

**UTTAR PRADESH POWER TRANSMISSION  
CORPORATION LIMITED**

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

**BALANCE SHEET**

AS AT

**31.03.2011**

**&**

**PROFIT & LOSS ACCOUNT**

FOR THE PERIOD FROM

01.04.2010

TO

31.03.2011

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Registered Office :- 14, Ashok Marg, Lucknow - 226 001.

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1	Balance Sheet
2	Profit & Loss Account
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5	Business Profile
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# 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 31.3.2011

( Amount In Rs. )

PARTICULARS	SCHEDULE	AS AT 31 MARCH 2011	AS AT 31 MARCH 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders funds :</b>			
Share Capital	(1)	4335500000	4335500000
Share Application Money	(1A)	35999052000	30999052000
Reserve & Surplus	(2)	4089666054	44424218054
Loan Funds	(3)		3896413807
			39230965807
			28217431617
<b>TOTAL</b>		<b>79058305295</b>	<b>67448397424</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	(4)	75129503917	70857997074
Less - Accumulated Depreciation		30682888393	27576359122
Net Block		44446615524	43281637952
Capital Work in Progress	(5)	21283290307	65729905831
Current Assets, Loans and Advances			11382808797
Stores & Spares	(6)	4738745189	3890238201
Sundry Debtors	(7)	11324858818	6133314735
Cash and Bank Balances	(8)	3532057245	6255075147
Other Current Assets	(9)	213082786	166565967
Loans & Advances	(10)	385927991	337039970
		20194672029	16782234020
Less : Current Liabilities and Provisions	(11)	17228635200	14338473959
Net Current Assets			2966036829
Profit & Loss Account ( Debit Balance)			10362362635
Significant Accounting Policy & Notes on accounts	(21)		
Schedules 1 to 21 form an integral part of Accounts.			
<b>TOTAL</b>		<b>79058305295</b>	<b>67448397424</b>

*Abha Sethi Tandon*

(Abha Sethi Tandon)  
Company Secretary  
(Part Time)

*A.K. Gupta*

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

*S.K. Agarwal*

(S.K.Agarwal)  
Director (Finance)

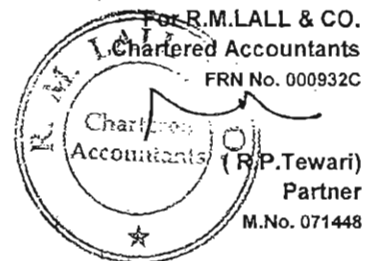
*Alok Kumar*

(Alok Kumar)  
Chairman & Managing Director.

Place : Lucknow

Date : 3/4/13

Subject to our report of even date



# UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.3.2011

PARTICULARS	SCHEDULE	( Amount in Rs. )	
		Year Ended 31.03.2011	Year Ended 31.03.2010
<b>INCOME</b>			
Revenue from Transmission of power & related activities	(12)	8699459374	7622580721
Other Income	(13)	335172385	301373686
<b>TOTAL</b>		<b>9034631759</b>	<b>7923954407</b>
<b>EXPENDITURE</b>			
Repairs & Maintenance Expenses	(14)	980585892	837722654
Employees Cost	(15)	2777224274	2565998056
Administrative, General & Other Expenses	(16)	105799198	82616303
Interest and Finance Charges	(17)	2007806669	1781290432
Depreciation	(18)	3261980035	3019368804
Bad debts & Provisions	(19)	263424265	98238449
<b>TOTAL</b>		<b>9396820333</b>	<b>8385234698</b>
<b>Profit/(Loss) before Prior Period Income/(Exp.) &amp; Tax</b>		<b>(362188574)</b>	<b>(461280291)</b>
Prior Period Income/(Expenditure) (Net)	(20)	338016553	135164386
<b>Profit/(Loss) before Tax</b>		<b>(24172021)</b>	<b>(326115905)</b>
<b>Profit/(Loss) after Tax</b>		<b>(24172021)</b>	<b>(326115905)</b>
<b>Accumulated loss B/F</b>		<b>(10338190614)</b>	<b>(10012074709)</b>
<b>Loss Carried Over to Balance Sheet</b>		<b>(10362362635)</b>	<b>(10338190614)</b>
<b>Earning Per Share (EPS) :</b>			
Numerator		(24172021)	(326115905)
Denominator		4335500	3621250
Nominal Value of Shares		Rs.1000/- each	Rs.1000/- each
<b>Basic EPS</b>		<b>(5.58)</b>	<b>(90.06)</b>
Numerator		(24172021)	(326115905)
Denominator		37501219	31186275
<b>Diluted EPS</b>		<b>(0.64)</b>	<b>(10.46)</b>
Significant Accounting Policies & Notes on accounts	(21)		
Schedules 1 to 21 form an integral part of Accounts.			

*Abha Sethi Tandon*

(Abha Sethi Tandon)  
Company Secretary  
(Part Time)

*(A.K. GUPTA)*

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

*(S.K. Agarwal)*

(S.K. Agarwal)  
Director (Finance)

*(Alok Kumar)*

(Alok Kumar)  
Chairman & Managing Director.

