance and Depreciation Reserve of Office Equipments, included in tangible assets have now been reclassified in current year.

*Ashu Bhatnagar 30/3/2013*



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

Particulars	(Amount in ₹)	
	As at 31.03.2013	As at 31.03.2012
<b>Note '10' - Capital Work in Progress</b>		
Capital Work in Progress *	19,998,147,292	16,346,447,078
Revenue Expenses pending for Capitalisation upto Previous Year **	2,215,777,614	908,633,742
Add: Addition during the year	2,618,955,000	1,891,889,000
Less: Capitalisation during the year	<u>667,470,704</u>	<u>584,745,128</u>
<b>Total</b>	<b>24,165,409,202</b>	<b>18,562,224,692</b>

**Notes:-**

\* It includes Establishment and Administration & General Cost

\*\* It includes Borrowing Cost only related to works

**Note '11' - Long Term Loan & Advances**

Advances to Suppliers/Contractors	29,577,130,504	22,657,852,633
Less: Provision for Doubtful Advances against Capital Works	<u>816,729,862</u>	<u>816,729,862</u>
<b>Total</b>	<b>28,760,400,642</b>	<b>21,841,122,771</b>

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*31/3/2013*

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

(Amount in ₹)

Particulars	As at 31.03.2013	As at 31.03.2012
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**NOTE '12' - INVENTORY**

**Stores & Spares**

(a) Stock of Materials-Capital Works	7,197,521,925	6,243,007,505
(b) Stock of Materials-O&M	277,382,160	446,609,517
(c) Other Materials*	208,689,696	134,317,746
<b>Sub Total</b>	<b>7,683,593,781</b>	<b>6,823,934,768</b>
Less: Provision for Obsolete /Unserviceable /Shortage/Loss of Stores	405,412,669	405,415,836
<b>Total</b>	<b>7,278,181,112</b>	<b>6,418,518,932</b>

Note(\*) -Other Material include material issued to fabricators, obsolete material, scrap, transformers sent for repair store, excess/ shortage pending for investigation and material in transit.

**NOTE '13' - TRADE RECEIVABLES**

**Unsecured, Considered Good**

a) Outstanding for a period exceeding six months from the date they are due for payment	21,539,557,981	11,566,047,933
b) Other Debts	6,136,040,006	4,359,647,369
<b>Total</b>	<b>27,675,597,987</b>	<b>15,925,695,302</b>

**Details of Trade Receivables :-**

Madh. V.V.N.L.	5,034,607,978	2,942,659,214
Pur. V.V.N.L.	6,074,487,050	3,523,140,003
Pash. V.V.N.L.	8,825,813,554	5,058,788,913
Daksh. V.V.N.L.	6,333,885,997	3,576,086,463
KESCO	1,245,264,045	745,603,557
Others	161,539,363	79,417,152
<b>Total</b>	<b>27,675,597,987</b>	<b>15,925,695,302</b>

**NOTE '14' - CASH AND CASH EQUIVALENTS**

(a) Cash in Hand (including Stamps in Hand)	638,205	550,271
(b) Balance with Banks		
In Current & Other Account	1,694,477,263	2,297,477,784
In Fixed Deposit Account	1,914,085,286	2,026,394,520
<b>Total</b>	<b>3,609,200,754</b>	<b>4,324,422,575</b>

Abha Letti Pandey

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

(Amount in ₹)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>NOTE '15' - SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Advances to Employees (Adjustable/recoverable from salary)	2,787,468	2,516,052
Tax Deducted at Source	40,689,722	27,203,692
Advances to Suppliers/Contractors	454,080,767	399,178,554
Less: Provision for Doubtful loan & Advances	<u>39,917,855</u>	<u>39,917,855</u>
<b>Total</b>	<b>457,640,102</b>	<b>388,980,443</b>
<b>NOTE '16' - OTHER CURRENT ASSETS</b>		
<b>Unsecured, Considered Good</b>		
<b>Inter Corporation Balances :</b>		
UPRVNL	150,077,086	101,686,569
UPJVNL	<u>3,434,784</u>	<u>3,279,804</u>
<b>Receivables :</b>		
Employees	37,253,952	38,336,285
Others	<u>124,353,338</u>	<u>116,359,340</u>
<b>Total</b>	<b>161,607,290</b>	<b>154,695,625</b>
Less: Provision for Doubtful Receivables	<u>32,263,833</u>	<u>32,263,833</u>
<b>Total</b>	<b>129,343,457</b>	<b>122,431,792</b>
Inter-Unit Transfers	975,337,722	-
Interest accrued but not due on F.D.	249,548	237,882
Prepaid Expenses	1,392,483	86,567
Theft of Fixed Assets pending investigation	1,130,636	1,045,672
Less: Provision for Estimated Losses	<u>1,130,636</u>	<u>1,045,672</u>
<b>Total</b>	<b>1,259,835,080</b>	<b>227,722,614</b>

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Abha Lethi Tandan

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

(Amount in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
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**NOTE '17' - REVENUE FROM OPERATIONS**

**Sale of Services**

Transmission Charges	12,858,192,345	8,927,374,053
Open Access Charges	209,647,377	494,468,071
SLDC Charges	19,935,222	16,299,100

<b>Revenue from operations (Gross)</b>	<b>13,087,774,944</b>	<b>9,438,141,224</b>
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Less: Excise Duty/Service Tax Recovered

<b>Revenue from Operation (Net)</b>	<b>13,087,774,944</b>	<b>9,438,141,224</b>
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**NOTE '18' - OTHER INCOME**

**Interest Income on :**

Fixed Deposits	25,405,465	32,489,165
Loans to Staff	31,790	74,632
Others	5,996,636	746,962
	<u>31,433,891</u>	<u>33,310,759</u>

<b>Maintenance &amp; Shutdown Charges</b>	98,200,961
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**Other Non-Operating Income**

Income from Contractors/Suppliers	61,152,088	201,587,515
Rental From Staff	728,953	535,061
Miscellaneous Receipts	15,904,829	39,182,438
Subsidies and Grants Received (against loss on account of flood, fire, cyclone etc.)		318,404

<b>Total</b>	<b>207,420,722</b>	<b>274,934,177</b>
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**NOTE '19' - EMPLOYEE BENEFIT EXPENSES**

Salaries & Allowances	1,502,269,489	1,697,584,662
Dearness Allowance	1,000,159,208	945,514,654
Bonus/ Ex-gratia	21,456,864	20,902,240
Other Allowances	107,427,233	128,197,817
Pension & Gratuity	389,337,546	431,486,752
Medical Expenses(Re-imbursment)	11,487,724	17,518,054
Leave Travel Assistance	17,468	1,401,470
Earned Leave Encashment	149,548,061	223,523,053
Compensation	2,463,754	574,551
Contribution to Provident & Other Funds	47,562,534	42,445,495
Expenditure on Trust	4,156,759	2,794,665
Staff Welfare Expenses	2,005,139	2,697,209
Common Expenditure(Charged by UPPCL)	211,716,355	

<b>Sub Total</b>	<b>3,449,608,134</b>	<b>3,514,640,622</b>
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Less: Expenses Capitalised	751,245,205	1,232,732,616
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<b>Total</b>	<b>2,698,362,929</b>	<b>2,281,908,006</b>
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Note:- In the previous year, common expenditure charged by the UPPCL amounting to ₹ 26.51 crores was included in the respective head of accounts relating to employee benefit expense. This year the common expenditure has been depicted separately for the purpose of separate disclosure.

