

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

BALANCE SHEET

AS AT

31.03.2009

&

PROFIT & LOSS ACCOUNT

FOR THE PERIOD FROM

01.04.2008

TO

31.03.2009

CONTENTS

Sl.No.	Particulars
1	Balance Sheet
2	Profit & Loss Account
3	Schedule (1 - 20)
4	Significant Accounting Policies & Notes on Accounts (Schedule 21)
5	Business profile
6	Cash Flow Statement

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

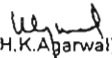
(Formerly Known As Uttar Pradesh Vidyut Vyapar Nigam Ltd.)


14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.


BALANCE SHEET AS AT 31.3.2009

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS at 31 MARCH 2009	AS at 31 MARCH 2008
SOURCES OF FUNDS			
Shareholders funds :			
Share Capital	(1)	50000000	50000000
Share Application Money	(1A)	26368852000	22083352000
Reserve & Surplus	(2)	3221295402	2833014422
Loan Funds	(3)	29640147402	24966366422
		23826055290	24661767511
TOTAL		53466202692	49628133933
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	(4)	64229313967	57862791847
Less - Accumulated Depreciation		24765865731	21924810229
Net Block		39463448236	35937981618
Capital Work in Progress	(5)	9794572848	7983578032
Current Assets, Loans and Advances		49258021084	43921559650
Stores & Spares	(6)	3487609261	2901734141
Sundry Debtors	(7)	3373854714	2183834910
Cash and Bank Balances	(8)	247308658	511160219
Other Current Assets	(9)	94399784	76392439
Loans & Advances	(10)	405475429	260346631
Inter Unit Transfers		143308416	481926724
		7751956262	6415395064
Less : Current Liabilities and Provisions	(11)	13555849363	10619676838
Net Current Assets		-5803893101	-4204281774
Misc. Expenditure to the extent not written off or adjusted			
Preliminary Expenses		0	74600
Profit & Loss Account (Debit Balance)		10012074709	9910781457
Significant Accounting Policy & Notes on accounts	(21)		
Schedules 1 to 21 form an integral part of Accounts.			
TOTAL		53466202692	49628133933


(H.K. Agarwal)
Company Secretary
(Part Time)


(P.N. Seth)
Dy. General Manager
(Accounts)


(R.P. Gupta)
Chief General Manager
(Accounts)

(S.K. Agarwal)
Director
(Finance)


(A.K. Gupta)
Managing Director.


Place : Lucknow

Date : 7/9/2012

Subject to our report of even date



For R.M.LALL & CO.
Chartered Accountants
FRN No. 000932C


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

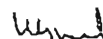
UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

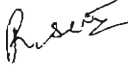
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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.3.2009


PARTICULARS	SCHEDULE	(Amount in Rs.)	
		Year ended 31.03.2009	Year ended 31.03.2008
INCOME			
Revenue from Transmission of power & related activities	(12)	7581735277	6802217751
Other Income	(13)	227787906	113391333
TOTAL		7809523183	6915609084
EXPENDITURE			
Repairs & Maintenance Expenses	(14)	641180002	665289915
Employees Cost	(15)	2561045939	1935255882
Administrative, General & Other Expenses	(16)	70334502	99167040
Interest and Finance Charges	(17)	1614043584	1618861871
Depreciation	(18)	2782641137	2537851012
Bad debts & Provisions	(19)	84515840	137945135
TOTAL		7753761004	6994370855
Profit/(Loss) before Prior Period Income/(Exp.) & Tax		55762179	(78761771)
Prior Period Income/(Expenditure) (Net)	(20)	(153768725)	(65331873)
Preliminary Expenses written off		74600	74600
Profit/(Loss) before Tax		(98081146)	(144168244)
Provision for Fringe Benefit Tax		3212106	3198530
Profit/(Loss) after Tax		(101293252)	(147366774)
Accumulated loss B/F		(9910781457)	(714207)
Accumulated loss as per Transfer Scheme		0	(9762700476)
Loss Carried Over to Balance Sheet		(10012074709)	(9910781457)
Earning Per Share (EPS) :			
Numerator		(101293252)	(147366774)
Denominator		50000	50000
Nominal Value of Shares		Rs.1000/- each	Rs.1000/- each
Basic EPS		(2025.87)	(2947.34)
Numerator		(101293252)	(147366774)
Denominator		24630519	20458762
Diluted EPS		(4.11)	(7.20)
Significant Accounting Policy & Notes on accounts		(21)	
Schedules 1 to 21 form an integral part of Accounts.			


(H.K. Agarwal)
Company Secretary
(Part Time)


(P.N. Seth)
Dy. General Manager
(Accounts)


(R.P. Gupta)
Chief General Manager
(Accounts)

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Director (Finance)


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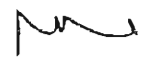
Place : Lucknow

Date : 7/9/2012

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For R.M.LALL & CO.
Chartered Accountants
FRN No. 000932C


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

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly Known As Uttar Pradesh Vidyut Vyapar Nigam Ltd.)

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 1

SHARE CAPITAL

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
A. AUTHORISED :		
100000000 (100000000) Equity Share of Rs.1000/-each fully paid up	100000000000	100000000000
B. ISSUED SUBSCRIBED AND PAID UP		
50000 (50000) Equity Share of Rs.1000/-each fully paid up	50000000	50000000
TOTAL	50000000	50000000

SCHEDULE - 1A

SHARE APPLICATION MONEY

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
SHARE APPLICATION MONEY Pending for allotment	26368852000	22083352000
TOTAL	26368852000	22083352000

SCHEDULE - 2

RESERVES AND SURPLUS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2008	ADDITONS	DEDUCTIONS	AS AT 31.3.2009
A Capital Reserves				
Consumer's Contribution towards Capital Works	1025783422	446966655	58685675	1414064402
B Restructuring A/c	1807231000	0	0	1807231000
TOTAL	2833014422	446966655	58685675	3221295402