Place : Lucknow

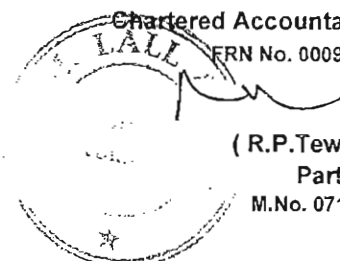
Date : 3/4/13

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.

## SCHEDULE - 1

### SHARE CAPITAL

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
<b>A. AUTHORISED :</b>		
100000000 (100000000) Equity Share of Rs.1000/-each fully paid up	100000000000	100000000000
<b>B. ISSUED SUBSCRIBED AND PAID UP</b>		
4335500 (4335500) Equity Share of Rs.1000/-each fully paid up	4335500000	4335500000
<b>TOTAL</b>	<b>4335500000</b>	<b>4335500000</b>

## SCHEDULE - 1A

### SHARE APPLICATION MONEY

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
SHARE APPLICATION MONEY Pending for allotment	35999052000	30999052000
<b>TOTAL</b>	<b>35999052000</b>	<b>30999052000</b>

## SCHEDULE - 2

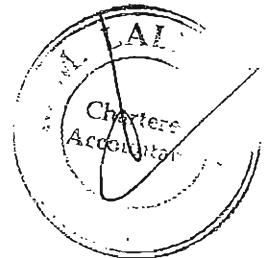
### RESERVES AND SURPLUS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2010	ADDITONS	DEDUCTIONS	AS AT 31.3.2011
<b>A Capital Reserves</b>				
Consumer's Contribution towards Capital Works	2089182807	304856193	111603946	2282435054
<b>B Restructuring A/c</b>	1807231000	0	0	1807231000
<b>TOTAL</b>	<b>3896413807</b>	<b>304856193</b>	<b>111603946</b>	<b>4089666054</b>

*Abha Lata Pandey*



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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 3

## LOAN FUNDS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
<b>A. SECURED LOANS -</b>		
<b><u>TERM LOANS :</u></b>		
Power Finance Corporation Ltd. (Secured by hypothecation of Lines & Substations under the PFC scheme.)	8746889044	6196927559
Rural Electrification Corporation Ltd. (Secured by hypothecation of Lines & Substations under the REC scheme.)	9250299545	4055691832
<b>B. UNSECURED LOANS -</b>		
<b><u>TERM LOANS :</u></b>		
<b><u>Govt. of UP</u></b>		
Loan	997146000	997146000
Interest accrued & due	4592823032	4426105774
<b><u>FINANCIAL INSTITUTIONS</u></b>		
<b><u>Rural Electrification Corporation Ltd.</u></b> ( Guaranteed by Govt. of UP )		
Loan	4143896770	4470390448
Interest accrued & due	2326869913	2326869913
<b><u>Power Finance Corporation Ltd.</u></b>		
Interest accrued & due	4062557937	4607131906
<b><u>MISCELLANEOUS INSTITUTIONS</u></b>		
<b><u>National Capital Region Planning Board</u></b> ( Guaranteed by Govt. of UP )	179925000	272350000
<b><u>HUDCO</u></b> ( Guaranteed by Govt. of UP )	333680000	864818185
<b>GRAND TOTAL</b>	<b>34634087241</b>	<b>28217431617</b>

Abha Smiti Pandey

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# UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

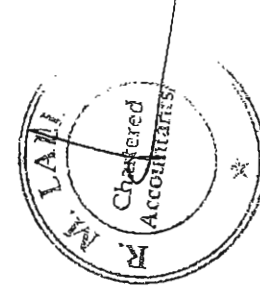
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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

## SCHEDULE - 4

### FIXED ASSETS

Particulars	Gross Block		Depreciation		Net Block	
	As AT 31.3.2010	Additions / Deductions / Adjustments	As AT 31.3.2011	Additions / Deductions / Adjustments	As AT 31.3.2011	As AT 31.3.2010
Land & Land Rights						
i) Land owned under full title	270,410,979	41,681,364	312,072,343	0	0	270,410,979
ii) Land owned under lease	532,054	0	532,054	0	0	532,054
Buildings	2,239,971,056	245,031,659	2,485,002,715	72,837,633	0	1,468,434,685
Other Civil Works	428,449,752	4,492,073	432,941,825	7,467,071	0	270,224,402
Plant & Machinery	36,683,187,126	3,315,808,844	39,288,679,630	1,779,532,427	292,589,218	24,306,768,946
Lines, Cable Network etc.	30,665,909,691	1,263,860,245	31,923,970,869	1,470,981,519	3,801,209	16,649,361,703
Vehicles	36,230,852	424,335	35,814,475	4,096,238	670,172	13,303,541
Furniture & Fixtures	12,059,378	1,587,446	13,618,497	777,252	398	6,906,337
Office Equipments	21,755,262	1,311,391	22,775,820	3,611,444	0	10,320,066
Others Assets	499,490,924	116,684,465	616,155,389	64,286,685	0	285,375,239
<b>GRAND TOTAL</b>	<b>70,857,997,074</b>	<b>4,990,841,822</b>	<b>75,129,503,917</b>	<b>3,403,590,269</b>	<b>297,060,898</b>	<b>44,446,615,524</b>
Previous Year	64,229,313,967	7,292,436,010	70,857,997,074	3,175,514,449	365,021,058	39,463,446,236



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*Abha Lettri Pandey*

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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 5