Abha Sethi Pandey 31/03/2013

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

(Amount in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
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**NOTE '20' - FINANCE COSTS**

**(A) Interest expenses**

**Long term loans**

Government of UP	145,429,392	145,429,392
PFC	2,326,389,805	1,696,492,475
HUDCO		18,991,697
NCRPB	5,896,661	12,092,308
REC	4,420,207,670	2,396,747,101
	<u>6,897,923,528</u>	<u>4,271,752,973</u>

**(B) Other Borrowings Cost**

Guarantee Charges	29,232,343	27,702,492
Bank Charges	417,777	355,373

<b>Sub Total</b>	<b>6,927,573,648</b>	<b>4,299,810,836</b>
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Less: Interest Capitalised	2,616,955,000	1,891,889,000
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<b>Total</b>	<b>4,308,618,648</b>	<b>2,407,921,836</b>
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**NOTE '21' - DEPRECIATION & AMORTIZATION EXPENSES**

**Depreciation on Fixed Assets :**

Buildings	88,893,662	80,299,566
Other Civil Works	7,673,635	7,535,092
Plant & Machinery	2,159,862,660	1,954,853,189
Lines, Cable Network etc.	1,615,605,550	1,550,930,668
Vehicles	1,933,558	3,223,111
Furniture & Fixtures	937,027	872,231
Softwares	1,726,023	-
Office Equipments	3,811,794	2,758,279
Other Assets	33,395,720	37,918,500
	<u>3,913,839,629</u>	<u>3,636,390,636</u>

Less: Amount amortised in the proportion in which the dep. has been charged on Assets acquired out of the Consumer's Contribution towards capital works	164,445,201	122,853,573
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<b>Total</b>	<b>3,749,394,428</b>	<b>3,515,537,063</b>
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*Abha Latha Pandey*

*Abha Latha Pandey*

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

(Amount in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
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**NOTE '22' - ADMINISTRATIVE, GENERAL & OTHER EXPENSES**

Payment to Auditor		
(a) Audit fee	666,182	666,182
(b) Reimbursement of Out of Pocket Expenses	576,125	586,825
Advertisement Expenses	1,242,307	1,253,007
Communication Charges	8,815,243	13,360,172
Consultancy Charges	16,851,921	18,479,362
Electricity Expenses	119,207	661,094
Entertainment	8,418,024	5,186,440
Expenditure on Trust	7,500	290,522
Insurance	187,858	218,707
Legal Charges	300,728	260,905
Loss on theft of fixed assets	5,283,917	10,927,078
Miscellaneous Expenses	84,964	-
Printing & Stationery	45,266,577	43,253,550
Rates & Taxes	6,719,074	6,544,193
Rent	5,411,715	31,130
Technical Fees & Professional Charges	1,554,571	1,752,239
Travelling & Conveyance	4,117,103	6,778,028
Water Charges	41,316,912	38,453,033
Common Expenditure(Charged by UPPCL)	2,578,824	27,707
	12,049,799	
<b>Sub Total</b>	<b>160,326,244</b>	<b>147,477,167</b>
Less: Expenses Capitalised	95,754,645	60,440,647
<b>Sub Total</b>	<b>64,571,599</b>	<b>87,036,520</b>
Compensation(Other than staff)		
Other losses	86	232,470
<b>Total</b>	<b>64,571,685</b>	<b>87,268,990</b>

Note:- In the previous year, common expenditure charged by the UPPCL amounting to ₹ 1.74 crores was included in the respective head of accounts relating to Administrative, General & Other expense. This year the common expenditure has been depicted separately for the purpose of separate disclosure.

**NOTE '23' - REPAIRS & MAINTENANCE EXPENSES**

Plant & Machinery	1,191,503,667	994,621,426
Buildings	56,111,488	45,305,747
Other Civil Works	1,396,683	86,850
Lines, Cables Networks etc.	179,746,167	147,528,003
Vehicles-Expenditure	46,522,176	40,636,988
Less: Transferred to Different Capital & O&M Works/Administrative Exp.	46,522,176	40,636,988
Furniture & Fixtures	65,020	10,243
Softwares	1,746,470	-
Office Equipments	795,998	410,258
<b>Total</b>	<b>1,431,365,493</b>	<b>1,187,962,527</b>

*Sana Lethi Tewari* 31/03/2013

*[Signature]*

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

(Amount in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
-------------	----------------------------------	----------------------------------

**NOTE '24' - BAD DEBTS & PROVISIONS**

Doubtful advances(Suppliers/Contractor)	-	747,721
Doubtful other Current Assets(Receivables)	-	570,134
Doubtful advances against Capital works	-	419,727,185
<b>Total</b>	-	<b>421,045,040</b>

**NOTE '25' - NET PRIOR PERIOD INCOME  
/(EXPENDITURE)**

**(a)Income**

Interest Income		2,259,625
Other Income	(783321972)	(150,258)
Other Excess Provisions	40,000	177,571,300
<b>Sub Total (A)</b>	<b>(783,281,972)</b>	<b>179,680,667</b>

**(b)Expenditure**

O&M Expenses	3,528,121	52,312,673
Employee Cost	6,543,401	6,700,400
Interest & Finance Charges	9,219,016	345,164,556
Administrative & General Exp	3,374,766	10,479,130
Depreciation under/excess provided	7,511,163	103,279,911
<b>Sub Total (B)</b>	<b>30,176,467</b>	<b>517,936,670</b>

<b>Net Amount (A-B)</b>	<b>(813,458,439)</b>	<b>(338,256,003)</b>
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Abha Sethi Tandan

31/03/2013

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# UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

## NOTE NO. 26(A)

### SIGNIFICANT ACCOUNTING POLICIES

#### 1). GENERAL

(a) The financial statements are prepared in accordance with the provisions of the Companies Act, 1956. However where there is a deviation from the provisions of the Companies Act, 1956 in preparation of these accounts, the corresponding provisions of Electricity (Supply) (Annual Accounts) Rules 1985 have been adopted.

(b) The accounts are prepared on Historical Cost Convention, on accrual basis unless stated otherwise and on accounting assumption of going concern.

(c) Subsidy, Grant, Insurance and Other Claims, Refund of Custom duty, Interest on Income Tax & Trade Tax are accounted for on cash basis. Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

#### 2). FIXED ASSETS

(a) Fixed Assets are shown at historical cost less accumulated depreciation.

(b) All costs relating to the acquisition and installation of fixed assets till the date of commissioning are capitalized.

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

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

(e) Due to multiplicity of functional units as well as multiplicity of function at particular unit, employee cost and general & administration expenses are capitalized on the basis of amount of total expenditure of Capital works as follows:

In case of Capital Transmission works

- (i) @10% on 132 & 220 KV Substations and Lines.
- (ii) @8% on 400 KV Substations and Lines, and
- (iii) @6% on 765 KV Substations and Lines.

In case of deposit works @ 15% and in case of other Capital works @ 11%.

(f) Borrowings cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year. The determination of amount of borrowing cost attributable to capital works are capitalized as per the computation method given in the Electricity (Supply) (Annual Accounts) Rules 1985.

#### 3). DEPRECIATION

(a) Depreciation is charged on Straight Line Method at the rates specified in Schedule XIV of the Companies Act 1956.

(b) Depreciation on additions to / deductions from fixed assets during the year is charged on Pro rata basis.

(c) The fixed assets are depreciated upto 95% of original cost.

*Abha Lata Pandey*

*30/07/2014*

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*[Signature]*



#### 4). STORES & SPARES

- (a) Stores & Spares are valued at cost.
- (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.

#### 5). 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 case of Inter State transmission, revenue from transmission of energy /open access is recognized /accounted for on cash basis at the tariff approved by NRLDC.
- 6). All prior period income & expenditure are shown in the current period as a distinct item.

#### 7). 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) Leave encashment, medical benefits and LTC are accounted for on the basis of claims received and approved during the year.

#### 8). 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.
- (b) Contingent liabilities have been disclosed in the Notes on Accounts.
- (c) The Contingent assets of unrealisable income have not been recognised.

*Abha Sethi Tandon*  
(Abha Sethi Tandon)  
Company Secretary  
(Part Time)

*30/04/2014*  
(Dr. Uma Kant Yadav)  
Dy. General Manager  
(Accounts)

*(A.K. Gupta)*  
General Manager  
(Accounts)

*(S.K. Agarwal)*  
Director (Finance)

*(Kamran Rizvi)*  
(Chairman & Managing Director)

Subject to our report of even date

For RAJEEV NANDAN & CO.  
Chartered Accountants

*(PAWAN KUMAR AGARWAL)*  
PARTNER  
M.No. 073070  
Firm's Regn. No.: 003347C

PLACE: LUCKNOW  
DATE:

17 APR 2014

# UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

## NOTE NO. 26(B)

### NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2013 AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON THAT DATE

1. (a) The Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) came into existence when in compliance to GO UP 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.

(b) The State Government through Gazette Notification No. 2974(1)/24-P-2-2010 dated Dec 23, 2010, notified the Provisional Transfer Scheme for the purpose of the transfer of the transmission activities from U.P. Power Corporation Ltd. (UPPCL), to the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL), wherein the scope of the business, assets & liabilities of the UPPCL and other incidental and consequential matters were laid down. Under the Provisional Transfer Scheme the effective date was defined as 01.04.2007, the date since then the UPPTCL had started working as separate entity for the business of transmission and related activities. The UPPTCL is a state transmission utility in terms of section 39 of the Electricity Act 2003.

Vide Notification No. 2974/XXIV-P-2-2010 dated December 23, 2010, the State Government also notified the Provisional Transfer Scheme for the purpose of transfer of personnel and proceedings related thereto to the transmission undertaking. The finalization of the Scheme for the same is in process.

(c) The Restructuring account amounting to ₹ 180.72 crores (Previous year ₹ 180.72 crores) was shown under the head Reserve & Surplus in the year 2007-08. It relates to the difference between unit-wise balances as on 01.04.2007 and the consolidated balances appearing in the Provisional Transfer Scheme. The finalization of the Scheme is in process.

