

DIRECTORS' REPORT

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

The Directors have pleasure in presenting the 5th Annual report on the performance of your company for the financial year ended on 31st March 2009 alongwith audited Statement of Accounts, Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

FINANCIAL RESULTS

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

PARTICULARS	Rs. in Crore	
	Year ended 31.03.2009	Year ended 31.03.2008
INCOME		
Revenue from wheeling of power	758.17	680.22
Other Income	22.78	11.34
TOTAL (A)	780.95	691.56
EXPENDITURE		
Operational Expenditure :-		
Repairs & Maintenance Expenses	64.12	66.53
Employees Cost	256.12	193.53
Administrative, General & Other Expenses	7.03	9.92
TOTAL (B)	327.25	269.98
Operational Profit/(Loss) before Dep. intt. and Prov. C=(A-B)	453.70	421.58
Interest and Finance Charges	161.41	161.89
Depreciation	278.27	253.78
Bad debts & Provisions	8.45	13.79
TOTAL (D)	448.13	429.46
Profit/(Loss) Before Prior Period Income/(Exp.) and Tax	5.57	(7.88)
ADD : Net Prior Period Income/ (Expenditure)	(15.38)	(6.53)
Preliminary Exp.	0.01	0.01
NET PROFIT/(Loss) Before Tax	(9.80)	(14.42)
Provision for Fringe Benefit Tax	0.32	0.32
NET PROFIT/(Loss) After Tax	10.12	(14.74)

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

In view of the fact that company has accumulated losses upto the year under review and no surplus is available for appropriation, thus no amount is proposed to be transferred to any reserve.

DIVIDEND

The Directors could not recommend any dividend during the year under review, as the company has no profits to distribute.

OPERATIONS

In terms of Transco Transfer Scheme Notification no. 2974(1)/24-P-2-2010, Dated 23 Dec 2010, issued by Govt. UP, the company has been carrying out the business of transmission/wheeling of power w.e.f 01.04.2007.

PHYSICAL ACHIEVEMENTS

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

A. Lines

- | | |
|-------------------|----------------|
| (i) 200 KV Lines | 64.4222 CKT KM |
| (ii) 132 KV Lines | 564.789 CKT KM |

B (i) Sub Stations

Voltage	New Commissioned		Capacity Augmented	
	No of S/Ss	Capacity (MVA)	No of S/Ss	Capacity (MVA)
220 KV	5	780	13	920
132 KV	8	640	57	1258

B (ii) Bay (Energized)

1. 220 KV - 2 Nos.
2. 132 KV - 10 Nos.
3. 33 KV - 2 Nos.

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

There has been no change in the commitments between the end of financial year and the date of this report.

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

Such No change has accrued.

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

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

PARTICULARS OF THE EMPLOYEES

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

DIRECTORS

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

S.N o.	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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed except few cases for which proper explanation has been given in the accounts.
- (ii) The Directors have selected appropriate accounting policies and applied them consistently, except that the changes mentioned separately, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2009 and of the profit and loss for the said period.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. Moreover it is to inform to the shareholders that various shortcomings, which have been found by management and also those, which have been pointed out, by the Statutory Auditors and the C&AG shall be accounted for in the following years.
- (iv) The accounts for the financial year ended March 31, 2009 have been made on a going concern basis.

SUBSIDIARY COMPANIES

There is no subsidiary of the company.

AUDIT COMMITTEE

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

Chairman & Managing Director UPPTCL	-	Chairman
Joint Secretary (Finance), U.P. Govt. & Part Time Director UPPTCL	-	Member
GM (T & D), REC & Part Time Director UPPTCL	-	Member
Director (Finance), UPPTCL	-	Presenter
Company Secretary	-	Coordinator

The Audit Committee has reviewed the duly approved annual financial statement.

AUDITORS

M/s R.M.LALL & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for the financial year 2008-09 by C&AG of India. The Statutory Auditors have audited the accounts of the company for the year ended on 31st March 2009. The reports of the auditors and replies on their comments are annexed to this report.

REVIEW OF ACCOUNTS BY THE C&AG OF INDIA

The comments of Comptroller and Auditor General of India u/s 619 (4) of the Companies Act 1956 on the Annual Accounts of the Corporation for the year ended 31st March 2009 are appended to this report. The comments & reply of the management are also enclosed.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

The Corporation acknowledge the co-operation and continued assistance extended by various Central and State Govt. Departments, U.P. Electricity Regulatory Commission, CERC, Central power Utilities, PFC, REC, Banks and other Financial Institutions.

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

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

For and on behalf of the Board of Directors


(Atok Kumar)
Managing Director

Date:

Place: Lucknow

ANNEXURE I-TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY:

Not

applicable

(UPPTCL is not covered in the list of industries required to furnish the information as contained in the Schedule.)