## CAPITAL WORKS IN PROGRESS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
Capital Work in Progress *	10400568704	5709781097
Revenue Expenses pending for Capitalisation **		
Upto Previous Year	536655000	510675000
Addition during the year	786487000	536655000
Sub Total	1323142000	1047330000
Less - Capitalisation during the year	414508258	510675000
<b>SUB TOTAL ( A )</b>	<b>11309202446</b>	<b>6246436097</b>
Advances to Suppliers/Contractors	10371090538	5275770331
Less : - Provision for doubtful Advances against Capital Works	397002677	139397631
<b>SUB TOTAL ( B )</b>	<b>9974087861</b>	<b>5136372700</b>
<b>GRAND TOTAL</b>	<b>21283290307</b>	<b>11382808797</b>

**Notes :**

\* It includes Establishment and Administration & General Cost

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

*Abhe Lethi (auditor)*

*[Signature]*

*[Signature]*

*[Signature]*





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SCHEDULE - 6

## STORES & SPARES

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
Stock of Materials - Capital Works	4830879148	3656907263
Stock of materials - O & M	223933064	580933324
Other Materials	89430849	58022401
<b>SUB TOTAL</b>	<b>5144243061</b>	<b>4295862988</b>
Less - Provision for Obsolete/Unserviceable/Shortage/Loss of Stores	405497872	405624787
<b>TOTAL</b>	<b>4738745189</b>	<b>3890238201</b>

**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 31.3.2011	AS AT 31.3.2010
Sundry Debtors - Transmission Charges & other related activities	11502430118	6310886035
<b>Debts outstanding for period exceeding six months</b>		
Secured & Considered good	0	0
Unsecured & Considered good	7666479880	2865591332
Considered doubtful	0	0
<b>Other Debts</b>		
Unsecured & Considered good	3835950238	3445294703
	11502430118	6310886035
Less - Provision for Bad & Doubtful Debts	177571300	177571300
<b>TOTAL</b>	<b>11324858818</b>	<b>6133314735</b>

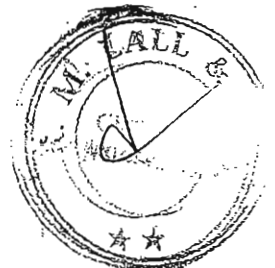
SCHEDULE - 8

## CASH AND BANK BALANCES

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
<b>CASH IN HAND</b>		
Cash in Hand ( Including Stamps in hand )	578265	504055
<b>Balances with Scheduled Banks</b>		
In Current & Other account	2299091926	2100584427
In Fixed Deposit accounts	1232387054	4153986665
<b>TOTAL</b>	<b>3532057245</b>	<b>6255075147</b>

Abha Lalli Pandey



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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 9

## OTHER CURRENT ASSETS

PARTICULARS	(Amount in Rs.)	
	AS AT 31.3.2011	AS AT 31.3.2010
Income Accrued but not Due	718919	23018671
<b>Receivables</b>		
UPRVUNL	92937035	38046356
UPJVNL	2034239	2027004
	94971274	40073360
Employees	39124342	37721880
Others	109869946	95818420
<b>Total</b>	148994288	133540300
Less - Provision for Doubtful Receivables	31693699	30148300
	117300589	103392000
Prepaid Expenses	92004	81936
Theft of Fixed Assets Pending Investigation	1045672	1045672
Less - Provision for estimated losses	1045672	0
	0	1045672
<b>Total</b>	213082786	166565967

SCHEDULE - 10

## LOANS AND ADVANCES

PARTICULARS	(Amount in Rs.)	
	AS AT 31.3.2011	AS AT 31.3.2010
<b>A. Loans / Advances ( Secured/considered good )</b>		
Employees ( including advances )	1476119	1311387
( Adjustable / recoverable from salary )		
<b>ADVANCES (Unsecured)</b>		
Suppliers / Contractors	391701342	348963140
Less - Provision for doubtful Loan & Advances	39170134	34896314
Tax Deducted at Source	19749413	9490506
Advance Fringe benefit tax	12171251	12171251
<b>TOTAL</b>	385927991	337039970

Abha Sethi Pandey

*(Signature)*

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# UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 11

## CURRENT LIABILITIES AND PROVISIONS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
<b><u>CURRENT LIABILITIES</u></b>		
Liability for Capital Supplies/ Works	6201833542	5069340850
Liability for O & M Supplies / Works	379011269	366739903
Staff Related Liabilities	1768097127	1876796409
Deposits & Retentions from Suppliers & Others	1205307864	581407390
Deposit for Electrification works	5847085600	4604848611
Net Payable to -		
UPPCL	151190925	290137974
KESCO	17416643	15962778
Dakshinanchal VVNL	34322066	31328143
Madhyanchal VVNL	92353694	82681056
Paschimanchal VVNL	16048404	14863157
Poorvanchal VVNL	40295579	39118557
Sundry Liabilities	54424731	23138397
Liabilities for Expenses	47050491	60102104
Inter Unit Transfers	181085141	229208047
<b><u>Liabilities towards UP Power Sector Employee Trust</u></b>		
Provident Fund Liabilities	369917362	333224905
Pension and Gratuity Liability	486385886	440114352
CPF Liability	22930071	11578824
Interest Accrued but not Due on Borrowings	301694846	253698543
<b><u>Provisions :</u></b>		
Fringe benefit tax	12183959	12183959
<b>TOTAL</b>	<b>17228635200</b>	<b>14336473959</b>