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SCHEDULE - 3

LOAN FUNDS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
A. SECURED LOANS -		
TERM LOANS :		
Power Finance Corporation Ltd. (Secured by hypothecation of Lines & Substations under the PFC scheme.)	4518802482	5066048154
Rural Electrification Corporation Ltd. (Secured by hypothecation of Lines & Substations under the REC scheme.)	63177000	0
B. UNSECURED LOANS -		
TERM LOANS :		
Govt. of UP	5256534516	5089817258
FINANCIAL INSTITUTIONS		
Rural Electrification Corporation Ltd. (Guaranteed by Govt. of UP)	7048080443	6621467747
Power Finance Corporation Ltd. (Guaranteed by Govt. of UP)	5062363609	4659970352
MISCELLANEOUS INSTITUTIONS		
National Capital Region Planning Board (Guaranteed by Govt. of UP)	364775000	457200000
HUDCO (Guaranteed by Govt. of UP)	1512322240	2767264000
GRAND TOTAL	23826055290	24661767511

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for

M. M. Lall

Accountant



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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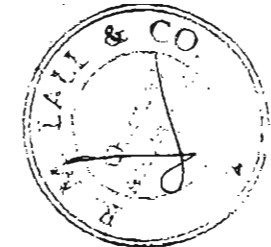
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SCHEDULE - 4

FIXED ASSETS

Particulars	(Amount In Rs.)									
	Gross Block		Depreciation		Net Block					
	As at 31.3.2008	Additions	Deductions / Adjustments	As at 31.3.2009	As at 31.3.2008	Additions	Deductions / Adjustments	As at 31.3.2009	As at 31.3.2008	As at 31.3.2008
Land & Land Rights										
i) Land owned under full title	248,668,317	7,729,780	0	256,398,097	0	0	0	256,398,097	248,668,317	
ii) Land owned under lease	532,054	0	0	532,054	0	0	0	532,054	532,054	
Buildings	1,755,111,757	68,071,904	14,844,323	1,808,339,338	656,642,961	54,378,940	93,393	1,097,410,830	1,098,468,796	
Other Civil Works	383,485,424	23,066,182	4,455,646	402,095,960	144,527,017	6,676,663	0	250,892,280	238,958,407	
Plant & Machinery	27,352,380,128	5,473,213,089	441,855,460	32,383,737,757	9,888,791,709	1,407,835,376	165,542,419	21,252,653,091	17,463,588,419	
Lines, Cable Network etc.	27,805,504,044	1,184,248,967	5,987,565	28,983,765,446	11,088,394,817	1,523,242,636	4,218,283	16,376,346,276	16,717,109,227	
Vehicles	37,001,311	247,163	1,043,075	36,205,399	16,448,290	3,931,598	708,171	16,533,682	20,553,021	
Furniture & Fixtures	10,918,030	424,543	1,406	11,341,167	3,725,001	699,418	844	6,917,592	7,193,029	
Office Equipments	17,025,911	3,054,407	10,000	20,070,318	5,325,555	2,829,273	0	11,915,490	11,700,356	
Others Assets	252,164,871	74,663,560	0	326,828,431	120,954,879	12,024,708	0	193,848,844	131,208,992	
GRAND TOTAL	57,862,791,847	6,834,719,595	468,197,475	64,229,313,967	21,924,810,229	3,011,618,612	170,563,110	39,463,448,236	35,937,981,618	0
Previous Year	0	58,620,875,041	758,083,194	57,862,791,847	0	22,049,409,323	124,599,094	21,924,810,229	35,937,981,618	0





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SCHEDULE - 5

CAPITAL WORKS IN PROGRESS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
Capital Work in Progress *	5980048105	4462822705
Revenue Expenses pending for Capitalisation **		
Upto Previous Year	412496000	0
Addition during the year	510675000	412496000
Sub Total	923171000	412496000
Less - Capitalisation during the year	412496000	0
	510675000	412496000
SUB TOTAL (A)	6490723105	4875318705
Advances to Suppliers/Contractors	3350473292	3150621374
Less : - Provision for doubtful Advances against Capital Works	46623549	42362047
SUB TOTAL (B)	3303849743	3108259327
GRAND TOTAL	9794572848	7983578032

Notes :

* It includes Establishment and Administration & General Cost

** It includes Borrowing Cost only related to works.

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SCHEDULE - 6

STORES & SPARES

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
Stock of Materials - Capital Works	3260181876	2564697632
Stock of materials - O & M	580367815	682501437
Other Materials	54080310	61555812
SUB TOTAL	3894630001	3308754881
Less - Provision for Obsolete/Unserviceable/Shortage/Loss of Stores	407020740	407020740
TOTAL	3487609261	2901734141

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

SCHEDULE - 7

SUNDRY DEBTORS

(Amount in Rs.)

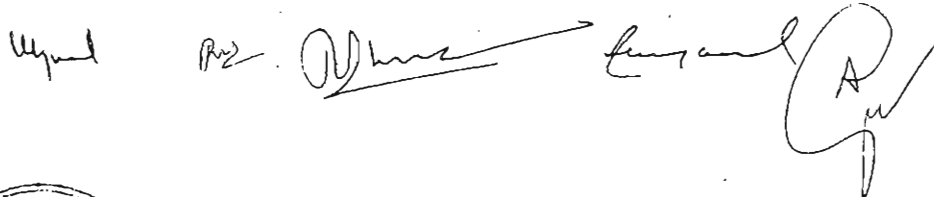
PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
Sundry Debtors - Transmission Charges & other related activities	3551426014	2298773589
Debtors outstanding for period exceeding six months		
Secured & Considered good	0	0
Unsecured & Considered good	416743	0
Considered doubtful	0	0
Other Debts		
Unsecured & Considered good	3551009271	2298773589
	3551426014	2298773589
Less - Provision for Bad & Doubtful Debts	177571300	114938679
TOTAL	3373854714	2183834910

SCHEDULE - 8

CASH AND BANK BALANCES

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
CASH IN HAND		
Cash in Hand (Including Stamps in hand)	417950	349532
Balances with Scheduled Banks		
In Current & Other account	246810708	510730687
In Fixed Deposit accounts	80000	80000
TOTAL	247308658	511160219



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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 9