B. TECHNOLOGY ABSORPTION:

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

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

(b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

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

Substation Automation System (SAS) Compliant 220 KV & 132 KV substations, for which design & Engineering was finalised and has been incorporated in tender specifications.

2. Benefits derived as result of the above efforts:

The above system will fetch the facility of remote monitoring and control of substation along with reduction in manpower.

3. Imported Technology:

Polymer insulators in high voltage transmission lines were introduced and there were noticeable reduction in line tripping during foggy conditions. This technology is being used worldwide in the developed countries.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

(I) Earnings in foreign exchange: NIL

(II) Foreign exchange outgo: NIL

For and on behalf of the Board of Directors



(Alok Kumar)

Managing Director

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

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

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	24986366422
		23826055290	24661787511
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	49258021084
Current Assets, Loans and Advances			7983578032
Stores & Spares	(6)	3487809261	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	8415395064
Less : Current Liabilities and Provisions	(11)	13555849363	10619676839
Net Current Assets		-5803893101	-4204281774
Misc. Expenditure to the extent not written off or adjusted		0	74600
Preliminary Expenses		10012074709	9910781457
Profit & Loss Account (Debit Balance)			
Significant Accounting Policy & Notes on accounts	(21)		
Schedules 1 to 21 form an integral part of Accounts.			
TOTAL		53466202692	49628133933

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

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

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

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

(A.K. Gupta)
(A.K. Gupta)
Managing Director.

Subject to our report of even date

Place : Lucknow

Date : 7/9/2012



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

(R.P. Tewari)
(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	(78781771)
Prior Period Income/(Expenditure) (Net)	(20)	(153768725)	(65331873)
Profit/(Loss) after Tax		74600	74600
Preliminary Expenses written off		(58081146)	(144168244)
Profit/(Loss) before Tax		3212106	3198530
Provision for Fringe Benefit Tax		(101293252)	(147386774)
Profit/(Loss) after Tax		(9910781457)	(714207)
Accumulated loss B/F		0	(9782700478)
Accumulated loss as per Transfer Scheme		(10012074709)	(9910781457)
Loss Carried Over to Balance Sheet			
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 Schedules 1 to 21 form an integral part of Accounts.			

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

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

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

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

(Signature)
(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

(Signature)
(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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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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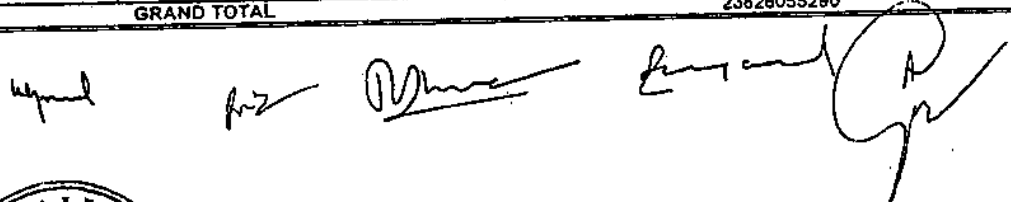
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 3

LOAN FUNDS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
A. SECURED LOANS -		
<u>TERM LOANS :</u>		
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 -		
<u>TERM LOANS :</u>		
Govt. of UP	5256534516	5089817256
<u>FINANCIAL INSTITUTIONS</u>		
Rural Electrification Corporation Ltd. (Guaranteed by Govt. of UP)	7048080443	6521467747
Power Finance Corporation Ltd. (Guaranteed by Govt. of UP)	5062363609	4659970352
<u>MISCELLANEOUS INSTITUTIONS</u>		
National Capital Region Planning Board (Guaranteed by Govt. of UP)	364775000	457200000
HUDCO (Guaranteed by Govt. of UP)	1512322240	2767264000
GRAND TOTAL	23826055280	24661767511





