

DIRECTORS' REPORT

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

The Directors have pleasure in presenting the 8th Annual report on the performance of your company for the financial year ended on 31st March 2012 along with audited Statement of Accounts, Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India.

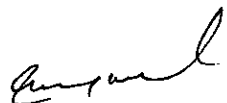
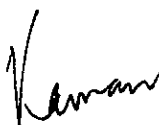
FINANCIAL RESULTS

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

PARTICULARS	Rs. In Crore	
	Year ended 31.03.2012	Year ended 31.03.2011
INCOME		
Revenue from wheeling of power	943.81	869.95
Other Income	27.49	33.52
TOTAL (A)	971.30	903.47
EXPENDITURE		
Operational Expenditure :-		
Repairs & Maintenance Expenses	118.80	98.06
Employees Cost	228.19	277.72
Administrative, General & Other Expenses	8.72	10.58
TOTAL (B)	355.71	386.36
Operational Profit/(Loss) before Dep. Intt. And Prov. C=(A-B)	615.59	517.11
Interest and Finance Charges	240.80	200.78
Depreciation	351.55	326.20
Bad debts & Provisions	42.10	26.34
TOTAL (D)	634.45	553.32
Profit/(Loss) Before Prior Period Income/(Exp.) and Tax	(18.86)	(36.21)
ADD :Net Prior Period Income/ (Expenditure)	(33.82)	33.80
Preliminary Exp.	-	-
NET PROFIT/(Loss) Before Tax	(52.68)	(2.41)
Provision for Fringe Benefit Tax	-	-
NET PROFIT/(Loss) After Tax	(52.68)	(2.41)

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) 765 KV Lines	1.90 CKT Kms
(ii) 400 KV Lines	NIL
(iii) 220 KV Lines	468.31 CKT Kms
(iv) 132 KV Lines	507.897 CKT Kms

B (i) Sub Stations

Voltage	New Commissioned		Capacity Augmented	
	No of S/Ss	Capacity (MVA)	No of S/Ss	Capacity (MVA)
765 KV	1	1000	0	0
400 KV	0	0	3	310
220 KV	4	840	10	783
132 KV	11	400	58	1396

B (ii) Capacitors

- A. 132KV- 320 MVAR
- B. 33KV- 260 MVAR

B (iii) Bay (Energized)

- 1. 400 KV - NIL
- 2. 220 KV - 3 Nos
- 3. 132 KV - 17 Nos.
- 4. 33 KV - 90 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.

No Such change has occurred.

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

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

PARTICULARS OF THE EMPLOYEES

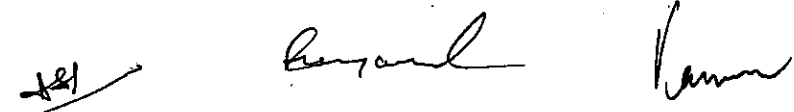
There was no person employed for the whole and/or part of the year in the Corporation drawing remuneration exceeding Rs. 60 Lakh per annum (or Rs. 5 Lakh per month) for the purpose of Section 217 (2A) of the Companies Act, 1956.

DIRECTORS

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

S. No.	Name	Designation	Working Period (for F.Y. 2011-12)	
			Appointment	Retirement/ Cessation (As on 31.03.2012)
1	Shri Navneet Sehgal	Chairman & Managing Director	13.09.2010	16.03.2012
2	Shri A.K.Awasthi	Managing Director	30.03.2012	Working
3	Shri S.K.Agarwal	Director Finance	09.01.2009	Working
4	Shri P.J.Thakkar	Director	19.05.2010	06.06.2011
5	Shri Ganesh Singh	Director	16.12.2008	30.06.2011
6	Shri Neel Ratan Kumar	Director	06.10.2010	Working
7	Shri S.K.Gupta	Director	07.06.2011	Working
8	Shri Ravi Shankar Panday	Director(Personnel Management)	21.11.2011	Working
9	Shri Ashok Kumar Singh	Director(Transmission)	21.11.2011	Working
10	Shri Sunil Kumar Garg	Director (Work & Planning)	21.11.2011	Working
11	Shri O.P.Jain	Director(Commercial)	25.11.2011	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, 2012 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, 2012 have been made on a going concern basis.

SUBSIDIARY COMPANIES

There is no subsidiary of the company.

AUDIT COMMITTEE

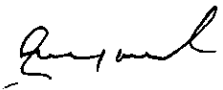
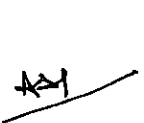
According to section 292A of the Companies Act, 1956 Board has constituted an Audit Committee consisting of the following members as on date:-

Chairman & Managing Director UPPTCL	-	Chairman
Special 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 2011-12 by C&AG of India. The Statutory Auditors have audited the accounts of the company for the year ended on 31st March 2012. 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 2012 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 acknowledges 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

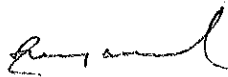


(Kamran Rizvi)

Chairman & Managing Director

Date: 20-03-2014

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.

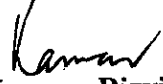
2. **Benefits derived as result of the above efforts:**
The above system will fetch the facility of remote monitoring and control of substation along with reduction in manpower.

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.

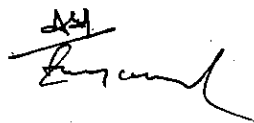
C. **FOREIGN EXCHANGE EARNING AND OUTGO:**

(I) Earnings in foreign exchange: NIL
(II) Foreign exchange outgo: NIL

For and on behalf of the Board of Directors


(Kamran Rizvi)

Chairman & Managing Director



**UTTAR PRADESH POWER TRANSMISSION
CORPORATION LIMITED**

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

BALANCE SHEET

AS AT

31.03.2012

&

PROFIT & LOSS STATEMENT

FOR THE YEAR ENDED

31.03.2012

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

CONTENTS

Sl. No.	Particulars
1	Balance Sheet
2	Profit & Loss Statement
3	Notes (1-23)
4	Significant Accounting Policies - Note 24(A)
5	Notes on Accounts - Note 24(B)
6	Cash Flow Statement

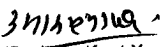
UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

BALANCE SHEET AS AT 31st MARCH, 2012

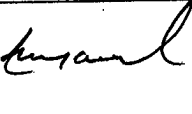
(Amount in Rs.)

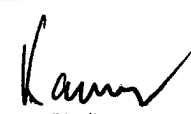
Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	4,335,500,000	4,335,500,000
(b) Reserves and surplus	2	(6,290,665,201)	(6,272,696,581)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment	3	40,089,600,000	35,999,052,000
(3) Non-current liabilities			
(a) Long-term borrowings	4	43,136,800,585	25,170,573,010
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-Term Liabilities	5	2,653,320,695	1,975,863,830
(d) Long Term Provisions		-	-
(4) Current liabilities			
(a) Short Term Borrowings	6	2,000,000,000	-
(b) Trade Payables		-	-
(c) Other Current liabilities	7	29,439,696,573	24,704,114,350
(d) Short-Term Provisions		-	-
Total		115,364,252,652	85,912,406,609
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	8	47,675,565,323	44,446,615,524
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress	9	40,403,347,463	21,283,290,307
(iv) Intangible Assets under Development		-	-
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances		-	-
(e) Other Non-Current Assets		-	-
(2) Current assets			
(a) Current Investments		-	-
(b) Inventories	10	6,418,518,932	4,738,745,189
(c) Trade Receivables	11	15,925,695,302	11,324,858,818
(d) Cash and Cash Equivalents	12	4,324,422,575	3,532,057,245
(e) Short-Term Loans and Advances	13	388,980,443	373,756,740
(f) Other Current Assets	14	227,722,614	213,082,786
Significant Accounting Policies	24(A)		
Notes on Accounts	24(B)		
Note 1 to 24(B) form Integral Part of Accounts			
Total		115,364,252,652	85,912,406,609


(Abha Sethi Tandon)
Company Secretary
(Part Time)


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


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


(S.K. Agarwal)
Director(Finance)

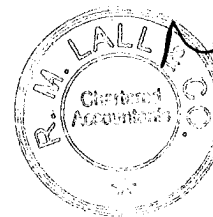

(Kamran Rizvi)
Chairman & Managing Director

Subject to our report of even date

Place: Lucknow

Date: 31st October, 2013

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



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

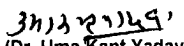
UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.


STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012

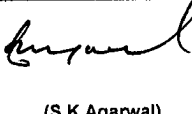
(Amount in Rs.)

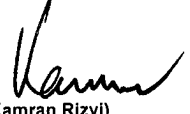
Particulars	Note No.	For the year ended 31st March 2012	For the year ended 31st March 2011
(I) Revenue from Operations (Gross)	15	9,438,141,224	8,699,459,374
(II) Other income	16	274,934,177	335,172,385
(III) TOTAL REVENUE (I+II)		9,713,075,401	9,034,631,759
EXPENSES			
1 Cost of Materials Consumed		-	-
2 Purchase of Stock-in-Trade		-	-
3 Changes in Inventories of Finished Goods, Works in Progress and Stock-in-Trade		-	-
4 Employee Benefits Expenses	17	2,281,908,006	2,777,224,274
5 Finance costs	18	2,407,921,838	2,007,806,669
6 Depreciation and Amortization Expenses	19	3,515,537,063	3,261,980,035
7 Other Expenses			
a) Administrative, General & Other Expenses	20	87,268,990	105,799,198
b) Repairs & Maintenance Expenses	21	1,187,962,527	980,585,892
c) Bad Debts & Provisions	22	421,045,040	263,424,265
(IV) TOTAL EXPENSES		9,901,643,464	9,396,820,333
V Profit / (Loss) before Prior Period Income/(Expenditure), Exceptional and Extraordinary Items and Tax (III-IV)		(188,568,063)	(362,188,574)
VI Prior Period Income/(Expenditure)	23	(338,256,003)	338,016,553
VII Exceptional Items		-	-
VIII Profit / (Loss) before Extraordinary Items and Tax (V-VI-VII)		(526,824,066)	(24,172,021)
IX Extraordinary Items		-	-
X Profit / (Loss) before Tax (VIII-IX)		(526,824,066)	(24,172,021)
XI Tax expenses:			
a) Current Tax		-	-
b) Deferred Tax		-	-
XII Profit / (Loss) for the Period from Continuing Operations (X-XI)		(526,824,066)	(24,172,021)
XIII Profit / (Loss) from Discontinuing Operations		-	-
XIV Tax Expense of Discontinuing Operations		-	-
XV Profit / (Loss) from Discontinuing Operations (After Tax) (XIII-XIV)		-	-
XVI Profit / (Loss) for the Period (XII+XV)		(526,824,066)	(24,172,021)
XVII Earnings per Equity Share:			
(a) Basic EPS		(121.51)	(5.58)
(b) Diluted EPS		(12.40)	(0.64)
Significant Accounting Policies	24(A)		
Notes on Accounts	24(B)		
Note 1 to 24(B) form Integral Part of Accounts			


(Abina Sethi Tandon)
Company Secretary
(Part Time)


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


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


(S.K. Agarwal)
Director(Finance)

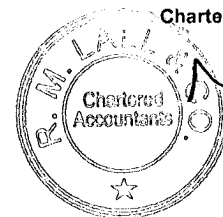

(Kamran Rizvi)
(Chairman & Managing Director)

Place: Lucknow

Date: 31st October, 2013

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE '1' - SHARE CAPITAL		
(A) Authorised Capital		
100000000 Equity Shares of par value Rs 1000 each (Previous year 100000000 Equity share of par value Rs 1000 each)	100,000,000,000	100,000,000,000
(B) Issued, Subscribed and Paid-up Capital		
4335500 Equity Shares of par value Rs 1000 each issued for cash (Previous year 4335500 Equity Shares of par value Rs 1000 each)	4,335,500,000	4,335,500,000
Total	4,335,500,000	4,335,500,000

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

	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	4335500	4,335,500,000	4335500	4,335,500,000
Shares Issued during the year- Fresh Issue	-	-	-	-
Shares outstanding at the end of the year	4335500	4,335,500,000	4335500	4,335,500,000

(B) Terms / Rights attached to Equity Shares

- (i) The Company has only one class of Equity Shares having a par value of Rs 1000/- per share.
(ii) During the year, the company has not issued/bought back any shares.
(iii) During the year ended 31st March 2012, no dividend has been declared by board due to heavy accumulated losses.