2.(a) Since inception till date there has been no case of bad debts against "Advances given to Suppliers / Contractors (Capital and O&M works)", reported by units concerned, hence, the provision in the current year @10% for "Doubtful Loans & Advances" has not been made during the year which would otherwise have an impact of decrease in profit and "Advances given to Suppliers / Contractors" both by ₹ 27.18 crores. Consequently, the practice for making provision for "Doubtful Loans & Advances" has been discontinued.

(b) Provision for doubtful receivables against "Employees" and "Others" appearing under the head of "Other Current Assets", has not be made in light of point no. 2(a) as above which would otherwise have an impact of decrease in profit and "Receivables from Employees & Others" both by ₹ 0.07 crores.

3. Penalty on account of delayed or otherwise execution of running capital works and capital supplies was taken as other income till financial year 2011-12, which has now been withdrawn and shown in the Balance Sheet either under "Deposits & Retentions from Suppliers & Others" (shown in Note-7- Other Current Liabilities) and shall finally be adjusted in subsequent years against respective works/contracts or has been adjusted by reducing capital cost of relevant works/supplies. This has an impact of increase in current liabilities of ₹ 50.12 crores, decrease in Capital Work-in-Progress of ₹ 23.93 crores and decrease in *Prior Period Other Income* to the tune of ₹ 74.05 crores.

4. (a) Inter Unit Transactions: The Reconciliation of balance of Inter Unit Transactions of ₹ 97.53 crores (debit) shown in the Balance Sheet (Previous year credit balance of ₹ 56.46 crores) is in process and effect of reconciliation, if any, will be accounted for in the accounts of subsequent years.

(b) Inter-Corporations Transactions: The Reconciliation of balance of Inter-Corporations Transactions of ₹ 53.12 crores (credit) shown in the Balance Sheet (Previous year credit balance of ₹91.57 crores) is in process and effect of reconciliation, if any, will be accounted for in the accounts of subsequent years.

*Sd/- Siba Sandhu*

*31/03/2013*

*[Signature]*  
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*[Signature]*



5. Where historical cost of a discarded/retired/obsolete fixed assets is not available, the estimated value of such asset and depreciation thereon has been adjusted and accounted for.

6. 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.

7. With reference to compliance of MSMED Act, 2006, neither unpaid liabilities against the enterprises governed by the said Act, has since been reported by the units under UPPTCL nor interest on account of unpaid amount has been claimed by the enterprises, therefore, as required under section 22 of MSMED Act, 2006 to provide specific unpaid amount with interest in the annual statements is not warranted, however, to be more specific and accurate in follow up of the provisions of the Act, necessary instructions are being issued to all constituent units.

8. The transmission charges related to intra-state transmission of energy has been accounted for on the basis of tariff approved by the UPERC i.e. ₹ 0.1740/kwh.

9. As a part of separate function of SLDC, the company is maintaining separate account for SLDC. The break-up of charges relating to SLDC shown separately in the Note-17 is given below.

Particulars	(Amount in ₹)	
	For the year ended 31.03.2013	For the year ended 31.03.2012
Annual Charges	8,000,000	6,300,050
Application fee/Concurrence fee	2,185,000	925,000
Misc. Income	72,156	287,050
SLDC Charges	9,678,066	8,787,000
<b>Total</b>	<b>19,935,222</b>	<b>16,299,100</b>

**10. Auditor Remuneration :-**

Particulars	(Amount in ₹)	
	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>Statutory Auditors :-</b>		
As Audit fee(Inclusive of Service Tax wherever applicable)	666,182	666,182
Reimbursement of Out of Pocket Exps.	576,125	586,825
<b>Total</b>	<b>1,242,307</b>	<b>1,253,007</b>

**11. Earning/Expenditure in foreign currency :-**

Particulars		
	For the year ended 31.03.2013	For the year ended 31.03.2012
(a) CIF value of Imports	NIL	NIL
(b) Earning in Foreign Currency	NIL	NIL
(c) Any Expenditure In Foreign Currency		
Travelling Expenses(USD)	892	-
Travelling Expenses(RMB)	-	-
Consultation Charges(USD)	-	404,673
<b>Total</b>	<b>892</b>	<b>404,673</b>

12. (a) 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 has been made @16.70% and 2.38% respectively on the amount of basic pay and grade pay plus DA. The company has initiated the process of getting actuarial valuation afresh for recognizing the liability for the Pension and Gratuity.

*Abha Lethi (auditor)* 31/03/2013

*[Signature]*  
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(b) Leave encashment, medical benefits and LTC are accounted for on the basis of claims received and approved during the year.

13. Since the Corporation is principally engaged in the business of transmission of electricity and there is no other reportable segment as per AS-17, hence the disclosure as per AS-17 on segment reporting is not required. However the transactions of activities relating to separate function of SLDC have already been specified in Para 9.

**14. RELATED PARTY INFORMATION :-**

As per AS-18 issued by the Institute of Chartered Accountants of India, the Company's related party are as under:

**a) List of Related Parties(key management personnel):**

**i. Key management personnel & their relatives:**

Name	Designation	Working Period (for F.Y. 2012-13)	
		Appointment	Retirement/ Cessation as on 31.03.2013
Shri Sanjeev Mittal	Chairman & Managing Director	16.01.2013	23.01.2013
Shri Sanjeev Mittal	Chairman	23.01.2013	08.02.2013
Shri Alok Kumar	Chairman & Managing Director	08.02.2013	Working
Shri A.K.Awasthi	Managing Director	30.03.2012	30.07.2012
Shri A.K.Gupta	Managing Director	31.07.2012	16.01.2013
Shri Dheeraj Sahu	Managing Director	23.01.2013	08.02.2013
Shri S.K.Agarwal	Director(Finance)	09.01.2009	Working
Shri Neel Ratan Kumar	Director	06.10.2010	Working
Shri S.K.Gupta	Director	07.06.2011	Working
Shri Ravi Shankar Panday	Director(Personnel Management)	21.11.2011	Working
Shri Ashok Kumar Singh	Director(Operation)	21.11.2011	Working
Shri Sunil Kumar Garg	Director(Work & Planning)	21.11.2011	Working
Shri O.P.Jain	Director(Commercial)	25.11.2011	Working
Shri Prabhakar Singh	Director	11.12.2012	Working

**b) Transactions**

(Amount in ₹)

Particulars	2012-13	2011-12
	Referred in (a) (i)	Referred in (a) (i)
Salary & Allowances	5977764	1025473
Contribution to Gratuity/Pension/PF	209117	98300
Debts due from Directors	Nil	Nil

(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 owned enterprises, detail/transactions of which have not been disclosed in view of Para '9' of AS-18 "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.

15. Basic and diluted earnings per share has been shown in the Profit & Loss Account in accordance with AS-20(EPS). Basic earnings per share have been computed by dividing net loss after tax by the weighted average number of equity shares outstanding during the year. Numbers used for calculating diluted earnings per equity share includes the amount of equity share money (pending for allotment).

Abha Sethi Pandey 30/12/2012

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Particulars	(Amount in ₹)	
	For the year ended 31.03.2013	For the year ended 31.03.2012

**(I) Basic EPS**

Profit after Tax as per Profit & Loss A/c (A)	229,424,044	(526,824,066)
Weighted Average Number of Equity Shares (B)	28496933	4335500
Basic Earning Per Share (A/B)	8.05	(121.51)
Face Value per share	1000	1000

**(II) Diluted EPS**

Profit after Tax as per Profit & Loss A/c (A)	229,424,044	(526,824,066)
Weighted Average Number of Equity Shares (B)	47330933	42497977
Diluted Earning Per Share (A/B)	4.85	(12.40)
Face Value per share	1000	1000

16. An accounting of Deferred Tax Assets has not been considered in accounts on prudent basis as the company is not certain about substantial income in near future due to unabsorbed accumulated losses of ₹ 1123.86 crore. It includes the accumulated loss amounting to ₹ 976.27 crore which has been transferred by the UPPCL under the Provisional transfer scheme and ₹ 57.88 crore accumulated losses pertaining to prior to transfer scheme has been debited in financial year 2011-12. The transfer of the transmission undertaking from the transferor (UPPCL) to the transferee (UPPTCL) under the above transfer scheme shall be a de-merger of the transferor within the meaning of Section 2 (19AA) of the Income Tax Act, 1961.

17. The provisions contained in 'Annexure III - Basic Accounting Principles & Policies' of Rules appended to provisions of Electricity (supply) (Annual Accounts) Rules 1985, provides that "Fixed Assets of a Board shall be recorded in the books of Accounts and disclosed in Annual Accounts at Historical Cost. This policy implies that no revaluation of Fixed Assets shall be done for adjusting them to replacement cost, current cost etc. Similarly, depreciation on replacement cost shall also not be permitted." which is also in accordance with the provisions laid down in Electricity Act, 2003.