OTHER CURRENT ASSETS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009		AS AT 31.3.2008	
<u>Receivables</u>				
UPRVUNL	38062294		36393492	
UPJVNL	2027004	40089298	983795	37377287
Employees	37969018		39526157	
Others	40927618		23542979	
Total	78896636		63069136	
Less - Provision for Doubtful Receivables	24683933	54212703	25194088	37875048
Prepaid Expenses		97783		1140104
Theft of Fixed Assets Pending Investigation	1045672		1044249	
Less - Provision for estimated losses	1045672	0	1044249	0
Total		94399784		76392439

SCHEDULE - 10

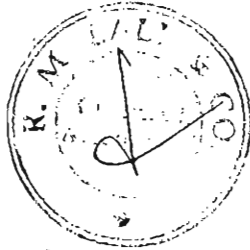
LOANS AND ADVANCES

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009		AS AT 31.3.2008	
Employees (including advances)		1555014		1251578
<u>ADVANCES (Unsecured)</u>				
Suppliers / Contractors	427189291		269125060	
Less - Provision for doubtful Loan & Advances	42718929	384470362	26912506	242212554
Tax Deducted at Source		7669644		6140378
Advance Fringe benefit tax		11780409		10742121
TOTAL		405475429		260346631

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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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SCHEDULE - 11

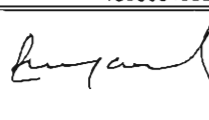

CURRENT LIABILITIES AND PROVISIONS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
CURRENT LIABILITIES		
Liability for Capital Supplies/ Works	4781393517	4690525759
Liability for O & M Supplies / Works	372624537	328907250
Staff Related Liabilities	1698700418	665982202
Deposits & Retentions from Suppliers & Others	608683065	473905549
Deposit for Electrification works	4796740247	3512172147
Net Payable to -		
UPPCL	316050487	277924344
KESCO	9397033	10802612
Dakshinanchal VVNL	33497736	28027243
Madhyanchal VVNL	64890274	56812080
Paschimanchal VVNL	20603731	25174960
Poorvanchal VVNL	36173020	36438228
Sundry Liabilities	14790329	12340655
Liabilities for Expenses	71863366	50431488
Liabilities towards UP Power Sector Employee Trust		
Provident Fund Liabilities	166930843	78582032
Pension and Gratuity Liability	314608051	133857346
CPF Liability	5670585	3393891
Interest Accrued but not Due on Borrowings	231048165	225357392
Provisions :		
Fringe benefit tax	12183959	9041660
TOTAL	13555849363	10619676838







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

SCHEDULE 12

REVENUE FROM TRANSMISSION OF POWER & RELATED ACTIVITIES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
Transmission Charges	7565197887	6792063389
Open Access Charges	14882390	10154362
SLDC Charges	1655000	0
TOTAL	7581735277	6802217751

SCHEDULE 13

OTHER INCOME

(Amount In Rs.)

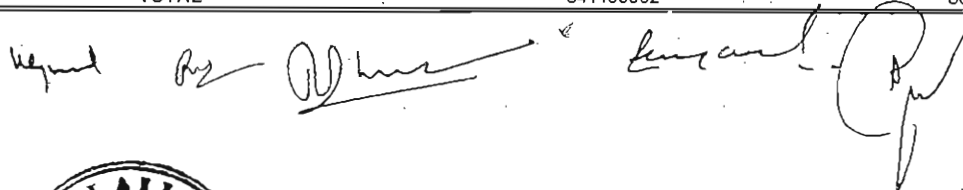
PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
Interest from :		
Loans to Staff	214770	353472
Fixed Deposits	0	1214625
Others	6038	7142
Income from Contractors/Suppliers	218570510	1575239
Rental from Staff	1018170	1006440
Miscellaneous Receipts	7588529	9609061
Excess found on physical verification of Stores	398889	467174
TOTAL	227787906	113391333

SCHEDULE 14

REPAIRS AND MAINTENANCE

(Amount In Rs.)

PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
Plant & Machinery	547825444	566234440
Buildings	46090007	39693895
Other Civil Works	115457	622406
Lines, Cables Networks etc.	46881073	58575135
Vehicles - Expenditure	26998978	24464361
Less - Transferred to different Capital & O&M Works/Administrative Exp.	26998978	0
Furniture & Fixtures	56735	24325
Office Equipments	211286	139714
TOTAL	641180002	665289915





UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE 15

EMPLOYEES COST

(Amount in Rs.)


PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
Salaries & Allowances	1678087639	1521418269
Dearness Allowance	566150066	430037866
Other Allowances	69749452	66616262
Bonus/ Ex-gratia	29349434	24736310
Medical Expenses (Re-imbursement)	28296255	22156796
Leave Travel Assistance	7296	30384
Earned Leave Encashment	508992174	48931641
Compensation	1100340	411180
Staff Welfare Expenses	4104878	3375920
Pension & Gratuity	372074778	339221689
Other Terminal Benefits	20518406	13230912
Expenditure on Trust	1654487	1387558
Sub Total	3280085205	2471554787
LESS - Expenses Capitalised	719039266	536298905
TOTAL	2561045939	1935255882

SCHEDULE 16

ADMINISTRATIVE, GENERAL & OTHER EXPENSES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
Rent	2217515	2437982
Rates and Taxes	68308	103736
Insurance	394985	780428
Communication Charges	15635263	12574677
Legal Charges	3908159	2769503
Auditors Remuneration & Expenses		
Statutory Auditors		
Audit Fee	797332	466074
Travelling Expenses	519612	160958
Consultancy Charges	1976965	32080
Technical Fees & Professional Charges	3750001	7474680
Travelling and Conveyance	31290866	32289939
Printing and Stationery	5425410	4989655
Advertisement Expenses	5920403	2293433
Electricity Charges	5497309	4658137
Water Charges	24648	30052
Entertainment	654238	132624
Expenditure on Trust	185367	197205
Miscellaneous Expenses	18923690	34806623
SUB TOTAL	97190071	106197786
LESS - Expenses Capitalised	26859758	23835067
SUB TOTAL	70330313	82362719
OTHER EXPENSES		
Compensation (Other than staff)	0	561112
Other Losses	4189	16243209
TOTAL	70334502	99167040





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SCHEDULE 17

INTEREST AND FINANCE CHARGES

(Amount in Rs.)