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 31.3.2008		As at 31.3.2009		As at 31.3.2008		As at 31.3.2009		As at 31.3.2009	As at 31.3.2008	
	Additions	Deductions / Adjustments	Additions	Deductions / Adjustments	Additions	Deductions / Adjustments	Additions	Deductions / Adjustments			
Land & Land Rights											
i) Land owned under title	248,668,317	0	7,729,780	0	0	0	0	0	0	256,398,097	248,668,317
ii) Land owned under lease	532,054	0	0	0	0	0	0	0	0	532,054	532,054
Buildings	1,755,111,757	14,844,323	68,071,904	14,844,323	1,808,339,339	656,642,961	54,378,940	93,393	710,928,508	1,097,410,830	1,098,468,796
Other Civil Works	383,485,424	23,086,182	23,086,182	4,453,646	402,095,960	144,527,017	6,676,663	0	151,203,680	250,892,280	238,956,407
Plant & Machinery	27,352,380,128	5,473,213,089	5,473,213,089	441,855,660	32,383,737,757	9,888,791,709	1,407,835,376	165,542,419	11,131,084,666	21,252,653,091	17,463,588,419
Lines, Cable Network etc.	27,805,504,044	1,184,248,967	1,184,248,967	5,987,565	28,983,765,446	11,088,394,817	1,523,242,636	4,218,283	12,807,419,170	16,376,346,276	16,717,109,227
Vehicles	37,001,311	1,043,075	247,163	1,043,075	36,205,399	16,448,280	3,931,598	708,171	19,671,717	16,533,682	20,553,021
Furniture & Fixtures	10,918,030	424,543	424,543	1,406	11,341,167	3,725,001	699,418	844	4,423,575	6,917,592	7,193,029
Office Equipments	17,025,911	3,094,407	3,094,407	10,000	20,070,318	5,325,555	2,829,273	0	8,154,828	11,915,490	11,700,356
Others Assets	252,164,871	0	74,663,560	0	326,828,431	120,954,879	12,024,708	0	132,979,587	193,848,844	131,209,992
GRAND TOTAL	57,862,791,847	6,834,719,595	84,229,313,967	463,197,475	84,229,313,967	21,924,810,229	3,011,618,612	170,563,110	24,765,655,731	39,463,448,236	35,937,981,618
Previous Year	0	58,620,875,041	758,083,194	758,083,194	57,862,791,847	0	22,049,405,323	124,999,094	21,924,810,229	35,937,981,618	0







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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 5

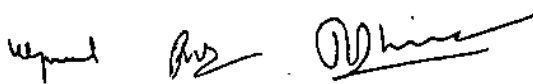
CAPITAL WORKS IN PROGRESS

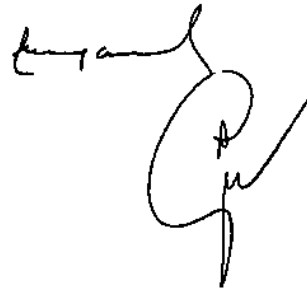
(Amount in Rs.)

PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
Capital Work In Progress *	5980048105	4462622705
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
SUB TOTAL (A)	8490723105	4875318705
Advances to Suppliers/Contractors	3350473292	3150621374
Less : - Provision for doubtful Advances against Capital Works	46623549	42362047
SUB TOTAL (B)	3303849743	3108259327
GRAND TOTAL	8794572848	7983578032

Notes:

- * It includes Establishment and Administration & General Cost
- ** It includes Borrowing Cost only related to works.







UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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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
Debits 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
	177571300	114938679
Less - Provision for Bad & Doubtful Debts		
TOTAL	3373654714	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	246810705	510730687
In Fixed Deposit accounts	80000	80000
TOTAL	247308658	511160219

Ujjwal P. S. *[Signature]* *[Signature]* *[Signature]*



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 9

OTHER CURRENT ASSETS

(Amount in Rs.)

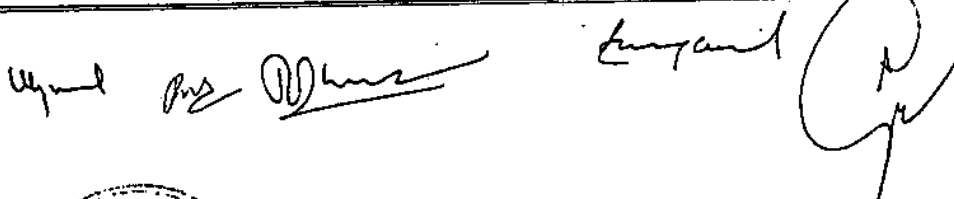
PARTICULARS	AS AT 31.3.2009	AS AT 31.3.2008
Receivables		
UPRVUNL	38062294	36393492
UPJVNL	2027004	983795
	40089298	37377287
Employees	37969018	39526157
Others	40927618	23542979
Total	78896636	63069136
Less - Provision for Doubtful Receivables	24883933	54212703
	54212703	25184088
		37875048
Prepaid Expenses		97763
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
ADVANCES (Unsecured)		1251578
Suppliers / Contractors	427189291	269125060
Less - Provision for doubtful Loan & Advances	42718929	364470362
Tax Deducted at Source		7669544
Advance Fringe benefit tax		11780409
TOTAL	405475429	280346631





UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

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	35173020	36438228
Sundry Liabilities	480612281	435179467
Liabilities for Expenses	14790329	12340655
Liabilities towards UP Power Sector Employee Trust	71863366	50431488
Provident Fund Liabilities	166930843	78582032
Pension and Gratuity Liability	314808051	133857346
CPF Liability	481538894	212439378
Interest Accrued but not Due on Borrowings	5670585	3393891
Provisions :	231048165	225357392
Fringe benefit tax	12183959	9041660
TOTAL	13555849363	10619676838