As such, revaluation of assets, according to AS-28, if made to determine the carrying cost of assets, may lead to breach of provisions of Electricity(Supply) (Annual Accounts) Rules 1985, hence the provisions contained in Annexure III- Basic Accounting Policies have been followed.

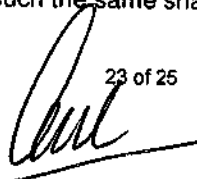
18. Energy transmitted/wheeled during the year was 73897.657156 MU. (Previous year-70371.050500 MU)

**19. Contingent Liabilities and Capital Commitments(to the extent ascertainable and not provided for)**

Particulars	(₹ in Crores)	
	As at 31.03.2013	As at 31.03.2012
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided	1098.82	1033.44
(ii) Other claims against company not acknowledged as debts	21.14	29.85
<b>Total</b>	<b>1119.96</b>	<b>1063.29</b>

Other than as stated above, liabilities, if any, arising out of cases/claims filed by employees as well as parties against corporation are unascertainable as such the same shall be met on arising thereof.

Alpha Lekhi (auditor) 3/27/2013

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20. Disclosure as per AS-29 is as under :-

Particulars	Movement of Provisions			
	Balance as on 01.04.2012	Provision made during the year	Provision adjusted during the year	Balance as on 31.03.2013
	₹	₹	₹	₹
(i) Provision for doubtful advances against capital works	816,729,862	-	-	816,729,862
(ii) Provision for obsolete /unserviceable/shortage/loss of stores	405,415,836	-	3,167	405,412,669
(iii) Provision for doubtful receivables	32,263,833	-	-	32,263,833
(iv) Provision for losses due to theft of fixed assets	1,045,672	84,964	-	1,130,636
(v) Provision for doubtful advances against O&M works	39,917,855	-	-	39,917,855
<b>Total</b>	<b>1,295,373,058</b>	<b>84,964</b>	<b>3,167</b>	<b>1,295,454,855</b>

21. Previous year figures have been regrouped/ reclassified/recasted wherever considered necessary.

22. The figures as shown in the Balance Sheet, Profit & Loss Statement and Notes to accounts have been rounded off to the nearest rupee.

*Abha Sethi Tandon*  
(Abha Sethi Tandon)  
Company Secretary  
(Part Time)

*Dr. Uma Kant Yadav*  
(Dr. Uma Kant Yadav)  
Dy. General Manager  
(Accounts)

*(A.K.Gupta)*  
(A.K.Gupta)  
General Manager  
(Accounts)

*(S.K.Agarwal)*  
(S.K.Agarwal)  
Director (Finance)

*(Kamran Rizvi)*  
(Kamran Rizvi)  
(Chairman & Managing Director)

Subject to our report of the date

For RAJEEV NANDAN & CO  
Chartered Accountants

(PAWAN KUMAR AGARWAL)  
PARTNER  
M.No. 073070  
Firm's Regn. No.: 003347C

PLACE: MUMBAI  
DATE: 17 APR 2014

**UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED**  
**14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013**

S.No.	Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
<b>(Amount in ₹)</b>			
<b>A)</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit/(Loss) before Prior Period Income/(Exp), Tax but after Extraordinary Item	1,042,882,483	(188,568,063)
	Add: Loss on theft of fixed assets	84,964	-
	Net Profit/(Loss) before Prior Period Income/(Exp), Tax and Extraordinary Item	1,042,967,447	(188,568,063)
	<b>Adjustment for :-</b>		
a)	Depreciation	-	-
b)	Interest & Finance Charges	3,936,605,026	3,750,089,062
c)	Provision for Bad & Doubtful Debts	4,308,618,648	2,407,921,838
d)	Provision for Bad & Doubtful Debts written back (Trade Receivables)	-	421,045,040
e)	Provision for obsolete/unserviceable/shortage/loss of stores adjusted	-	(177,571,300)
f)	Provision for Estimated Losses	(3,187)	(82,036)
g)	Interest Income	84,964	-
h)	Prior Period Expenditure (Net)	(31,433,891)	(33,310,760)
i)	Accumulated loss pertaining prior to transfer scheme	(813,458,439)	(338,256,003)
	<b>Operating Profit Before Working Capital Changes</b>	<b>8,443,380,588</b>	<b>5,262,474,906</b>
	<b>Adjustment for :-</b>		
a)	Decrease/(Increase) in Inventories (Stores & Spares)	(859,659,013)	(1,679,691,708)
b)	Decrease/(Increase) in Trade Receivables	(11,749,902,665)	(4,423,265,184)
c)	Decrease/(Increase) in Other Current Assets	(1,032,197,430)	(15,209,961)
d)	Decrease/(Increase) in Short-Term Loans & Advances	(68,659,659)	(15,971,425)
e)	Increase/(Decrease) in Short-Term Borrowing	(2,000,000,000)	2,000,000,000
f)	Increase/(Decrease) in Other Current Liabilities	3,802,924,950	4,735,582,225
	<b>Cash Generated from Operations</b>	<b>(3,464,113,249)</b>	<b>5,863,918,853</b>
	Taxes paid	-	-
	Cash Flow before Extraordinary Item	(3,464,113,249)	5,863,918,853
	Less: Loss on theft of fixed assets	84,964	-
	<b>Net cash (used)/flow from Operating Activities (A)</b>	<b>(3,464,198,213)</b>	<b>5,863,918,853</b>
<b>B)</b>	<b>Cash Flow from Investing Activities</b>		
a)	Decrease/(Increase) in Tangible Assets		
a(i)	Tangible Assets adjusted/deducted	(5,563,073,576)	(7,428,981,978)
a(ii)	Depreciation Reserve adjusted/deducted	984,659,500	706,587,091
b)	Decrease/(Increase) in Intangible Assets	(336,973,638)	(256,643,974)
b(i)	Intangible Assets adjusted/deducted	(12,527,650)	-
b(ii)	Depreciation Reserve adjusted/deducted	-	-
c)	Decrease/(Increase) in Work-in-Progress	(5,603,184,510)	(7,253,022,246)
d)	Decrease/(Increase) in Long Term Loans & Advances	(6,919,277,871)	(12,286,762,095)
e)	Interest received	31,433,891	33,310,759
	<b>Net cash used in Investing Activities (B)</b>	<b>(17,418,943,854)</b>	<b>(28,485,512,443)</b>
<b>C)</b>	<b>Cash Flow from Financing Activities</b>		
a)	Proceeds from Borrowings (Net)	16,414,347,197	17,966,227,575
b)	Proceeds from Share Capital	41,419,600,000	-
c)	Proceeds from Share Application Money	(33,419,600,000)	4,090,548,000
d)	Other Long-term Liabilities	(63,537,178)	677,456,865
e)	Proceeds from Consumers Contribution & Go Up Capital Subsidy	305,428,309	1,218,920,408
f)	Amount amortized	(179,699,434)	(131,272,088)
	<b>Net cash flow from Financing Activities (C)</b>	<b>(4,308,618,648)</b>	<b>(2,407,921,838)</b>
	<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(715,221,821)</b>	<b>792,365,330</b>
	Cash & cash equivalents as at beginning of the year	4,324,422,575	3,532,057,245
	Cash & cash equivalents as at end of the year	3,609,200,754	4,324,422,575

**Notes to the Cash flow Statement:**

- Cash & cash equivalents as at end of the year:-  
 Cash in hand 638,205 550,271  
 Balances with banks  
 In Current & Other Account 1,694,477,263 2,297,477,784  
 In Fixed Deposit Account 1,914,085,286 2,026,394,520  
**Total 3,609,200,754 4,324,422,575**
- This statement has been prepared under indirect method as prescribed by AS-3.
- Adjustment for depreciation as per Note-8 of balance sheet includes the depreciation charged for prior period amounting to ₹22,765,396 (Previous year ₹112,576,685)
- Cash and cash equivalents consists of cash in hand, bank balances in current & other account and fixed deposits with banks.
- The figures in this statement have been rounded off to the nearest rupee.
- Previous year figures have been regrouped/reclassified/recast wherever considered necessary.

