उत्तर प्रदेश UTTAR PRADESH

13AC 133852

BEFORE THE HON'BLE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, KISAN MANDI BHAWAN, GOMTINAGAR, LUCKNOW

Receipt Register No.: _____

Petition No.: _____

IN THE MATTER OF

ANNUAL REVENUE REQUIREMENT AND TARIFF PETITION FOR FY 2014-15 OF UTTAR PRADESH POWER TRANSMISSION CORPORATION LTD

AND

IN THE MATTER OF

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED, LUCKNOW

निदेशक (का० प्र० एवं प्रशा०)
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I, S. K. Garg, son of Late R.S. Garg do solemnly affirm and declare as under:-

1. That I am Director (P&A) of UPPTCL, the petitioner in the above matter and am duly empowered and authorized to make this affidavit on its behalf.

2. That I am filing the enclosed Annual Revenue Requirement and Tariff petition for FY 2014-15.

3. That the contents of the Petition filed by the petitioner are based on the information available with the petitioner in the normal course of business and believed by me to be true.

4. That the Hon' ble commission may kindly be pleased to accept the Annual Revenue Requirement and Tariff petition for FY 2014-15 along with other documents and pass such necessary orders at it may deem necessary.

Date : 28 Nov, 2013
Lucknow.

(S .K. Garg)
DEPONENT

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H.Q. Finance & Payment Unit
U.P. Power Trans. Corporation Ltd.
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Lucknow U.P
Please sign above

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ANNUAL REVENUE REQUIREMENT

&

TARIFF PETITION FOR FY 2014-15

Uttar Pradesh Power Transmission Corporation Limited

LUCKNOW

November 2013

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Executive Summary:

- In accordance with Section 62 of the Electricity Act 2003 and provisions of the UPERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006 Transmission Tariff Regulation as notified by Hon'ble U.P. Electricity Regulatory Commission, the Uttar Pradesh Power Transmission Corporation Limited is submitting before the Hon'ble UPERC, the Aggregate Revenue Requirement and Tariff petition for FY 2014-15.

- In this petition, UPPTCL (the Licensee) is submitting application for Aggregate Revenue Requirement for FY 2014-15 along with the True up for FY 2011-12 based on statutory audited accounts.

- As specified in the Transmission Tariff Regulation, the Petitioner is required to file the Aggregate Revenue Requirement complete in all respects along with requisite fee as prescribed in the Commission's Fee and Fine Regulations each year containing the details of the estimated expenditure and the expected revenue that it may recover in the ensuing financial year at the prevailing tariff. Further, the petitioner is required to file ARR for the ensuing financial year indicating the manner in which the gap between the expenses which it is permitted to recover and expected revenue for ensuing financial year shall be bridged.

- As per provisions under the Electricity Act 2003, State Load Despatch Centre (SLDC) has been established by the State Government to be operated under UPPTCL for integrated operation of Power System in the State. Further Transmission Regulations provide that till such time the State Govt establishes separate SLDC, STU shall also operate SLDC. During the period STU operates SLDC, it shall endeavour to segregate the accounts between SLDC function & transmission function, STU shall apportion its cost between (i) SLDC function and (ii) Transmission Function based on an allocation statement & basis of such apportionment shall be clearly indicated in the ARR petition. Expenses of SLDC function & ARR has been worked out on the basis of best judgment. Further as mandated in clause 2.14 of U.P. Electricity Grid Code, 2007, "State Power Committee" has been constituted under the chairmanship of Chief Engineer (SLDC).

- The objective of the Petitioner in this filing has been to contain the expenses to a reasonable level to offset inflationary pressure as prevailing in the market. For ensuing year, the Petitioner has also taken a daunting task to control the expenses to the reasonable level but due to prevailing market condition, it may not be possible to limit expenses to current level due to uncontrollable factors. Further, the Petitioner has computed the ARR in strict compliance with the Transmission Tariff Regulations.

- The Petitioner in the current and ensuing year has continued with the execution with the all major capital investment project as also the must do projects for meeting the demand growth, creating adequate capacity for reducing the over loading of heavily loaded feeders and transformers. The Petitioner has proposed a capital expenditure of Rs. 2,800 crore for

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FY 2014-15. Details of major capital investment plan are submitted in the Petition along with the proposed funding mechanism.

- The petitioner while estimating expenses for current & ensuing year has taken into account the actual expenses incurred in previous years as per its audited /unaudited balance sheet and up to date expenses for current year.
- The Petitioner has computed the eligible expense side true up for FY 2011-12 to the tune of Rs. 1,068.40 crore. Further, the revenue billed to long term customers, open access customers and SLDC charges is to the tune of Rs. 943.81 crore. Thus, there is a revenue gap of Rs. 124.59 crore in FY 2011-12.
- The ARR for FY 2014-15 has been estimated to be Rs. 1,805.10 crore. Thus, the transmission charges payable by all the licensees in the state is computed below:

Derivation of Transmission Tariff for FY 2014-15

Particulars	Unit	Estimated
Annual Revenue Requirement for FY 2014-15	Rs Crore	1,805.10
Revenue Gap for FY 2011-12 consequent to final truing up	Rs Crore	124.59
Total Net ARR for FY 2014-15	**Rs Crore**	**1,929.68**
Energy to be delivered to Discoms in FY 2014-15	MU	88829.95
Transmission Charges	**Rs./kWh**	**0.2172**

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1 Introduction

1.1 Background

The Uttar Pradesh Power Transmission Corporation Limited (herein after referred to as 'UPPTCL' or the 'Petitioner') is a company incorporated under the Companies Act, 1956 by making amendment in the Object and Name clause of Uttar Pradesh Vidyut Vyapar Nigam Ltd and having duly passed Special Resolution on 7th June 2006 in terms of Section 21 of the Companies Act, 1956. UPPTCL started functioning with effect from 26th July, 2006 and is entrusted with the business of transmission of electrical energy to various utilities with the help of its transmission lines and substations within the geographical area of Uttar Pradesh. Before the incorporation of UPPTCL, transmission work was entrusted with UPPCL. Government of Uttar Pradesh (herein after referred to as the 'GoUP' or the 'State Govt.') in exercise of powers under section 30 of the Electricity Act, 2003, vide notification No: 122/U.N.N.P/24-07 dated 18th July 2007, notified Uttar Pradesh Power Transmission Corporation Limited as the State Transmission Utility of Uttar Pradesh. The UPPTCL now deals with the transmission of electricity for catering to the power requirements of four distribution companies viz. Madhayanchal Vidyut Vitran Nigam Ltd, Dakshinanchal Vidyut Vitran Nigam Ltd, Paschimanchal Vidyut Vitran Nigam Ltd and Poorvanchal Vidyut Vitran Nigam Ltd in addition to two other distribution companies serving Kanpur Electricity Supply Company Limited (herein after referred to as the 'KESCO'), Kanpur and Noida Power Company Limited (herein after referred to as the 'NPCL'), Noida.

On 23rd December, 2010, the GoUP, in exercise of powers conferred under sub section (4) of section 131 of Electricity Act, 2003 and in partial modification of the scheme made under section 23 of the Uttar Pradesh Electricity Reforms Act, 1999 issued Transfer Scheme for the purpose of transfer of the transmission activities including the assets, liabilities and related proceedings from U.P. Power Corporation Ltd., to the Uttar Pradesh Power Transmission Corporation Limited.

1.2 Transmission Tariff Regulations

The Hon'ble Uttar Pradesh Electricity Regulatory Commission in exercise of the powers conferred under Section 61 and 181 of the Electricity Act, 2003 issued the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006 (hereinafter referred to as the "Transmission Tariff Regulations") on 6th October, 2006.

These regulations are applicable for the purposes of Annual Revenue Requirement (herein after referred to as the 'ARR') filing and Tariff determination of all the transmission licensees' within the State of Uttar Pradesh.

1.3 ARR Petition and Tariff Order for FY 2013-14

The Hon'ble Commission issued suo-motu order determining the Annual Revenue Requirement and transmission tariff for FY 2013-14 vide its order dated 31st May, 2013. In such order, the Hon'ble Commission also conducted the final truing up for FY 2008-09, 2009-10 and 2010-11.

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1.4 ARR and Tariff Petition for FY 2014-15

A combined reading of the Section 62 and 64 of the Electricity Act, 2003 and the UPERC (Terms and Conditions of Transmission Tariff) Regulations, 2006 require a transmission licensee to file its ARR Petition by November 30, 2013.

The Petitioner is hereby submitting its ARR and Tariff Petition for FY 2014-15. By means of this Petition, the UPPTCL is also seeking the final truing up for FY 2011-12 based on statutory audited accounts.

Accordingly, the Petitioner has filed this ARR, complete in all respects, along with requisite fee for ensuing year, with details of the estimated expenditure that it may incur in the ensuing financial year. The ARR filing includes the detailed tariff proposal for transmission of electricity. In this petition, the Petitioner is submitting the following as part of the ARR and Tariff filings for FY 2014-15.

- O & M Expenses.
- Deprecation.
- Interest on Loan.
- Interest on working capital.
- Return on equity.
- Non-tariff incomes.

Considering the above, this filing broadly provides the following:

- Truing up for the financial year 2011-12 based on audited accounts
- Actual performance of the transmission business for the financial year 2012-13 based on provisional accounts.
- Revised estimates for the financial year 2013-14; and
- Proposed ARR for the financial year 2014-15.

1.5 Structure of the ARR and Tariff Petition for FY 2014-15

The structure of this ARR Petition is as under:

In accordance with the provisions of Transmission Tariff Regulations, the Petitioner is filing Annual Revenue Requirement of the Transmission business including tariff and charges for FY 2014-15. This ARR filing includes detailed tariff proposal for transmission of electricity.

The structure of this ARR & Tariff Petition FY 2014-15 are as under:

Section 1.	**Introduction:** This contains a brief background and rationale used for the submission; major assumptions used and describe the structure of the submission.
Section 2.	**Overview of the Transmission Business**
Section 3.	**Truing up for FY 2011-12 based on audited accounts**

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Section 4. **Annual Revenue Requirement (ARR) for FY 2014-15:** This includes the ARR forecast for FY 2014-15 for UPPTCL.