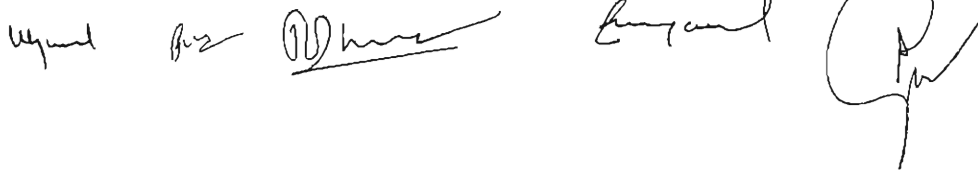
PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
Interest on Loans		
Government of UP	166717258	166717258
PFC	1087793035	988159024
HUDCO	258346509	374337687
IDBI	0	472895
NCRPB	30825047	37063873
REC	523250853	398434841
Guarantee Charges	2066932702	1965185578
Bank Charges	56189134	63706849
SUB-TOTAL	1596748	2465444
LESS - Interest Capitalised	2124718584	2031357871
GRAND TOTAL	510675000	412496000
	1614043584	1618861871

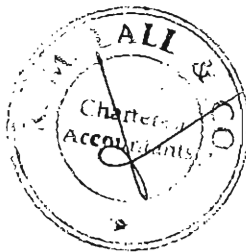
Schedule 18

DEPRECIATION

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
Depreciation on Fixed Assets -		
Buildings	54301384	51818563
Other Civil Works	6672149	6684586
Plant & Machinery	1406587027	1196814059
Lines, Cable Network etc.	1353960322	1292185772
Vehicles	3931598	3870410
Furniture & Fixtures	699417	552444
Office Equipments	2816567	1696388
Others Asses	12024708	11517495
	2840993172	2565139718
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	58352035	27288706
GRAND TOTAL	2782641137	2537851012





UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly Known As Uttar Pradesh Vidyut Vyapar Nigam Ltd.)

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

Schedule 19

BAD DEBTS & PROVISIONS

(Amount in Rs.)


PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
PROVISIONS		
Doubtful Debts (Sale of Power)	62632621	114938679
Doubtful advances (Suppliers/Contractor)	15806423	20676004
Doubtful other Current Assets (Receivables)	1815294	296396
Doubtful Advances against Capital Works	4261502	2034056
TOTAL	84515840	137945135

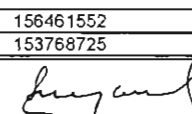
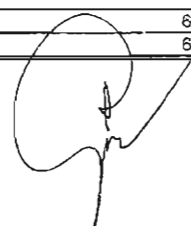
Schedule 20

NET PRIOR PERIOD INCOME/EXPENDITURE

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
A INCOME		
a Other Excess Provisions	2692827	266697
SUB TOTAL	2692827	266697
B EXPENDITURE		
a O & M Expenses	-21576329	2333429
b Employee Cost	7295740	9945075
c Interest & Finance Charges	-135052	0
d Administrative & General Exp	585392	19610572
e Depreciation Under/Excess Provided	170291801	33709494
SUB TOTAL	156461552	65598570
NET AMOUNT	153768725	65331873

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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

SCHEDULE NO. 21

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 under 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) Consumers 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%.



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- (f) Borrowing 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.

4. STORES & SPARES

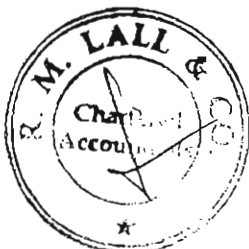
- (a) Stores & Spares are valued at cost.
- (b) Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.
- (c) Any shortage /excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.

5. REVENUE RECOGNITION

- (a) Transmission revenue is incorporated in the accounts on the basis of actual expenses incurred in the relevant year and a return on Equity is charged as approved by the Board of Directors from time to time. Any difference in transmission tariff approved by UPERC and the actual tariff is presented in the true-up filed before the UPERC and accounted for accordingly.
- (b) In case of Inter State transmission, revenue from transmission of energy/open access is recognised and accounted at tariff approved by NRLDC.
- (c) All prior period income & expenditure are shown in the current period as a distinct item.


6. EMPLOYEE BENEFITS

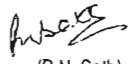
- (a) Liability for Pension & Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Leave encashment, medical benefits and LTC are accounted for on the basis of claims received and approved during the year.

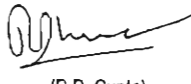


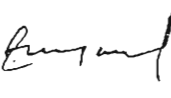
7. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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


(H.K. Agarwal)
Company Secretary
(Part Time)


(P.N. Seth)
Dy. General Manager
(Accounts)


(R.P. Gupta)
Chief General Manager
(Accounts)


(S.K. Agarwal)
Director (Finance)


(A.K. Gupta)
Managing Director

Place :- Lucknow

Date :- 7/9/2012

Subject to our report of even date
For R. M. LALL & CO.
Chartered Accountants
FRN No. 000932C





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

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

SCHEDULE No.-21

B- NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 31-03-2009 AND PROFIT & LOSS
ACCOUNT 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 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 & consequential matters were laid down. Under the 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.

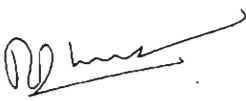
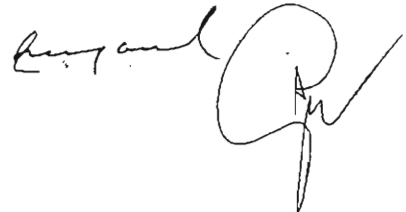
- (c) The Restructuring Account amounting to Rs. 180.72 crore (Previous year Rs. 180.72 crore) was shown under the head Reserve & Surplus in the year 2007-08. It relates to the difference between unit wise balances as on 01.04.2007 and the consolidated balances appearing in the Provisional Transfer Scheme.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

2. Share application money(pending for allotment) amounting to Rs. 2636.89crore(Previous year Rs. 2208.34 crore) includes share capital of Rs. 1263.97 crore and share application money Rs.579 crore transferred under the Provisional Transfer Scheme. The balance amount of Rs. 793. 92crore (Rs. 365.37 Crores in the year 2007-08 and Rs. 428.55crore in the year 2008-09) was received from the Govt. of U.P. towards equity.