Abha Sethi Pandey






# UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

## SCHEDULE 12

### REVENUE FROM TRANSMISSION OF POWER & RELATED ACTIVITIES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011	For the year ended on 31.3.2010
Transmission Charges	7977278418	7285246877
Open Access Charges	708435757	332434844
SLDC Charges	13745199	4899000
<b>TOTAL</b>	<b>8699459374</b>	<b>7622580721</b>

## SCHEDULE 13

### OTHER INCOME

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011	For the year ended on 31.3.2010
<u>Interest from :</u>		
Loans to Staff	133357	131121
Fixed Deposits	109944511	80902456
Others	85823	4807
Income from Contractors/Suppliers	110163691	81038384
Rental from Staff	169953492	200334656
Miscellaneous Receipts	556348	493577
Excess found on physical verification of Stores	54498854	16955456
	0	2551613
<b>TOTAL</b>	<b>335172385</b>	<b>301373686</b>

## SCHEDULE 14

### REPAIRS AND MAINTENANCE

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011	For the year ended on 31.3.2010
Plant & Machinery	838037787	697011685
Buildings	51512677	44667910
Other Civil Works	20147	750
Lines, Cables Networks etc.	90185839	95847545
Vehicles - Expenditure	30898487	27304403
<u>Less - Transferred to different Capital &amp; O&amp;M Works/Administrative Exp.</u>	<u>30898487</u>	<u>0</u>
Furniture & Fixtures	41210	27304403
Office Equipments	788232	43985
		150779
<b>TOTAL</b>	<b>980585892</b>	<b>837722654</b>

Alha Lalli Pandey

*[Signature]*

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# UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

## SCHEDULE 15

### EMPLOYEES COST

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011	For the year ended on 31.3.2010
Salaries & Allowances	1932885375	1895778972
Dearness Allowance	731229369	476901068
Other Allowances	132544732	135342053
Bonus/ Ex-gratia	18621262	162452
Medical Expenses ( Re-imbusement )	25473277	30486648
Leave Travel Assistance	1001372	27333
Earned Leave Encashment	242330905	157359388
Compensation	258373	1421153
Staff Welfare Expenses	2965218	2727479
Pension & Gratuity	417801004	387133065
Other Terminal Benefits	36989535	29523955
Expenditure on Trust	2582857	2605026
<b>Sub Total</b>	<b>3544683279</b>	<b>3119468592</b>
<b>LESS - Expenses Capitalised</b>	<b>767459005</b>	<b>553470536</b>
<b>TOTAL</b>	<b>2777224274</b>	<b>2565998056</b>

## SCHEDULE 16

### ADMINISTRATIVE, GENERAL & OTHER EXPENSES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011	For the year ended on 31.3.2010
Rent	2125920	2274427
Rates and Taxes	560425	161501
Insurance	2372388	671287
Communication Charges	17319726	17865017
Legal Charges	13386439	6618553
<u>Statutory Auditors</u>		
Audit Fee	666182	727980
Travelling Expenses	566826	553638
Consultancy Charges	1328959	682980
Technical Fees & Professional Charges	6236749	3948064
Travelling and Conveyance	28002204	29752110
Printing and Stationery	6294067	5575288
Advertisement Expenses	12814335	12525795
Electricity Charges	4494294	4429930
Water Charges	22822	26369
Entertainment	271226	246145
Expenditure on Trust	146602	119030
Miscellaneous Expenses	49484407	25961192
<b>SUB TOTAL</b>	<b>146093571</b>	<b>112139306</b>
<b>LESS - Expenses Capitalised</b>	<b>40419373</b>	<b>29532823</b>
<b>SUB TOTAL</b>	<b>105674198</b>	<b>82606483</b>
<u>OTHER EXPENSES</u>		
Compensation ( Other than staff )	125000	0
Other Losses	0	9820
<b>TOTAL</b>	<b>105799198</b>	<b>82616303</b>

*Abha Lathi Pandey*

*[Signature]*

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# UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

## SCHEDULE 17

### INTEREST AND FINANCE CHARGES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011	For the year ended on 31.3.2010
<b>Interest on Loans</b>		
Government of UP	166717258	166717258
PFC	1374680922	1203924693
HUDCO	31655638	154050532
NCRPB	18347742	24586399
REC	1163607501	721221834
Guarantee Charges	37787247	2270500716
Bank Charges	1413499	45549141
Discount to consumers	83862	1895575
<b>SUB-TOTAL</b>	<b>2794293669</b>	<b>2317945432</b>
<b>LESS - Interest Capitalised</b>	<b>786487000</b>	<b>536655000</b>
<b>GRAND TOTAL</b>	<b>2007806669</b>	<b>1781290432</b>

## Schedule 18

### DEPRECIATION

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011	For the year ended on 31.3.2010
<b>Depreciation on Fixed Assets -</b>		
Buildings	72881155	60389474
Other Civil Works	7419457	7021391
Plant & Machinery	1778466429	1599631440
Lines, Cable Network etc.	1470785426	1414847024
Vehicles	3830886	3866116
Furniture & Fixtures	777252	729695
Office Equipments	3611444	3284898
Other Assets	29164997	15524350
	3366937046	3105294388
<b>Less</b> Amount amortised in the proportion in which the dep. has been charged on Assets acquired out of the Consumer's Contribution towards capital works	104957011	3105294388
		85925584
<b>GRAND TOTAL</b>	<b>3261980035</b>	<b>3019368804</b>