Section 5. **Power Demand and Wheeling Energy Balance**

Section 6. **Proposed Transmission Tariff –** For FY 2014-15 this provides the proposed transmission tariff for UPPTCL. This tariff would be applied to all DisComs and current Bulk Supply Customers

Section 7. **SLDC Charges -** This includes the ARR forecast for FY 2014-15 for SLDC.

Section 8. **Prayers**

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2 Overview of the Transmission Business

2.1 Existing Transmission System

The transmission system in the state is composed of 400 kV, 220 kV and 132 kV AC lines and substations. UPPTCL has also constructed one 765 kV AC single circuit line as well connecting 765 kV Anpara and Unnao substations. Both these 765/400kV substations have been made operational.

Majority of the transmission lines & substations in the state are owned and operated by UPPTCL. However, there are other transmission lines & substations in UP (including a ± 500 kV bipole HVDC line from Rihand to Dadri) that carry electricity from the central sector plants to the neighbouring states and these are owned and operated by the Power Grid Corporation of India Limited (PGCIL).

Until the 400 kV grid was fully developed, the 132 kV lines were part of the transmission network. Now the 400 kV and 220 kV network forms the transmission grid. The UPPTCL has planned to construct the 765 kV and 400 kV sub-stations along with associated transmission lines to evacuate power from proposed Anpara-D (2x500 MW), Bara (3x660 MW), Karchana (2x660 MW) and Meja (3x660 MW) thermal power projects, and to transmit them to different load centres concentrated mainly in the central and eastern part of Uttar Pradesh. The transmission works awarded under Public Private Partnership on BOOT mode have been divided into two packages of about Rs. 5,294.05 crore and Rs. 4,876.36 crore. Package-I has been awarded to M/s Isolux and Package-II has been awarded to M/s Cobra. In Package-I, one no. 765 kV sub-station and four nos. 400 kW sub-stations along with associated lines and in Package-II two nos. 765 kV sub-stations and five nos. 400 kV sub-stations along with associated lines are to be constructed.

The details of the existing network strength of UPPTCL are provided in the tables below:

Table 2-1: Total Existing Sub-Stations

Voltage level	Existing Substations	Total Capacity (MVA
765 kV	1	2000
400 kV	14	9010
220 kV	73	22630
132 kV	276	27271

Table 2-2: Total Existing Lines (Circuit Km)

Voltage level	Total Length (Ckt. Kms
765 kV	410.93
400 kV	4259.415
220 kV	8118.323
132 kV	13940.778

2.2 Interconnections and Northern Region Load Dispatch Centre

UPPTCL's existing transmission system is interconnected to the northern grid comprising of neighbouring states, namely, Uttaranchal, Haryana, and Rajasthan. In addition, it connects with Direct Current lines from Bihar in the east and Madhya Pradesh in the South.

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Until November 2002, there was only one State of UP and one transmission grid for the entire erstwhile UP. The ownership of lines and substations have changed since reorganisation of UP into two States, i.e. UP & Uttaranchal.

The UPPTCL power system is a part of the Northern Regional Grid of India. The Northern Grid is controlled from a unified regional load dispatch centre at Delhi. The Northern Regional Load Dispatch Centre (NRLDC) is equipped with modern SCADA and Energy Management System Software. The SCADA system is fully functional with applications like State Load Estimation, Economic Load Dispatch and security assessment. The NRLDC has modified its economic load dispatch software to take into account the Availability Based Tariff (ABT).

The GoUP has notified "Power System Unit" as State Load Dispatch Centre (SLDC) on 24th January 2011. Presently, the SLDC is engaged in the demand side management as well as ABT management process on behalf of Discoms. Also, scheduling and energy accounting of Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd., Bajaj Energy, Lanco Anpara, Roza Thermal Power Plant, and NTPC Tanda etc., is being done by the SLDC. The required infrastructure for making SLDC fully functional is under development. Separate SLDC building is proposed for construction for which necessary drawings and data is under finalization, and the requirement of additional manpower is under consideration at the GoUP level.

2.3 Availability of Lines

Availability of lines and other equipments of the UPPTCL system is positively around 98% and with this system UPPTCL handles transmission of energy from different generating units to the distribution licensees' (Points) effectively.

2.4 Load Levels

The load centre power demands and their daily, monthly & yearly load levels and associated load power factors are important factors that influence the planning of the transmission system. UPPTCL loads are generally scattered throughout the state with heavy demands in Varanasi, Allahabad, Lucknow, Kanpur, Agra and Meerut areas. The annual peak load generally occurs in summer months. The following tables typically show the yearly peak demand of previous years & monthly current year peak demand respectively.

Table 2-3: Yearly System Peak in MW

Month	Max. Demand Met	R.D.M	Restriction	U.D.M
	MW	MW	MW	MW
2003-04	5403	6788	600	7368
2004-05	5717	6870	1100	7970
2005-06	6112	7437	1100	8537
2006-07	7188	7653	1100	8753
2007-08	7504	8604	1500	10104
2008-09	8222	8337	2250	10587

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Month	Max. Demand Met	R.D.M	Restriction	U.D.M
	MW	MW	MW	MW
2009-10	8186	9356	1500	10856
2010-11	10672	9888	1700	11082
2011-12	11767	12038	1300	12123
2012-13	12048	13090	1500	14300

Table 2-4: Monthly System Peak for current Year

Month	Max. Demand Met	Max. R.D.M	AV. Restriction	Max. U.D.M
	MW	MW	MW	MW
Nov-12	11716	10976	1583	12876
Dec-12	9613	11262	1583	13362
Jan-13	9949	11994	1667	13594
Feb-13	9363	11223	1667	13078
Mar-13	10745	11852	1667	13202
Apr-13	10638	12013	1667	13363
May-13	12115	12066	2000	14069
Jun-13	11711	11806	2000	13777
Jul-13	11629	12510	2000	14101
Aug-13	11916	12617	2000	14867
Sept-13	11520	13185	2000	15044
Oct-13	10984	11241	2000	13447

2.5 Bulk Power Flow Through Transmission System

Bulk Power in the transmission system is dominated by the coal based thermal generating plants available in southeast of the state. These plants at Anpara, Obra, Rihand and Singrauli generate about 6300 MW out of which 4500 to 5000 MW generation flows to the western regions after meeting Varanasi regional demand. This power transfer level continues through Sultanpur-Allahabad, Lucknow-Kanpur, Moradabad-Agra interfaces since the available generation in each of the regions almost matches with its respective demand. In the east, power from the aforementioned plants flows towards north to supply Varanasi, Azamgarh and Gorakhpur load centres. A small amount of power is imported from Bihar through a connection at 132 kV level. Power supply to Uttaranchal in the North West is normally less than 500 MW due to the availability of hydroelectric generation in the state. In the west, more than 3000 MW power flows to Delhi and Rajasthan through ± 500 kV HVDC bi-pole link and 400 kV transmission network across the state. The existing bulk transmission system capacity with the current level of power transfer requirements is well equipped to handle the flow of energy.

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3 True up Petition for FY 2011-12

3.1 True-up Summary for FY 2011-12

The Petitioner submits that the audited accounts for FY 2011-12 for UPPTCL have been enclosed along with this Petition. The Petitioner seeks true-up of expenses for the year 2011-12 as per the audited accounts as applicable for various heads of expenditure.

The following table summarises the truing up computations for 2011-12 for approval by the Hon'ble Commission. The Petitioner also provides the details of truing up in the subsequent paragraphs:

Table 3-1: True Up Summary for FY 2011-12

(All figures in Rs Crore)

Particulars	FY 2011-12		
	Approved	Actuals as per audited accounts	True-up Petition
Employee cost	390.16	351.46	351.46
A&G expenses	19.09	14.77	14.77
R&M expenses	93.18	118.80	118.80
Interest on Loan Capital	294.67	420.92	496.67
Interest on Working Capital	31.70	6.25	32.65
Finance Charges	-	2.81	2.81
Depreciation	344.86	351.55	339.39
Gross Expenditure	**1,173.66**	**1,266.57**	**1,356.54**
Less: Employee cost capitalized	84.66	123.27	123.27
Less: A&G Capitalisation	3.61	6.04	6.04
Less: Interest Capitalisation	-	189.19	223.23
Net Expenditure	**1,085.40**	**948.06**	**1,003.99**
Provision for Bad & Doubtful debts		42.10	-
Prior Period Items, Debits, write-offs & other expenses		33.83	33.83
Net Expenditure with provisions	**1,085.40**	**1,023.99**	**1,037.82**
Add: Return on Equity	49.67		58.08
Less: Non Tariff Income	29.62	27.49	27.49
Annual Revenue Requirement (ARR)	**1,105.45**	**996.50**	**1,068.40**

The Petitioner requests the Hon'ble Commission to allow truing up for FY 2011-12 as provided in the aforementioned table. The Petitioner is detailing the rationale for truing up of some of the key issues in the subsequent paragraphs.

3.2 Operation and Maintenance Expenses

Operation and Maintenance Expenses (O&M expenses) comprises of employee expenses, repair and maintenance expenses and administrative and general expenses. Each element of O&M expenses have been examined in detail in the succeeding paragraphs.

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The Petitioner submits that the actual gross employee expenses were Rs. 351.46 crore as against Rs. 390.16 crore approved by the Hon'ble Commission in the Tariff Order for FY 2011-12. The employee expenses capitalised as per audited accounts are to the tune of Rs. 123.27 crore as against Rs. 84.66 crore approved in the Tariff Order. Thus, the net employee expenses as per audited accounts are Rs. 228.19 crore as against Rs. 305.50 crore approved in the Tariff Order.

Further, the Petitioner submits that the actual gross A&G expenses were Rs. 14.77 crore as against Rs. 19.09 crore approved by the Hon'ble Commission in the Tariff Order for FY 2011-12. The A&G expenses capitalised as per audited accounts are to the tune of Rs. 6.04 crore against Rs. 3.61 crore approved in the Tariff Order. Thus, the net A&G expenses as per audited accounts are Rs. 8.73 crore as against Rs. 15.49 crore approved in the Tariff Order.

The actual repair and maintenance expenses for FY 2011-12 were Rs. 118.80 crore as against Rs. 93.18 crore approved by the Commission in the Tariff Order.