*Abha Bhatia Tandon*  
 (Abha Bhatia Tandon)  
 Company Secretary  
 (Part Time)

*Dr. Uma Kant Yadav*  
 Dr. General Manager  
 (Accounts)

*A.K. Gupta*  
 General Manager  
 (Accounts)

*B.K. Agarwal*  
 Director (Finance)

*Kamron Rizvi*  
 (Chairman & Managing Director)

Subject to our report of even date  
 For RAJESH NANDAN & CO.  
 Chartered Accountants

(PAWAN KUMAR AGARWAL)  
 PARTNER  
 M.No. 073070  
 Firm's Regn. No. 003347C



PLACE: LUCKNOW  
 DATE: **17 APR 2014**



**RAJEEV NANDAN & CO.**

**Chartered Accountants**

Head Office : 301-A, IInd Floor, Govinda Apartment, 1-A Shahnajaf Road, Lucknow-1  
Branches : Bahraich, Pilibhit & Bareilly  
Tel / Fax : (0522) 3291377 & 6460329 Fax 4007292  
email add : pawan\_ca2@rediffmail.com

### **Independent Auditor's Report**

**The Members of  
Uttar Pradesh Power Transmission Corporation Limited  
(Formerly known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)  
LUCKNOW**

#### **Report on the Financial Statements**

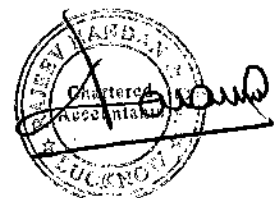
1. We have audited the attached financial statements of **UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED, LUCKNOW**, as at 31st March 2013, and the related Statement of Profit and Loss for the year ended on that date annexed thereto, which we have signed under reference to this report, in which, are incorporated the Accounts of Loans & Funds Unit audited by us & four transmission zones of the Company audited by the respective Branch Auditors. These Financial Statements are the responsibilities of the Company's Management. Our Responsibility is to express an opinion on these Financial Statements based on our Audit.

#### **Management's Responsibility for the Financial Statements**

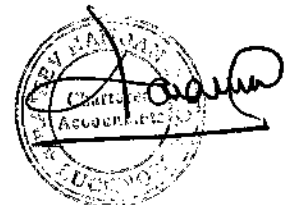
2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



4. An audit involves performing to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. We further report that:-
- (a) Reserves & surplus includes a balance of Rs. 180.72 crores as restructuring account as at the year end. This relates to the difference between the division wise balances of assets and liabilities as per books of accounts as on 01.04.2007 and the balances appearing in the transfer scheme notified by the Government of Uttar Pradesh vide gazette notification no. 2974 / XXIV - P - 2 - 2010 dated December 23, 2010. *The said provisional transfer scheme is pending for finalization which may change the position of balances of assets and liabilities as appearing in the financial statements (Refer para 1 (c) of Note 26 B).*
- (b) As per accounting policy no. 5 of Note no. 26 A, transmission revenue for the year has been recognized on the basis of tariff of Rs. 0.1740 / Kwh (as referred in para 8 of Note 26B) approved by UPERC for intra-state transmission of energy.  
*The difference in transmission tariff stated above as approved by UPERC and tariff determined and approved on the basis of the audited accounts for the year presented to UPERC on true-up petition will be accounted for on the basis of the decision of UPERC.*
- (c) *The balance under current assets, current loans & advances, Trade Receivables, Other Current Assets, unsecured loans, current and non-current liabilities (including the balances of UPPCL, DISCOMS etc), stores & spares, material-in-transit / under inspection / lying with contractors / fabricators etc are subject to confirmation, verification, reconciliation and consequential adjustments, if any. In the absence of adequate information, we are unable to comment on the realisibility or otherwise of these balances.*

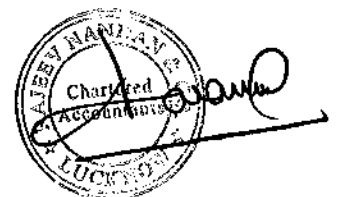


- (d) *The Company has discontinued the practice of making provision on "Advances given to Suppliers / Contractors (Capital O & M Works) and Other Receivables, as there has been no case reported of bad debts since inception till 2011-12. Consequently effecting the overstatement of current year profit to the tune of 27.25 Crores. ((Refer para 2(a) & 2 (b) of Note no. 26 B)*
- (e) *The debit balance of Rs. 97.53 Crores shown as 'Inter Unit Transfer' (under the head "Other Current Assets" - Refer Note 16 of balance sheet) represent the un-reconciled balance of inter unit transactions. The Inter Unit Balances are under the process of reconciliation as informed by the management (Refer para 4 (a) of Note 26 B)*
- (f) *The credit balance of Inter corporate balances of UPPCL & DISCOM's amounting to Rs. 53.12 crores (Previous Year Rs. 91.57 Crores) shown under the head "Other current liabilities"-Note 7 of balance sheet, are under the process of reconciliation. (Refer para 4 (b) of Note 26 B)*
- (g) *It was observed that the system of maintaining party-wise subsidiary ledgers and its matching with primary books of account is not effective.*
- (h) *As informed by the management there are no unpaid liabilities towards Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 and no interest is claimed by these enterprises. (Refer para 7 of Note 26 B)*
- (i) *Contingent liabilities stated in para 19 of Note 26 B are as per details provided by the company and which have been relied upon by us as such.*
- (j) *As reported by the Branch Auditor of Transmission Zone (East) Allahabad, Cash and Bank Balances (Note No. 14 "Cash & Cash Equivalents" of Balance Sheet) includes Rs. 80000.00 Fixed Deposit with bank in ETLEU unit for which no FDR certificate could be produced before the statutory auditors of the East Zone Allahabad and for which no provision of accrued interest has been made by the company.*
- (k) *Since documentary evidences in respect of ownership / title of land, land rights and buildings as whole are kept at unit level falling under respective zones, hence have been relied upon by us on Zonal Auditor's verification, where Allahabad Zone Auditor have reported for non availability of suitable documents in this regard.*



7. Non- Compliance of Accounting Standards:

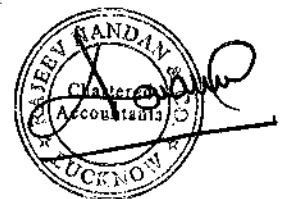
- (a) *The recognition of revenue in case of Inter State Transmission, from transmission of energy/open access is on cash basis which is not in accordance with Accounting Standards (AS) 9 'Revenue Recognition' (Refer Accounting Policy no. 5 (b) of Note no. 26A)*
- (b) *Leave encashment is accounted for on the basis of claims received and approved during the year and not on the basis of actuarial valuation (Refer Accounting Policy no. 7(b) of Note no. 26 A and para 12(b) of Note no. 26 B). The provision for pension and gratuity in respect of employees has been made on the basis of actuarial valuation dated 09.11.2000. Also the valuation report dated 09.11.2000 was valid only for 3 years but the same report is being used for the purpose of making provision till 2013. (Refer Accounting Policy No, 7 (a) of Note No. 26 A & Para 12 (a) of Note No. 26 B).*  
*These employee benefits have not been accounted for in accordance with the treatment prescribed in the Accounting Standard (AS) 15, 'Employee Benefits (revised 2005)'*
- (c) *The company has not complied with the requirements of section 383 A of Companies Act, 1956. As per the requirement of Section 383- A of Companies Act and according to Rule 2 of Companies (Appointment & Qualifications of Secretary) Rules 1988, all companies having paid up capital of not less than Rs. 2 Crore, shall have a whole time Company Secretary. The UPPTCL, however has not complied with the said section of the Companies Act and the Final Accounts of the company are signed by a part time Company Secretary. This comment is being reported by C & AG since F.Y. 2010-11 but no corrective action has yet been taken by the Company.*
- (d) *In view of the disclosure made by the Company in respect of impact of availability and continuity of the substantial income in the near future as such the accounting of deferred tax as per AS-22 'Accounting for Taxes on Income' has not been done by the management.*
- (e) *The company has not complied with the requirements of Accounting Standards (AS) 28 'Impairment of Assets'. As informed by the management, the provisions contained in "Annexure III- Basic Accounting Principles & Policies Electricity Rules, 1985 require that Fixed Assets' shall be recorded at historical cost and no revaluation of fixed assets shall be done to adjust them to replacement cost or current cost etc. (Refer para 17 of Note 26 B).*



8. For want of complete information, the cumulative impact of our observations in paras 6 & 7 above and in Annexure to this report, on the accounts of the company is not ascertained.
9. The Financial Statements of the Company have been prepared by incorporating the Audited Trial Balances of Zonal Accounts offices. We have placed reliance on the Branch Auditor's Report of respective Transmission Zones with reference to compliance of requirements of the Revised Schedule VI of the Companies Act, 1956, to express our opinion / comment on the financial statements of the Company.
10. The branch auditor has expressed opinion and submitted the audit report on the Trial Balance as at 31st March, 2013 of the Zonal Accounts Offices.
11. In our opinion proper returns adequate for the purpose of our audit have been received from branches not visited by us. the branch auditor's reports have been forwarded to us and the same have been appropriately dealt by us in framing our report.
12. In view of department of Company affairs' circular no. 8/2002, the provisions of disqualifications of directors as per section 274 (1)(1g) of the Companies Act, 1956 are not applicable to the company.