Uppcl Asst. Director

Manager



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 31.3.2009	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	
<u>Interest from :</u>			
Loans to Staff	214770	353472	
Fixed Deposits	0	1214625	
Others	6038	7142	1575239
Income from Contractors/Suppliers	220808		100733419
Rental from Staff	218570510		1008440
Miscellaneous Receipts	1018170		9609061
Excess found on physical verification of Stores	7588529		487174
	389889		
TOTAL	227787908		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		586234440
Buildings	46090007		39693895
Other Civil Works	115457		622406
Lines, Cables Networks etc.	46881073		58575135
Vehicles - Expenditure	26998978		24464361
<u>Less - Transferred to different Capital & O&M Works/Administrative Exp.</u>	<u>26998978</u>	<u>0</u>	<u>24464361</u>
Furniture & Fixtures	58735		24325
Office Equipments	211286		139714
TOTAL	641180002		685289915



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	1678087839	1521418289
Dearness Allowance	566150066	430037866
Other Allowances	69749452	66616262
Bonus/ Ex-gratia	29349434	24736310
Medical Expenses (Re-imbursement)	28288255	22156796
Leave Travel Assistance	7286	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	1854487	1387558
Sub Total	3280085205	2471554787
LESS - Expenses Capitalised	719039266	536288905
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		
<u>Statutory Auditors</u>		
Audit Fee	797332	466074
Travelling Expenses	519812	160958
Consultancy Charges	1316844	627032
Technical Fees & Professional Charges	1878965	32080
Travelling and Conveyance	3750001	7474880
Printing and Stationery	31290866	32289939
Advertisement Expenses	5425410	4989855
Electricity Charges	5920403	2293433
Water Charges	5487309	4658137
Entertainment	24648	30052
Expenditure on Trust	654238	132624
Miscellaneous Expenses	185367	197205
SUB TOTAL	18923690	34806623
LESS - Expenses Capitalised	97190071	108197786
SUB TOTAL	28859758	23835067
OTHER EXPENSES		
Compensation (Other than staff)	0	561112
Other Losses	4189	16243209
TOTAL	70334502	99167040

Ugnd By *[Signature]* *[Signature]*



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE 17

INTEREST AND FINANCE CHARGES

(Amount in Rs.)

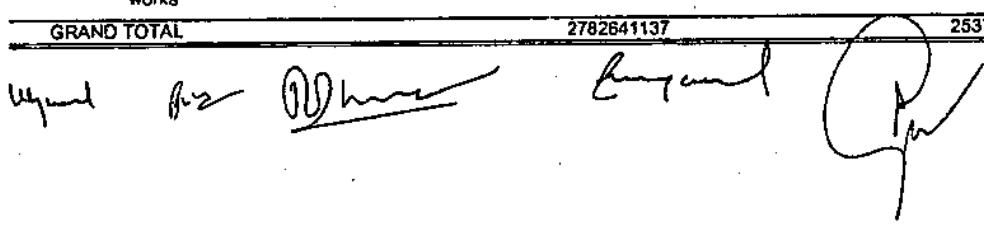
PARTICULARS	For the year ended on 31.3.2009	For the year ended on 31.3.2008
Interest on Loans		
Government of UP	166717258	166717258
PFC	1087793035	988159024
HUDCO	258346509	374337687
IDBI	0	472895
NCRPB	30825047	37083873
REC	<u>523250853</u>	<u>398434841</u>
Guarantee Charges	56189134	63706849
Bank Charges	1596748	2465444
SUB-TOTAL	2124718584	2031357871
LESS - Interest Capitalised	510675000	412486000
GRAND TOTAL	1614043584	1618881871

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	51818583
Other Civil Works	6672149	6684586
Plant & Machinery	1406587027	1198814059
Lines, Cable Network etc.	1353960322	1292185772
Vehicles	3931598	3870410
Furniture & Fixtures	699417	552444
Office Equipments	2816567	1696368
Others Asstes	12024708	11517495
	<u>2840993172</u>	<u>2565139718</u>
Less Amount amortised in the proportion in which the dep. has been charged on Assets acquired out of the Consumer's Contribution towards capital works	58352035	27286706
GRAND TOTAL	2782641137	2537851012





UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
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 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)	62632821	114938679
Doubtful advances (Suppliers/Contractor)	15808423	20876004
Doubtful other Current Assets (Receivables)	1815284	296396
Doubtful Advances against Capital Works	4261502	2034056
TOTAL	84515840	137845135

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	-21578329	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	156481552	65598570
NET AMOUNT	153788725	65331873

Upret Singh

Amrit Singh



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%.



- (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

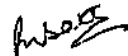
- (a) Liability for Pension & Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Leave encashment, medical benefits and LTC are accounted for on the basis of claims received and approved during the year.