The Petitioner has been able to control the employee expenses and administrative and general expenses within the limit prescribed in the Tariff Order. The overall O&M expenses are also within the limit approved in the Tariff Order. Accordingly, the Petitioner humbly submits that the O&M expenses be trued up considering the actual expenses incurred as per audited accounts, as they are within the range prescribed in the Tariff Order for FY 2011-12. Further, as the actual expenses are lower than the approved expenses, the Petitioner humbly requests the Hon'ble Commission to frame an appropriate policy for sharing of efficiency gains.

The summary of the O&M expenses approved in the Tariff Order for FY 2011-12 vis-a-vis the actual expenses as per audited accounts and those claimed in the True up are shown in the table below:

Table 3-2: Operation & Maintenance Expenses FY 2011-12

(All figures in Rs Crore)

Particulars	Tariff Order	Actuals as per audited accounts	True-up Petition
Employee Expenses	390.16	351.46	351.46
Repair & Maintenance Expenses	93.18	118.80	118.80
Administrative and General Expenses	19.09	14.77	14.77
Gross Operation and Maintenance Expenses	**502.44**	**485.03**	**485.03**
Less: Capitalisation			
Employee Cost Capitalized	84.66	123.27	123.27
A&G Expenses Capitalized	3.61	6.04	6.04
Total Capitalization	**88.27**	**129.32**	**129.32**
Net Operation and Maintenance Expenses	**414.17**	**355.71**	**355.71**

3.3 Interest on Long Term Loans

Interest cost is an uncontrollable cost as the interest rate regime is determined by various external factors and the actual loans taken are consequential to the capital expenditure undertaken by the Petitioner.

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The Hon'ble Commission in the FY 2007-08 true up order dated 21st May, 2013 and subsequently in the order dated 31st May, 2013 wherein it had approved the true ups for FY 2008-09, 2009-10 and 2010-11 had considered a normative tariff approach with a gearing of 70:30. Considering this approach, 70% of the capital expenditure undertaken in any year was considered to be financed through loan and balance 30% was been considered to be financed through equity contributions. The portion of capital expenditure financed through customer contributions, capital subsidies and grants was separated and the depreciation and interest thereon was not charged to the beneficiaries. The amounts received as customer contributions, capital subsidies and grants were traced from the audited accounts. Subsequently, the financing of the capital investment was worked out based on the gearing ratio of 70:30 and allowable depreciation was considered as normative loan repayment.

The Petitioner for the purposes of this true up petition for FY 2011-12 has claimed the interest and finance charges based on the same philosophy.

Considering the Capital Work in Progress balances (CWIP) and Gross Fixed Asset (GFA) balances as per audited accounts, the Petitioner has derived the actual capital investments undertaken by it in FY 2011-12. The details are provided in the table below:

Table 3-3: Capital Investments in FY 2011-12

(All figures in Rs Crore)

Particulars	Derivation	2011-12
Opening WIP as on 1st April	A	2128.33
Investments	B	2336.40
Employee Expenses Capitalisation	C	123.27
A&G Expenses Capitalisation	D	6.04
Interest Capitalisation on Interest on long term loans	E	189.19
Total Investments	**F= A+B+C+D+E**	**4783.23**
Transferred to GFA (Total Capitalisation)	G	742.90
Closing WIP	**H= F-G**	**4040.33**

The table below summarises the amounts received towards customer contributions, capital grants and subsidies in FY 2011-12:

Table 3-4: Customer Contributions, Capital Grants and Subsidies in FY 2011-12

(All figures in Rs Crore)

Particulars	2011-12
Opening Balance of Customer Contributions, Grants and Subsidies towards Cost of Capital Assets	228.24
Additions during the year	121.89
Less: Amortisation	13.12
Closing Balance	**337.00**

Thus, the eligible financing of the capital investment is depicted in the table below:

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Table 3-5: Financing of the Capital Investments in FY 2011-12

(All figures in Rs Crore)

Particulars	Derivation	2011-12
Investment	A	2,336.40
Less:		
Customer Contribution	B	121.89
Investment funded by debt and equity	C=A-B	2,214.51
Debt Funded	70%	1,550.15
Equity Funded	30%	664.35

Thus, from the above tables it is seen, that Petitioner has made an investment of Rs. 2336.40 crore in FY 2011-12. The customer contributions, capital subsidies and grants received during the corresponding period is Rs. 121.89 crore. Thus, balance Rs. 2,214.51 crore have been funded through debt and equity. Considering a debt equity ratio of 70:30, Rs. 1,550.15 crore or 70% of the capital investment is envisaged to be funded through debt and balance 30% equivalent to Rs. 664.35 crore through equity. Allowable depreciation for the year has been considered as normative loan repayment.

The actual weighted average rate of 11.55% has been considered for computing the eligible interest expenses. The opening balance of long term loan has been considered from the loan balance approved by the Hon'ble Commission in its order dated 31st May, 2013 while undertaking the truing up for FY 2010-11.

Considering the above, the gross interest on long term loan is Rs. 496.67 crore. The interest capitalisation has been considered at the same rate as per audited accounts. The computations for interest on long term loan are depicted below:

Table 3-6: Allowable Interest on Long Term Loan for FY 2011-12

(All figures in Rs Crore)

Particulars	2011-12
Opening Loan	3696.41
Loan Additions (70% of Investments)	1,550.15
Less: Repayments (Depreciation allowable for the year)	339.39
Closing Loan Balance	4,907.17
Weighted Average Rate of Interest	11.55%
Interest on long term loan	**496.67**
Interest Capitalisation Rate	44.95%
Less: Interest Capitalized	223.23
Net Interest Charged	**273.43**

3.4 Finance Charges

The Petitioner submits that is has incurred finance charges to the tune of Rs. 2.81 crore as per audited accounts towards expenditures like bank charges, finance charges, etc and the same be allowed in the true up for FY 2011-12.

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3.5 Interest on Working Capital

In the Tariff Order for FY 2011-12, the Hon'ble Commission had allowed Rs. 31.70 crore towards interest on working capital. The Transmission Tariff Regulations provide for the normative interest on working capital based on the methodology outlined in the Regulations. Accordingly, the Petitioner hereby claims Rs. 34.17 crore towards interest on working capital for FY 2011-12 as computed in the table below:

Table 3-7: Allowable Interest on Working Capital for FY 2011-12

(All figures in Rs Crore)

Particulars	Derivation	True up Petition
O&M Expenses		
Employee Expenses		228.19
R&M Expenses		118.80
A&G Expenses		8.73
Total O&M Expenses	**A**	**355.71**
One Month's O&M Expenses	B = 1/12 of A	29.64
Book Value of Stores	C	641.85
One twelfth of the sum of book value of the material in stores	D = 1/12 of C	53.49
Receivable equivalent to 60 days average billing of consumers	E	178.07
Total Working Capital Requirement	**F = B + D + E**	**261.20**
Interest rate	G	12.50%
Interest on working capital	**H = F x G**	**32.65**

The following table summarises the interest and finance charges claimed by the Petitioner as against those approved by the Commission in the Tariff Order for UPPTCL for FY 2011-12:

Table 3-8: Allowable Interest and Finance Charges for FY 2011-12

(All figures in Rs Crore)

Particulars	Tariff Order	Actual as per audited accounts	True-up Petition
A: Interest on Long Term Loans			
Gross Interest on Long Term Loan	294.67	420.92	496.67
Less: Interest Capitalisation	-	189.19	223.23
Net Interest on Long Term Loans	**294.67**	**231.73**	**273.43**
B: Finance and Other Charges			
Guarantee Charges	-	2.77	2.77
Bank Charges		0.04	0.04
Total Finance Charges	**-**	**2.81**	**2.81**
C: Interest on Working Capital	**31.70**	**-**	**32.65**
Total (A+B+C)	**326.37**	**240.79**	**308.89**

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3.6 Depreciation

The actual depreciation expense charged in the audited accounts is Rs. 351.55 crore. However, the same has been accounted for considering the depreciation rates prescribed by the Companies Act, 1956.

The Petitioner has computed the allowable depreciation expense on the GFA base as per audited accounts for FY 2011-12 and at the rates approved by the Commission in the Tariff Order for FY 2011-12 i.e., @ 4.50%. The Petitioner has computed the depreciation only on the depreciable asset base and has excluded the non-depreciable assets such as land, land rights, etc.

Considering this philosophy, the gross entitlement towards depreciation has been computed at Rs. 351.68 crore.

Table 3-9: Gross Allowable Depreciation for FY 2011-12

(All figures in Rs Crore)

Particulars	Opening GFA	Additions to GFA	Deductions to GFA	Closing GFA	Depreciation Rates considered	Allowable Depreciation
Land & Land Rights						
i) Unclassified	31.21	0.44		31.65		
ii) Freehold Land	0.05	5.18		5.23		
Buildings	248.50	29.82	0.09	278.23		
Other Civil Works	43.29	0.58		43.87		
Plants & Machinery	3,928.67	542.84	68.70	4,402.81		
Lines, Cable Network etc.	3,192.39	155.17	1.80	3,345.76		
Vehicles	3.58	0.03	0.07	3.55		
Furniture & Fixtures	1.36	0.08	0.00	1.44		
Office Equipments	2.28	0.37	0.01	2.65		
Jeep & Motor Car	-			-		
Assets taken over from Licensees pending final Valuation	61.62	8.39		70.00		
Total	**7,512.95**	**742.90**	**70.66**	**8,185.19**		**-**
GRAND TOTAL	**7,512.95**	**742.90**	**70.66**	**8,185.19**	**4.50%**	**351.68**

The Petitioner has traced the figures in respect of depreciation charged on assets created out of customer contributions, capital grants and subsidies from the audited accounts. This equivalent depreciation amounting to Rs. 12.29 crore has been reduced from the allowable depreciation for FY 2011-12.

Thus the allowable depreciation for FY 2011-12 is Rs. 339.39 crore as depicted in the table below:

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Table 3-10: Net Allowable Depreciation for FY 2011-12

(All figures in Rs Crore)

Particulars	Tariff Order	Actual as per audited accounts	True-up Petition
Gross Allowable Depreciation	344.86	351.55	351.68
Less: Equivalent amount of depreciation on assets acquired out of the Customer Contribution and GoUP Subsidy		12.29	12.29
Net Allowable Depreciation	**344.86**	**339.27**	**339.39**

3.7 Prior Period Expenses

The Petitioner submits that it prepares its financial statements in compliance with Generally Accepted Accounting Principles (GAAP's) and Accounting Standards issued by Accounting Standards Board of Institute of Chartered Accountants of India.