Abha Selti (audar)

*(Signature)*

*(Signature)*

*(Signature)*



# 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 31.3.2011	For the year ended on 31.3.2010
<b>PROVISIONS</b>		
Doubtful advances ( Suppliers/Contractor )	4273820	0
Doubtful other Current Assets (Receivables)	1545399	5464367
Doubtful Advances against Capital Works	257605046	92774082
<b>TOTAL</b>	<b>263424265</b>	<b>98238449</b>

## Schedule 20

### NET PRIOR PERIOD INCOME/EXPENDITURE

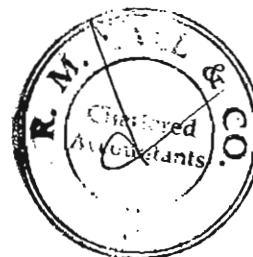
(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011	For the year ended on 31.3.2010
<b>A INCOME</b>		
a Income (Transmission of Power)	38122388	211232475
b Other Excess Provisions	350847051	32757623
<b>SUB TOTAL</b>	<b>388969439</b>	<b>243990098</b>
<b>B EXPENDITURE</b>		
a O & M Expenses	64774	-3314269
b Employee Cost	21869998	44242522
c Interest & Finance Charges	-730555	0
d Administrative & General Exp	-257618	706909
e Depreciation Under/Excess Provided	30006287	67190550
<b>SUB TOTAL</b>	<b>50952886</b>	<b>108825712</b>
<b>NET AMOUNT</b>	<b>-338016553</b>	<b>-135164386</b>

Abha Lethi Pandey

*[Handwritten Signature]*

*[Handwritten Signature]*



**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 %.

*Abha Sethi Pandey*

*[Signature]*

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*[Signature]*

*[Signature]*





- (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 tariff approved by the UPERC for intra-state transmission of energy. Any difference in transmission tariff approved by the 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 & 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.

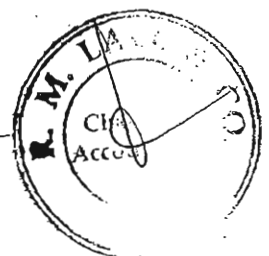
*Abha Sethi Sardar*

*[Signature]*

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*[Signature]*


*[Signature]*




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 obligations.
- (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)  
Company Secretary  
(Part Time)

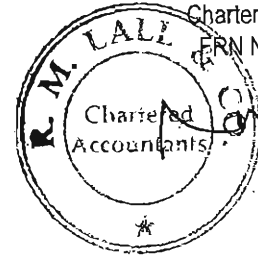
  
(A.K. Gupta)  
General Manager  
(Accounts)

  
(S.K. Agarwal)  
Director (Finance)

  
(Alok Kumar)  
Chairman & Managing Director

Place :- Lucknow  
Date :- 3/4/13

Subject to our report of even date  
For R. M. LALL & CO.  
Chartered Accountants  
ERN 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 31-03-2011 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), where in 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. 3599.91 crore (Previous year Rs. 3099.91 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. 1756.94 crore was received towards equity.

*Abha Sethi Pandey*

*[Signature]*

*[Signature]*

*[Signature]*



3. (a) The provision for bad and doubtful debts on debtors related to the revenue from transmission of power has not been made .
- (b) The provision for doubtful loans & advances has been made @ 10% on the balances of suppliers/contractors appearing under the head "Loans & Advances"/ "Capital Works in Progress". However, no provision is made for the amount of material issued to contractors for capital works.
- (c) The provision for doubtful receivables against "Employees" and "Others" appearing under the head of 'Other Current Assets', has been made @ 10% except Rs. 1.86 crore in ETLEU, Varanasi where 100% provision has been made in the earlier year.
4. Inter Unit Transactions: The reconciliation of balance of Inter unit transactions of Rs. 18.11 Crores (credit) shown in the schedule-11(Previous year credit balance of Rs.22.92 crore) is in process and effect of reconciliation, if any, will be accounted for in the accounts of subsequent years.
5. (a) Where historical cost of a discarded/retired/obsolete fixed asset is not available the estimated value of such asset and depreciation thereon has been adjusted and accounted for.
- (b) Depreciation on assets has been provided on straight line method at the rates prescribed in schedule XIV of Companies Act-1956. Depreciation on additions/deductions has been provided on pro-rata basis.
- (c) Formalities for transfer of title of assets (Transferred under the above Provisional Transfer Scheme) in favour of the corporation (UPPTCL) is in process.
6. 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.
7. 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.

Abha Sethi Tandon



8. (a) In view of the accounting policy for this year, the transmission revenue related to intra-state transmission of energy has been accounted for on the basis of tariff approved by the UPERC i.e. Rs. 0.1260 /kwh.  
(b) In case of open access, accounting policy No.5(b) has been further clarified but there is no financial impact in the accounts due to this clarification.
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 schedule No. 12 is given below.

(Amount in Rs.)