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8. (a) Some balances appearing under the heads 'Current Assets', 'Loans & Advances', 'Unsecured Loans', 'Current Liabilities', and Material in transit/under inspection lying with contractors/fabricators are subject to confirmation/reconciliation and subsequent adjustments as may be required.
- (b) On an overall basis the current assets loans and advances 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.
9. Amount due to Micro, Small and Medium Enterprises (under the MSMED Act 2006) could not be ascertained and interest thereon could not be provided for want of sufficient related information. However the company is in process to obtain the complete information in this regard.
10. The Corporation has earlier raised the transmission tariff bills @ Rs.0.11 per unit. However, in view of accounting policy the transmission revenue has been accounted for @ Rs. 0.1435 per unit (Previous year 0.1317 per unit) for which the bills will be revised in due course of time. The above accountal is subject to approval by the UPERC.
11. As a part of separate function of SLDC, the company is maintaining separate bank account for SLDC charges. The balance with scheduled banks shown in the Schedule No. 8 includes Rs. 0.16 crore lying in the credit of the said account. Income related to SLDC has also been shown separately in the Schedule No. 12.
12. Earnings and Expenditure in foreign currency were NIL (Previous year NIL)
13. Debts due from Directors were Rs. NIL (Previous year NIL.)
14. Remuneration and Benefits to Directors:
The whole time Directors (executive and key members of the Board) including Chairman and Managing Director have been appointed/posted by Govt. of U.P. for the UPPCL and have the additional charge of the company (UPPTCL) also. They have drawn their remuneration from the UPPCL, as per their entitlement.

Agreed for  



15. (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.
- (b) Leave encashment, medical benefits and leave travel concessions have been accounted for on the basis of claims received and approved during the year.
16. 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 11 above.
17. Disclosure as per AS-18:
(a) List of Related parties (key management personnel):

S.No.	Name	Designation	Working Period (for F.Y. 2008-09)	
			Appointment -	Retirement/ Cessation
1	Shri G.B.Pattanaik	Chairman	24.03.08	26.04.08
2	Shri Pradeep Shukla	Chairman	26.04.08	30.12.08
3	Shri V.N.Garg	Chairman	31.12.08	06.01.09
4	Shri Navneet Sehgal	Chairman	07.01.09	Working
5	Shri A.K.Awasthi	Managing Director	24.03.08	06.01.09
6	Shri Narendra Bhushan	Managing Director	16.03.09	Working
7	Shri S.K.Agarwal	Director	09.01.09	Working
8	Shri H.C. Singh	Director	14.08.07	08.01.09
9	Shri Rama Raman	Director	22.09.08	Working
10	Shri Ganesh Singh	Director	16.12.08	Working
11	Shri Man Mohan	Director	28.03.09	Working

- (b) Remuneration and Benefits paid to key management personnel is (Chairman & Managing Directors and Directors)- NIL.
- (c) Transactions with related parties-The UPPTCL being a state owned enterprise, the disclosure regarding related party transactions with other state controlled enterprises- as per provisions of AS-18 is not applicable.



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18. 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. Number used for calculating diluted earnings per equity share includes the amount of equity share money (pending for allotment).

	<u>(Amount in Rs.)</u>	
<u>Earning per share:</u>	<u>31.03.2009</u>	<u>31.03.2008</u>
(a) Net loss after tax(enumerator used for calculation)	101293252	147366774
(b) Weighted average number of Equity Shares (denominator for calculating Basic EPS)	50000	50000
(c) Weighted average number of Equity Shares (denominator for calculating Diluted EPS)	24630519	20458762
(d) Basic earnings per share of Rs. 1000/- each	(2025.87)	(2947.34)
(e) Diluted earnings per share of Rs. 1000/- each	(4.11)	(7.20)

19. 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.1001.21 crore. (It includes the accumulated loss amounting to Rs. 976.27 crore which has been transferred by the UPPCL under the transfer scheme. 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).
20. In the opinion of management, there is no specific indication of impairment of any assets as on balance sheet date as envisaged by AS 28 of ICAI. Further, the assets of the Corporation have been accounted for at their historical cost and most of the assets are very old where the impairment of assets is very unlikely.
21. Energy transmitted/wheeled during the year 52719.149 MU (Previous year-51572.235)
22. (a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for as at 31-03-2009 is Rs.233.75 crores (previous year Rs 228.28 crores).



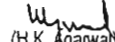
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(b) Contingent liabilities:


Other claims against company not acknowledged as debts is Rs16.78 crores (previous year Rs14.25 crores).

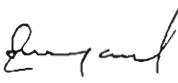
23. The figures as shown in the Balance Sheet, Profit & Loss Account and schedules have been rounded off to the nearest rupee.

24. Previous year figures have been regrouped/reclassified/recast wherever considered necessary.


(H.K. Agarwal)
Company Secretary
(Part Time)


(P.N. Seth)
Dy. General Manager
(Accounts)


(R.P. Gupta)
Chief General Manager
(Accounts)


(S.K. Agarwal)
Director (Finance)


(A.K. Gupta)
Managing Director

Place :-Lucknow

Date :- 7/9/2012

Subject to our report of even date
For R. M. LALL & CO.
Chartered Accountants
FRN No. 000932C





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

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1 Registration details**

Registration No. - State Code
Balance Sheet Date
Date Month Year

2 Capital raised during the year

(Amount in Rupees Thousands)

Public Issue :

Rights Issue

Bonus Issue

Private Placement

3 Position of Mobilisation and Development of Funds

(Amount in Rupees Thousands)

Total Liabilities

Sources of Funds :

Paid Up Capital

Share App. Money Pending for Allotment

Secured Loans

Applications of Funds :

Net Fixed Assets

Accumulated Losses

Total Assets

Reserves & Surplus

Unsecured Loans

Miscellaneous Expenditure

Net Current Assets

Investments

4 Performance of the Company

(Amount in Rupees Thousands)

Turnover (Gross Revenue)

(+/-) Profit/Loss before Tax

Earning per Share (in Rupees)

Total Expenditure

(+/-) Profit/Loss after Tax

Dividend rate in %

Product/Service description

Transmission of Electricity

Item Code No.