There are certain prior period items which have been identified and incorporated in the audited financial statements for 2011-12. As per Accounting Standards (AS 5) (Revised) on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' states:

'Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods'

In the audited financial statements of the Petitioner for FY 2011-12, there has been recognition of Rs -17.97 crore of prior period incomes and prior period expenses of Rs 51.79 crore, thereby increasing the eligible true-up by Rs. 33.83 crore.

The following table provides the detailed break-up of the prior period items for FY 2011-12 as per audited accounts

Table 3-11: Prior Period Items for FY 2011-12

(All Figures in Rs Crore)

Particulars	UPPTCL
Income	
Interest income for prior periods	0.23
Other Excess Provision	17.76
Others Income	(0.02)
Sub-Total A	**17.97**
Expenditure	
Operating Expenses	5.23
Employee Cost	0.67
Depreciation	10.33
Interest and Finance Charges	34.52
A&G Expenses	1.05
Sub-Total B	**51.79**
Net prior period (Credit)/Charges : B-A	**33.83**

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3.8 Return on Equity

Under the provisions of the Transmission Tariff Regulations, the Petitioner is allowed a return of @ 14% on equity base; for equity base calculation debt equity ratio shall be 70:30. Where equity involved is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30%. Equity amounting to more than 30% shall be considered as loan. In case of actual equity employed being less than 30%, actual debt and equity shall be considered for determination of tariff.

In view of the huge gap in the recovery of cost of supply at the Discom level, the Petitioner was of the view that return on equity would only result in accumulation of receivables. As such, the Licensee has been claiming return on equity @ 2% since the financial years 2009-10 onwards. Return on equity has been computed on the normative equity portion (30%) on capitalized assets.

The Commission while truing up the return on equity has considered:

- Opening equity as on 1st April, 2007 based on the equity balance which devolved upon the licensee in the Transmission Transfer Scheme.
- Equity additions in FY 2007-08, 2008-09, 2009-10 and 2010-11 equivalent to normative 30% of the capitalized assets and as approved by the Hon'ble Commission in the respective true-up orders.
- A rate of 2% has been considered for computing return on eligible equity.

The allowable equity for FY 2011-12 has been computed to be Rs. 58.08 crore as provided in the table below:

Table 3-12: Allowable Return on Equity for FY 2011-12

(All Figures in Rs Crore)

Particulars	True up Petition
Equity Base at the beginning of the year	2792.47
Assets Capitalised	742.90
Addition to Equity Base (30% of assets capitalised)	222.87
Closing Equity Base	3015.34
Average Equity Base	2903.90
Rate of Return	2.00%
Allowable Return on Equity	**58.08**

3.9 Non Tariff Incomes

The Petitioner submits that against the projected non tariff incomes of Rs. 29.62 crore in the Tariff Order, the actual non tariff incomes have been Rs. 27.49 crore.

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3.10 Revenue side Truing up

The Petitioner submits that the transmission charges recovered by it, in FY 2011-12, are to the tune of Rs. 942.18 crore as per audited accounts. Further, as part of separate function of SLDC, it is maintaining separate accounts for SLDC. It has recovered SLDC charges to the tune of Rs. 1.63 crore in FY 2011-12. Thus, the total revenue receipts of the Petitioner are to the tune of Rs. 943.81 crore.

3.11 Aggregate Revenue Requirement for FY 2011-12 after truing up

The Aggregate Revenue Requirement for FY 2011-12 after final truing up is summarised in the Table below:

Table 3-13: ARR for FY 2011-12 after Final Truing Up

(All figures in Rs Crore)

Particulars	Tariff Order	Actual as per audited accounts	True-up Petition
Employee cost	390.16	351.46	351.46
A&G expenses	19.09	14.77	14.77
R&M expenses	93.18	118.80	118.80
Interest on Loan Capital	294.67	420.92	496.67
Interest on Working Capital	31.70	6.25	32.65
Finance Charges	-	2.81	2.81
Depreciation	344.86	351.55	339.39
Gross Expenditure	**1,173.66**	**1,266.57**	**1,356.54**
Less: Employee cost capitalized	84.66	123.27	123.27
Less: A&G Capitalisation	3.61	6.04	6.04
Less: Interest Capitalisation	-	189.19	223.23
Net Expenditure	**1,085.40**	**948.06**	**1,003.99**
Provision for Bad & Doubtful debts		42.10	-
Debits, write-offs & other expenses		33.83	33.83
Net Expenditure with provisions	**1,085.40**	**1,023.99**	**1,037.82**
Add: Return on Equity	49.67		58.08
Less: Non Tariff Income	29.62	27.49	27.49
Annual Revenue Requirement (ARR)	**1,105.45**	**996.50**	**1,068.40**
Transmission charges already recovered in FY 2011-12			943.81
Balance ARR Recoverable (to be recovered along with the ARR of FY 2014-15)			**124.59**

The trued transmission charges for FY 2011-12 are Rs. 1068.40 as against Rs. 1105.45 crore approved in the Tariff Order. After considering the transmission charges already recovered for FY 2011-12 amounting to Rs. 943.81 crore, the balance transmission charges recoverable consequent to true up are to the tune of Rs. 124.59 crore.

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4 Annual Revenue Requirement for FY 2014-15

4.1 Components of the Annual Revenue Requirement

The Transmission Tariff Regulations specify that annual expenditure of a transmission licensee comprises of the following components:

- Operation & Maintenance expenses comprising of:
  - Employee Expenses
  - Repair and Maintenance Expenses
  - Administrative & General Expenses
- Depreciation
- Interest & Financing Costs
  - Interest on Long Term Loans
  - Finance Charges
  - Interest on Working Capital
- Return on Equity
- Taxes on Income
- Contribution to Contingency Reserve
- Other expense

The Petitioner in the current petition is filing the ARR for FY 2014-15 for the kind approval by the Hon'ble Commission. In estimating the ARR the main objective of the Petitioner is to reduce or at least contain the expenses to the extent possible thereby reducing the cost burden on the beneficiaries. In FY 2011-12 and 2012-13, the Petitioner has endeavored to limit most of the expenses within the budget approved by Hon'ble Commission in the respective Tariff Orders with some exceptions which were totally beyond the control of the Petitioner.

In the ensuing year FY 2014-15, the Petitioner has taken up the challenge of controlling most of the operating expenses within the current year level with moderate hike only to offset the impact of inflation. The Petitioner is making concerted efforts to improve the quality of supply. The Petitioner has made plan for capital investment matching with the system requirement. In spite of the Petitioner's effort to control expenses the total Revenue Requirement has risen mainly due to increased capex which is needed due to system requirements.

The detailed analysis & estimate of all the elements of ARR for FY 2014-15 have been presented in the subsequent sections with appropriate explanations. The cost elements of ARR have been estimated based on the provisional un-audited accounts of FY 2012-13 (enclosed with the Petition) and revised estimates for FY 2013-14.

The Transmission Tariff Regulations suggest for formulation of an escalation index linked with appropriate indices/rates like Consumer Price Index (CPI) and Wholesale Price Index (WPI) as notified

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by Central Government for different years. As per the Transmission Tariff Regulations for determination of Operation & Maintenance expenses (which comprises of employee cost, administrative and general (A&G) expenses and repair and maintenance (R&M) expenses) for the years under consideration, the O&M expenses of the base year shall be escalated at inflation rates notified by the Central Government for different years. The inflation rate for above purpose shall be the weighted average of Wholesale Price Index and Consumer Price Index in the ratio of 60:40. Therefore it is imperative to first calculate an Escalation index based on the guidelines provided in the Transmission Tariff Regulations.

4.2 Escalation Index/Inflation Rate

The Transmission Tariff Regulations issued by Hon'ble Commission provides that expenses of the base year shall be escalated at Inflation/Escalation rate notified by Central Government for different years. The inflation rate for this purpose shall be weighted average of Wholesale Price Index and Consumer Price Index in the ratio of 60:40. Therefore for the purpose of this ARR, the Petitioner has used this methodology in arriving at Escalation Index/Inflation Rate of 8.75% in FY 2013-14 and 8.15% in FY 2014-15. This Escalation / Inflation index has been used in estimation of various components of ARR. The calculation of Escalation/ Inflation Index is given in following table:

Inflation Rate=0.6*Inflation based on WPI + 0.4*Inflation based on CPI

Table 4-1: Escalation Index for FY 2013-14

Month	Wholesale Price Index		Consumer Price Index		Consolidated Index	
	FY 12	FY 13	FY 12	FY 13	FY 12	FY 13
April	152	164	186	205	166	180
May	152	164	187	206	166	181
June	153	165	189	208	167	182
July	154	166	193	212	170	184
August	155	167	194	214	171	186
September	156	169	197	215	173	187
October	157	169	198	217	173	188
November	157	169	199	218	174	188
December	157	169	197	219	173	189
January	159	170	198	221	174	191
February	159	170	199	223	175	191
March	161	171	201	224	177	192
Average	**156**	**168**	**195**	**215**	**172**	**187**
Weighted Average of Inflation (60% *WPI+40%*CPI)						**8.75%**

WPI-http://eaindustry.nic.in *CPI-http://labourbureau.nic.in/intab.html*

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Table 4-2: Escalation Index for FY 2014-15

Month	Wholesale Price Index			Consumer Price Index		
	FY 12	FY 13	FY 14	FY 12	FY 13	FY 14
April	152	164	171	186	205	226
May	152	164	171	187	206	228
June	153	165	173	189	208	231
July	154	166	176	193	212	235
August	155	167	178	194	214	237
September	156	169	180	197	215	238
October	157	169		198	217	
November	157	169		199	218	
December	157	169		197	219	
January	159	170		198	221	
February	159	170		199	223	
March	161	171		201	224	
Average	**156**	**168**	**175**	**195**	**215**	**233**
Inflation of Sept 13 over Sept 2012			**6.46%**			**10.70%**
Weighted Average of Inflation (60% *WPI+40%*CPI)						**8.15%**

1. WPI-http://eaindustry.nic.in *CPI-http://labourbureau.nic.in/intab.html*

4.3 Operation & Maintenance Expenses

Operation & Maintenance expenses comprise of Employee Costs, Administrative & General Expenses, and Repair & Maintenance expenses. The regulation 4.2 of the Transmission Tariff Regulations issued by the Hon'ble Commission stipulates:

1. The O&M expenses for the base year shall be calculated on the basis of historical/audited costs and past trend during the preceding five years. However, any abnormal variation during the preceding five years shall be excluded. O&M expenses so calculated for the base year shall then be escalated on the basis of prevailing rates of inflation for the year as notified by the Central Government and shall be considered as a weighted average of Wholesale Price Index and Consumer Price Index in the ratio of 60:40. Base year, for these regulations means, the first year of tariff determination under these regulations i.e., FY 2007-08.