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

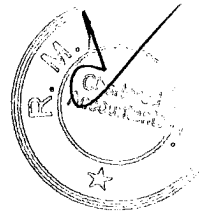
	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
Name of Shareholder	No. of Shares	% Holding	No. of Shares	% Holding
Hon'ble Governor of Government of U.P.	4285500	98.85%	4285500	98.85%

Asp

31/03/2012

Asp

Kumar



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE '2' - RESERVES & SURPLUS		
(a) Capital Reserve		
Consumer Contribution towards Capital Works		
Balance as per last Balance Sheet	2,282,435,054	2,089,182,807
Add: Addition during the year	1,218,920,406	304,856,193
Less: Deduction during the year	131,272,088	111,603,946
Closing Balance	3,370,083,372	2,282,435,054
(b) Restructuring Reserve		
Balance as per last Balance Sheet	1,807,231,000	1,807,231,000
Add: Addition during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	1,807,231,000	1,807,231,000
(c) Surplus in Profit & Loss Statement		
Balance as per last Balance Sheet	(10,362,362,635)	(10,338,190,614)
Add : Accumulated loss pertaining prior to transfer scheme	(578,792,872)	-
Add : Trf. from Statement of Profit & Loss	(526,824,066)	(24,172,021)
Closing Balance	(11,467,979,573)	(10,362,362,635)
Total	(6,290,665,201)	(6,272,696,581)

NOTE '3' - SHARE APPLICATION MONEY

Share Application Money pending for allotment	40,089,600,000	35,999,052,000
Total	40,089,600,000	35,999,052,000

Reconciliation of Share Application Money

Share Application Money as on 31.03.2011	Received during the year	Allotted during the year	Share Application Money as on 31.03.2012
35999052000	4090548000	-	40089600000

~~A&J~~

31/03/2012

Chal

Amranch

Kumar



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
 (Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
-------------	------------------	------------------

NOTE '4' - LONG TERM BORROWINGS

Secured Loans

Term loans

From Others	37,636,043,570	17,997,188,589
(Secured by exclusive charge on asset created under the PFC & REC Scheme)		

Unsecured Loans

Term loans

From Government of U.P.	997,146,000	997,146,000
From Others	<u>7,035,271,923</u>	<u>8,720,059,707</u>
(All the above loans are guaranteed by Govt of U.P.)		

Sub-Total of Secured & Unsecured Loans	45,668,461,493	27,714,394,296
---------------------------------------------------	-----------------------	-----------------------

Less: Current Maturity of Long Term Borrowings (Refer Annexure A)	2,531,660,908	2,543,821,286
----------------------------------------------------------------------	---------------	---------------

Total	43,136,800,585	25,170,573,010
--------------	-----------------------	-----------------------

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

AS1

3/11/2012

[Signature]

[Signature]

[Signature]



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

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

Annexure A to Note 4
(Amount in Rs.)

Loans	Security & Guarantee Details	Interest Rate	Repayment Terms	Balance as on 31.03.2011 (A)	Current Maturity for Long term debt (F.Y. 10-11) (B)	Long term borrowing as on 31.03.2011 C=(A-B)	Loan received during the year (F.Y. 11-12) (D)	Loan repaid during the year (F.Y. 11-12) (E)	Balance as on 31.03.2012 F=(A+D-E)	Current Maturity for Long term debt (F.Y. 11-12) (G)	Long term borrowing as on 31.03.2012 H=(F-G)
(A) Secured (i) Power Finance Corporation Ltd(Hypo)	Secured by hypothecation of Lines & Substations under the PFC scheme	8.75% to 13.25%	Forty to sixty equal quarterly installments.	8632762119	750217320	7882544799	6704695518	750217320	14587240317	935335880	13651904437
(ii) Power Finance Corporation Ltd(BLC)	Secured by hypothecation of Lines & Substations under the PFC scheme	13.75%	Forty equal quarterly installments	114126925	65215387	48911538	0	65215387	46911538	48911538	0
(iii) Rural Electrification Corporation Ltd (Transmission)	Secured by hypothecation of Lines & Substations under the REC scheme	11% to 13%	One hundred twenty equal monthly installments	9250299545	0	9250299545	13749592171	0	22999891715	201487511	22798394204
Total (A)				17997188589	815432707	17181755882	20454287689	815432707	37636043570	1185744929	36450298641
(B) Unsecured (i) Power Finance Corporation Ltd(Govt Guarantee)	Guaranteed by Govt. of U.P.	8.75% to 13.25%	Forty equal quarterly installments	4062557937	586540239	3476017698	0	586540239	3476017698	584779168	2891238530
(ii) Rural Electrification Corporation Ltd (Reschedule)	Guaranteed by Govt. of U.P.	10.11%	One hundred eighty equated monthly installments(EMI)	853971650	201853497	652118153	0	201853497	652118153	93270566	558847587
(iii) Rural Electrification Corporation Ltd (Transmission)	Guaranteed by Govt. of U.P.	11% to 13%	One hundred twenty equal monthly installments	907629600	90762960	816866640	0	181525920	726103680	90762960	635340720
(iv) Rural Electrification Corporation Ltd (UPPCL)	Guaranteed by Govt. of U.P.	11% to 12.50%	One hundred twenty equal monthly installments	2382295520	288763128	2093532392	0	288763128	2093532392	288763128	1804769264
Total (i+ii+iii+iv)				8206454707	1167919824	7038534883	0	1258682784	6947771923	1057575822	5890196101
(v) Govt of U.P.	Guaranteed by Govt. of U.P.	13.5% to 15.25%	Ten equal annually installments to thirty semi-annual installments	997146000	134363755	862782245	0	0	997146000	200840157	796305843
Total (v)				997146000	134363755	862782245	0	0	997146000	200840157	796305843
(vi) National Capital Region Planning Board	Guaranteed by Govt. of U.P.	7%	Six to Eight equal annual installments	179925000	92425000	87500000	0	92425000	87500000	87500000	0
(vii) HUDCO	Guaranteed by Govt. of U.P.	11.25%	Sixty equal monthly installments	333680000	333680000	0	0	333680000	0	0	0
Total (vi+vii)				513665000	426105000	87500000	0	426105000	87500000	87500000	0
Total (B)				9717205707	1728388579	7988817128	0	168478784	8032417923	1345919979	6686501944
Grand Total (A + B)				27714394296	2543821286	25170573010	20454287689	2500220491	45668461493	2531660908	43736900585

Note: In F.Y. 2010-11, loan repayment to REC of Rs. 90762960 was accounted for under secured loans instead of unsecured loans which has now been rectified in F.Y. 2011-12 and same is included in the columns of loans received and repaid during the year accordingly.



[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

DISCLOSURES OF DEFAULT IN DEBT SERVICING AS REQUIRED IN SCHEDULE-VI

Annexure-B to Note 4
(Amount in Rs.)

Loans	Repayment Terms				Default as on 31.03.2011			Default as on 31.03.2012				
	Date of Restructuring	Installments	Repayment Due from	Rate of Interest(%)	Principal	Interest	Principal Default w.e.f	Interest Default w.e.f	Principal	Interest	Principal Default w.e.f	
<u>Unsecured</u>												
(i) Govt of U.P.	2003-04	180 (monthly)	2010-11	13.5% to 15.25%	-	4592823032	-	2007-08	134363755	4653100960	2011-12	2007-08
Total					-	4592823032			134363755	4653100960		

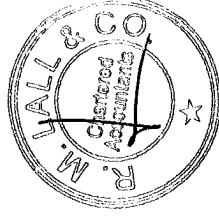
[Signature]

31/03/2012

[Signature]

[Signature]

[Signature]



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
 (Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
<u>NOTE '5' - OTHER LONG-TERM LIABILITIES</u>		
Interest accrued but not due on REC	2,653,320,695	1,975,863,830
Total	2,653,320,695	1,975,863,830

NOTE '6' - SHORT-TERM BORROWINGS

Unsecured

Loans Repayable on Demand

From Financial Institutions	2,000,000,000	-
Total	2,000,000,000	-

Note- Term loan of Rs 2,000,000,000 from Power Finance Corporation is guaranteed by Govt of U.P. Interest rate is 13%. This loan is repaid in four equal monthly installments of Rs 513,600,000 each.

ARI

31/03/2012

Chell

Sanjay

Vijay



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE '7' - OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Debt	2,531,660,908	2,543,821,286
Interest accrued & due on borrowings		
Govt. of U.P.	4,653,100,960	4,592,823,032
REC	57,695,183	351,006,083
Interest accrued but not due on borrowings	452,647,932	301,694,846
Liability for Capital Supplies/Works	8,276,497,201	6,201,833,542
Liability for O & M Supplies/Works	526,906,705	379,011,269
Staff Related Liabilities	1,583,284,999	1,768,097,127
Deposit & Retentions from Suppliers & Others	2,531,834,268	1,205,307,864
Deposit for Electrification Works	5,900,877,593	5,847,085,600
Inter-Corporation Balances		
UPPCL	573,648,576	151,190,925
KESCO	18,469,745	17,416,643
Dakshinanchal VVNL	46,889,751	34,322,066
Madhyanchal VVNL	226,691,318	92,353,694
Paschimanchal VVNL	11,584,954	16,048,404
Poorvanchal VVNL	38,394,203	40,295,579
Inter-Unit Transfers	564,622,438	181,085,141
Sundry Liabilities	36,426,149	54,424,731
Liabilities for Expenses	68,485,809	47,050,491
Liabilities towards UP Power Sector Employee Trust		
Provident Fund Liabilities	615,516,097	369,917,362
Pension & Gratuity Liability	651,920,074	486,385,886
Liabilities towards UPPCL CPF Trust		
CPF Liability	72,529,002	22,930,071
Balance with Government Authorities:		
Fringe Benefit Tax - Provision	12,183,959	12,183,959
Less: Advance Tax	12,171,251	12,171,251
	12,708	12,708
Total	29,439,696,573	24,704,114,350

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









UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE OF FIXED ASSETS AS AT 31.03.2012

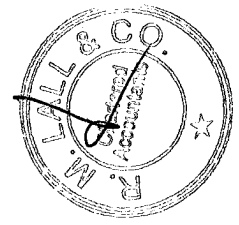
NOTE - 08
(Amount in Rs.)