#### **Opinion**

- a) In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- b) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013
- c) In the case of the Statement of Profit & Loss, of the profit/loss for the year ended on that date; and
- d) In the case of the Cash flow Statement, of the cash flows for the year ended on that date.





## Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

14. As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examinations of those books.
- c. The Balance Sheet, Statement of Profit & Loss, and Cash Flow statement dealt with by this Report are in agreement with the books of account.
- d. Except for the effects / possible effects of matters described on the basis of Qualified opinion para 7 of audit report, in our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. In our opinion and on the basis of information & explanations given to us, the requirement of obtaining written representations from the nominated Directors of the Government Corporation, for their disqualification from being appointed as Director under clause (g) of sub section (i) of section 274 of the Companies Act, 1956 is not applicable.

**FOR RAJEEV NANDAN & CO**

(Chartered Accountants)

  
(PAWANKUMAR AGARWAL)

PARTNER

M.No. 073070

Firm's Regn. No.: 003347C

LUCKNOW

DATE : 17.04.2014



**RAJEEV NANDAN & CO.**

**Chartered Accountants**

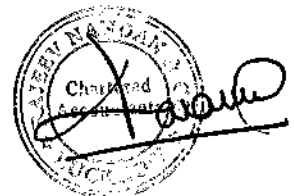
Head Office : 301-A, IInd Floor, Govinda Apartment, 1-A Shahnajaf Road, Lucknow-1  
Branches : Bahraich, Pilibhit & Bareilly  
Tel / Fax : (0522) 3291377 & 6460329 Fax 4007292  
email add : pawan\_ca2@rediffmail.com

**Uttar Pradesh Power Transmission Corporation Limited**  
**Annexure Annexed to Auditors Report on the Accounts of the Corporation for the year**  
**ended 31st March, 2013.**

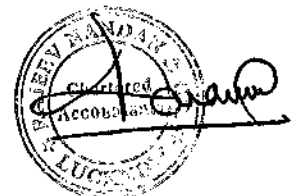
(Annexure referred to in para 13 of the Auditors report of even date to the Members of Uttar Pradesh Power Transmission Corporation Limited on the Annual Accounts of the Corporation for the year ended 31st March, 2013)

On the basis of such tests as we considered appropriate to apply, the information and explanation rendered to us by the management during the course of the audit of head office (Loans & Funds) and the Auditors Report of four transmission zones audited by branch auditors, we report as under:-

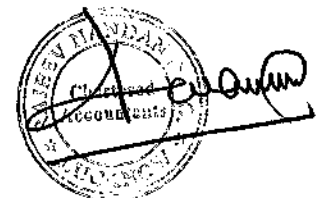
- (i)
  - (a) *The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.*
  - (b) *The company has not carried out physical verifications of the fixed assets hence we are unable to comment whether any material discrepancy was noticed as such or not.*
  - (c) *The Company has not disposed off substantial part of the fixed assets during the year.*
  - (d) *As per the branch audit report of Transmission West (Meerut), the transfer of capital work in progress has been made to the fixed assets without obtaining final certificate of completion from the units.*
- (ii)
  - (a) *As per information provided by the management, the stock of store and spare parts has been physically verified by the management during the year. In our opinion having regard to the nature and location of stock, the frequency of physical verification is reasonable.*



- (b) The procedures for the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business *except at Transmission East (Allahabad), where the same requires further strengthening.* Further, the materials discrepancies, wherever noticed on physical verification, have been properly dealt with in the books of accounts.
- (c) In our opinion, the company is maintaining proper records of inventory (Stores & Spares) *except at Transmission West (Meerut) where stock registers have been maintained but are incomplete and at Transmission East (Allahabad), the quantitative details of the stock were not provided by the zone and even some of the inventory (Stores & Spares) were in credit as reported by the branch auditors.*
- (iii) (a) As explained to us by the management, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) In view of the (iii) (a) above, para nos. (iii) (b), (c) and (d) of the Order, 2003 are not applicable.
- (c) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (d) In view of (iii) (c) above, the para nos. (iii) (f) and (g) of the Order, 2003 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory (Stores & Spares), fixed assets and also for the sale of services *except at Transmission East (Allahabad) and in respect of payment of loan installments to Power Finance Corporation on due dates there is delay on few occasions.* Further we have not come across continuing failures to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us and the records examined, there are no contracts or arrangements the particulars whereof are required to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956.
- (b) In view of (v) (a) above the para (v) (b) of the Order is not applicable.
- (vi) Based on our examination of the company's records and according to the information and explanations given to us, in our opinion, the Company has not accepted any loans or deposits from the public.



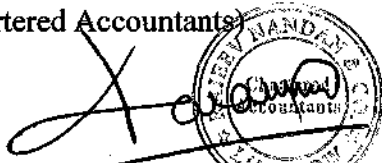
- (vii) The Company has an internal audit system for its field units by the firms of Chartered Accountants. *However, no internal audit for the financial year 2012-13 has been conducted at any of the zones as well as at the Head Office.*
- (viii) The cost records prescribed under Section 209 (1)(d) of the Companies Act, 1956 have been maintained by the company during the year under audit *except at Transmission West (Meerut) & Transmission South (Agra).*
- (ix) According to the information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including Employees State Insurance, Income Tax, Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities, however a sum of Rs. 12708.00 pertaining to Fringe Benefit Tax is undisputed for more than six months as on the Balance Sheet date.
- (x) The company has been registered for more than 5 years, its accumulated losses are not more than 50 percent of its net worth and it has not incurred any cash losses during the current financial year and in the financial year immediately preceding such financial year.
- (xi) As per the information and explanations given to us, the company has defaulted in the repayment of principal & interest amounting to Rs. 499.93 crores in Govt. of U.P. Loan, the details of which have been disclosed in Annexure B to Note 4 of Balance Sheet.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund/ society; hence para (xiii) of the Order not applicable.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments; hence para (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) *We are unable to comment whether loan funds were applied for the purpose for which the loan were obtained as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds. However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.*
- (xvii) *We are unable to comment whether the funds received on short term basis have been utilized for long term purpose, as the accounts are not maintained in such manner which identify the immediate nexus for ultimate usage of loan funds. However as per explanations given by the management the loan funds were applied for the purpose for which the loans were obtained..*



- (xviii) The Company has made preferential allotment of shares to parties covered under Section 301 of the Companies Act, 1956. (Refer Note 1 of Balance Sheet)
- (xix) The Company has not issued any debentures hence para (xix) of the Order is not applicable.
- (xx) The Company has not raised any money by public issues hence para (xix) of the order is not applicable.
- (xxi) As per the information and explanations given to us, no fraud has been done by the Company or on the company during the year.

**FOR RAJEEV NANDAN & CO**

(Chartered Accountants)



**(PAWAN KUMAR AGARWAL)**

PARTNER

M.No. 073070

Firm's Regn. No.: 003347C

LUCKNOW

DATE : 17.04.2014

**MANAGEMENT'S REPLY TO STATUTORY AUDITOR'S REPORT ON THE  
ACCOUNTS OF UTTAR PRADESH POWER TRANSMISSION  
CORPORATION LIMITED FOR THE YEAR ENDED ON 31-03-2013**

<b>AUDITORS' REPORT</b>	<b>MANAGEMENT REPLY</b>
<p><b>The Members of Uttar Pradesh Power Transmission Corporation Limited (Formerly known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.) LUCKNOW</b></p> <p><b>Report on the Financial Statements</b></p> <p>1. We have audited the attached financial statements of <b>UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED, LUCKNOW</b>, as at 31st March 2013, and the related Statement of Profit and Loss for the year ended on that date annexed thereto, which we have signed under reference to this report, in which, are incorporated the Accounts of Loans &amp; Funds Unit audited by us &amp; four transmission zones of the Company audited by the respective Branch Auditors. These Financial Statements are the responsibilities of the Company's Management. Our Responsibility is to express an opinion on these Financial Statements based on our Audit.</p>	<i>No comment</i>
<p><b>Management's Responsibility for the Financial Statements</b></p> <p>2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.</p>	<i>No comment</i>
<p><b>Auditor's Responsibility</b></p> <p>3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.</p>	<i>No comment</i>
<p>4. An audit involves performing to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks</p>	<i>No comment</i>