2. Where such data for the preceding five years is not available the Commission may fix O&M expenses for the base year as certain percentage of the capital cost.

3. Incremental O&M expenses for the ensuing financial year shall be 2.5% of capital addition during the current year. O&M charges for the ensuing financial year shall be sum of incremental O&M expenses so worked out and O&M charges of current year escalated on the basis of predetermined indices as indicated in regulation 4.2 above.

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The Hon'ble Commission in the FY 2007-08 true up order dated 21st May, 2013 had determined the O&M expenses for the base year and subsequently had trued up the O&M expenses for the years 2008-09, 2009-10 and 2010-11 in its order dated 31st May, 2013 strictly in line with the Transmission Tariff Regulations considering escalation indices and O&M expenses on new assets. The pay revision expenses were considered separately and the base employee expenses were increased to account for the increase due to wage revision.

5.2.1 O&M Expenses on Addition to Assets during the Year

In addition to the Employee expenses, A&G expenses and R&M expenses described in the succeeding section, the Transmission Tariff Regulations provide for incremental O&M expenses on addition to Gross Fixed Assets (GFA) during the year. The Transmission Tariff Regulations stipulates that *"Incremental O&M expenses for the ensuing financial year shall be 2.5% of capital addition during the current year. O&M expenses for the ensuing financial year shall be sum of incremental O&M expenses so worked out and O&M expenses of current year escalated on the basis of predetermined indices as indicated in regulation 4.2.1."*

Considering the above the incremental O&M has been worked out in following table. The same are allocated across the individual elements of the O&M on the basis of contribution of each element in the gross O&M expenses excluding the incremental O&M expenses.

Table 4-3: Allocation of incremental O&M expenses

(All Figures in Rs Crore)

Incremental O&M Expenses @2.5% of capital additions during the year	FY 2013-14	FY 2014-15
Capitalised Assets during previous year	456.03	1976.70
Incremental O&M Expenses	**11.40**	**49.42**
a) Employee Costs	7.31	31.50
b) A&G Expenses	3.78	16.58
c) R&M Expenses	0.31	1.34

5.2.2 Operation and Maintenance Expenses for FY 2014-15

The Petitioner has computed the allowable O&M expenses up to FY 2011-12 in the preceding section. The allowable O&M expenses for FY 2014-15 have been claimed by escalating the component wise O&M expenses for FY 2011-12 by using the yearly inflation indices approved by the Hon'ble Commission up to FY 2013-14 in its Tariff Order dated 31st May, 2013 and at the rate of 8.15% for FY 2014-15 as computed in Section 5.2 above.

Thus, the allowable O&M expenses for FY 2014-15 are depicted in the table below:

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Table 4-4: Allowable O&M Expenses for FY 2014-15

(All Figures in Rs Crore)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15
Employee Expenses			
Gross Employee Costs and Provisions	348.54	379.03	409.93
Incremental Employee Expenses @ 2.5% of GFA additions of preceding year	0.00	7.31	31.50
Gross Employee Expenses	**348.54**	**386.34**	**441.43**
Employee expenses capitalized	71.25	88.86	101.53
Net Employee Expenses	**277.29**	**297.48**	**339.90**
A&G Expenses			
Gross A&G Expenses	15.28	16.14	17.45
Incremental Employee Expenses @ 2.5% of GFA additions of preceding year	0.00	0.31	1.34
Gross A&G Expenses	**15.28**	**16.45**	**18.80**
A&G expenses capitalized	7.75	3.78	4.32
Net A&G Expenses	**7.53**	**12.67**	**14.47**
R&M Expenses			
Repair & Maintenance Expenditure	137.97	150.04	162.28
Incremental Employee Expenses @ 2.5% of GFA additions of preceding year	0.00	3.78	16.58
Gross Repair & Maintenance Expenses	**137.97**	**153.82**	**178.85**
Total O&M Expenses Allowable as per Regulations	**422.79**	**463.97**	**533.23**

The Petitioner submits that increase in dearness pay may be higher than the escalation index determined as per the Transmission Tariff Regulations. It is humbly prayed that any variation in employee expenses due to increase in dearness pay may be considered by the Hon'ble Commission at the time of true-up for the relevant year based on specific submissions by the Petitioner in this regard.

4.4 Gross Fixed Assets Balances and Capital Formation

The assumptions used for projecting gross fixed asset (GFA) and capital work in progress (CWIP) are as follows:

- The opening GFA and CWIP for FY 2013-14 have been taken as per the closing balances from provisional annual accounts of FY 2012-13.
- 25% the opening CWIP and 25% of investment made during the year, expenses capitalised & interest capitalised (25% of total investment) has been assumed to get capitalised during the years 2013-14 and 2014-15 respectively.

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- Investment through "deposit work "has been taken for capital formation. However depreciation thereon has not been charged to the ARR in line with the policy adopted by Hon'ble Commission in its last Tariff Orders.
- The capital investment for FY 2013-14 has been pegged at Rs. 2,200 crore out of which works through deposit works have been envisaged at Rs. 200 crore.
- The Petitioner envisages a capital investment of Rs. 2,800 crore in FY 2014-15 out of which works through deposit works have been envisaged at Rs. 225 crore. The details of the proposed capital investment plan are provided in the table below:

Table 4-5: Capital Investment Plan for FY 2014-15

Sl.No.	Works	Number/ Capacity/ Ckt Kms	Estimated Cost (Rs Crore)
A	**765 KV Works**		
1	Substations		
2	Lines	422	647.57
	Sub Total		**647.57**
B	**400 KV Works**		
1	Substations	4/2740	184.07
2	Lines	282	402.28
	Sub Total		**586.35**
C	**220 KV Works**		
1	Substations	14/2980	242.93
2	Lines	696.6	159.29
	Sub Total		**402.22**
D	**132 KV Works**		
1	Substations	36/1678	273.74
2	Lines	2419.91	388.05
	Sub Total		**661.79**
E	**Augmentation**		**502.07**
	Grand Total (A+B+C+D+E)		**2800.00**

- The capital investment plan (net of deposit works) has been projected to be funded in the ratio of 70:30 (debt to equity).

Considering the aforementioned submissions, the capital formation and capital work in progress for FY 2013-14 and 2014-15 are presented below:

Table 4-6: Capitalisation & WIP of Investment during FY 2013-14 & FY 2014-15

(All figures in Rs Crore)

Particulars	Derivation	FY 2013-14 Revised Estimates	FY 2014-15 ARR
Opening WIP as on 1st April	A	5347.49	5930.09
Investments	B	2200.00	2800.00
Employee Expenses Capitalisation	C	88.86	101.53

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Particulars	Derivation	FY 2013-14 Revised Estimates	FY 2014-15 ARR
A&G Expenses Capitalisation	D	3.78	4.32
Interest Capitalisation on Interest on long term loans	E	266.66	313.53
Total Investments	**F= A+B+C+D+E**	**7906.79**	**9149.48**
Transferred to GFA (Total Capitalisation)	G=F*25%	1976.70	2287.37
Closing WIP	H= F-G	**5930.09**	**6862.11**

Notes: (1) Opening Balances as per provisional figures of FY 2012-13.
(2) Capitalized expenses are from Emp. cost & A&G cost Tables
(3) Transfer from WIP to GFA=25% of beginning WIP+25% of total investment, capitalized Interest, Capitalized employee cost, capitalized A&G expenses.

Table 4-7: Gross Fixed Assets for FY2012-13 & FY2013-14

(All figures in Rs Crore)

Particulars	Derivation	FY 2013-14 Revised Estimates	FY 2014-15 ARR
Opening GFA	A	8641.22	10617.92
Additional to GFA during the year	B	1976.70	2287.37
Closing GFA	**C=A+B**	**10617.92**	**12905.29**

4.5 Financing of the Capital Investment

The Petitioner has considered a normative gearing of 70:30. Considering this approach, 70% of the capital expenditure undertaken in any year has been considered to be financed through loan and balance 30% has been considered to be financed through equity contributions. The portion of capital expenditure financed through customer contribution, capital subsidies and grants has been separated as the depreciation and interest thereon would not be charged to the beneficiaries.

The amounts received as customer contributions, capital subsidies and grants are traced from the provisional accounts for FY 2012-13. Further, the customer contributions, capital subsidies and grants for FY 2013-14 and 2014-15 have been considered to be in the same ratio to the total investments, as received by it in FY 2012-13.

The table below summarises the amounts considered towards customer contributions, capital grants and subsidies from FY 2012-13 to 2013-14:

Table 4-8: Customer Contribution, Capital Grants & Subsidies considered up to 2014-15

(All figures in Rs Crore)

Particulars	2012-13	2013-14	2014-15
Opening Balance of Customer Contributions, Grants and Subsidies towards Cost of Capital Assets	337.00	348.29	525.89
Additions during the year	27.96	200.00	225.00
Less: Amortisation	16.67	22.40	27.38
Closing Balance	**348.29**	**525.89**	**723.51**

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Thus, the financing of the capital investment is depicted in the table below:

Table 4-9: Financing of the Capital Investment up to FY 2014-15

(All figures in Rs Crore)

Particulars	Derivation	2012-13	2013-14	2014-15
Investment	A	1519.76	2200.00	2800.00
Less:				
Customer Contribution	B	27.96	200.00	225.00
Investment funded by debt and equity	C=A-B	1491.80	2000.00	2575.00
Debt Funded	70%	1044.26	1400.00	1802.50
Equity Funded	30%	447.54	600.00	772.50

Thus, the Petitioner submits that out of the capital investment of Rs. 2,800 crore in FY 2014-15, the capital investment through deposit works would be to the tune of Rs. 225 crore. Balance Rs. 2,575 crore have been considered to be funded through debt and equity. Considering a debt equity ratio of 70:30, Rs. 1802.50 crore or 70% of the capital investment is proposed to be funded through debt and balance 30% equivalent to Rs. 772.50 crore through equity.