	<u>2010-11</u>	<u>2009-10</u>
Annual Charges	4900000	400000
Application Fee/ Concurrence fee	635000	975000
SLDC Charges	<u>8210199</u>	<u>3524000</u>
	<u>13745199</u>	<u>4899000</u>

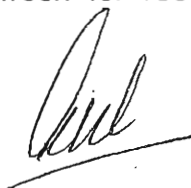
10. **Earning/Expenditure in foreign currency**  
(a) Earning-NIL (Previous Year NIL)  
(b) Travelling Expenses in foreign currency  
(i) 2475 (USD)  
(ii) 12264 (RMB)  
(Previous Year NIL)

11. Debts due from Directors were Rs. NIL (Previous year NIL.)

12. 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.

13. (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 Sethi Pandey



- (b) Leave encashment, medical benefits and leave travel concessions have been accounted for on the basis of claims received and approved during the year.

14. 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.

15. Disclosure as per AS-18:

- (a) List of Related parties (key management personnel):

S. No	Name	Designation	Working Period (for F.Y. 2010-11)	
			Appointment	Retirement/ Cessation(As on 31.03.2010)
1	Shri. Navneet Sehgal	Chairman	07.01.2009	12.09.2010
	Shri. Navneet Sehgal	Chairman & Managing Director	13.09.2010	Working
2	Shri. Narendra Bhushan	Managing Director	16.03.2009	12.09.2010
3	Shri. S.K.Agarwal	Director Finance	09.01.2009	Working
4	Shri. Rama Raman	Director	22.09.2008	02.04.2010
5	Shri. P.J.Thakkar	Director	19.05.2010	Working
6	Shri. Ganesh Singh	Director	16.12.2008	Working
7	Shri. Neel Ratan Kumar	Director	06.10.2010	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.

16. 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).

Abha Sethi Pandey



(Amount in Rs.)

<u>Earning per share:</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
(a) Net loss after tax(enumerator used for calculation)	24172021	326115905
(b) Weighted average number of Equity Shares (denominator for calculating Basic EPS)	4335500	3621250
(c) Weighted average number of Equity Shares (denominator for calculating Diluted EPS)	37501219	31186275
(d) Basic earnings per share of Rs. 1000/- each	(5.58)	(90.06)
(e) Diluted earnings per share of Rs. 1000/- each	(0.64)	(10.46)

17. 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. 1036.24 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).

18. 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.

19. Energy transmitted/wheeled during the year 62268.448189 MU.  
(Previous year-56745.601 MU)

20. (a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for as at 31-03-2011 is Rs. 222.52 crores (previous year Rs 356.49 crores).

(b) Contingent liabilities:

Other claims against company not acknowledged as debts is Rs 26.66 crores (previous year Rs 25.77 crores).

Abha Letti Tandan




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

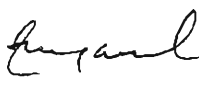
S. NO.	PARTICULARS	Movement OF PROVISIONS			
		OPENING BALANCE AS ON 01.04.2010	PROVISION MADE DURING THE YEAR	PROVISION ADJUSTED DURING THE YEAR	CLOSING BALANCE
1	Provision for doubtful Advances against capital work	13,93,97,631	25,76,05,046		39,70,02,677
2	Provision for absolute/unserviceable/shortage/Loss of stores	40,56,24,787	-	126,915	40,54,97,872
3	Provision for bad & doubtful debts	17,75,71,300	-	-	17,75,71,300
4	Provision for doubtful Receivables	301,48,300	15,45,399	-	3,16,93,699
5	Provision for Losses due to theft of fixed Assets	10,45,672	-	-	10,45,672
6	Provision for doubtful advances against O&M works	348,96,314	42,73,820	-	391,70,134
	<b>Total</b>	<b>7886,84,004</b>	<b>26,34,24,265</b>	<b>126915</b>	<b>1051981354</b>


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

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

  
(Abha Sethi Tandon)  
Company Secretary  
(Part Time)

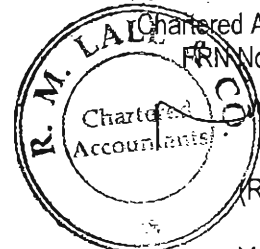
  
(A.K. Gupta)  
General Manager  
(Accounts)

  
(S.K. Agarwal)  
Director (Finance)

  
(Alok Kumar)  
Chairman & Managing Director

Place :- Lucknow  
Date :- 3/4/13

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. -	20-28687	State Code	20
Balance Sheet Date	31	3	2011
	Date	Month	Year

**2 Capital raised during the year**

(Amount in Rupees Thousands )

Public Issue :

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

**3 Position of Mobilisation and Development of Funds**

(Amount in Rupees Thousands )

Total Liabilities

79058305

Total Assets

79058305

Sources of Funds :

Paid Up Capital

4335500

Reserves &amp; Surplus

4089666

Share App. Money pending for allotment

35999052

Unsecured Loans

16636898

Secured Loans

17997189

Applications of Funds :

Net Fixed Assets

65729906

Miscellaneous Expenditure

0

Accumulated Losses

10362363

Net Current Assets

2966037

Investments

0

**4 Performance of the Company**

(Amount in Rupees Thousands )

Turnover (Gross Revenue)

9034632

Total Expenditure

9058804

(+/-)Profit/Loss before Tax

-24172

(+/-)Profit/Loss after Tax

-24172

Earning per Share (in Rupees)

-5.58

Dividend rate in %

NIL

Product/Service description

Item code No.