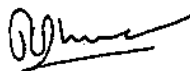


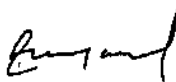
7. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (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

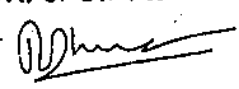
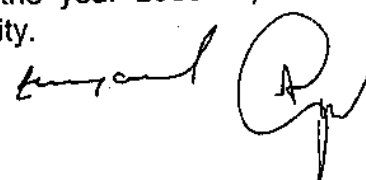
B- NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 31-03-2009 AND PROFIT & LOSS
ACCOUNT FOR THE YEAR ENDED ON THAT DATE

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.

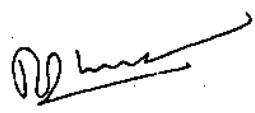
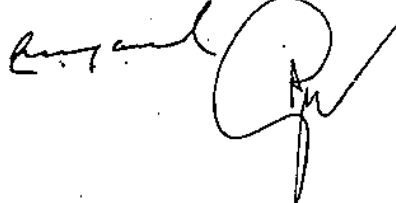
Warrant for  

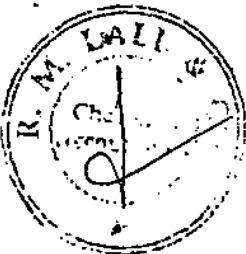


3. (a) The provision for bad and doubtful debts against revenue from transmission and related activities has been made @ 5% on the Debtors.
- (b) The provision for doubtful loans & advances has been made @ 10% on the balances of suppliers/contractors appearing under the head "Loans & Advances"/ "Capital 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. Preliminary expenses have been written off @ 20%. This being the fifth year, the preliminary expenses have been fully written off.
5. Pursuant to Corporation Order No. 175/ Kavini & Vi.Pra. dated 9.02.2009 the provision of pay arrears of 6th Pay Commission amounting to Rs.59.08crore(Previous year Rs. 51.32 crore) has been made in the accounts during the year.
6. Inter Unit Transactions: The reconciliation of debit balance of Inter unit transactions of Rs. 14.33Crores (Previous year Rs.48.19 crore) is in process and effect of reconciliation, if any, will be accounted for in the accounts of subsequent years.
7. (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.



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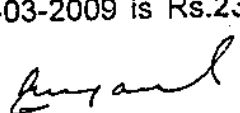
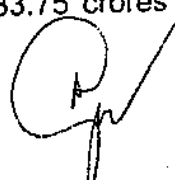
18. Basic and diluted earnings per share has been shown in the Profit & Loss Account in accordance with AS-20(EPS). Basic earnings per share have been computed by dividing net loss after tax by the weighted average number of equity shares outstanding during the year. Number used for calculating diluted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

(Amount in Rs.)

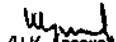
<u>Earning per share:</u>	<u>31.03.2009</u>	<u>31.03.2008</u>
(a) Net loss after tax(numerator used for calculation)	101293252	147366774
(b) Weighted average number of Equity Shares (denominator for calculating Basic EPS)	50000	50000
(c) Weighted average number of Equity Shares (denominator for calculating 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)

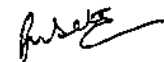
19. An accounting of Deferred Tax Assets has not been considered in accounts on prudent basis as the company is not certain about Income available in near future due to the unabsorbed accumulated losses of Rs.1001.21 crore. (It includes the accumulated loss amounting to Rs. 976.27 crore which has been 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).

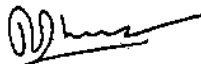


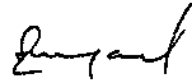
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- (b) Contingent liabilities:
Other claims against company not acknowledged as debts is Rs16.78 crores (previous year Rs14.25 crores).
23. The figures as shown in the Balance Sheet, Profit & Loss Account and schedules have been rounded off to the nearest 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

Item Code No.

Transmission of Electricity.

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

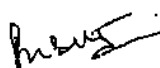
Rs. In crores


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

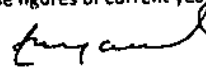
Notes to the Cash Flow Statements.

- (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)

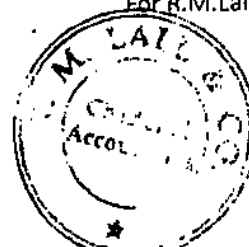

(S.K. Agarwal)
Director (Finance)

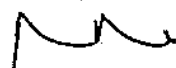

(A.K. Gupta)
Managing Director

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

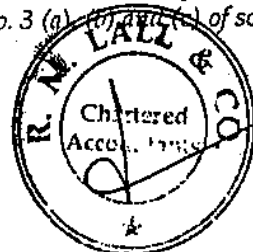
AUDITOR'S REPORTS

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) 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

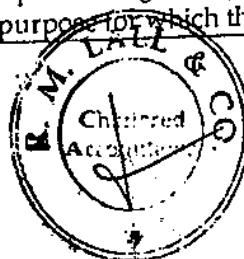
(Annexure referred to in our report of even date to the members of Uttar Pradesh Power Transmission Corporation Limited on the accounts for the year ended on 31st March 2009)