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET CARRYING VALUE		
	As at 01.04.2011	Addition	Deduction/ Adjustment	As at 31.03.2012	As at 01.04.2011	For the year	Deduction/ Adjustment	As at 31.03.2012	Balance as at 31.03.2011
Land & Land Rights (i) Land Owned under full title	312,072,343	4,383,157	-	316,455,500	-	-	-	316,455,500	312,072,343
(ii) Land Owned under Lease	532,054	51,764,518	-	52,296,572	-	-	-	52,296,572	532,054
Buildings	2,485,002,715	298,195,947	885,551	2,782,313,111	844,374,004	81,106,845	443,662	1,857,275,924	1,640,628,711
Other Civil Works	432,941,825	5,788,246	-	438,730,071	165,692,421	7,519,411	-	265,518,239	267,249,404
Plant & Machinery	39,286,679,930	5,428,398,086	686,974,425	44,028,103,591	13,863,361,389	2,006,127,093	246,947,539	28,405,562,648	25,423,318,541
Lines, Cables Network etc.	31,923,910,869	1,551,662,180	17,973,218	33,457,599,831	15,483,728,298	1,611,399,883	8,664,641	16,371,136,291	16,440,182,571
Vehicles	35,814,475	346,316	676,587	35,484,204	26,353,377	3,265,080	538,152	6,403,899	9,461,098
Furniture & Fixtures	13,618,497	832,413	6,300	14,444,610	5,929,894	872,231	3,564	7,646,049	7,688,603
Office Equipments	22,775,820	3,746,974	71,010	26,451,784	15,046,640	1,880,052	46,416	9,571,508	7,729,180
Other assets	616,155,389	83,864,141	-	700,019,530	278,402,370	37,918,467	-	383,698,693	337,753,019
Total	75,129,503,917	7,428,981,978	706,587,091	81,851,898,804	30,682,888,393	3,750,089,062	256,643,974	47,675,565,323	44,446,615,524

Previous Year 70,857,997,074 4,990,841,822 719,334,979 75,129,503,917 27,576,359,122 3,403,590,269 297,060,998 30,682,888,393 44,446,615,524 43,281,637,952

AS 3/12/2012 *Adh*

Samant *Kumar*



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
 (Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
 14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
Note '9' - Capital Work in Progress		
Capital Work in Progress *	16,346,447,078	10,400,568,704
Revenue Expenses pending for Capitalisation upto Previous Year **	908,633,742	536,655,000
Add: Addition during the year	1,891,889,000	786,487,000
Less: Capitalisation during the year	<u>584,745,128</u>	<u>414,508,258</u>
	2,215,777,614	908,633,742
Sub Total(A)	18,562,224,692	11,309,202,446
Advances to Suppliers/Contractors	22,657,852,633	10,371,090,538
Less: Provision for Doubtful Advances against Capital Works	<u>816,729,862</u>	<u>397,002,677</u>
	21,841,122,771	9,974,087,861
Sub Total(B)	21,841,122,771	9,974,087,861
Grand Total(A+B)	40,403,347,463	21,283,290,307

Notes:-

* It includes Establishment and Administration & General Cost

** It includes Borrowing Cost only related to works

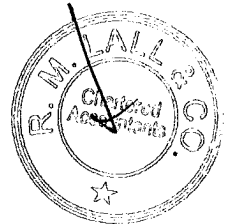
AS

अभिषेक

AS

AS

AS



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE '10' - INVENTORY		
Stores & Spares		
(a) Stock of Materials-Capital Works	6,243,007,505	4,830,879,148
(b) Stock of Materials-O&M	446,609,517	223,933,064
(c) Other Materials*	134,317,746	89,430,849
	6,823,934,768	5,144,243,061
Sub Total	6,823,934,768	5,144,243,061
Less: Provision for Obsolete /Unserviceable /Shortage/Loss of Stores	405,415,836	405,497,872
Total	6,418,518,932	4,738,745,189

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

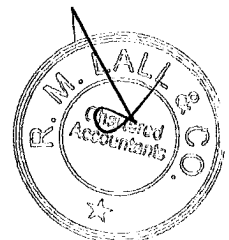
NOTE '11' - TRADE RECEIVABLES

Unsecured, Considered Good		
a) Outstanding for a period exceeding six months from the date they are due for payment	11,566,047,933	7,666,479,880
b) Other Debts	4,359,647,369	3,835,950,238
Sub Total	15,925,695,302	11,502,430,118
Less: Provision for Bad & Doubtful Debts	-	177,571,300
Total	15,925,695,302	11,324,858,818

NOTE '12' - CASH AND CASH EQUIVALENTS

(a) Cash in Hand (including Stamps in Hand)	550,271	578,265
(b) Balance with Banks		
In Current & Other Account	2,297,477,784	2,299,091,926
In Fixed Deposit Account	2,026,394,520	1,232,387,054
Total	4,324,422,575	3,532,057,245





UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

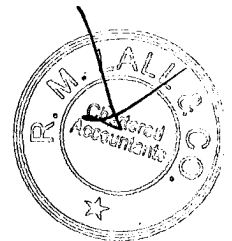
(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE '13' - SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advances to Employees (Adjustable/recoverable from salary)	2,516,052	1,476,119
Tax Deducted at Source	27,203,692	19,749,413
Advances to Suppliers/Contractors	399,178,554	391,701,342
Less: Provision for Doubtful loan & Advances	<u>39,917,855</u>	<u>39,170,134</u>
Total	388,980,443	373,756,740

NOTE '14' - OTHER CURRENT ASSETS

Unsecured, Considered Good			
Inter Corporation Balances :			
UPRVUNL	101,686,569	92,937,035	
UPJVNL	<u>3,279,804</u>	<u>2,034,239</u>	94,971,274
Receivables :			
Employees	38,336,285	39,124,342	
Others	<u>116,359,340</u>	<u>109,869,946</u>	
Total	<u>154,695,625</u>	<u>148,994,288</u>	
Less: Provision for Doubtful Receivables	<u>32,263,833</u>	<u>31,693,699</u>	117,300,589
Interest accrued but not due on F.D.	237,882	718,919	
Prepaid Expenses	86,567	92,004	
Theft of Fixed Assets pending investigation	1,045,672	1,045,672	
Less: Provision for Estimated Losses	<u>1,045,672</u>	<u>1,045,672</u>	-
Total	227,722,614	213,082,786	





UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
-------------	----------------------------------	----------------------------------

NOTE '15' - REVENUE FROM OPERATIONS

Sale of Services

Transmission Charges	8,927,374,053	7,977,278,418
Open Access Charges	494,468,071	708,435,757
SLDC Charges	16,299,100	13,745,199

Revenue from operations (Gross)	9,438,141,224	8,699,459,374
----------------------------------------	----------------------	----------------------

Less: Excise Duty/Service Tax Recovered	-	-
-----------------------------------------	---	---

Revenue from Operation (Net)	9,438,141,224	8,699,459,374
-------------------------------------	----------------------	----------------------

NOTE '16' - OTHER INCOME

Interest Income on :

Fixed Deposits	32,489,165	109,944,511
Loans to Staff	74,632	133,357
Others	746,962	85,823
	33,310,759	110,163,691

Other Non-Operating Income

Income from Contractors/Suppliers	201,587,515	169,953,492
Rental From Staff	535,061	556,348
Miscellaneous Receipts	39,182,438	54,498,854
Subsidies and Grants Received (against loss on account of flood, fire, cyclone etc.)	318,404	-

Total	274,934,177	335,172,385
--------------	--------------------	--------------------

NOTE '17' - EMPLOYEE BENEFIT EXPENSES

Salaries & Allowances	1,697,584,662	1,932,885,375
Dearness Allowance	945,514,654	731,229,369
Bonus/ Ex-gratia	20,902,240	18,621,262
Other Allowances	128,197,817	132,544,732
Pension & Gratuity	431,486,752	417,801,004
Medical Expenses(Re-imburement)	17,518,054	25,473,277
Leave Travel Assistance	1,401,470	1,001,372
Earned Leave Encashment	223,523,053	242,330,905
Compensation	574,551	258,373
Contribution to Provident & Other Funds	42,445,495	36,989,535
Expenditure on Trust	2,794,665	2,582,857
Staff Welfare Expenses	2,697,209	2,965,218

Sub Total	3,514,640,622	3,544,683,279
------------------	----------------------	----------------------

Less: Expenses Capitalised	1,232,732,616	767,459,005
----------------------------	---------------	-------------

Total	2,281,908,006	2,777,224,274
--------------	----------------------	----------------------

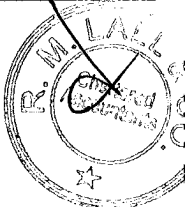
ARJ

31/03/2012

Chid

Kumar

Kumar



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
NOTE '18' - FINANCE COSTS		
(A) Interest expenses		
(i) Long term loans		
Government of UP	145,429,392	166,717,258
PFC	1,696,492,475	1,374,680,922
HUDCO	18,991,697	31,655,638
NCRPB	12,092,308	18,347,742
REC	<u>2,398,747,101</u>	<u>1,163,607,501</u>
	4,271,752,973	2,755,009,061
(ii) General Provident Fund	-	83,862
(B) Other Borrowings Cost		
Guarantee Charges	27,702,492	37,787,247
Bank Charges	355,373	1,413,499
Sub Total	4,299,810,838	2,794,293,669
Less: Interest Capitalised	1,891,889,000	786,487,000
Total	2,407,921,838	2,007,806,669

NOTE '19' - DEPRECIATION & AMORTIZATION

EXPENSES

Depreciation on Fixed Assets :

Buildings	80,299,566	72,881,155
Other Civil Works	7,535,092	7,419,457
Plant & Machinery	1,954,853,189	1,778,466,429
Lines, Cable Network etc.	1,550,930,668	1,470,785,426
Vehicles	3,223,111	3,830,886
Furniture & Fixtures	872,231	777,252
Office Equipments	2,758,279	3,611,444
Other Assets	<u>37,918,500</u>	<u>29,164,997</u>
	3,638,390,636	3,366,937,046

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

122,853,573

104,957,011

Total

3,515,537,063

3,261,980,035

A&I

31/03/2012

Adil

Kumar

Kumar



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
NOTE '20' - ADMINISTRATIVE, GENERAL & OTHER EXPENSES		
Payment to Auditor		
(a) Audit fee	666,182	666,182
(b) Reimbursement of Out of Pocket Expenses	586,825	566,826
Advertisement Expenses	13,360,172	12,814,335
Communication Charges	18,479,362	17,319,726
Consultancy Charges	661,094	1,328,959
Electricity Expenses	5,186,440	4,494,294
Entertainment	290,522	271,226
Expenditure on Trust	218,707	146,602
Insurance	260,905	2,372,388
Legal Charges	10,927,078	13,386,439
Miscellaneous Expenses	43,253,550	49,484,407
Printing & Stationery	6,544,193	6,294,067
Rates & Taxes	31,130	560,425
Rent	1,752,239	2,125,920
Technical Fees & Professional Charges	6,778,028	6,236,749
Travelling & Conveyance	38,453,033	28,002,204
Water Charges	27,707	22,822
Sub Total	147,477,167	146,093,571
Less: Expenses Capitalised	60,440,647	40,419,373
Sub Total	87,036,520	105,674,198
Compensation(Other than staff)	-	125,000
Other losses	232,470	-
Total	87,268,990	105,799,198