Transmission of Electricity

NA

Abhe Sethi Pandey



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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

		Rs. In crores	
		2010-11	2009-10
For the year ended March 31,			
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/ Loss Before Prior Period Income & Expenditure And Tax	(36.22)	(46.13)
	<b>Adjustment for :-</b>		
a	Depreciation	340.36	317.55
b	Interest & Financial Charges	200.78	178.13
c	Provision for bad & doubtful debts	26.34	9.82
d	Provision for bad & doubtful debts written back (Loans & Advances)	-	(0.78)
e	Interest Income	(11.02)	(8.10)
f	Prior Period Expenditure (Net)	33.80	13.51
	<b>Sub Total</b>	<b>590.26</b>	<b>510.13</b>
	<b>Operating Profit Before Working Capital Charges</b>	<b>554.04</b>	<b>464.00</b>
	<b>Adjustment for:</b>		
a	Stores & Spares	(84.85)	(40.26)
b	Sundry Debtors	(519.16)	(275.95)
c	Other Current Assets	(4.80)	(7.76)
d	Loans & Advances	(5.32)	7.63
e	Current Liabilities & Provisions	289.21	92.40
	<b>Sub Total</b>	<b>(324.92)</b>	<b>(223.94)</b>
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>229.12</b>	<b>240.06</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
a	Decrease (Increase) In Fixed Assets	(499.08)	(729.24)
a (i)	Fixed Assets adjusted/deducted	71.93	66.37
a(ii)	Depreciation Reserve adjusted/deducted	(29.71)	(36.50)
b	Decrease (Increase) in Work in Progress	(1015.79)	(168.10)
c	Interest Income	11.02	8.10
	<b>NET CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>(1461.63)</b>	<b>(859.37)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
a	Proceeds from Borrowing (Net)	641.67	439.14
b	Proceeds from Share Capital	-	428.55
c	Proceeds from share application money	500.00	463.02
d	Proceeds from consumers contribution & Go Up capital subsidy (Reserve & Surplus)	30.48	76.41
d (i)	Amount amortized	(11.16)	(8.90)
e	Interest & Financial Charges	(200.78)	(178.13)
	<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>960.21</b>	<b>1220.09</b>
	<b>NET INCREASE (DECREASE) IN CASE &amp; CASH EQUIVALENTS (A+B+C+)</b>	<b>(272.30)</b>	<b>600.78</b>
	<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>625.51</b>	<b>24.73</b>
	<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>353.21</b>	<b>625.51</b>

**Notes to the Cash Flow Statements.**

- (i) This statement has been prepared under indirect method as prescribed by AS-3.
- (ii) Adjustment for depreciation as per Schedule-4 of Balance Sheet includes the depreciation charged for prior period amounting to Rs.3.67 crore (previous year Rs.7.02 crore).
- (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) Previous year figures have been regrouped/reclassified/recast wherever considered necessary.

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

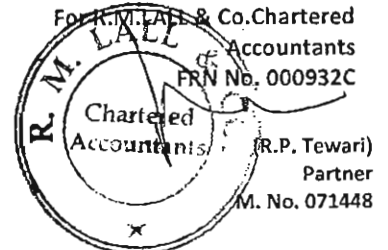
*(A.K. Gupta)*  
(A.K. Gupta)  
General Manager  
(Accounts)

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

*(Alok Kumar)*  
(Alok Kumar)  
Chairman & Managing Director

Place :- Lucknow  
Date :- 3/4/13

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



**R.M. LALL & CO.**  
CHARTERED ACCOUNTANTS

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### AUDITORS' REPORT

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 31<sup>st</sup> March 2011, 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) *The annual accounts for the financial year 2008-09 and 2009-10 have not been placed/considered/ adopted before the shareholders in the Annual General Meeting. However, in view of the clarification issued from the office of C&AG for clearing the pending accounts in arrears, auditor's report on the accounts for 2010-11 is being issued pending approval/adoption of previous years' accounts in the Annual General Meeting.*
- 4) 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.

5) (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 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 per accounting policy no. 5 of Schedule 21A, transmission revenue for the year has been recognized on the basis of tariff of Rs. 0.126/Kwh approved by UPERC for inter-state transmission of energy.

*Further, 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 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 Liabilities & Provisions include Rs. 18.11 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 7 of Schedule 21B).*

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

(g) *Contingent liabilities stated in note nos. 20 (a) and 20 (b) of schedule 21 B are as per details provided by the company and which have been relied upon by us.*