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)	The company has not maintained proper records showing full particulars including quantitative details and situations of fixed assets.
	(b)	The company has not carried out physical verifications of the fixed assets hence we are unable to comment whether any material discrepancy was noticed as such or not.
	(c)	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 except at transmission (East) Allahabad, where the same required further strengthening.
	(c)	In our opinion, the company is maintaining proper records of inventory except at Transmission (East) zone where inventory records were incomplete in some divisions. 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: <ul style="list-style-type: none"> (1) 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. (2) Inspection/verification of inventories, adjustment of advances and receipt of materials at transmission (East) Allahabad. 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</i> . 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.
(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. 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).
	(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)		We are unable to comment whether loan funds were applied for the purpose for which the loan were obtained as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds. However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.



(xvii)	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.

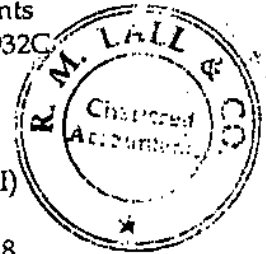
Place: Lucknow

Date: 7/9/2012

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



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



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

31.03.2009

AUDITOR'S REPORT	MANAGEMENT REPLY
<p>To, The members of, Uttar Pradesh Power Transmission Corporation Limited, (Formerly known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.) Lucknow.</p> <p>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.</p>	<p align="center">No Comments</p>
<p>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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.</p>	<p align="center">No Comments</p>
<p>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.</p>	<p align="center">No Comments</p>

<p>4 (a) Reserves & Surplus includes a balance of Rs. 180.72 crore 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.)</p>	<p>The final transfer scheme is under process with GOUP and necessary adjustments will be made after issue of the transfer scheme.</p>
<p>(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.</p> <p>The transmission tariff as approved by the board of Directors is subject to the approval of UPERC.</p>	<p>Revised bills have been issued to concerned distribution companies.</p> <p>No Comments</p>
<p>(c). As referred in note no.8(a) of schedule 21B, 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 reliability 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.</p>	<p>Balances are under reconciliation. Necessary instructions have been issued.</p>
<p>(d). Current Assets, Loans & Advances include Rs.14.33 crores a 'Inter Unit Transfer' which represent the unreconciled balance of inter unit transactions. As informed by the management reconciliation of inter unit account is in process.</p>	<p>The reconciliation of inter unit balances is a continuous process and effects of unmatched entries will be given in the account of the subsequent years.</p>

<p>(e). Dues payable to Micro, Small and Medium Enterprises as defined under MSMED Act 2006 has not been disclosed in accordance with Part 1 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).</p>	<p>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.</p>
<p>(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.</p>	<p>Matter of fixed deposit in bank amounting to Rs. 80,000/- is under investigation, provision / adjustment as required after investigation shall be ensured in next year.</p>
<p>(g). It was observed that the system of maintaining party-wise subsidiary ledgers and its matching with primary books of accounts is not effective.</p>	<p>Necessary instructions have been issued to maintain party wise subsidiary ledgers duly matched with primary Books of accounts.</p>
<p>(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.</p>	<p>No comments</p>
<p>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}.</p>	<p>The corporation is maintaining the inventory only for construction and maintenance of fixed assets. The corporation do not have any inventory of finished stock i.e. electricity. Hence the valuation of inventory does not contravene the provision of AS-2.</p>
<p>(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.</p>	<p>As narrated at point no. 2(e) of 'Significant Accounting Policies' that due to multiplicity of functional units as well as multiplicity of function at particular unit, employees cost and Administrative & General Expenses are capitalized at the rates considered appropriate to be allocated on the capital works.</p>

<p>(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).</p>	<p>The Provision for pension and Gratuity has been made on the basis of actuarial valuation as disclosed in notes on accounts. M/s LIC has been entrusted with the work of actuarial valuation. Necessary action including disclosure requirement will be taken as soon as the said actuarial valuation report is received and adopted by the Corporation.</p>
<p>(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 Standards (AS) 16.</p>	<p>As per preamble of AS-16, it has been mentioned that whatever the determination of the amount of borrowing cost, directly attributable to the acquisition, construction or production of a qualified asset is difficult, in that case the exercise of judgment is required and as it has been difficult to identify the assets / group of assets on which borrowed amount is invested, therefore the corporation has capitalized the borrowing cost in accordance with the provisions of the electricity (supply) (Annual Accounts) Rules 1985.</p>
<p>(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."</p>	<p>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.</p>
<p>(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 Standards (AS) 28 as per note no.20 of schedule 21 B.</p>	<p>As regards the impairment of assets, no specific indication of impairment of any assets as on balance sheet date was noticed as envisaged by AS-28 of ICAI. Further to note, that the assets of the corporation have been accounted for at their historical cost and most of them are very old where the impairment of assets is very unlikely.</p>