SAJAY KUMAR  
29/8/14

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<p>of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.</p>	
<p>5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p>	<p><i>No comment</i></p>
<p>6. We further report that:-</p> <p>(a) Reserves &amp; surplus includes a balance of Rs. 180.72 crores as restructuring account as at the year end. This relates to the difference between the division wise balances of assets and liabilities as per books of accounts as on 01.04.2007 and the balances appearing in the transfer scheme notified by the Government of Uttar Pradesh vide gazette notification no. 2974 / XXIV - P - 2 - 2010 dated December 23, 2010. <i>The said provisional transfer scheme is pending for finalization which may change the position of balances of assets and liabilities as appearing in the financial statements (Refer para 1 (c) of Note 26 B).</i></p>	<p><i>After finalization of transfer Scheme by the Govt. of U.P. necessary adjustments, if required, shall be made in the accounts accordingly</i></p>
<p>(b) As per accounting policy no. 5 of Note no. 26 A, transmission revenue for the year has been recognized on the basis of tariff of Rs. 0.1740 / Kwh (as referred in para 8 of Note 26B) approved by UPERC for intra-state transmission of energy.</p> <p><i>The difference in transmission tariff stated above as approved by UPERC and tariff determined and approved on the basis of the audited accounts for the year presented to UPERC on true-up petition will be accounted for on the basis of the decision of UPERC.</i></p>	<p><i>No comment</i></p>
<p>(c) <i>The balance under current assets, current loans &amp; advances, Trade Receivables, Other Current Assets, unsecured loans, current and non-current liabilities (including the balances of UPPCL, DISCOMS etc), stores &amp; spares, material-in-transit / under inspection / lying with contractors / fabricators etc are subject to confirmation, verification, reconciliation and consequential adjustments, if any. In the absence of adequate information, we are unable to comment on the realisability or otherwise of these balances.</i></p>	<p><i>Since, balances are under continuous process of reconciliation, as such, consequential adjustment is made in accounts, as and when required except to that extent balances are confirmed and verified. So far as realisability of the balances relating to Trade Receivable, Inter-Corporation transfer as well as other receivables pertaining to DISCOMS and UPPCL is concerned, these are the State Govt. undertakings, as such, there is no doubt on the realisability or otherwise of these balances. Balances with other parties are covered under contractual obligations / Bills / retention as such they are also realizable or adjustable.</i></p>

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<p>(d) The Company has discontinued the practice of making provision on "Advances given to Suppliers / Contractors (Capital O &amp; M Works) and Other Receivables, as there has been no case reported of bad debts since inception till 2011-12. Consequently effecting the overstatement of current year profit to the tune of 27.25 Crores. ((Refer para 2(a) &amp; 2 (b) of Note no. 26 B)</p>	<p>Proper disclosure for the same has been made in para 2(a) &amp; 2 (b) of Note no. 26 B.</p>
<p>(e) The debit balance of Rs. 97.53 Crores shown as 'Inter Unit Transfer' (under the head "Other Current Assets" - Refer Note 16 of balance sheet) represent the un-reconciled balance of inter unit transactions. The Inter Unit Balances are under the process of reconciliation as informed by the management (Refer para 4 (a) of Note 26 B)</p>	<p style="text-align: center;"><b>No comment</b></p>
<p>(f) The credit balance of Inter corporate balances of UPPCL &amp; DISCOM's amounting to Rs. 53.12 crores (Previous Year Rs. 91.57 Crores) shown under the head "Other current liabilities"-Note 7 of balance sheet, are under the process of reconciliation. (Refer para 4 (b) of Note 26 B)</p>	<p style="text-align: center;"><b>No comment</b></p>
<p>(g) It was observed that the system of maintaining party-wise subsidiary ledgers and its matching with primary books of account is not effective.</p>	<p>There are instructions/provisions in vogue which are to be followed by all the units to maintain subsidiary records such as contractors' ledger, suppliers' ledger etc. in accordance with the primary records such as cash book, measurement book, stock accounts etc. However, in the unit where such types of discrepancies are noticed, the instructions for making necessary rectifications/corrections are issued and compliance is ensured.</p>
<p>(h) As informed by the management there are no unpaid liabilities towards Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 and no interest is claimed by these enterprises. (Refer para 7 of Note 26 B)</p>	<p style="text-align: center;"><b>No comment</b></p>
<p>(i) Contingent liabilities stated in para 19 of Note 26 B are as per details provided by the company and which have been relied upon by us as such.</p>	<p style="text-align: center;"><b>No comment</b></p>
<p>(j) As reported by the Branch Auditor of Transmission Zone (East) Allahabad, Cash and Bank Balances (Note No. 14 "Cash &amp; Cash Equivalents" of Balance Sheet) includes Rs. 80000.00 Fixed Deposit with bank in ETLEU unit for which no FDR certificate could be produced before the statutory auditors of the East Zone Allahabad and for which no provision of accrued interest has been made by the company.</p>	<p>Matter of fixed deposit in bank amounting to Rs.80,000/- is under investigation, provision /adjustment as required after investigation shall be ensured.</p>
<p>(k) Since documentary evidences in respect of ownership / title of land, land rights and buildings as whole are kept at unit level falling under respective zones, hence have been relied upon by us on Zonal Auditor's verification, where Allahabad Zone Auditor have reported for non availability of suitable documents in this regard.</p>	<p>The documentary evidences in respect of ownership/title of land, land rights and buildings are to be maintained at unit level where these assets are used and maintained. However, nothing adverse as regards above has come to the notice of management.</p>

37/2/2014  
29/8/14

*[Signature]*



**Non- Compliance of Accounting Standards:**

(a) *The recognition of revenue in case of Inter State Transmission, from transmission of energy/open access is on cash basis which is not in accordance with Accounting Standards (AS) 9 'Revenue Recognition' (Refer Accounting Policy no. 5 (b) of Note no. 26A)*

**No comment**

(b) *Leave encashment is accounted for on the basis of claims received and approved during the year and not on the basis of actuarial valuation (Refer Accounting Policy no. 7(b) of Note no. 26 A and para 12(b) of Note no. 26 B). The provision for pension and gratuity in respect of employees has been made on the basis of actuarial valuation dated 09.11.2000. Also the valuation report dated 09.11.2000 was valid only for 3 years but the same report is being used for the purpose of making provision till 2013. (Refer Accounting Policy No, 7 (a) of Note No. 26 A & Para 12 (a) of Note No. 26 B).*

*Leave encashment is accounted for as per our policy. Accounting policy No. 7 (b) regarding Retirement Benefit clearly says that leave encashment, medical benefits and LTC are accounted for on the basis of claims received and approved during the year. Likewise, the Provision for pension and Gratuity has also been made on the basis of actuarial valuation carried out by UPPCL as disclosed in notes on accounts at point No. 15(a). The very purpose of the provisions made in Accounting Standard-15 is fulfilled by the policy adopted by corporation.*

*These employee benefits have not been accounted for in accordance with the treatment prescribed in the Accounting Standard (AS) 15, 'Employee Benefits (revised 2005)'*

(c) *The company has not complied with the requirements of section 383 A of Companies Act, 1956. As per the requirement of Section 383- A of Companies Act and according to Rule 2 of Companies (Appointment & Qualifications of Secretary) Rules 1988, all companies having paid up capital of not less than Rs. 2 Crore, shall have a whole time Company Secretary. The UPPTCL, however has not complied with the said section of the Companies Act and the Final Accounts of the company are signed by a part time Company Secretary. This comment is being reported by C & AG since F.Y. 2010-11 but no corrective action has yet been taken by the Company.*

*The appointment of Full-time Company Secretary is under process.*

(d) *In view of the disclosure made by the Company in respect of impact of availability and continuity of the substantial income in the near future as such the accounting of deferred tax as per AS-22 'Accounting for Taxes on Income' has not been done by the management.*

*An accounting of Deferred Tax Assets has not been considered in accounts on prudent basis as the company is not certain about income available in near future due to the unabsorbed accumulated losses of Rs. 1123.86 crore.*

(e) *The company has not complied with the requirements of Accounting Standards (AS) 28 'Impairment of Assets'. As informed by the management, the provisions contained in "Annexure III- Basic Accounting Principles & Policies Electricity Rules, 1985 require that Fixed Assets' shall be recorded at historical cost and no revaluation of fixed assets shall be done to adjust them to replacement cost or current cost etc. (Refer para 17 of Note 26 B).*

**No comment**

*3/11/14  
29/8/14*



8. For want of complete information, the cumulative impact of our observations in paras 6 & 7 above and in Annexure to this report, on the accounts of the company is not ascertained.	<i>No comment</i>
9. The Financial Statements of the Company have been prepared by incorporating the Audited Trial Balances of Zonal Accounts offices. We have placed reliance on the Branch Auditor's Report of respective Transmission Zones with reference to compliance of requirements of the Revised Schedule VI of the Companies Act, 1956, to express our opinion / comment on the financial statements of the Company.	<i>No comment</i>
10. The branch auditor has expressed opinion and submitted the audit report on the Trial Balance as at 31st March, 2013 of the Zonal Accounts Offices.	<i>No comment</i>
11. In our opinion proper returns adequate for the purpose of our audit have been received from branches not visited by us. the branch auditor's reports have been forwarded to us and the same have been appropriately dealt by us in framing our report.	<i>No comment</i>
12. In view of department of Company affairs' circular no. 8/2002, the provisions of disqualifications of directors as per section 274 (1)(1g) of the Companies Act, 1956 are not applicable to the company.	<i>No comment</i>
<b>Opinion</b> a) In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:	<i>No comment</i>
b) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013	<i>No comment</i>
c) In the case of the Statement of Profit & Loss, of the profit/loss for the year ended on that date; and	<i>No comment</i>
d) In the case of the Cash flow Statement, of the cash flows for the year ended on that date.	<i>No comment</i>
<b>Report on Other Legal and Regulatory Requirements</b>  13. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.	<i>No comment</i>