- (h) As per branch audit report of Transmission East (Allahabad)-
- (i) Rs. 2,18,65,120.50 in code 28.108 includes Rs.1,22,00,800 and Rs. 24,70,720 both relating to O & M charges of PGCIL bay in Varanasi and Mau unit respectively, in respect of which the agreement/confirmation from PGCIL has not been provided to the auditors.
  - (ii) Capital work in progress (Code 14) includes a blocked sum of Rs.6, 28, 17,411.69 pertaining to ETLEU (Defunct Unit since long). As per the information given by the management the matter is under reconciliation.
  - (iii) Title deeds of lands purchased by Electricity Transmission Division-II, does not indicate the name of the purchaser ie. Uttar Pradesh Power Corporation Ltd. Further mutation in land revenue is yet to be done.
  - (iv) Cash and Bank Balances (Schedule 8) includes Rs.80000/-Fixed deposit with bank 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.
- (i) In the books of the Company, balance with Uttar Pradesh Power Corporation Limited as on 31<sup>st</sup> March , 2011 is Rs.15.12 crores (shown in Schedule-11 Current Liabilities & Provisions) whereas as per the audited accounts of Uttar Pradesh Power Corporation Limited the balance of receivable from Uttar Pradesh Transmission Corporation Limited is Rs.49.63 crores (shown in Schedule-10 Other Current Assets). The difference is of Rs.34.51 crores, which is subject to reconciliation and consequential adjustments.
- (j) During the year provision aggregating to Rs.35.08 crores made in earlier years towards leave encashment has been written back in Transmission East (Allahabad) , which is done in accordance with Accounting policy no.7(b) of Schedule 21A.
- 6(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 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 Standard (AS) 9 'Revenue Recognition' (Refer Accounting policy no.5(b) of Schedule 21 A).
- (c) 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'.*

- (d) *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 Schedule 21A and note no.13(b) of Schedule 21B). Further the provision for pension and gratuity in respect of employees has been made on the basis of actuarial valuation dated 09.11.2000 (Refer Accounting policy no. 7(a) of Schedule 21A and note no. 13(a) of Schedule 21B). These employee benefits are not accounted for in accordance with the treatment prescribed in the Accounting Standard (AS) 15, 'Employee Benefits (revised 2005)'.*
- (e) *Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year. (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.*
- (f) *In view of inadequate information with reference to note no.17 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 Taxes on Income'.*
- (g) *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 (Refer note no. 18 of Schedule 21 B).*
- 7) *For want of complete information, the cumulative impact of our observations in paras 5 and 6 and in Annexure to this report, on the accounts of the company is not ascertained.*
- 8) *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. The Balance Sheet and Profit and Loss Account are not prepared at the branch level which is in contravention to the Section 209 of the Companies Act, 1956.*
- 9) *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.*
- 10) *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.*
- 11) *Read with our comments in para 3 and subject to our observations given in paragraphs 5 to 8 above and in Annexure referred to in para 4, 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 Schedules 21A and 21B, 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 31<sup>st</sup> March 2011;
- 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: 03.04.2013

For R. M. LALL & CO.  
Chartered Accountants

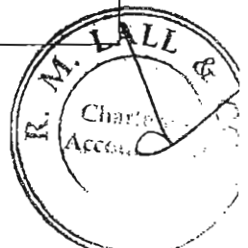


  
(R.P. TEWARI)  
Partner  
M. No. 071448  
FRN No. 000932C

(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 31<sup>st</sup> March 2011)

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)	<i>The Company has not disposed of substantial part of the fixed assets during the year.</i>
	(d)	<i>As per the branch audit report of Transmission West (Meerut), the transfer of capital work in progress has been made to fixed assets without obtaining final certificate of completion from the units.</i>
(ii)	(a)	<i>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.</i>
	(b)	<i>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 its business except at transmission (East) Allahabad, where the same require further strengthening.</i>
	(c)	<i>In our opinion, the Company is maintaining proper records of inventory except at Transmission (East) zone. The materials discrepancies, wherever noticed on physical verification, have been properly dealt with in the books of accounts except at transmission east zone.</i>
(iii)	(a)	<i>As explained to us by the management, 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.</i>





	(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 Order, 2003 are not applicable.
(iv)		<p>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:</p> <p>(1) <i>Accounting 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></p> <p>(2) <i>Inspection/verification of inventories, adjustment of advances and receipt of materials at transmission (East) Allahabad.</i></p> <p>Subject to the above, we have not come across continuing failures to correct major weaknesses in internal controls.</p>
(v)	(a)	According to the information and explanations given to us and the records examined by us, 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 a system of internal audit by the firm of Chartered Accounts for its field units. <i>There is no internal audit system at the Head Office. Further, increase in the sample size 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 to the internal audit reports of Transmission (East) and Transmission (South) were not produced.</i>
(viii)		<i>The cost records prescribed under section 209(1) (d) of the Companies Act, 1956 have not been maintained by the company during the year under audit.</i>
(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, there is an undisputed liability of Rs.</i>



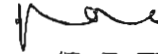
	<p>3, 78,134 pertaining to fringe benefit tax is outstanding for more than six months as on the Balance Sheet date.</p> <p><i>It was observed that provident fund and contributions to the U. P. Power sector Employee's Trust are not made on monthly basis.</i></p> <p><i>Further, deduction and deposition of income tax at source and trade tax at source were not properly complied and VAT returns have not been submitted in few units as required under UPVAT Act, 2008 at Transmission (West).</i></p>
(b)	As informed to us by the management, there are no dues that have not been deposited on account of dispute.
(x)	The Company has been registered for more than 5 years, its accumulated losses are 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 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.</i> However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.
(xvii)	<i>We are unable to comment whether the funds received on short term basis have not been utilized for long term purpose as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds.</i>
(xviii)	The company has not made any preferential allotment of shares to the parties covered under Sec 301, 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: 03.04.2013

For R. M. LALL & CO.  
Chartered Accountants



(R. P. TEWARI)

Partner

M. No. 071448

FRN No. 000932C