<p>(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.</p>	<p>Management has taken cognizance of auditors remark and action shall be taken accordingly in future.</p>
<p>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.</p>	<p>No comments</p>
<p>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.</p>	<p>No comments</p>
<p>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.</p>	<p>No comments</p>
<p>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.</p>	<p>No comments</p>
<p>10. Subject to our observations given in paragraphs 4 to 7 above and in Annexure referred to in Para 3, we report that:</p>	<p>No comments</p>
<p>(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.</p>	<p>No comments</p>
<p>(b). In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of books.</p>	<p>No comments</p>
<p>(c) The balance Sheet, profit & loss Account and cash flow Statement dealt by this report are in agreement with the books of accounts and with the audited returns received from the Zones.</p>	<p>No comments</p>
<p>(d). In our opinion, the balance sheet and profit & loss Account and cash flow Statement dealt by this report comply with the of accounting standards referred to in section 211 (3c) of the companies Act, 1956.</p>	<p>No comments</p>

(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 & loss Account, the Loss for the year ended on that date; and

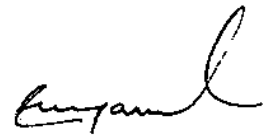
(c). In the case of Cash Flow statement, the Cash Flows for the year ended on that date.

No comments



(A.K. Gupta)

General Manager (Accounts)



(S.K. Agarwal)

Director (Finance)

MANAGEMENT'S REPLY TO THE ANNEXURE OF STATUTORY AUDITOR'S REPORT

31.03.2009

<u>ANNEXURE OF STATUTORY AUDITOR'S REPORT</u>	<u>MANAGEMENT REPLY</u>
<p>(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).</p> <p>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 Reports of four transmission zones audited by other auditors, we report as under.</p> <p>(i) (a). The company has not maintained proper records showing full particulars including quantitative details of situations and fixed assets.</p>	<p>Necessary instruction regarding maintaining and updating of fixed assets register in all units have been issued to the concerned zones.</p>
<p>(i) (b). The company has not carried out physical verification of the fixed assets hence we are unable to comment whether any material discrepancy was noticed as such or not.</p>	<p>-Do-</p>
<p>(i) (c). In our opinion, the company has not disposed of substantial part of the fixed assets during the year.</p>	<p>No Comments</p>
<p>(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.</p>	<p>No Comments</p>
<p>(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 except at transmission (East) Allahabad, where the same required further strengthening.</p>	<p>Necessary instructions have been issued to the concerned zone.</p>
<p>(c). In our opinion, the company is maintaining proper records of inventory except at Transmission (East) zone where inventory records were incomplete in some divisions. The materials discrepancies, wherever noticed on physical verification, have been properly dealt with in the books of accounts.</p>	<p>Necessary instructions have been issued to the concerned zone.</p>
<p>(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.</p>	<p>No Comments</p>

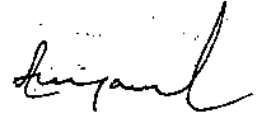
(b). In view of the (iii)(a) above, the para nos. (iii)(b).(c) and (d) of the order, are not applicable.	No Comments
(c). The company has not taken any loans secured or unsecured from companies, firms or other parties covered in the registers maintained under section 301 of the companies Act, 1956.	No Comments
(d). In view of (iii)(c) above para nos. (iii)(f) and (g) of the companies (Auditor Reports) Order, 2003 are not applicable.	No Comments
(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 nature of its business for the purchase of inventories and fixed assets and for the sale of service except that: (1) 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. (2) Inspection/verification of inventories, adjustment of advances and receipt of materials at transmission (East) Allahabad. Subject to the above, we have not come across continuing failures to correct major weakness in internal controls.	Necessary instructions have been issued to the concerned zone.
(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 registers required to be maintained under section 301 of the Companies Act, 1956.	No Comments
(b). In view of the (v)(a) above, the para (v)(b) of the Order is not applicable.	No Comments
(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.	No Comments
(vii). The company has an internal audit system for its field units by the firms of Chartered Accountants 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.	Management has taken cognizance of auditors remarks and necessary action will be taken in due course of time.
(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.	No Comments