4.6 Depreciation Expense

For the purpose of computing the allowable depreciation, the Petitioner has considered the GFA base as per audited accounts for FY 2011-12 and have subsequently added the yearly capitalizations for FY 2012-13, 2013-14 and 2014-15 considered in Section 4.4 above.

The Transmission Tariff Regulations provide that the depreciation shall be calculated on straight line method at the rates specified by the Central Electricity Regulatory Commission in its Tariff Regulations. Considering this, the Petitioner has considered a depreciation rate of 5.28% which is the rate provided by the CERC (Terms and Conditions of Tariff) Regulations, 2009.

The Petitioner has computed the depreciation only on the depreciable asset base and has excluded the non-depreciable assets such as land, land rights, etc.

Considering this philosophy, the gross entitlement towards depreciation has been computed to be Rs. 619.06 crore in FY 2014-15 as depicted in the table below:

Table 4-10: Gross Allowable Depreciation for FY 2014-15

(All figures in Rs Crore)

Particulars	Derivation	FY 2013-14 Revised Estimates	FY 2014-15 ARR
Depreciation Rate	A	5.28%	5.28%
Opening GFA	B	8641.22	10617.92
Additional to GFA during the year	C	1976.70	2287.37
Depreciation on Opening GFA + Additions during the year	D=(A*B)+(C*A/2)	506.49	619.06

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The Petitioner has projected the depreciation on assets created out of customer contributions, capital grants and subsidies for FY 2013-14 and 2014-15 in the same ratio as per provisional accounts of FY 2012-13. The Petitioner has reduced the equivalent depreciation amounting to Rs. 22.40 crore and Rs. 27.38 crore in FY 2013-14 and 2014-15 respectively in respect of depreciation on assets created out of customer contributions, capital grants and subsidies.

Thus, the allowable depreciation for FY 2014-15 has been depicted in the table below:

Table 4-11: Net Allowable Depreciation for FY 2014-15

(All figures in Rs Crore)

Particulars	FY 2013-14	FY 2014-15
Gross Allowable Depreciation	506.49	619.06
Less: Equivalent amount of depreciation on assets acquired out of the Customer Contribution and GoUP Subsidy	22.40	27.38
Net Allowable Depreciation	**484.09**	**591.68**

4.7 Interest on Long Term Loans

It is reiterated that the Petitioner has considered a normative tariff approach with a gearing of 70:30. In this approach, 70% of the capital expenditure undertaken in any year has been considered to be financed through loan and balance 30% has been considered to be funded through equity contributions. The portion of capital expenditure financed through customer contributions, capital subsidies and grants has been separated as the depreciation and interest thereon has not been charged to the beneficiaries.

Allowable depreciation for the year has been considered as normative loan repayment. The weighted average rate of interest of overall long term loan portfolio for FY 2012-13 has been considered for FY 2013-14 and 2014-15, as it seems to be fair and equitable. The interest capitalisation has been considered at a rate of 35% which is approximately the average of the last three years as per accounts.

The computations for interest on long term loan are depicted below:

Table 4-12: Allowable Interest on Long Term Loans for FY 2014-15

(All figures in Rs Crore)

Particulars	2012-13	2013-14	2014-15
Opening Loan	4,907.17	5,591.17	6,507.09
Loan Additions (70% of Investments)	1,044.26	1,400.00	1,802.50
Less: Repayments (Depreciation allowable for the year)	360.26	484.09	591.68
Closing Loan Balance	5,591.17	6,507.09	7,717.91
Weighted Average Rate of Interest	12.59%	12.59%	12.59%
Interest on long term loan	**661.13**	**761.88**	**895.81**
Interest Capitalisation Rate	38.65%	35.00%	35.00%
Less: Interest Capitalized	255.55	266.66	313.53
Net Interest Charged	**405.58**	**495.22**	**582.28**

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4.8 Finance Charges

The Petitioner has projected finance charges towards expenses such as guarantee fees and bank charges to the tune of Rs. 2.49 crore and Rs. 2.70 crore in FY 2013-14 and 2014-15 respectively. The same have been computed by extrapolating the actual guarantee fees and bank charges incurred in FY 2012-13 as per provisional accounts by using the Inflation Index.

4.9 Interest on Working Capital

The Transmission Tariff Regulations provides for normative interest on working Capital based on the methodology outlined in the Regulations. The Petitioner is eligible for interest on working capital worked out on methodology specified in the Regulations as provided below:

i. Operation and Maintenance expenses, which includes Employee costs, R&M expenses and A&G expenses, for one month;

ii. One-twelfth of the sum of the book value of stores, materials and supplies at the end of each month of current financial year;

iii. Receivables equivalent to 60 days average billing of consumers less security deposits by the beneficiaries

In accordance with the Transmission Tariff Regulations, the interest on the working capital requirement would be the Bank rate as specified by the Reserve Bank of India as on 1st April of the relevant year plus a margin as decided by the Hon'ble Commission. The Petitioner for this Petition has considered the interest rate on working capital requirement at 12.50% including margin. The actual rate of interest would be considered based on the audited accounts during the true-up process for the year in accordance the Transmission Tariff Regulations.

The Petitioner has, in accordance with the above mentioned Transmission Tariff Regulations, considered the interest on working capital which is shown in the table below:

Table 4-13: Interest on Working Capital

(All figures in Rs Crore)

Particulars	FY 2013-14	FY 2014-15
	Revised Estimates	ARR
One month's O & M Expenses	38.66	44.44
One-twelfth of the sum of the book value of stores, materials and supplies at the end of each month of such financial year	30.56	38.89
Receivables equivalent to 60 days average billing of Beneficiaries	253.87	300.85
Gross Total	**323.09**	**384.17**
Security Deposits by the beneficiaries (if any)	-	-
Net Working Capital	**323.09**	**384.17**
Rate of Interest for Working Capital	12.50%	12.50%
Interest on Working Capital	**40.39**	**48.02**

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4.10 Other Income

Other Income includes only non-tariff income, which comprises interest on loans and advances to employees, income from fixed rate investment deposits and interest on loans and advances to Licensees. It is estimated that other income will increase by inflation index for FY 2013-14 & FY 2014-15 from the levels as per audited accounts of FY 2011-12. Thus, the Petitioner projects its non tariff incomes to be Rs. 32.51 crore and Rs. 35.17 crore in FY 2013-14 and 2014-15 respectively

4.11 Reasonable Return/ Return on Equity

Under provisions of the Transmission Tariff Regulations, the Petitioner is eligible to a return of @ 14% on equity base; for equity base calculation debt equity ratio shall be 70:30. Where equity involved is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30%. Equity amounting to more than 30% shall be considered as loan. In case of actual equity employed being less than 30%, actual debt and equity shall be considered for determination of tariff. In this Petition, the return on equity has been computed as per methodology adopted by Hon'ble Commission in the previous Tariff Orders.

In view of the huge gap in the recovery of cost of supply at the DisComs' level, Petitioner is of the view that return on equity would only result in increase in arrears and accumulation of receivables. As such, the Petitioner has been claiming the return on equity @ 2% since the financial year 2009-10 onwards. Return on equity has been computed on the normative equity portion (30%) of capitalised assets.

The Petitioner has computed the eligible return on equity by considering the opening level of equity for FY 2012-13 based on the closing regulatory equity provided in the section dealing with the true up for FY 2011-12. Subsequently, it has considered the yearly normative equity based on the capital additions for FY 2012-13, 2013-14 and 2014-15 depicted in aforementioned sections.

Thus, the allowable equity for FY 2014-15 has been computed to be Rs. 82.36 crore as depicted in the table below:

Table 4-14: Allowable Return on Equity for FY 2014-15

(All figures in Rs Crore)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15
	Provisional Accounts	Revised Estimates	ARR
Equity base at the beginning of the year	3,015.34	3,181.90	3,774.91
Assets Capitalised	555.22	1,976.70	2,287.37
Addition to Equity	166.57	593.01	686.21
Closing Equity Base	**3,181.90**	**3,774.91**	**4,461.12**
Average Equity Base	3,098.62	3,478.41	4,118.02
Rate of Return	2%	2%	2%
Total return on regulatory equity	61.97	69.57	82.36

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4.12 Service tax

Para 4.9 of Transmission Regulations provide-

"Any cess or duty or royalty or tax imposed by the State Government shall be allowed as pass through to be recovered from the distribution licensees / long term open access consumers in proportion of their allotted capacity or quantity of energy delivered, as the case may be."

Service tax liability is imposed on the service provider which would be UPPTCL in this case. Service tax would be chargeable on actual energy transmitted during a financial year and at the rates as notified & amended by the Govt from time to time. The Petitioner seeks allowance of such statutory liability on the service provider UPPTCL as pass through in tariff.

Also such liability may be imposed on UPPTCL retrospectively like it was done in the case of PGCIL. In such an event the Petitioner would approach the Commission for allowance of such liability in its ARR accordingly.

4.13 Summary of Annual Revenue Requirement for FY 2014-15

The ARR for FY 2014-15 is summarized in the table below:

Table 4-15: Annual Revenue Requirement for FY 2014-15

(All figures in Rs Crore)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15
	Provisional Accounts	Revised Estimates	ARR
Employee cost	348.54	386.34	441.43
A&G expenses	15.28	16.45	18.80
R&M expenses	137.97	153.82	178.85
Interest on Loan Capital	661.13	761.88	895.81
Interest on Working Capital	40.35	40.39	48.02
Finance Charges	2.29	2.49	2.70
Depreciation	360.26	484.09	591.68
Gross Expenditure	**1,565.82**	**1,845.46**	**2,177.29**
Less: Employee cost capitalized	71.25	88.86	101.53
Less: A&G Capitalisation	7.75	3.78	4.32
Less: Interest Capitalisation	255.55	266.66	313.53
Net Expenditure	**1,231.27**	**1,486.16**	**1,757.90**
Provision for Bad & Doubtful debts	-		
Prior Period Items, Debits & write-offs	76.29	-	-
Net Expenditure with provisions	**1,307.56**	**1,486.16**	**1,757.90**
Add: Return on Equity	61.97	69.57	82.36
Less: Non Tariff Income	8.70	32.51	35.17
Annual Revenue Requirement (ARR)	**1,360.84**	**1,523.21**	**1,805.10**

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5 Power Wheeling and Demand

The Petitioner is performing the business of transmission of electricity received at UP periphery from various central generating stations, as well as those with in the state and dispatching this power to the Distribution Licensees as required, using "Transmission system" of UPPTCL. In purchasing / transmission of electricity from various generating station outside the state, losses outside the UP transmission system also come into effect. Therefore it is prudent to separately analyze losses internal as well as external to the system so that petitioner should not be accountable for losses external to the system.