NA

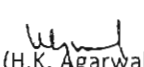
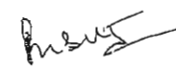

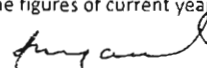

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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

		Rs. In crores	
For the year ended March 31,		2008-09	2007-08
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/ Loss Before Prior Period Income & Expenditure And Tax	5.58	(7.88)
	Adjustment for :-		
a	Depreciation	278.26	253.78
b	Interest & Financial Charges	161.40	161.89
c	Bad Debts & Provision	8.45	13.79
d	Interest Income	(0.02)	(0.16)
e	Prior Period Expenditure (Net)	(15.41)	(6.53)
f	Fringe Benefit Tax	(0.32)	(0.32)
g	Preliminary exp written off	0.01	0.01
	Sub Total	432.37	422.46
	Operating Profit Before Working Capital Charges	437.95	414.58
	Adjustment for:		
a	Stores & Spares	(58.59)	(290.17)
b	Sundry Debtors	(125.27)	(229.88)
c	Other Current Assets	(1.98)	(7.62)
d	Loans & Advances	(16.09)	(27.40)
e	Current Liabilities & Provisions	293.61	1060.23
f	Inter Unit Transfers	33.86	(48.19)
	Sub Total	125.54	456.97
	NET CASH FROM OPERATING ACTIVITIES (A)	563.49	871.55
B	CASH FLOW FROM INVESTING ACTIVITIES		
a	Decrease (Increase) in Fixed Assets	(636.65)	(3,847.58)
b	Decrease (Increase) in Work in Progress	(181.53)	(798.36)
c	(Increase)(Decrease) in Investments	-	-
d	Decrease (Increase) in Restructuring A/c	-	-
e	Interest Income	0.02	0.16
	NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	(818.16)	(4,645.78)
C	CASH FLOW FROM FINANCING ACTIVITIES		
a	Proceeds from Borrowing (Net)	(83.57)	2,466.17
b	Proceeds from Share Capital	428.55	2,208.34
c	Proceeds from consumers contribution & Go Up capital subsidy (Reserve & Surplus)	44.70	283.30
d	Interest & Financial Charges	(161.40)	(161.89)
e	Accumulated Loss as per Transfer Scheme	-	(976.27)
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	228.28	3,819.65
	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+)	(26.39)	45.42
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	51.12	5.70
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	24.73	51.12

Notes to the Cash Flow-Statements.

- (i) This statement has been prepared under indirect method as prescribed by AS-3.
- (ii) Prior period expenditure (Net) has been shown after excluding the depreciation amortized amounting to as 0.03 lakhs.
- (iii) Cash and cash equivalent consists of cash in hand bank balances with schedule bank and fixed deposits with banks.
- (iv) The figures in this statement have been rounded off to the rupees in crore up to two decimals.
- (v) The figures of previous year include the balances transferred under the Transfer Scheme hence the figures of current year are not comparable.

 (H.K. Agarwal) Company Secretary (Part Time)	 (P.N. Seth) Dy. General Manager (Accounts)	 (R.P. Gupta) Chief General Manager (Accounts)	 (S.K. Agarwal) Director (Finance)	 (A.K. Gupta) Managing Director
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Place :- Lucknow

Date :- 7/9/2012

Subject to our report of even date
For R.M.Lall & Co.Chartered Accountants
FRN No. 000932C



(R.P. Tewari)
Partner

M. No. 071448

AUDITOR'S REPORTS

To,
The members of,
Uttar Pradesh power Transmission Corporation Limited
(Formerly known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
Lucknow

- 1) We have audited the attached Balance Sheet of Uttar Pradesh Power Transmission Corporation Limited as at 31st March 2009, the profit and Loss account and the Cash Flow statement of the company for the year ended on that date, annexed thereto wherein are incorporated the accounts of four transmission zones audited by the respective Branch auditors. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the companies (Auditors Report) order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act 1956, we enclose in the annexure a statement on the matter specified in para 4 and 5 of the said Order.
 - 4 (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 aggregate division wise balances of assets and liabilities as per books 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 note no. 1 of Schedule 21B).*
 - (b) As referred in note no. '10' of schedule 21 B, the revenue on account of 'Transmission charges' (Schedule 12) was initially accounted for @ Rs 0.11 per unit wheeled on the basis of unaudited actual expenses. *This rate was subsequently revised to Rs. 0.1435 per unit wheeled as approved by the Board of Directors (Accounting policy no 5 (a)) and additional revenue was recognized as at the yearend for which the revised bills have not been issued.*

The transmission tariff as approved by the Board of Directors is subject to the approval of UPERC.

(c) As referred in Note no. 8(a) of schedule 21 B, *the balances under current assets, loans and advances, unsecured loans, current liabilities (including the balances of DISCOMs etc), material-in-transit/under inspection/lying with contractors/fabricators etc are subject to confirmation, 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 and also the adequacy of the provisions made in accordance with note no. 3 (a), (b) and (c) of schedule 21 B.*



(d) Current Assets, Loans & Advances include Rs. 14.33 crores as 'Inter Unit Transfer' which represent the un-reconciled balance of inter unit transactions. As informed by the management reconciliation of inter unit account is in process.

(e) Dues payable to Micro, Small and Medium Enterprises as defined under MSMED Act 2006 has not been disclosed in accordance with Part I of schedule VI to the Companies Act 1956 and interest due on such balances has not been recognized in the financial statement in the absence of sufficient information with the Company (refer note 9 of schedule 21B).

(f) Cash and Bank Balances (Schedule 8) includes Fixed deposit with bank amounting to Rs. 80,000/- details whereof are not available with the company and for which no provision has been made. As informed by the management investigation with respect to this missing Fixed Deposit is in process.

(g) It was observed that the system of maintaining party-wise subsidiary ledgers and its matching with primary books of accounts is not effective.

(h) Contingent liabilities stated in note nos. 22 (a) and 22 (b) of schedule 21 B are as provided by the company and has been relied upon by us.

5) (a) The inventories have been valued at cost and not at 'lower of cost or net realizable values' as required by Accounting Standard (AS) 2 "Valuation of inventories" (refer accounting policy no.4 of schedule 21 A)

(b) The amount of capital work in progress has been capitalized by transferring the value of project completed. The cost of project is verified by the concerning officer/ executive engineer. 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. (Refer to accounting policy 2(e) of schedule 21 A). This system of capitalization of indirect expenses is not in accordance with the treatment prescribed as per Accounting Standard (AS) 10 Accounting for fixed assets.