NOTE '21' - REPAIRS & MAINTENANCE EXPENSES

Plant & Machinery	994,621,426	838,037,787
Buildings	45,305,747	51,512,677
Other Civil Works	86,850	20,147
Lines, Cables Networks etc.	147,528,003	90,185,839
Vehicles-Expenditure	40,636,988	30,898,487
Less: Transferred to Different Capital & O&M Works /Administrative Exp.	40,636,988	30,898,487
Furniture & Fixtures	10,243	41,210
Office Equipments	410,258	788,232
Total	1,187,962,527	980,585,892

Asst

31/03/2012

Adil

Kumar



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
NOTE '22' - BAD DEBTS & PROVISIONS		
Doubtful advances(Suppliers/Contractor)	747,721	4,273,820
Doubtful other Current Assets(Receivables)	570,134	1,545,399
Doubtful advances against Capital works	419,727,185	257,605,046
Total	421,045,040	263,424,265
NOTE '23' - NET PRIOR PERIOD INCOME /(EXPENDITURE)		
(a)Income		
Interest Income	2259625	-
Other Income	(150258)	38,122,388
Other Excess Provisions	177571300	350,847,051
Sub Total (A)	179,680,667	388,969,439
(b)Expenditure		
O&M Expenses	52,312,673	64,774
Employee Cost	6,700,400	21,869,998
Interest & Finance Charges	345,164,556	(730,555)
Administrative & General Exp	10,479,130	(257,618)
Depreciation under/excess provided	103,279,911	30,006,287
Sub Total (B)	517,936,670	50,952,886
Net Amount (A-B)	(338,256,003)	338,016,553

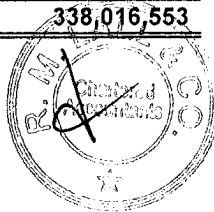
AS1

अनुमोदित

AS1

Kumar

Verman



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

NOTE NO. 24(A)

SIGNIFICANT ACCOUNTING POLICIES

1). GENERAL

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

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

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

2). FIXED ASSETS

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

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

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

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

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

In case of Capital Transmission works

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

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

ASJ

31/12/2019

Paul

Kumar

Kumar



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

3). DEPRECIATION

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

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

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

4). STORES & SPARES

(a) Stores & Spares are valued at cost.

(b) Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.

(c) Any shortage/excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization of investigation.

5). REVENUE RECOGNITION

(a) Transmission revenue is incorporated in the accounts on the basis of tariff approved by the UPERC for intra-state transmission of energy. Any difference in transmission tariff approved by UPERC and the actual tariff presented in the true-up on the basis of audited accounts is accounted for on the decision of the UPERC on true-up petition.

(b) In case of Inter State transmission, revenue from transmission of energy /open access is recognized /accounted for on cash basis at the tariff approved by NRLDC.

6). All prior period income & expenditure are shown in the current period as a distinct item.

7). EMPLOYEE BENEFITS

(a) Liability for Pension and Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.

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

ARJ 31/12/2019 Paul Rupam Kanwar



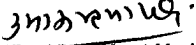
8). PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS


(a) Accounting of the Provisions has been made on the basis of estimated expenditure to the extent possible as may be required to settle the present obligation.

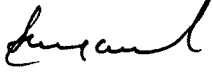
(b) Contingent liabilities have been disclosed in the Notes on Accounts.

(c) The Contingent assets of unrealisable income have not been recognised.


(Abha Sethi Tandon)
Company Secretary
(Part Time)


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


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


(S.K. Agarwal)
Director(Finance)

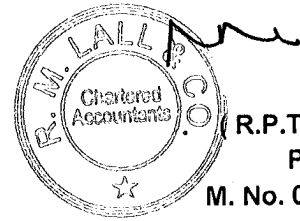

(Kamran Rizvi)
(Chairman & Managing Director)

Subject to our report of even date

Place: Lucknow

Date: 31st October, 2013

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)

NOTE NO. 24(B)

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2012 AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON THAT DATE

1. (a) The Uttar Pradesh Power Transmission Corporation Limited(UPPTCL) came into existence when in compliance to GO UP letter No. 293 dated 16.05.2006 , the Name and Object Clause of the Memorandum of Association of the erstwhile Uttar Pradesh Vidyut Vyapar Nigam Limited (incorporated on 31.05.2004) was changed on 13.07.2006.

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

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

2. Share application money(pending for allotment) amounting to Rs 4008.96 crores(Previous year Rs.3599.91 crores) includes share capital of Rs.1263.97 crores and share application money Rs.579 crores transferred under the Provisional Transfer Scheme. The balance amount of Rs.2165.99 crores was received towards equity.

3. (a) The provision for bad and doubtful debts on debtors related to revenue from transmission of power has not been made.

(b) The provision for doubtful loans and advances has been made @10% on the balances of suppliers/contractors appearing under the head "Loans and Advances"/"Capital Work-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 crores in ETLEU, Varanasi where 100% provision has been made in the earlier year.

4. Inter Unit Transactions: The Reconciliation of balance of Inter Unit Transactions of Rs. 56.46 crores (credit) shown in the Balance Sheet(Previous year credit balance of Rs.18.11 crores) is in process and effect of reconciliation, if any, will be accounted for in the accounts of subsequent years.

5. (a) Where historical cost of a discarded/retired/obsolete fixed assets 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 the Schedule-XIV of Companies Act, 1956. Depreciation on addition/deductions has been provided on pro-rata basis.

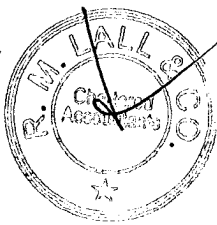
Asst

31/12/2011

Paul

Luganul

Kumar



(c) Formalities for transfer of title of assets(transferred under the above Provisional Transfer Scheme) in favour of Corporation(UPPTCL) is in process.

(d) During the year ended 31.03.2012, the disclosure regarding the fact that "The Fixed Assets are depreciated up to 95% of original cost" have been added to Significant Accounting Policies at point no. 3(c) to have a better disclosure which have no financial impact.

6. On the overall basis the assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the balance sheet.

7. Outstanding dues of REC as on 31.12.2002 were rescheduled for 22 years w.e.f. 01.01.03. As per the agreement interest accrued but not due of Rs 57.88 crores for the period upto 31.03.2007 i.e. before the commencement of business of UPPTCL is booked as addition to accumulated losses transferred to UPPTCL under the Provisional Transfer Scheme.

8. 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.

9. The transmission charges related to intra-state transmission of energy has been accounted for on the basis of tariff approved by the UPERC i.e.Rs.0.1260/kwh.

10. As a part of separate function of SLDC, the company is maintaining separate account for SLDC. The break-up of charges relating to SLDC shown separately in the Note-15 is given below.

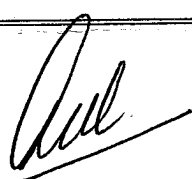


(Amount in Rs.)		
Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Annual Charges	6,300,050	4,900,000
Application fee/Concurrence fee	925,000	635,000
Misc.Income	287,050	-
SLDC Charges	8,787,000	8,210,199
Total	16,299,100	13,745,199

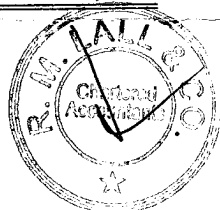
11. Auditor Remuneration :-

(Amount in Rs.)		
Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Statutory Auditors :-		
As Audit fee	666,182	666,182
Reimbursement of Out of Pocket Exps.	586,825	566,826
Total	1,253,007	1,233,008

12. Earning/Expenditure in foreign currency :-

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
(a) CIF value of Imports	NIL	NIL
(b) Earning in Foreign Currency	NIL	NIL
(c) Any Expenditure In Foreign Currency		
Travelling Expenses(USD)	-	2,475
Travelling Expenses(RMB)	-	12,264
Consultation Charges(USD)	404,673	-
Total	404,673	14,739

ASJ 31/3/2012






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

14. The Chairman, Managing Director and other directors who have been appointed/posted by the Govt of U.P. for the UPPCL and have the additional charge of the company also, have drawn their remuneration from the UPPCL as per their entitlement.

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 LTC are accounted for on the basis of claims received and approved during the year.

16. Employees benefit expense(Note-17) and administrative, general & other expenses(Note-20) include Rs 28.25 crore being 25% of the common expenditure debited by U.P.Power Corporation Ltd.

17. 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 10.

18. RELATED PARTY INFORMATION :-

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

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

I. Key management personnel & their relatives:

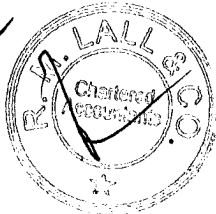
Name	Designation	Working Period (for F.Y. 2011-12)	
		Appointment	Retirement/ Cessation as on 31.03.2012
Shri Navneet Sehgal	Chairman & Managing Director	13.09.2010	16.03.2012
Shri A.K.Awasthi	Managing Director	30.03.2012	Working
Shri S.K.Agarwal	Director Finance	09.01.2009	Working
Shri P.J.Thakkar	Director	19.05.2010	06.06.2011
Shri Ganesh Singh	Director	16.12.2008	30.06.2011
Shri Neel Ratan Kumar	Director	06.10.2010	Working
Shri S.K.Gupta	Director	07.06.2011	Working
Shri Ravi Shankar Panday	Director(Personnel Management)	21.11.2011	Working
Shri Ashok Kumar Singh	Director(Transmission)	21.11.2011	Working
Shri Sunil Kumar Garg	Director(Work & Planning)	21.11.2011	Working
Shri O.P.Jain	Director(Commercial)	25.11.2011	Working

b) Transactions

(Amount in Rs.)

Particulars	2011-12	2010-11
	Referred in (a) (I)	Referred in (a) (I)
Salary & Allowances	1025473	Nil
Contribution to Gratuity/Pension/PF	98300	Nil
Debts due from Directors	Nil	Nil

A&I *श्री अशोक सिंह* *Awasthi* *Agarwal* *Kumar*



(c) The company has no related party enterprises other than state owned enterprises, detail/transactions of which have not been disclosed in view of Para '9' of AS-18 "Related Party Disclosures" which exempts State Controlled Enterprises from making any disclosure pertaining for their transactions with other related parties which are also State Controlled.

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

(Amount in Rs.)		
Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
(I) Basic EPS		
Profit after Tax as per Profit & Loss A/c (A)	(526,824,066)	(24,172,021)
Weighted Average Number of Equity Shares (B)	4335500	4335500
Basic Earning Per Share (A/B)	(121.51)	(5.58)
Face Value per share	1000	1000
(II) Diluted EPS		
Profit after Tax as per Profit & Loss A/c (A)	(526,824,066)	(24,172,021)
Weighted Average Number of Equity Shares (B)	42497977	37501219
Diluted Earning Per Share (A/B)	(12.40)	(0.64)
Face Value per share	1000	1000




20. An accounting of Deferred Tax Assets has not been considered in accounts on prudent basis as the company is not certain about income in near future due to unabsorbed accumulated losses of Rs 1146.80 crore. It includes the accumulated loss amounting to Rs 976.27 crore which has been transferred by the UPPCL under the Provisional transfer scheme and Rs 57.88 crore which has further been debited this year relating to Provisional 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.

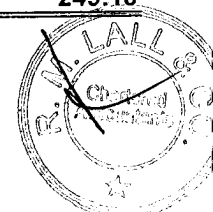
21. In the opinion of management, there is no specific indication of impairment of any assets as on balance sheet date as envisaged by As 28 of ICAI. Further, the assets of the corporation have been accounted for at their historical cost and most of the assets are very old where the impairment of assets is very unlikely.