31/03/14  
29/4/14



<p>14. As required by section 227(3) of the Act, we report that:</p> <p>a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.</p>	<p><i>No comment</i></p>
<p>b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examinations of those books.</p>	<p><i>No comment</i></p>
<p>c) The Balance Sheet, Statement of Profit &amp; Loss, and Cash Flow statement dealt with by this Report are in agreement with the books of account.</p>	<p><i>No comment</i></p>
<p>d) Except for the effects / possible effects of matters described on the basis of Qualified opinion para 7 of audit report, in our opinion, the Balance Sheet, Statement of Profit &amp; Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.</p>	<p><i>No comment</i></p>
<p>e) In our opinion and on the basis of information &amp; explanations given to us, the requirement of obtaining written representations from the nominated Directors of the Government Corporation, for their disqualification from being appointed as Director under clause (g) of sub section (i) of section 274 of the Companies Act, 1956 is not applicable.</p>	<p><i>No comment</i></p>

उत्तरदाता  
 (Dr. U. K. Yadav) 29/8/14  
 Dy. General Manager (Accounts)

  
 (A.K. Gupta)  
 General Manager (Accounts)

  
 (S.K. Agarwal)  
 Director (Finance)

कार्यालय महालेखाकार  
(आर्थिक एवं राजस्व लेखापरीक्षा), उ०प्र०  
छठा तल, केन्द्रीय भवन, सेक्टर 'एच', अलीगंज  
लखनऊ-226 024



Office of the Accountant General  
(Economic and Revenue Sector Audit), U.P.  
6th Floor, Kendriya Bhawan, Sector 'H'  
Aliganj, Lucknow-226 024

पत्रांक: म.ले.(इ. एण्ड आर.एस.ए)/इ.एस-11/लेखा/यू.पी.पा.ट्रांस.का.लि./2012-13/169  
दिनांक: 26-8-14

सेवा में,

प्रबन्ध निदेशक,  
उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड  
शक्ति भवन, 14-अशोक मार्ग,  
लखनऊ, उत्तर प्रदेश।

महोदय,

एतत्सह कम्पनी अधिनियम, 1956 की धारा 619(4) के अधीन उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के 31 मार्च 2013 को समाप्त वर्ष के लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टीका-टिप्पणियों कम्पनी अधिनियम, 1956 की धारा 619(5) के निबन्धनों के अनुसरण में कम्पनी की वार्षिक सामान्य बैठक के समक्ष प्रस्तुत करने हेतु अग्रेषित की जा रही है। कृपया वार्षिक सामान्य बैठक के समक्ष इन टीका-टिप्पणियों के प्रस्तुत 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 Accountant General (Economic & Revenue Sector Audit), Uttar Pradesh disclaims any responsibility for any misinformation and/or non-information on the part of auditee.

कृपया पत्र की पावती भेजें।

सहपत्र-यथोपरि

भवदीया  
विनीता मिश्रा  
(विनीता मिश्रा)  
महालेखाकार

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED, LUCKNOW FOR THE YEAR ENDED 31 MARCH 2013.**

The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these Financial Statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17<sup>th</sup> April 2014.

I, on behalf of Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the Financial Statements of Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my notice and which in my view are necessary for enabling a better understanding of the Financial Statement and the related Audit Report:

**Balance Sheet**

**Current Liabilities**

**Other Current Liabilities (Note-7) ₹ 3324.26 crore**

1. The above does not include ₹ 14.69 crore (₹ 7.07 crore for 2012-13, ₹ 4.56 crore for 2011-12 and ₹ 3.06 crore for 2010-11) being interest liability on GPF/ CPF Contribution payable to CPF/ GPF Trust.

This has resulted into understatement of Employee Benefits Expenses (Note 19) by ₹ 7.07 crore, Prior Period Expenses (Note 25) by ₹ 7.62 crore and Other Current Liability (Note 7) by ₹ 14.69 crore.

Despite the comment of C&AG on the Accounts of the Company for 2011-12, no corrective action has been taken by the Company.

## 2. General

(i) A reference is invited to Point 2(a) of Notes on Accounts (Note No. 26-B) wherein it has been disclosed that practice for making provision for "doubtful loans & advances" has been discontinued.

The fact that the provision of ₹ 81.67 crore already made in the Accounts has not been written off should have been disclosed in Notes on Account.

### (ii) Non-Reconciliation of inter-company balances.

Due to non reconciliation of the inter-company balances of Current Liabilities vis-a-vis Current Assets, a difference of ₹ 7.99 crore could not be taken in to account by the Company. This was also not disclosed in Notes on the Accounts.

Despite the comment of the Comptroller and Auditor General of India on the accounts of the Company for the year 2010-11 and 2011-12, no corrective action has been taken.

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

*Vinita Mishra*

Accountant General

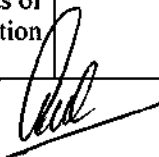
Place: Lucknow

Date:

**REPLY ON COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED, LUCKNOW FOR THE YEAR ENDED 31 MARCH 2013**


COMMENTS	MANAGEMENT REPLY
<p>The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these Financial Statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17<sup>th</sup> April 2014.</p> <p>I, on behalf of Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the Financial Statements of Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my notice and which in my view are necessary for enabling a better understanding of the Financial Statement and the related Audit Report:</p>	<p align="center">No Comment</p>
<p><b>Balance Sheet</b>  <b>Current Liabilities</b>  <b>Other Current Liabilities (Note-7) ₹ 3324.26 crore</b></p> <p>1. The above does not include ₹14.69 crore (₹7.07 crore for 2012-13, ₹4.56 crore for 2011-12 and ₹3.06 crore for 2010-11) being interest liability on GPF / CPF Contribution payable to CPF / GPF Trust.</p> <p>This has resulted into understatement of Employee Benefits Expenses (Note 19) by ₹7.07 crore, Prior Period Expenses (Note 25) by ₹7.62 crore and Other Current Liability (Note 7) by ₹14.69 crore. Despite the comment of C&amp;AG on the accounts of the Company for 2011-12, no corrective action has been taken by the Company.</p>	<p>Necessary provision for interest payable w.e.f. 2007-08 to 2012-13 i.e. since inception of U.P. Power Transmission Corporation Limited to U.P. Power Sector Employees Trust for Rs.18.67 crore towards interest on unpaid G.P.F. Contribution and Rs.1.74 crore on unpaid C.P.F. contribution has been made during financial year 2013-14.</p>

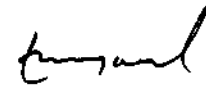
31/07/2014  
29/8/14



<p><b>2. General</b></p> <p>(i) A reference is invited to Point 2(a) of Notes on Accounts (26-B) where in it has been disclosed that practice for making provision for "doubtful loans &amp; advances" has been discontinued." The fact that the provision of ₹ 81.67 crore, already made in the Accounts has not been written off should have been disclosed in Notes on Accounts.</p>	<p>(i) The Provision of Rs 81.67 crores for "doubtful loans and advances" has been written off during financial year 2013-14</p>
<p><b>(ii) Non-Reconciliation of inter-company balances:</b> Due to non reconciliation of the inter-company balances of Current Liabilities vis-a-vis Current Assets, a difference of ₹7.99 crore could not be taken in to account by the Company. This was also not disclosed in Notes on the Accounts. Despite the comment of the Comptroller and Auditor General of India on the accounts of the Company for the year 2010-11 and 2011-12, no corrective action has been taken.</p>	<p>(ii) Inter-company balances of current liabilities vis-à-vis current Assets is reconciled each and every year and where ever difference is found the same is rectified by passing necessary accounting entries. Trade receivable in the books of UPPTCL and trade payable in the books of Discoms and KESCO appears same. Since, the presentation of inter-corporation transfers in the books of accounts of UPPTCL and Discoms are not similar, hence, the comparison between two sets of Accounts does not reflect correct position of differences. However, the efforts are being made to reconcile the balances on account of transactions relating to inter-corporation transfers.</p>

3/12/14  
(Dr. U. K. Yadav)  
Dy. General Manager (Accounts)

  
(A.K. Gupta)  
General Manager (Accounts)

  
(S.K. Agarwal)  
Director (Finance)