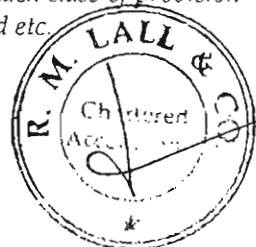
(c) The company has recognized/ disclosed employees benefit as per note no. 15(a) and 15 (b) of the schedule 21 B of notes to accounts which is not in accordance with Accounting Standard (AS) 15, Employees Benefits (revised 2005).

(d) Borrowing cost on fixed assets is capitalized on the work in progress at the beginning of the year without taking into account the actual date of commissioning or purchase of assets. (Refer accounting policy no. 2(f) of schedule 21 A). Further, interest is also capitalized on certain assets which may not be qualifying assets as they do not take substantial period of time to get ready. In our opinion, this method of capitalization of borrowing cost on fixed assets is not in accordance with the provisions of Accounting Standard (AS) 16.

(e) In view of inadequate information with reference to note no.19 of schedule 21 B, we are unable to comment on the adequacy or otherwise on the accounting of deferred tax as per AS-22 "Accounting for tax on income".

(f) Opinion of the management regarding Impairment of assets is not supported by relevant information, hence we are unable to comment on the compliance with the provision of Accounting Standard (AS) 28 as per the note no. 20 of schedule 21 B.

(g) The company has not complied with the disclosure requirement of para 66 of Accounting Standard (AS) 29 'Provisions, contingent assets and liabilities' of disclosing each class of provision i. e., additional provision made, amount used and unused amount reversed during the period etc.



6. For want of complete information, the cumulative impact of our observations in paras 4 and 5 and in annexure to this report on the account of the company is not ascertained.

7. As in earlier years, the final accounts of the company have been compiled by the management on the basis of trial balances of the branches (zones) of the company audited by the branch auditors.

8. 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.

9. In view of department of company affairs' circular no. 8/2002, the provisions of disqualifications of directors as per section 274(1) (g) of the companies Act, 1956 are not applicable to the company.

10. Subject to our observations given in paragraphs 4 to 7 above and in Annexure referred to in para 3, we report that:

- (a) We have obtained all the information and explanations, except as stated above, which to the best of our knowledge and belief were necessary for 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 examination of books.
- (c) The balance Sheet, profit and loss account and the cash flow Statement dealt by this report are in agreement with the books of accounts and with the audited returns received from the zones.
- (d) In our opinion, the balance sheet and profit & loss Account and cash flow Statement dealt by this report comply with the accounting standards referred to in section 211 (3c) of the companies Act, 1956.
- (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and notes referred to in Schedule -21, gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - a. In the case of balance Sheet, the state of Affairs of the Company as on 31st March 2009;
 - b. In the case of the profit and Loss Account, the Loss for the year ended on that date; and
 - c. In the case of Cash Flow Statement, the Cash Flows for the year ended on that date.

Place: Lucknow

Date: 7/9/2012



For R. M. LALL & CO.
Chartered Accountants
FRN No. 000932C

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

(Annexure referred to in our report of even date to the members of Uttar Pradesh Power Transmission Corporation Limited on the accounts for the year ended on 31st March 2009)

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 and the Auditors Report of four transmission zones audited by other auditors, we report as under:

(i)	(a)	<i>The company has not maintained proper records showing full particulars including quantitative details and situations of fixed assets.</i>
	(b)	<i>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.</i>
	(c)	In our opinion, the company has not disposed of substantial part of the fixed assets during the year.
(ii)	(a)	As per information's 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 of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of business <i>except at transmission (East) Allahabad, where the same required further strengthening.</i>
	(c)	In our opinion, the company is maintaining proper records of inventory <i>except at Transmission (East) zone where inventory records were incomplete in some divisions.</i> The materials discrepancies, wherever noticed on physical verification, have been properly dealt with in the books of accounts
(iii)	(a)	As explained to us, the company has not granted any loans secured or unsecured to companies, firms of other parties covered in the register maintained under section 301 of the Companies Act, 1956.
	(b)	In view of the (iii) (a) above, the para nos. (iii) (b), (c) and (d) of the Order, are not applicable.
	(c)	The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the registers 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 companies (Auditors Reports) order, 2003 are not applicable.
(iv)		In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of company and the nature of its business for the purchase of inventories and fixed assets and for the sale of services except that: (1) <i>Accountal of expenditure in respect of deposit work and other work done by the sub-contractors and staff for particular job at Transmission (East), Allahabad.</i> (2) <i>Inspection/verification of inventories, adjustment of advances and receipt of materials at transmission (East) Allahabad.</i> Subject to the above, 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 explanation 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 <i>except at head office. Further, increase in the period of test checking in field units needs to be done to make the same commensurate with the size and nature of business of the company at Transmission (East), Allahabad. Compliance report of the internal audit of the units of Transmission (East) and Transmission (South) has not been received.</i>
(viii)		In our opinion, 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.
(ix)	(a)	According to the information and explanations 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. <i>However, it was observed that provident fund and contributions to the U. P. Power sector Employee's Trust are made on lump sum basis as against the monthly depositions. Further, deduction and deposition of income tax at source and trade tax at source were not properly complied at Transmission (East) and Transmission (South).</i>
	(b)	As informed to us, there are no dues that have not been deposited on account of dispute.
(x)		The para (x) of the Order regarding 'accumulated losses' is not applicable as the company has been registered for a period of less than 5 years.
(xi)		As per information's or explanation given to us, the company has not defaulted in repayment of dues of a financial institution or bank or debenture holders.
(xii)		The company has not granted any loans and advance on the basis security by way of pledge of shares, debentures and other securities.
(xiii)		The company is not chit fund /nidhi/mutual benefit fund/societies; hence para (xiii) of the Order is not applicable.
(xiv)		The company is not dealing or trading in shares, securities, debenture and other investments, hence of para (xiv) of the Order is not applicable.
(xv)		As informed to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
(xvi)		<i>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.</i>



(xvii)	As per information and explanations given to us, the funds received on short term basis have not been used for long term purpose.
(xviii)	The company has not made any preferential allotment of shares, hence para (xviii) of the Order is not applicable.
(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 issue; hence clause (xx) of the Order is not applicable.
(xxi)	As per information and explanations given to us, no fraud has been done by the company or on the company during the year.