22. Energy transmitted/wheeled during the year was 70371.050500 MU. (Previous year-62268.448189 MU)

23. Contingent Liabilities and Commitments(to the extent not provided for)

(Rs. in Crores)		
Particulars	As at 31.03.2012	As at 31.03.2011
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided	1033.44	222.52
(ii) Other claims against company not acknowledged as debts	29.85	26.66
Total	1063.29	249.18

ASJ 3/12/2012






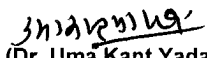
24. Disclosure as per AS-29 is as under :-


Particulars	Movement of Provisions			
	Balance as on 01.04.2011	Provision made during the year	Provision adjusted during the year	Balance as on 31.03.2012
	Rs.	Rs.	Rs.	Rs.
(i) Provision for doubtful advances against capital works	397,002,677	419,727,185	-	816,729,862
(ii) Provision for obsolete /unserviceable/shortage/loss of stores	405,497,872	-	82,036	405,415,836
(iii) Provision for bad & doubtful debts	177,571,300	-	177,571,300	-
(iv) Provision for doubtful receivables	31,693,699	570,134	-	32,263,833
(v) Provision for losses due to theft of fixed assets	1,045,672	-	-	1,045,672
(vi) Provision for doubtful advances against O&M works	39,170,134	747,721	-	39,917,855
Total	1,051,981,354	421,045,040	177,653,336	1,295,373,058

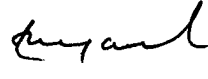
25. Financial statements for the year have been prepared following the provisions of Schedule-VI of Companies Act 1956 as revised by Govt. of India vide Notification no. 447(E) dated 28 February, 2011 read with Notification No.[F. No. 2/6/2008-C.L.-V] dated 30.03.2011, as such corresponding figures of the year/ Opening balances have been regrouped/ rearranged/ recasted wherever necessary to comply with the requirements of Revised Schedule-VI.

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


(Abha Sethi Tandon)
Company Secretary
(Part Time)


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


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


(S.K. Agarwal)
Director(Finance)


(Kamran Rizvi)
(Chairman & Managing Director)

Subject to our report of even date

Place: Lucknow
Date: 31st October, 2013

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.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

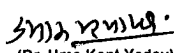
(Amount in Rs.)

S.No.	Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
A)	Cash Flow from Operating Activities		
	Net Profit/Loss before Prior Period Income & Expenditure & Tax	(188,568,063)	(362,188,574)
	Adjustment for :-		
a)	Depreciation	3,750,089,062	3,403,590,270
b)	Interest & Finance Charges	2,407,921,838	2,007,806,669
c)	Provision for Bad & Doubtful Debts	421,045,040	263,424,265
d)	Provision for Bad & Doubtful Debts written back(Loans & Advances)	(177,571,300)	-
e)	Provision for obsolete/unserviceable/shortage/loss of stores adjusted	(82,036)	(126,915)
f)	Interest Income	(33,310,760)	(110,163,691)
g)	Prior Period Expenditure (Net)	(338,256,003)	338,016,553
h)	Accumulated loss pertaining prior to transfer scheme	(578,792,872)	-
	Operating Profit Before Working Capital Changes	5,262,474,908	5,540,358,577
	Adjustment for :-		
a)	Decrease/(Increase) in Inventories	(1,679,691,708)	(848,380,072)
b)	Decrease/(Increase) in Trade Receivables	(4,423,265,184)	(5,191,544,083)
c)	Decrease/(Increase) in Other Current Assets	(15,209,961)	(48,062,219)
d)	Decrease/(Increase) in Short-Term Loans & Advances	(15,971,425)	(53,161,840)
e)	Increase/(Decrease) in Short-Term Borrowing	2,000,000,000	-
f)	Increase/(Decrease) in Other Current Liabilities	4,735,582,225	10,379,811,639
	Cash Generated from Operations	5,863,918,853	9,779,022,002
	Taxes paid	-	-
	Net cash flow from Operating Activities (A)	5,863,918,853	9,779,022,002
B)	Cash Flow from Investing Activities		
a)	Decrease/(Increase) in Fixed Assets	(7,428,981,978)	(4,990,841,822)
a(i)	Fixed Assets adjusted/deducted	706,587,091	719,334,979
a(ii)	Depreciation Reserve adjusted/deducted	(256,643,974)	(297,060,998)
b)	Decrease/(Increase) in Work-in-Progress	(19,539,784,341)	(10,158,086,555)
c)	Interest received	33,310,759	110,163,691
	Net cash used in Investing Activities (B)	(26,485,512,443)	(14,616,490,705)
C)	Cash Flow from Financing Activities		
a)	Proceeds from Borrowings(Net)	17,966,227,575	(3,046,858,607)
b)	Proceeds from Share Capital	-	-
c)	Proceeds from Share Application Money	4,090,548,000	5,000,000,000
d)	Other Long-term Liabilities	677,456,865	1,975,863,830
e)	Proceeds from Consumers Contribution & Go Up Capital Subsidy	1,218,920,406	304,856,193
e(i)	Amount amortized	(131,272,088)	(111,603,946)
f)	Interest & Financial Charges paid	(2,407,921,838)	(2,007,806,669)
	Net cash flow from Financing Activities (C)	21,413,958,920	2,114,450,801
	Net Increase/(Decrease) In cash & cash equivalents (A+B+C)	792,365,330	(2,723,017,902)
	Cash & cash equivalents as at beginning of the year	3,532,057,245	6,255,075,147
	Cash & cash equivalents as at end of the year	4,324,422,575	3,532,057,245

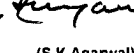
Notes to the Cash flow Statement:

- (i) Cash & cash equivalents as at end of the year:-
- | | | |
|----------------------------|----------------------|----------------------|
| Cash in hand | 550,271 | 578,265 |
| Balances with banks | | |
| In Current & Other Account | 2,297,477,784 | 2,299,091,926 |
| In Fixed Deposit Account | 2,026,394,520 | 1,232,387,054 |
| Total | 4,324,422,575 | 3,532,057,245 |
- (ii) This statement has been prepared under indirect method as prescribed by AS-3.
- (iii) Adjustment for depreciation as per Note-8 of balance sheet includes the depreciation charged for prior period amounting to Rs.112,576,685 (Previous year Rs.36,653,222)
- (iv) Cash and cash equivalents consists of cash in hand, bank balances in current & other account and fixed deposits with banks.
- (v) The figures in this statement have been rounded off to the nearest rupee.
- (vi) Previous year figures have been regrouped/reclassified/recast wherever considered necessary.
- (vii) Due to implementation of Revised Schedule-VI, the opening balances are regrouped/recasted to the extent possible, hence figures of Other Current Liabilities & Borrowings are not comparable


(Asha Sethi Tandon)
Company Secretary
(Part Time)


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


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


(S.K. Agarwal)
Director(Finance)

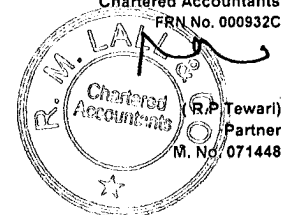

(Kamran Rizvi)
(Chairman & Managing Director)

Subject to our report of even date

Place: Lucknow

Date: 31st October, 2013

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



AUDITORS' REPORT

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

- 1) We have audited the attached Balance Sheet of Uttar Pradesh Power Transmission Corporation Limited (the Company) as at 31st March 2012, the Profit and Loss Statement 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 of the Company 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, as amended from time to time 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 division wise balances of assets and liabilities as per books of accounts as on 01.04.2007 and the balances appearing in the transfer scheme notified by the Government of Uttar Pradesh vide gazette notification no. 2974/XXIV-P-2-2010 dated December 23, 2010. *The said provisional transfer scheme is pending for finalization which may change the*

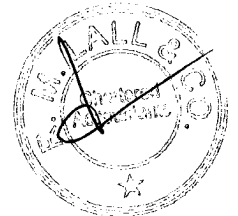


position of balances of assets and liabilities as appearing in the financial statements (Refer para 1 (c) of Note no. 24 B).

- (b) As per accounting policy no. 5 of Note no.24 A, transmission revenue for the year has been recognized on the basis of tariff of Rs. 0.126/Kwh approved by UPERC for intra-state transmission of energy.

The difference in transmission tariff stated above as approved by UPERC and tariff determined and approved on the basis of the audited accounts for the year presented to UPERC on true-up petition will be accounted for on the basis of the decision of UPERC.

- (c) *The balances under current assets, current loans and advances, Trade Receivables, Other Current Assets, unsecured loans, current and non-current liabilities (including the balances of UPPCL, DISCOMs etc), stores & spares, material-in-transit/under inspection/lying with contractors/fabricators etc are subject to confirmation, verification, reconciliation and consequential adjustments, if any. In the absence of adequate information, we are unable to comment on the realisability or otherwise of these balances and also the adequacy of the provisions made in accordance with para 3(a), (b) and (c) of Note 24 B.*
- (d) *The credit balance of Rs. 56.46 crores shown as 'Inter Unit Transfer' (Under the head "Other Current Liabilities"- Refer Note No. 7) 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 have not been disclosed in accordance with the requirements of Section 22 of that Act and interest if any due on such balances has not been recognized in the financial statement in the absence of sufficient information with the Company (para 8 of Note No. 24 B).*
- (f) *It was observed that the system of maintaining party-wise subsidiary ledgers and its matching with primary books of accounts is not effective.*
- (g) *Contingent liabilities stated in para 23 of Note no.24 B are as per details provided by the company and which have been relied upon by us as such.*
- (h) *Cash and Bank Balances (Note No. 12) includes Rs.80,000/-Fixed deposit with bank details whereof are not available with the company and for which no*



provision has been made. As informed by the management investigation with respect to such Fixed Deposit is in process.

(i) *Documentary evidences in respect of ownership/title of land, land rights and buildings were not available on record, hence could not be verified.*

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 Note no.24 A).*

Further, in the absence of sufficient and appropriate audit evidence, we are unable to comment on the adequacy or otherwise of provision made for old, obsolete and unserviceable stores.

(b) *The recognition of revenue in case of Inter State Transmission, from transmission of energy/open access is on cash basis which is not in accordance with Accounting Standard (AS) 9 'Revenue Recognition' (Refer Accounting policy no.5 (b) of Note no.24 A).*

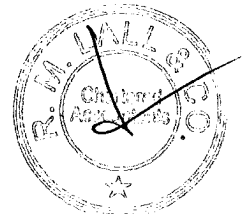
(c) *The cost of fixed assets includes employees cost and general administration expenses (Refer Accounting Policy no.2 (e) of Note no. 24 A). This is not in accordance with the provisions of Accounting Standard (AS) 10 'Accounting for fixed assets'.*

(d) *Leave encashment is accounted for on the basis of claims received and approved during the year and not on the basis of actuarial valuation (Refer Accounting policy no. 7(b) of Note no.24 A and para 15 (b) of Note no.24B). The provision for pension and gratuity in respect of employees has been made on the basis of actuarial valuation dated 09.11.2000(Refer Accounting Policy No. 7(a) of Note No. 24 A & Para 15(a) of Note No. 24 B).*

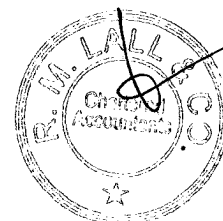
These employee benefits have not been accounted for in accordance with the treatment prescribed in the Accounting Standard (AS) 15, 'Employee Benefits (revised 2005)'.