The petitioner submits that while considering losses to meet the requirement of various distribution licensees, losses external to UPPTCL system, i.e. in the Northern Region PGCIL system need to be accounted for. The availability of power from various sources of outside the state gets reduced to the extent of these losses. UPPTCL has considered an average level of 1.65% losses in its energy transactions with the Northern Region for FY 2014-15.

On the basis of Power requirement provided by DisComs a detailed energy balance is summarized for Distribution Licensees of the state using Transmission system of TransCo for dispatching the energy in the table below:

Table 5-1: Energy Profile for FY 2012-13 to 2014-15

Particulars	FY 2012-13	FY 2013-14	FY 2014-15
PVVNL, Meerut	24625	27074	29566
DVVNL, Agra	18283	20353	22210
MVVNL, Lucknow	13880	15112	16455
PuVVNL, Varanasi	16929	19126	21061
KESCO, Kanpur	3315	3817	4098
NPCL	370	372	372
Purchased and Billed Energy (MU)	**77403**	**85855**	**93762**
Peripheral Loss (upto inter-connection point)	1.68%	1.65%	1.65%
Energy Available for Transmission (MU)	76106	84438	92214
Energy Delivered to Discoms			
Consolidated Discoms	**73313**	**81339**	**88830**
PVVNL, Meerut	23324	25650	28010
DVVNL, Agra	17317	19283	21042
MVVNL, Lucknow	13147	14317	15590
PuVVNL, Varanasi	16034	18120	19953
KESCO, Kanpur	3140	3616	3882
NPCL	351	352	352
Transmission Losses (%)			
UPPTCL	**3.67%**	**3.67%**	**3.67%**

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6 Proposed Transmission Tariff:

6.1 Derivation of Tariff:

The proposed transmission tariff is in accordance with the methodology provided in Transmission Tariff Regulations. It provides that in case of more than one long-term customers of the Transmission system (distribution licensee/long term open access customers), utilizing transmission system, the transmission charges leviable on such customers shall be computed as per the following formula:

Transmission / wheeling charges payable by the long term of customer of Transmission system for use of transmission system for a month

= (Net ARR/12)*(CL/SCL)

CL = Allotted Transmission Capacity in MW of particular long term customer.

SCL = Sum of the Allotted Transmission Capacities (in MW) to all long-term customers.

Presently, the distribution companies have not been allotted transmission capacity; as such, the transmission tariff has been calculated on the basis of numbers of units wheeled by the transmission licensee for distribution licensees'. This is based on the same approach adopted by the Commission in its previous Tariff Orders.

The UPPTCL, in this Petition has computed the eligible true up for FY 2011-12 based on audited accounts. As per the detailed submissions made in foregoing sections, the trued up ARR for FY 2011-12 is to the tune of Rs. 1,068.40 crore. Further, the revenue billed to long term customers, open access customers and SLDC charges is to the tune of Rs. 943.81 crore. Thus, there is a revenue gap of Rs. 124.59 crore in FY 2011-12.

Based on the above mentioned methodology, the transmission charges payable by all the licensees in the state is computed below:

Table 6-1: Derivation of Transmission Tariff for FY 2014-15

Particulars	Unit	Estimated
Annual Revenue Requirement for FY 2014-15	Rs Crore	1,805.10
Revenue Gap for FY 2011-12 consequent to final truing up	Rs Crore	124.59
Total Net ARR for FY 2014-15	**Rs Crore**	**1,929.68**
Energy delivered to Discoms	MU	88829.95
Transmission Charges	**Rs./kWh**	**0.2172**

The Petitioner submits that the billing in respect of intra-state transmission charges is being done on postage stamp tariff method till the time the Allotted Transmission Capacity of Long Term Transmission System Customers (the Distribution Licensees & Bulk Customer) is not finalized. Suitable steps in this regard have been initiated at the Petitioner's end to finalise the allotted transmission capacities and once it is done the intra-state transmission charges would be claimed and paid linked

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with contracted transmission capacity rather than on postage stamp tariff method. The postage stamp tariff based billing poses the risk of unjust enrichment to the licensee as it is possible for it to recover fixed costs in excess of the costs approved by the Hon'ble Commission in its ARR order. In the interim till the contracted capacities are finalised, it is humbly prayed with the Hon'ble Commission that an internal adjustment bill may be allowed to be raised within the subsidiary companies at the year end so that the licensee recovers only its costs and no unjust enrichment is allowed to it on account of postage stamp tariff method based billing.

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7 SLDC Charges

Load Despatch Centres have been termed as apex bodies in the electricity industry. They need true independence not only in financial terms but also in decision making. The Ministry of Power, Government of India had also constituted a Committee on "Manpower Certification and Incentives for System Operation and Ring Fencing Load Despatch Centres" to ensure functional autonomy for Load Despatch Centres. The Committee in its report dated 11th August, 2008 observed that functional autonomy would mean taking decisions without being adversely influenced by extraneous issues originating from the Company Management or any of the market players, which can be ensured through:

- Independent governance structure;
- Separate accounting;
- Adequate number of skilled manpower having high ethical standards and driven by altruistic values;
- Adequate logistics / infrastructure.

Further as mandated in clause 2.14 of U.P. Electricity Grid Code,2007, "State Power Committee" has been constituted under the chairmanship of Chief Engineer (SLDC). For implementation of the above recommendations, the Hon'ble Commission had approved SLDC Charges which shall be payable by UPPTCL and which will be recovered through transmission tariff as per the Clause 8 (2) of the SLDC Regulations.

The estimated costs of running UPPTCL central load despatch centre in Lucknow and four regional load despatch centres at Panki, Sahupuri, Modipuram and Moradabad which are owned and operated by UPPTCL are embedded in the ARR claimed in Section 6. It is estimated that the SLDC charges constitute around 2% of the total ARR of the UPPTCL.

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8 Prayers

The petitioner prays that the Hon'ble Commission may be pleased to:

- Admit the accompanying Annual Revenue Requirement for FY 2014-15 along with the True up for FY 2011-12 based on audited accounts.
- Approve the Annual Revenue Requirement for financial year FY 2014-15 to the tune of Rs. 1,805.10 crore.
- Approve the expenditure side truing up of the ARR for FY 2011-12 to the tune of Rs. 1,068.40 crore, revenue side truing up of Rs. 943.81crore and approve the balance gap recoverable to the tune of Rs. 124.59 crore.
- Allow the gap of FY 2011-12 pursuant to truing up of Rs. 124.59 crore to be recovered along with the ARR for FY 2014-15.
- Allow the Petitioner to pass an internal adjustment with the distribution companies so that the Licensee recovers only its cost and no unjust enrichment is allowed to it on account of postage stamp tariff method based billing till the time contracted capacities are finalised.
- Allow the Petitioner to claim dearness allowance on actual expenditure basis in case the increase in rate of dearness allowance announced by the GoUP exceed the escalation index for the relevant year as it is an uncontrollable cost.
- Frame an appropriate policy for sharing of efficiency gains in respect of controllable expenses.
- Allow the petitioner to add/change / alter / modify this application at a future date.
- Issue any other relief, order or direction which the Hon'ble Commission may deem fit.

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Annex-1

Tariff Filing Formats.

NAME OF TRANSMISSION LICENSEE: U.P. POWER TRANSMISSION CORPORATION LTD.			
FORMATS FOR ARR & TARIFF FILING BY TRANSMISSION LICENSEES			ANNEXURE-I
	Summary Formats		
1	Sheet	S1	Profit & Loss Account
2	Sheet	S2	Balance Sheet
3	Sheet	S3	Cash flow statement
4	Sheet	S4	Annual Revenue Requirement
5	Sheet	S5	Information about equity and loan
6	Sheet	S6	Information about Working Capital
7	Sheet	S7	Reasonable Return
8	Sheet	S9	Truing Up
	Financial Formats		
9	Sheet	F1	Alloted Transmission Capacity of Long Term Transmission Customers (CL)
10	Sheet	F2	Charges to be paid by Long Term Transmission Customers/month
11	Sheet	F3	Operations & Maintenance Cost
12	Sheet	F4	R&M Expenses
13	Sheet	F5a	Employees' Cost & Provisions
14	Sheet	F6	Administrative & General Expenses
15	Sheet	F7	Statement of Fixed Assets and Depreciation
16	Sheet	F8	Interest & Finance Charges
17	Sheet	F8a	Domestic loans,bonds and financial leasing
18	Sheet	F9	Details of Expenses Capitalised
19	Sheet	F10	Other Debits
20	Sheet	F11	Statement of Sundry Debtors & provision for bad & doubtful debtors
21	Sheet	F12	Extraordinary Items
22	Sheet	F13	Net Prior Period Expenses/Income
23	Sheet	F14	Contribution Grants & subsidies towards Capital assets
24	Sheet	F16	Statements of assets not in use
25	Sheet	F17	Investments
26	Sheet	F18	Current Assets and Liabilities
27	Sheet	F19	Non tariff income
28	Sheet	T-3	Capital Investment Plan
29	Sheet	T-4	Capital Formation : FY 2014-15