<p>(ix)(a). According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Employee's State Insurance, Income-Tax, Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities, 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.</p> <p>Further, deduction and deposition of income tax at source and trade tax at source were not properly complied at Transmission (East) and Transmission (South).</p>	<p>Provident Fund Contribution to U.P. Power Section Employee Trust is being made on the basis of monthly deposition w.e.f. March 2010.</p> <p>Necessary instructions have been issued to the concerned Zones.</p>
<p>(b). As informed to us, there are no dues that have not been deposited on account of dispute.</p>	<p>No Comments</p>
<p>(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.</p>	<p>No Comments</p>
<p>(xi). As per information's or explanations given to us, the company has not defaulted in repayment of dues of a financial institution or bank or debenture holders.</p>	<p>No Comments</p>
<p>(xii). The company has not granted any loans and advance on the basis security by way of pledge of shares, debentures and other securities.</p>	<p>No Comments</p>
<p>(xiii). The company is not chit fund/nidhi/mutual benefit fund/societies; hence para (xiii) of the order is not applicable.</p>	<p>No Comments</p>
<p>(xiv). The company is not dealing or trading in shares, securities, debenture and other investments, hence para (xiv) of the order is not applicable.</p>	<p>No Comments</p>
<p>(xv). As informed to us the company has not given any guarantee for loans taken by others form banks or financial institutions.</p>	<p>No Comments</p>
<p>(xvi). We are unable to comment whether loan funds were applied for the purpose for which the loan were obtained as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds. However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.</p>	<p>Loan funds were applied for the purpose for which loans were obtained.</p>
<p>(xvii). As per information and explanations given to us, the funds received on short term basis have not been used for long term purpose.</p>	<p>No Comments</p>
<p>(xviii). The company has not made any preferential allotment of shares, hence para (xviii) of the Order is not applicable.</p>	<p>No Comments</p>

(xix). The company has not issued any debentures hence para (xix) of the order is not applicable.	No Comments
(xx). The company has not raised any money by public issue; hence clause (xx) of the order is not applicable.	No Comments
(xxi). As per information and explanations given to us, no fraud has been done by the company or on the company during the year.	No Comments



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



(S.K. Agarwal)
Director (Finance)

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./2008-09/269
दिनांक: 31/3/09

सेवा में,

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

महोदय,

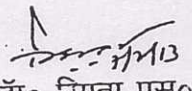
एतत्सह कम्पनी अधिनियम, 1956 की धारा 619(4) के अधीन उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के 31 मार्च 2009 को समाप्त होने वाले वर्ष के लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टीका-टिप्पणियाँ कम्पनी अधिनियम, 1956 की धारा 619(5) के निबन्धनों के अनुसरण में कम्पनी की वार्षिक सामान्य बैठक के समक्ष प्रस्तुत करने हेतु अग्रेषित की जा रही है। कृपया वार्षिक सामान्य बैठक के समक्ष इन टीका-टिप्पणियों के प्रस्तुत किये जाने की वास्तविक तिथि की सूचना दें।

The Report has been prepared on the basis of information furnished and made available by the auditee. The Office of the Accountant General (Economic & Revenue Sector Audit), Uttar Pradesh, disclaims any responsibility for any misinformation and/or non-information on the part of auditee.

कृपया पत्र की पावती भेजने का कष्ट करें।

सहपत्र-यथोपरि.

भवदीया


(डॉ० स्मिता एस० चौधरी)
महालेखाकार

Acctt P.K. Agarwal
31/3/09

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

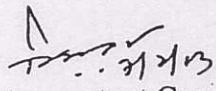
Expenditure

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

Comments on the accounts of Uttar Pradesh Power Transmission Corporation Limited for the year ended 31 March 2009

MANAGEMENT'S REPLY TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF U.P. POWER TRANSMISSION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2009.


COMMENTS	MANAGEMENT'S REPLY
<p>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 framework prescribed under the companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditors 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.</p>	<p>No Comments</p>
<p>I, on behalf of Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the Financial statements of Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 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 personal and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my notice and which in my view are necessary for enabling a better understanding of the financial statement and the related Audit Report</p>	<p>No Comments</p>

**Profit & Loss Account
Expenditure
Employees Cost (Schedule-15)
Rs 256.10 Crore
Pension & Gratuity Rs.37.21 crore.**

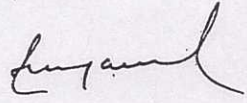
The Provision for Liabilities towards Pension and Gratuity @ 16.70 percent and 2.38 percent respectively has been created on the basis of Actuarial Valuation Report dated 09 November, 2000 submitted by M/s Price Water House Coopers to the UPPCL which was valid for three years. Thereafter the actuarial 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 provision should be made on accrual basis.

The rate of provision towards liabilities for Pension and Gratuity @ 16.70 and 2.38 respectively is based on actuarial valuation report of M/s PWC which was done in the year 2000. These rates are still valid to cover the future obligations towards pension and gratuity because they are linked with actual basic pay and D.A. As the basic pay and D.A. changes the contribution also changes accordingly. It is to mention that the provision towards pension and gratuity made on the basis of these rates is sufficient to cover the liability of pension and gratuity. The accounting standard requires only sufficient provisioning which has been done by the Corporation.

However, it is to inform that the actuarial valuation work is entrusted to M/s LIC of India and efforts are being made to get the fresh actuarial valuation report at the earliest.


(A.K.Gupta)

General Manager(Accounts)


(S.K.Agarwal)
Director (Finance)