(e) *Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year. (Refer accounting policy no. 2(f) of Note no. 24 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 'Borrowing Costs'.*

(f) *In view of inadequate information with reference to para 20 of Note no. 24 B, we are unable to comment on the adequacy or otherwise on the accounting of deferred tax as per AS-22 'Accounting for Taxes on Income'.*



- (g) *Opinion of the management regarding Impairment of assets is not supported by relevant information, hence we are unable to comment on the compliance with the provision of Accounting Standard (AS) 28 'Impairment of Assets' (Refer para 21 of Note no.24 B).*
- 6) *For want of complete information, the cumulative impact of our observations in paras 4 and 5 above and in Annexure to this report, on the accounts of the company is not ascertained.*
- 7) *The financial statements of the company have been prepared incorporating the audited trial balances of Zonal Accounts Offices and financial statements of the zonal office were not prepared by the management. In the absence of adequate information, we are unable to comment on the basis of classification of assets, liabilities, income & expenditure in the financial statements of the Zonal Accounts Offices in the financial statements of the Company and we are also unable to comment whether the same is in accordance with the requirement of Schedule VI of the Companies Act, 1956.*
- 8) *The branch auditor has expressed opinion and submitted the audit report on the Trial Balance as at 31st March, 2012 of the Zonal Accounts Offices.*
- 9) *In our opinion proper returns adequate for the purpose of our audit have been received from branches not visited by us. The branch auditor's reports have been forwarded to us and the same have been appropriately dealt by us in framing our report. In our opinion proper returns adequate for the purpose of our audit have been received from branches not visited by us. The branch auditor's reports have been forwarded to us and the same have been appropriately dealt by us in framing our report.*
- 10) *In view of department of company affairs' circular no. 8/2002, the provisions of disqualifications of directors as per section 274(1) (g) of the Companies Act, 1956 are not applicable to the company.*
- 11) *Subject to our observations given in paragraphs 4 to 8 above and in the 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 those books.*



- (c) The Balance Sheet, Profit and Loss Statement 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 Statement 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 Note nos. 24 A & 24 B, 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:
- In the case of Balance Sheet, the state of affairs of the Company as on 31st March 2012;
 - In the case of the Profit and Loss Statement, the loss for the year ended on that date; and
 - In the case of Cash Flow Statement, the cash flows for the year ended on that date.

Place: Lucknow
Date: 31st October, 2013

For R. M. LALL & CO!
Chartered Accountants


(R.P. TEWARI)

Partner

M. No. 071448

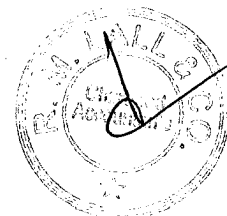
FRN No. 000932C



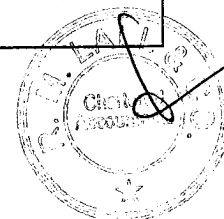
(Annexure referred to in our report of even date to the members of Uttar Pradesh Power Transmission Corporation Limited on the accounts for the year ended on 31st March 2012)

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

(i)	(a)	<i>The Company has not maintained proper records showing full particulars including quantitative details and situations of fixed assets.</i>
	(b)	<i>The Company has not carried out physical verifications of the fixed assets hence we are unable to comment whether any material discrepancy was noticed as such or not.</i>
	(c)	<i>The Company has not disposed of substantial part of the fixed assets during the year.</i>
	(d)	<i>As per the branch audit report of Transmission West (Meerut), the transfer of capital work in progress has been made to fixed assets without obtaining final certificate of completion from the units.</i>
(ii)	(a)	<i>As per information provided by the management, the stock of store and spare parts has been physically verified by the management during the year. In our opinion having regard to the nature and location of stock, the frequency of physical verification is reasonable.</i>
	(b)	<i>The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of business except at Transmission East (Allahabad), where the same requires further strengthening.</i>
	(c)	<i>In our opinion, the Company is maintaining proper records of inventory except at Transmission East (Allahabad). The materials discrepancies, wherever noticed on physical verification, have been properly dealt with in the books of accounts.</i>
(iii)	(a)	<i>As explained to us by the management, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.</i>
	(b)	<i>In view of the (iii) (a) above, the para nos. (iii) (b), (c) and (d) of the Order, are not applicable.</i>
	(c)	<i>The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.</i>




	(d)	In view of (iii) (c) above the para nos. (iii) (f) and (g) of the Order, 2003 are not applicable.
(iv)		In our opinion and according to the information and explanations given to us there are adequate internal control 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 at Transmission East (Allahabad). Further, we have not come across continuing failures to correct major weaknesses in internal controls.
(v)	(a)	According to the information and explanations given to us and the records examined, there are no contracts or arrangements the particulars whereof are required to be entered in the register required to be maintained under section 301 of the Companies Act 1956.
	(b)	In view of (v) (a) above the para (v) (b) of the Order is not applicable.
(vi)		Based on our examination of the company's records and according to the information and 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>However, no internal audit for the financial year 2011-12 has been conducted at any of the zones as well as at the Head Office.</i>
(viii)		The cost records prescribed under section 209(1) (d) of The Companies Act, 1956 have been maintained by the company during the year under audit.
(ix)	(a)	According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Employees' State Insurance, Income-Tax, Service-Tax Custom Duty, Cess and any other statutory dues with the appropriate authorities, <i>however a sum of Rs.12,708 pertaining to fringe benefit tax is undisputed for more than six months as on the Balance Sheet date.</i>
	(b)	<i>As informed to us by the management, there are dues pertaining to VAT Liability amounting to Rs.3.85 lakhs in Transmission Central (Lucknow) and Rs. 1.23 lakhs at Transmission South (Agra), that have not been deposited on account of dispute.</i>
(x)		The Company has been registered for more than 5 years, its accumulated losses are more than 50 percent of its net worth and it has not incurred any cash losses during the current financial year and in the financial year immediately preceding such financial year.

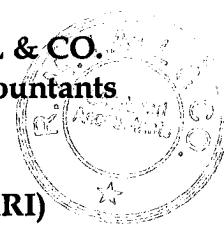


(xi)	As per information's or explanation given to us, the Company has defaulted in the repayment of principal & interest amounting to Rs.478.74 crores in Govt. of U.P. Loan, the details of which have been disclosed in Annexure B to Note 4.
(xii)	The Company has not granted any loans and advance on the basis security by way of pledge of shares, debentures and other securities.
(xiii)	The Company is not chit fund /nidhi/mutual benefit fund/societies; hence para (xiii) of the Order is not applicable.
(xiv)	The Company is not dealing or trading in shares, securities, debenture and other investments, hence of para (xiv) of the Order is not applicable.
(xv)	As informed to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
(xvi)	<i>We are unable to comment whether loan funds were applied for the purpose for which the loan were obtained as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds.</i> However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.
(xvii)	<i>We are unable to comment whether the funds received on short term basis have not been utilized for long term purpose, as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds.</i> However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.
(xviii)	The company has not made any preferential allotment of shares to the parties covered under Sec 301, hence para (xviii) of the Order is not applicable.
(xix)	The company has not issued any debentures hence para (xix) of the Order is not applicable.
(xx)	The company has not raised any money by public issue; hence clause (xx) of the Order is not applicable.
(xxi)	As per information and explanations given to us, no fraud has been done by the company or on the company during the year.

Place: Lucknow
Date: 31st October, 2013

For R. M. LALL & CO.
Chartered Accountants

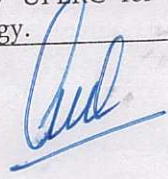

(R. P. TEWARI)
Partner
M. No. 071448
FRN No. 000932C



**MANAGEMENT'S REPLY TO STATUTORY AUDITOR'S REPORT ON THE
ACCOUNTS OF UTTAR PRADESH POWER TRANSMISSION CORPORATION
LIMITED FOR THE YEAR ENDED ON 31-03-2012**

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 (The Company) as at 31st March 2012, the Profit and Loss Statement 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"><i>Comment not required</i></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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.</p>	<p align="center"><i>Comment not required</i></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, as amended from time to time we enclose in the annexure a statement on the matter specified in para 4 and 5 of the said Order.</p>	<p align="center"><i>Comment not required</i></p>
<p>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 division wise balances of assets and liabilities as per books of accounts as on 01.04.2007 and the balances appearing in the transfer scheme notified by the Government of Uttar Pradesh vide gazette notification no. 2974/XXIV-P-2-2010 dated December 23, 2010. The said provisional transfer scheme is pending for finalization which may change the position of balances of assets and liabilities as appearing in the financial statements (Refer para 1 (c) of Note no. 24B).</p>	<p align="center"><i>After finalization of transfer Scheme by the Govt. of U.P. necessary adjustments, if required, shall be made in the accounts accordingly</i></p>
<p>(b) As per accounting policy no. 5 of Note no.24 A, transmission revenue for the year has been recognized on the basis of tariff of Rs. 0.126/Kwh approved by UPERC for intra-state transmission of energy.</p>	

31/03/2012



<p>Further, difference in transmission tariff stated above as approved by UPERC and tariff determined and approved on the basis of the audited accounts for the year presented to UPERC on true-up petition will be accounted for on the basis of the decision of UPERC.</p>	<p>Comment not required</p>
<p>(c) The balances under current assets, current loans and advances, Trade Receivables, Other Current Assets, unsecured loans, current and non-current liabilities (including the balances of UPPCL, DISCOMs etc), stores & spares, material-in-transit/under inspection/lying with contractors/fabricators etc are subject to confirmation, verification, reconciliation and consequential adjustments, if any. In the absence of adequate information, we are unable to comment on the realisability or otherwise of these balances and also the adequacy of the provisions made in accordance with para 3(a), (b) and (c) of Note 24 B.</p>	<p>Balances are under reconciliation. Necessary instructions have already been issued in this regard.</p>
<p>(d) The credit balance of Rs. 56.46 crores shown as 'Inter Unit Transfer' (Under the head "Other Current Liabilities"- Refer Note No. 7) represent the un-reconciled balance of inter unit transactions. As informed by the management reconciliation of inter unit account is in process.</p>	<p>Comment not required</p>
<p>(e) Dues payable to Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 have not been disclosed in accordance with the requirements of Section 22 of that Act and interest if any due on such balances has not been recognized in the financial statement in the absence of sufficient information with the Company (para 8 of Note No. 24 B).</p>	<p>With reference to compliance of MSMED Act, 2006, neither unpaid liabilities against the enterprises governed by the said Act, has since been reported by the units under UPPTCL nor any interest on account of unpaid amount has been claimed by the enterprises, therefore, as required under section 22 of MSMED Act, 2006 to provide specific unpaid amount with interest in the annual statements is not warranted.</p>
<p>(f) 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>There are instructions/provisions in vogue which are to be followed by all the units to maintain subsidiary records such as contractors' ledger, suppliers' ledger etc. in accordance with the primary records such as cash book, measurement book, stock accounts etc. However, in the unit where such type of discrepancies is noticed, the necessary rectifications/corrections are made with suitable action.</p>
<p>(g) Contingent liabilities stated in para 23 of Note no.24B are as per details provided by the company and which have been relied upon by us as such.</p>	<p>Comment not required</p>
<p>(h) Cash and Bank Balances (Note No. 12) includes Rs.80,000/- Fixed deposit with bank details whereof are not available with the company and for which no provision has been made. As informed by the management investigation with respect to such 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.</p>
<p>(i) Documentary evidences in respect of ownership/title of land, land rights and \buildings were not available on record, hence could not be verified.</p>	<p>The documentary evidences in respect of ownership/title of land, land rights and \buildings are expected to be preserved at unit level where these assets are used and maintained. However, nothing adverse as regards above has come to the notice of management.</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 Note no.24 A). Further, in the absence of sufficient and appropriate audit evidence, we are unable to</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. However, in this respect, the provisions laid down in Electricity (Supply) (Annual Accounts) Rules, 1985 is</p>