Place: Lucknow

Date: 7/9/2012

For R. M. LALL & CO.
Chartered Accountants
FRN No. 000932C



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





सीड पोस्ट/गोपनीय

पत्रांक: म.ले.(इ. एण्ड आर.एस.ए)/इ.एस-11/लेखा/यू.पी.पा.ट्रां.का.लि./2008-09/269
दिनांक: 31/11/08

सेवा में,

प्रबन्ध निदेशक
उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड
लखनऊ, उत्तर प्रदेश।

महोदय,

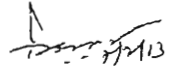
एतत्सह कम्पनी अधिनियम, 1956 की धारा 619(4) के अधीन उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के 31 मार्च 2009 को समाप्त होने वाले वर्ष के लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टीका-टिप्पणियों कम्पनी अधिनियम, 1956 की धारा 619(3) के नियन्त्रकों के अनुसरण में कम्पनी की वार्षिक सामान्य बैठक के समक्ष प्रस्तुत करने हेतु अधिसूचित 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 भेजने का कष्ट करें।

सहपत्र-अथोपरि

भवदीया


(डॉ० स्मिता एस० चौधरी)
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, 2009.

The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2009 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 07 September 2012.

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 2009. 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:

Profit & Loss Account

Expenditure

Employees cost (Schedule-15) ₹ 256.10 crore

Pension and Gratuity- ₹ 37.21 crore

Reference is invited to Significant Accounting Policy No. 6 (a) which inter-alia states that the Liability for Pension and Gratuity has been determined on the basis of actuarial valuation and, accounted for on accrual basis.

The Provision for Liabilities towards Pension and Gratuity @ 16.70 percent and 2.38 percent respectively has been created on the basis of Actuarial Valuation Report dated 09 November, 2000 submitted by M/s Price Water House Coopers to the UPPCL which was valid for three years. Thereafter the actuarial valuation was not carried out. Thus, the provision is not only in contravention to the Accounting Policy No. 6 (a) but also in violation of Accounting Standard 15 regarding Retirement benefits which provides that the provisions should be made on accrual basis.


Accountant General

कार्यालय महालेखाकार
(आर्थिक एवं राजस्व लेखापरीक्षा), उ० प्र०
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

स्पीड पोस्ट/गोपनीय

पत्रांक: म.ले.(इ. एण्ड आर.एस.ए)/इ.एस-11/लेखा/यू.पी.पा.ट्रां.का.लि./2008-09/270

दिनांक: 31/2/13

सेवा में,

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

विषय:- 31 मार्च 2009 को समाप्त हुए वर्ष हेतु उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक का प्रबन्धकीय पत्र।

महोदय,

आपको सूचित करना है कि उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के 31 मार्च 2009 को समाप्त हुए वर्ष के लेखों की पूरक लेखापरीक्षा इस कार्यालय द्वारा कराई गई है। लेखों पर आपत्तियों सुधारात्मक कार्यवाही हेतु इस पत्र के साथ संलग्न है।

इस सम्बन्ध में प्रबन्धन द्वारा उठाए गए कदमों का कम्पनी के वर्ष 2009-10 के लेखों की लेखापरीक्षा के दौरान स्त्यापन किया जाएगा। यदि प्रबन्धन ने त्रुटियों पर सुधारात्मक कार्यवाही नहीं की होगी तो आपत्ति प्रस्तावित की जाएगी।

संलग्न: यथा उपरोक्त

भवदीया

(डॉ० स्मिता एस० चौधरी)
महालेखाकार

Annexure to the Management letter no. म.ले.(इ. एण्ड आर.एस.ए)/इ.एस-11/लेखा/यू.पी.पा.ट्रां.का.लि. /270 दिनांक: 7/2/13 drawing attention of the management to the observations on accounts for the year ending 31 March 2009 for taking action.

Balance sheet

Current Assets, Loans and Advances

Sundry Debtors (Schedule 7) ₹ 337.39 crore

1. Reference is invited to Notes on Accounts No. 3(a) of Schedule No. 21 (B) stating that 'The provision for bad and doubtful debts against revenue from transmission and related activities has been made @ 5% on the Debtors'. Accordingly, the Company has made provision for bad and doubtful debts of ₹ 6.26 crore during the year against its sister concerns viz. PVVNL, PuVVNL, MVVNL, DVVNL and KESCO. Similarly, the Company has also made provision of ₹ 11.49 crore during the previous year i.e. 2007-08. The accounting policy is not correct as all the Companies are working Government Companies under the same Administrative Department and terming the dues there against as bad debts without taking any recovery action, is not correct.

This has resulted in understatement of Sundry Debtors by ₹ 17.75 crore and overstatement of accumulated loss by ₹ 11.49 crore and loss for the year by ₹ 6.26 crore.

Profit & Loss Account

Expenditure

Earned leave encashment- ₹ 50.90 crore

2. As per AS-15 (employees benefits), all employees benefits should be provided for in the annual accounts of the Company. The Company, in contravention to AS-15, framed the Accounting Policy no. 6 (b) that leave encashment are accounted for on the basis of claims received and approved during the year.

Out of four zones and headquarters, one zone (Transmission east zone location code 090 and Transmission east zone civil units location code 250) deviated from accounting Policy of the Company and made provision of ₹ 44.03 crore for leave encashment. Thus, the employees cost and Loss for the year is overstated by ₹ 44.03 crore.

General

3. Note no.2 of "Notes on Accounts" (Schedule-21 b) stipulated details of parties from whom Share Application Money received but pending for allotment. In the disclosure, it was stated that ₹ 365.37 crore in the year 2007-08 was received as Share Capital from Government of Uttar Pradesh, which is not correct as money was received from UPPCL and not from GOUP as investment in the subsidiaries. Thus, disclosure is deficient to that extent.


Dy. Accountant General/ES-II