अनुमोदित है,



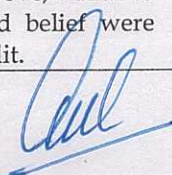
<p>comment on the adequacy or otherwise of provision made for old, obsolete and unserviceable stores.</p>	<p>adhered to which is in consonance with the rules provided in AS-2.</p>
<p>(b) The recognition of revenue in case of Inter State Transmission, from transmission of energy/open access is on cash basis which is not in accordance with Accounting Standard (AS) 9 'Revenue Recognition' (Refer Accounting policy no.5 (b) of Note no.24 A).</p>	<p>As stated by audit the recognition of revenue in case of Inter State Transmission, from transmission of energy/open access has been done on cash basis in accordance with our policy No. 5(b).</p>
<p>(c) The cost of fixed assets includes employees cost and general administration expenses (Refer Accounting Policy no.2 (e) of Note no.24 A). This is not in accordance with the provisions of Accounting Standard (AS) 10 'Accounting for fixed assets'.</p>	<p>As narrated at point no. 2(e) of Note no.24 A '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 which is in accordance with the provisions given in Electricity (Supply) (Annual Accounts) Rules, 1985.</p>
<p>(d) Leave encashment is accounted for on the basis of claims received and approved during the year and not on the basis of actuarial valuation (Refer Accounting policy no. 7(b) of Note no.24 A and para 15 (b) of Note no.24 B). The provision for pension and gratuity in respect of employees has been made on the basis of actuarial valuation dated 09.11.2000(Refer Accounting Policy No. 7(a) of Note No. 24 A & Para 15(a) of Note No. 24 B). These employee benefits have not been accounted for in accordance with the treatment prescribed in the Accounting Standard (AS) 15, 'Employee Benefits (revised 2005)'.</p>	<p>Leave encashment is accounted for as per our policy. Accounting policy No. 7 (b) regarding Retirement Benefit clearly says that leave encashment, medical benefits and LTC are accounted for on the basis of claims received and approved during the year. Likewise, the Provision for pension and Gratuity has also been made on the basis of actuarial valuation carried out by UPPCL as disclosed in notes on accounts at point No. 15(a). The very purpose of the provisions made in Accounting Standard-15 is fulfilled by the policy adopted by corporation.</p>
<p>(e) Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year. (Refer accounting policy no. 2(f) of Note no. 24 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 'Borrowing Costs'.</p>	<p>Para "9" of AS-16 relating to "Borrowing Costs Eligible for Capitalisation" provides that wherever "It may be difficult to identify a direct relationship between particular borrowings and a qualifying asset and to determine the borrowings that could otherwise have been avoided. Such a difficulty occurs, for example, when the financing activity of an enterprise is co-ordinated centrally or when a range of debt instruments are used to borrow funds at varying rates of interests and such borrowings are not readily identifiable with a specific qualifying asset. As a result, the determination of the amount of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is often difficult and the exercise of judgment is required." In the light of aforesaid provision, the provisions given in Electricity (supply) (Annual Accounts) Rules 1985, has been adopted in capitalising the borrowing costs which is in consonance with AS-16. As such the provision given in AS-16 has been complied with.</p>
<p>(f) In view of inadequate information with reference to para 20 of Note no. 24 B, we are unable to comment on the adequacy or otherwise on the accounting of deferred tax as per AS-22 'Accounting for Taxes on Income'.</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. 1146.80 crore.</p>
<p>(g) Opinion of the management regarding Impairment of assets is not supported by relevant information, hence we are unable to comment on the compliance with the provision of Accounting Standard (AS) 28 'Impairment of Assets' (Refer para 21 of Note no.24 B).</p>	<p>The provisions contained in 'Annexure III - Basic Accounting Principles & Policies' of Rules appended to provisions of Electricity (supply) (Annual Accounts) Rules 1985, provides that "Fixed Assets of a Board shall be recorded in the books of Accounts and disclosed in Annual Accounts at Historical Cost. This policy implies that no revaluation of Fixed Assets shall be done for adjusting them to replacement cost, current cost etc. Similarly, depreciation on replacement cost shall also not be permitted."</p>

37/2/2011

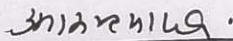


		Hence, by virtue of point no. 1(a) of Note No.24A i.e.. "Significant Accounting Policies" the above provision has been followed. However, revaluation of assets, if made to determine the carrying cost of assets, may lead to breach of provisions of Electricity (supply) (Annual Accounts) Rules 1985.
6)	For want of complete information, the cumulative impact of our observations in paras 4 and 5 above and in Annexure to this report, on the accounts of the company is not ascertained.	Comment not required
7)	The financial statements of the company have been prepared incorporating the audited trial balances of Zonal Accounts Offices and financial statements of the zonal office were not prepared by the management. In the absence of adequate information, we are unable to comment on the basis of classification of assets, liabilities, income & expenditure in the financial statements of the Zonal Accounts offices in the financial statements of the Company and we are also unable to comment whether the same is in accordance with the requirement of Schedule VI of the Companies Act, 1956.	<p>Operations of Uttar Pradesh Power Transmission Corporation Ltd. i.e. maintenance of power-stations and power transmission lines as well as wheeling of electricity to the different DISCOMs against wheeling charges are to be accounted for at HQ level at the rate decided by UPERC. The units of corporation are spread all over the state to maintain these lines & substations situated under their purview as well as execute capital works as & when required. For having a better administrative, financial and supervisory control and for sake of administrative convenience the organization has been split in four Zones namely East, West, Central, South and Fund Management units at HQ. At unit level the financial transactions are accounted for; proper books of accounts are maintained and Monthly Trial Balance prepared and submitted at respective Zone. The Trial Balances of the units are consolidated/ compiled/ merged/ clubbed at zonal level and then duly audited Trial Balance of Zones are finally consolidated at HQ level including fund management units at HQ to prepare final Trial Balance for casting financial statement of the company.</p> <p>In view of above, Zonal Accounts Offices are not required to prepare financial statements in compliance with the requirements of Schedule VI of the Companies Act, 1956.</p>
8)	The branch auditor has expressed opinion and submitted the audit report on the Trial Balance as at 31 st March, 2012 of the Zonal Accounts Offices.	Comment not required
9)	In our opinion proper returns adequate for the purpose of our audit have been received from branches not visited by us. The branch auditor's reports have been forwarded to us and the same have been appropriately dealt by us in framing our report. 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.	Comment not required
10)	In view of department of company affairs' circular no. 8/2002, the provisions of disqualifications of directors as per section 274(1) (g) of the Companies Act, 1956 are not applicable to the company.	Comment not required
11)	Subject to our observations given in paragraphs 4 to 8 above and in Annexure referred to in para 3, we report that:	Comment not required
(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.	Comment not required

५१ नमो भगवते वासुदेवाय



(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.	<i>Comment not required</i>
(c)	The Balance Sheet, Profit and Loss Statement 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.	<i>Comment not required</i>
(d)	In our opinion, the Balance Sheet and Profit & Loss Statement and Cash Flow Statement dealt by this report comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.	<i>Comment not required</i>
(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 Note nos. 24 A & 24 B, 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:	<i>Comment not required</i>
a.	In the case of Balance Sheet, the state of Affairs of the Company as on 31 st March 2012;	<i>Comment not required</i>
b.	In the case of the Profit and Loss Statement, the Loss for the year ended on that date; and	<i>Comment not required</i>
c.	In the case of Cash Flow Statement, the Cash Flows for the year ended on that date.	<i>Comment not required</i>



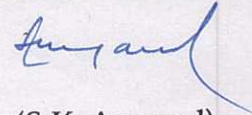
(Dr. U. K. Yadav)

Dy. General Manager (Accounts)



(A.K. Gupta)

General Manager (Accounts)



(S.K. Agarwal)

Director (Finance)

**MANAGEMENT'S REPLY TO THE ANNEXURE OF STATUTORY AUDITOR'S REPORT
FOR THE YEAR ENDED ON 31-03-2012**

ANNEXURE TO STATUTORY AUDITOR'S REPORT		MANAGEMENT'S REPLY
<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 2012)</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 Report of four transmission zones audited by other auditors, we report as under:</p>		
i)	(a) The Company has not maintained proper records showing full particulars including quantitative details and situations of fixed assets.	Necessary Instructions regarding maintaining and updating of fixed assets register showing full particulars including quantitative details and situations of fixed assets have been issued to the concerned zones.
	(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.	Necessary instructions regarding physical verification have been issued to concern zone.
	(c) The Company has not disposed of substantial part of the fixed assets during the year.	Comment not required
	(d) As per the branch audit report of Transmission West (Meerut), the transfer of capital work in progress has been made to fixed assets without obtaining final certificate of completion from the units.	Necessary instructions in this regard have been issued to concern zones.
(ii)	(a) As per information provided by the management, the stock of store and spare parts has been physically verified by the management during the year. In our opinion having regard to the nature and location of stock, the frequency of physical verification is reasonable.	Comment not required
	(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 requires further strengthening.	Instructions in this regard have been issued to concern zone.
	(c) In our opinion, the Company is maintaining proper records of inventory except at Transmission East (Allahabad). The materials discrepancies, wherever noticed on physical verification, have been properly dealt with in the books of accounts.	Instructions have been issued to concern zone in this regard.
(iii)	(a) As explained to us by the management, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.	Comment not required
	(b) In view of the (iii) (a) above, the para nos. (iii) (b), (c) and (d) of the Order, are not applicable.	Comment not required
	(c) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.	Comment not required
	(d) In view of (iii) (c) above the para nos. (iii) (f) and (g) of the Order, 2003 are not applicable.	Comment not required
(iv)	In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with	Necessary instructions have been issued to the concerned zone.

3/3/2012

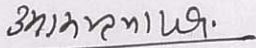


		the size of Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of services except at Transmission East (Allahabad). Further, we have not come across continuing failures to correct major weaknesses in internal controls.	
(v)	(a)	According to the information and explanations given to us and the records examined, there are no contracts or arrangements the particulars whereof are required to be entered in the register required to be maintained under section 301 of the Companies Act 1956.	Comment not required
	(b)	In view of (v) (a) above the para (v) (b) of the Order is not applicable.	Comment not required
(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.	Comment not required
(vii)		The Company has an internal audit system for its field units by the firms of chartered Accountants. However, no internal audit for the financial year 2011-12 has been conducted at any of the zones as well as at the Head Office.	
(viii)		The cost records prescribed under section 209(1) (d) of The Companies Act, 1956 have been maintained by the company during the year under audit.	Records are maintained and have been audited by cost auditor.
(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 a sum of Rs.12,708 pertaining to fringe benefit tax is undisputed for more than six months as on the Balance Sheet date.	Comment Not Required
	(b)	As informed to us by the management, there are dues pertaining to VAT Liability amounting to Rs.3.85 lakhs in Transmission Central (Lucknow) and Rs. 1.23 lakhs at Transmission South (Agra), that have not been deposited on account of dispute.	Comment not required
(x)		The Company has been registered for more than 5 years, its accumulated losses are more than 50 percent of its net worth and it has not incurred any cash losses during the current financial year and in the financial year immediately preceding such financial year.	Comment Not Required
(xi)		As per information's or explanation given to us, the Company has defaulted in the repayment of principal & interest amounting to Rs.478.74 crores in Govt. of U.P. Loan, the details of which have been disclosed in Annexure B to Note 4.	Comment Not Required
(xii)		The Company has not granted any loans and advance on the basis security by way of pledge of shares, debentures and other securities.	Comment Not Required
(xiii)		The Company is not chit fund /nidhi/mutual benefit fund/societies; hence para (xiii) of the Order is not applicable.	Comment Not Required
(xiv)		The Company is not dealing or trading in shares, securities, debenture and other investments,	Comment Not Required

3/11/2012



		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.	<i>Comment Not Required</i>
(xvi)		<i>We are unable to comment whether loan funds were applied for the purpose for which the loan were obtained as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds. However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.</i>	<i>Comment not required</i>
(xvii)		<i>We are unable to comment whether the funds received on short term basis have not been utilized for long term purpose, as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds. However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.</i>	<i>The funds received on short term basis have not been utilized for long term purpose.</i>
(xviii)		The company has not made any preferential allotment of shares to the parties covered under Sec 301, hence para (xviii) of the Order is not applicable.	<i>Comment not required</i>
(xix)		The company has not issued any debentures hence para (xix) of the Order is not applicable.	<i>Comment not required</i>
(xx)		The company has not raised any money by public issue; hence clause (xx) of the Order is not applicable.	<i>Comment not required</i>
(xxi)		As per information and explanations given to us, no fraud has been done by the company or on the company during the year.	<i>Comment not required</i>



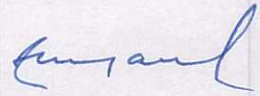
(Dr. U. K. Yadav)

Dy. General Manager (Accounts)



(A.K. Gupta)

General Manager (Accounts)



(S.K. Agarwal)

Director (Finance)

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



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

स्पीड पोस्ट/गोपनीय
पत्रांक: म.ले.इ. एण्ड आर.एस.ए./इ.एस-11/लेखा/यू.पी.पा.ट्रां.का.लि./2011-12/835,
दिनांक: 10-02-2014,

सेवा में,

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

विषय:- 31 मार्च 2012 को समाप्त हुए वर्ष हेतु उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक का प्रबन्धकीय पत्र।

महोदय,

आपको सूचित करना है कि उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के 31 मार्च 2012 को समाप्त हुए वर्ष के लेखों की पूरक लेखापरीक्षा इस कार्यालय द्वारा कराई गई है। लेखों पर आपत्तियाँ सुधारात्मक कार्यवाही हेतु इस पत्र के साथ संलग्न है।

इस सम्बन्ध में प्रबन्धन द्वारा उठाए गए कदमों का कम्पनी के वर्ष 2012-13 के लेखों की लेखापरीक्षा के दौरान सत्यापन किया जाएगा। यदि प्रबन्धन ने त्रुटियों पर सुधारात्मक कार्यवाही नहीं की होगी तो आपत्ति प्रस्तावित की जाएगी।

संलग्न: यथा उपरोक्त

भवदीया

(डॉ० स्मिता एस० चौधरी)
महालेखाकार

No. 480-PSDF/14
14.2.14

1029/CMD/UPPTC/14
15/2

Sy. GM (Tr.)
fuehl

15/02/14

Annexure to the Management letter no. म.ले.(इ. एण्ड आर.एस.ए)/इ.एस-11/835, लेखा/यू.पी.पा.ट्रां.का.लि. /2011-12 दिनांक: 10/2/14 drawing attention of the management to the observations on accounts for the year ending 31 March 2012 for taking action.

1. Short Term Borrowings (Note-6)

Note-6 depicted loan of ₹ 200 crore from Financial Institutions repayable on demand. Note below the note stipulated that Term loan of ₹ 200 crore from Power Finance Corporation is guaranteed by Govt. of UP which is incorrect.

In reply, Management has assured that note below the Note-6 will be withdrawn from Annual Accounts for the F.Y. 2012-13.

The compliance will be watched during audit of accounts in next year.

2. Notes on Accounts (Note No. 24(B))

Energy transmitted/wheeled during the year 70371.050500 MU

The above did not include 22.1633257 MU Energy transmitted/wheeled during the year to Extra State consumers during the year. Thus, energy transmitted/wheeled is under stated by 22.1633257 MU.

In reply, Management has assured that the energy transmitted to extra state consumers shall be reflected separately in notes on accounts for the Annual Accounts for the F.Y. 2012-13.

The compliance will be watched during audit of accounts in next year.

Rise
Dy. Accountant General/ES-II

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



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

पत्रांक: म.ले.इ. एण्ड आर.एस.ए./इ.एस-11/लेखा/यू.पी.पा.ट्रां.का.लि./2011-12/836,
दिनांक: 10-02-2014,

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 2012 को समाप्त 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

5065
No. 15-2-14
Dir. (F)
वास्तविक तिथि की सूचना दें।

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

कृपया पत्र की पावती भेजें।
उ०प्र० पा० ट्रां० का० लि०

भवदीया

gm (F)
C

सहपत्र-यथोपरि

No. 481-PSDF/14
14-2-14

1030/GM(F)/14
15/2

Dr. Smita
(डॉ० स्मिता एस० चौधरी)
महालेखाकार

Dr. Gm (F)
15/02/14

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 2012.

The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2012 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 31 October 2013.

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 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my notice and which in my view are necessary for enabling a better understanding of the Financial Statement and the related Audit Report:

Balance Sheet

Current Liabilities

1. Other Current Liabilities (Note-7) ₹ 2943.97 crore

The above includes the unpaid liabilities of General Provident Fund/ CPF to the Provident Fund Trust towards contribution of employees on PF of ₹ 68.80 crore (PF: ₹ 61.55 crore and CPF: ₹ 7.25 crore). Interest of ₹ 4.56 crore on unpaid amount to Trust was not provided for the year 2011-12 which resulted in understatement of liability to PF Trust as well as understatement of Employees cost and loss for the year by ₹ 4.56 crore.

Statement of Profit and Loss**Revenue from operations (Note-15)****2. Open Access Charges: ₹ 49.45 crore**

Significant Accounting Policy no. 5 (c) stipulates that open access charges are accounted for on cash basis. In contravention to the accounting policy, the open access charges of ₹ 30.57 lakh received on 16 April 2012 relating to March, 2012 have been accounted for in the current year's accounts. Thus, open access charges and Sundry Debtors are overstated each by ₹ 30.57 lakh.

Finance Cost (Note -18)**3. Guarantee Charges- ₹ 2.77 crore**

The above does not include "Guarantee Fee" to be paid on two numbers of loans of PFC (Loan No. 8503054 and 8503061) amounting to ₹ 44.80 lakh. This resulted in understatement of "Guarantee Charges" and liability to State Government to the same extent.

4. General**(i) Reconciliation differences**

Due to non-reconciliation of the inter Company balances of Other Current Liabilities and Other Current Assets, a difference of ₹ 5.58 crore was unreconciled.

(ii) Non compliance of Section 383 A

As per the requirement of Section 383-A of Companies Act and according to Rule 2 of Companies (Appointment & Qualification of Secretary) Rules 1988, all Companies having paid up capital of not less than ₹ 2 crore, shall have a whole time Company Secretary. The Company however, has not complied with the said section of the Companies Act and the Final Accounts of the Company are signed by a part time Company Secretary.

Despite the comment of C&AG on the accounts of the Company for 2010-11, no corrective action has been taken by the Company.

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

Place: Lucknow

Date:


Accountant General

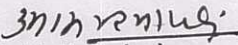
**REPLY ON COMMENTS OF THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT,
1956 ON THE ACCOUNTS OF UTTAR PRADESH POWER TRANSMISSION
CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2012**


COMMENTS	MANAGEMENT REPLY
<p>The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2012 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 31 October 2013.</p>	<p align="center">No Comment</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 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my notice and which in my view are necessary for enabling a better understanding of the Financial Statement and the related Audit Report:</p>	<p align="center">No Comment</p>
<p>Balance Sheet Current Liabilities 1. Other Current Liabilities (Note-7) ₹ 2943.97 crore The above includes the unpaid liabilities of General Provident Fund/CPF to the Provident Fund Trust towards contribution of employees on PF of ₹ 68.80 crore (PF: ₹ 61.55 crore and CPF: ₹ 7.25 crore). Interest of ₹ 4.56 crore on unpaid amount to Trust was not provided for the year 2011-12 which resulted in understatement of liability to PF Trust as well as understatement of Employees cost and loss for the year by ₹ 4.56 crore.</p>	<p>GPF & CPF monthly contributions are deducted out of salary bills of officers / officials working in the corporations and are sent to the Trust. The Remittances are delayed sometime due to paucity /deficit / shortage of funds and on such unremitted balance provision for interest is not made in accounts as no such demand had been raised by Trust and specific amount was not ascertainable.</p>

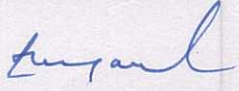
31/12/2012



<p>Statement of Profit and Loss Revenue from operation (Note-15) 2. Open Access Charges: ₹ 49.45 crore Significant Accounting Policy no. 5 (c) stipulates that open access charges are accounted for on cash basis. In contravention to the accounting policy, the open access charges of ₹ 30.57 lakh received on 16 April 2012 relating to March, 2012 have been accounted for in the current year's accounts. Thus, open access charges and Sundry Debtors are overstated each by ₹ 30.57 lakh.</p>	<p>Necessary correction has been made in Annual Account of 2012-13</p>
<p>Finance Cost (Note-18) 3. Guarantee Charges-Rs 2.77 crore The above does not include "Guarantee Fee" to be paid on two numbers of loans of PFC (Loan No. 8503054 and 8503061) amounting to ₹ 44.80 lakh. This resulted in understatement of "Guarantee Charges" and liability to State Government to the same extent.</p>	<p>Necessary accounting entry has been passed in Annual Accounts of 2012-13</p>
<p>4. General (i) Reconciliation differences Due to non-reconciliation of the inter Company balances of Other Current Liabilities and Other Current Assets, a difference of ₹ 5.58 crore was un-reconciled.</p>	<p>The reconciliation of the Inter-Company Balances of other Current Liabilities and Current Assets is a continuous process. Efforts are being made to reconcile the difference.</p>
<p>4. General (ii) Non compliance of Section 383 A As per the requirement of Section 383-A of Companies Act and according to Rule 2 of Companies (Appointment & Qualification of Secretary) Rules 1988, all Companies having paid up capital of not less than ₹ 2 crore, shall have a whole time Company Secretary. The Company however, has not complied with the said section of the Companies Act and the Final Accounts of the Company are signed by a part time Company Secretary.</p> <p>Despite the comment of C&AG on the accounts of the company for 2010-11, no corrective action has been taken by the Company.</p>	<p>Company is in process to appoint full time Company Secretary.</p>


(Dr. U. K. Yadav)
Dy. General Manager (Accounts)


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


(S.K. Agarwal)
Director (Finance)