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Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Profit & Loss Account					Form No: S1
S.No	Particulars	FY 2011-12 True-Up Petition	FY 2012-13 Provisional Accounts	FY 2013-14 Revised Estimates	FY 2014-15 ARR
A	**Revenue/Income**				
1	Revenue from Transmission/Wheeling charges	1,068.40	1,360.84	1,523.21	1,805.10
2	Income through SLDC Function (in case of STU when STU is operating the SLDC)				
3	Non-tariff income	27.49	8.70	32.51	35.17
4	Revenues through subsidies & grants (If any)				
5	Any other Income				
	Total Revenue or Income	**1,095.90**	**1,369.54**	**1,555.72**	**1,840.26**
B	**Expenditure***				
1	Repair and Maintenance Cost	118.80	137.97	153.82	178.85
2	Employee costs	351.46	348.54	386.34	441.43
3	Administration and General expenses	14.77	15.28	16.45	18.80
4	Net prior period credit charges	33.83	76.29	-	-
5	Other Debits, Write-offs	-	-	-	-
6	Extraordinary items (specify items)		-	-	-
7	Less: Expenses Capitalized	(129.32)	(79.00)	(92.64)	(105.85)
8	Reasonable Return	58.08	61.97	69.57	82.36
C	**PBDIT (A-B)**	**648.28**	**808.49**	**1,022.19**	**1,224.67**
D	**Depreciation and Related debits**	**339.39**	**360.26**	**484.09**	**591.68**
E	**PBIT (C-D)**	**308.89**	**448.23**	**538.10**	**633.00**
1	Interest & Finance Charges	532.12	703.77	804.76	946.53
2	Less: Interest Capitalized	(223.23)	(255.55)	(266.66)	(313.53)
F	**Total Interest and Finance Charges**	**308.89**	**448.23**	**538.10**	**633.00**
G	**TOTAL EXPENDITURE (B+D+F)**	**1,095.90**	**1,369.54**	**1,555.72**	**1,840.26**
H	**Profit/Loss before Tax (A-G)**	-	-	-	-
I	**Income Tax**				
J	**Profit/Loss after Tax (A-G-I)**	-	-	-	-

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Balance Sheet					Form No: S2
S.No	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
		Audited	Provisional Accounts	Revised Estimates	ARR
I.	**SOURCES OF FUNDS**				
	A) Shareholders' Funds				
	a) Share Capital				
	b) Reserves and Surplus				
	B) Special Appropriation allowed towards Project Cost				
	C) Loan Funds				
	a) Secured Loans				
	b) Unsecured Loans				
	D) Other sources of Funds				
	a) Capital contributions from Transmission Customers (if any)				
	b) Security Deposits from Customers (if any)				
	c) Grants & Subsidies towards Capital Expenditure (if any)				
	TOTAL SOURCES OF FUNDS (A+B+C+D)				
II.	**APPLICATION OF FUNDS**				
	A) Fixed Assets				
	a) Gross Block				
	b) less: Accumulated Depreciation				
	c) Net Block				
	d) Capital Work in Progress				
	e) less: Amount wrtitten off till date				
	B) Investments (provide details seperately)				
	C) Current Assets, Loans and Advances				
	Stores & Spares				
	Sundry Debtors				
	Cash and Bank Balances				
	Other Current Assets				
	Loans & Advances				
	Inter Unit Transfers				
	D) less: Current Liabilities and Provisions				
	i) Current Liabilities				
	ii) Other Provisions				
	E) Net Current Assets (C-D)				
	F) Miscellaneous Expenditure to the extent not written off				
	TOTAL APPLICATION OF FUNDS				

The Hon'ble Commission in the True up Order for FY 2007-08 dated 21st May, 2013 and in the Suo-motu Order for FY 2013-14 dated 31st May, 2013 incorporating the true ups for FY 2008-09, 2009-10 and 2010-11 had adopted a normative tariff approach towards capital structure. This entailed that regulatory balances towards equity, GFA, accumulated depreciation, loans, etc would be different from financial statements. Hence, Forms S2, S3 and F18 have become infrutuous as they would not match with financial statements. Considering the above, the Licensee seeks waival from filing the Form Nos S2, S3 and F18.

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee:UP Power Transmission Corporation				
Cash Flow Statement				Form No: S3
S.No	Particulars	FY 2012-13 Provisional Accounts	FY 2013-14 Revised Estimates	FY 2014-15 ARR
A	**Net Funds from Operations:**			
1	Net (loss) profit before tax but after exceptional extraordinary items			
	Adjustmets			
	Depreciation and amortisation			
	Interest Expenses			
	Income from investment			
	(Profit)/ Losses on fixed Assets sold			
	Miscellaneous Expenditure written off			
	Deffered revenue expenditure written off			
	Debts/Advances written off			
	Provision for bad & Doutful Debts			
	Libility no longer required written back			
	Provision for gratuity & leave Encashment			
	Exceptional/ Extraordinary items Expenses (Income)			
	Dimunition in value of Investments			
	Operating profit before working capital changes			
	Adjusment for changes in working capital			
	(Increase)/Decrease in sundry debtors			
	(Increase)/Decrease in other receivables			
	(Increase)/Decrease in inventories			
	(Increase)/Decrease in trade and Other Paybles			
	Case generated from operations			
	Taxes (Paid)/ Received (Net of TDS)			
	Net cash from operating activities			
	Total of A			
	Cash flow from investing activities			
	Purchase of fixed assests			
	Additon during the period			
	Capital work in progress			
	Additon during the period			
	Proceeds from Sale of fixed assets			
	Proceed from sale of investments			
	Purchase of investments			
	Interest received (Revenue)			
	Net cash used in investing activities			
	Cash flow from financing activities			
	Proceeds /(Repayments) of long term borrowings (net)			
	Equity from GoUP			
	Capital contribution from consumers			
	Consumer security deposit (If any)			
	Proceeds/(Repayment) from cash credit (net)			
	Interes Paid			
	Net cash generated from financing activities			
	Net Increase/(Decrease) in cash& cash Equivalants			
	Cash &Cash Equivalants as at beginning of the financial year			
	Cash &Cash Equivalants as at end of the financial year			
	Cash &Cash Equivalants comprise			
	Cash, Cheque & Drafts (in hand) and remittances in transit			

The Hon'ble Commission in the True up Order for FY 2007-08 dated 21st May, 2013 and in the Suo-motu Order for FY 2013-14 dated 31st May, 2013 incorporating the true ups for FY 2008-09, 2009-10 and 2010-11 had adopted a normative tariff approach towards capital structure. This entailed that regulatory balances towards equity, GFA, accumulated depreciation, loans, etc would be different from financial statements. Hence, Forms S2, S3 and F18 have become infrutuous as they would not match with financial statements. Considering the above, the Licensee seeks waival from filing the Form Nos S2, S3 and F18.

निदेशक (वित्त० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Annual Revenue Requirement					Form No: S4
S.No	Particulars	FY 2011-12 Audited	FY 2012-13 Provisional Accounts	FY 2013-14 Revised Estimates	FY 2014-15 ARR
I.	**Energy Available (MU)**	74480	77403	85855	93762
II.	**Energy Transmitted/Wheeled (MU)**	70367	73313	81339	88830
III.	**Loss %**	5.52%	5.28%	5.26%	5.26%
IV.	**Transmission Cost per unit (Rs/U)**	0.1518	0.1856	0.1873	0.2032
V	**Total Transmission System Capacity (in MW)**				
VI.	**Transmission Cost per MW**				
VII.	**Max Demand handled by the transmission system (in MW)**				
1	**Receipts**				
a	Transmission/Wheeling Charges				
b	Revenue from SLDC Fee and Charges (When STU is operating the SLDC)				
c	Subsidy from Govt. (If any)				
	Total		-	-	-
2	**Expenditure**				
a	R&M Expense	118.80	137.97	153.82	178.85
b	Employee Expenses } O & M Expenses	351.46	348.54	386.34	441.43
c	A&G Expense	14.77	15.28	16.45	18.80
d	Depreciation	339.39	360.26	484.09	591.68
e	SLDC Expenses (When STU is operating the SLDC)				
f	Interest & Finance Charges	532.12	703.77	804.76	946.53
g	Contribution towards Contingency Fund				
h	Any other expenses				
	Less:				
a	Interest & other expenses capitalised	352.55	334.55	359.30	419.39
b	Other Debits (incl. Prov for Bad debts)	-	-	-	-
c	Extraordinary Items		-	-	-
d	Other (Misc.)-net prior period credit (Fee & Taxes)etc.	33.83	76.29	-	-
	Total Expenditure	**1,037.82**	**1,307.56**	**1,486.16**	**1,757.90**
3	**Reasonable Return**	58.08	61.97	69.57	82.36
4	**Non Tariff Income**	27.49	8.70	32.51	35.17
5	**Such percentage of revenue recovered from Short-term open access customers, as specified in the UPERC Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2004**				
6	**Net Annual Revenue Requirement (2)+(3) -(4+5)**	**1,068.40**	**1,360.84**	**1,523.21**	**1,805.10**

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Information regarding amount of Equity & Loan					Form No: S5
Sr. No.	Period	As on March 31 FY12	As on March 31 FY13	As on March 31 FY14	As on March 31 FY 15
1	Amt. of Equity (Rs. crores)	3015.34	3181.90	3,774.91	4,461.12
2	Amt. of Loan (Rs. crores)	4907.17	5591.17	6507.09	7717.91
3	**Debt Equity Ratio**	**62%**	**64%**	**63%**	**63%**

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd					
Working Capital Requirement					Form No: S6
Sr. No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
		Audited	Provisional Accounts	Revised Estimates	ARR
1	One month's O & M Expenses	29.64	35.23	38.66	44.44
2	One-twelfth of the sum of the book value of stores, materials and supplies at the end of each month of such financial year	53.49	60.79	30.56	38.89
3	Receivables equivalent to 60 days average billing of Beneficiaries	178.07	226.81	253.87	300.85
	Gross Total	**261.20**	**322.83**	**323.09**	**384.17**
Less:					
1	**Security Deposits by the beneficiaries (if any)**				
	Net Working Capital	**261.20**	**322.83**	**323.09**	**384.17**
	Rate of Interest for Working Capital	12.50%	12.50%	12.50%	12.50%
	Interest on Working Capital	**32.65**	**40.35**	**40.39**	**48.02**

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.				
Reasonable Return				**Form No: S7**
Particulars	**FY 2011-12**	**FY 2012-13**	**FY 2013-14**	**FY 2014-15**
	True-Up	**Provisional Accounts**	**Revised Estimates**	**ARR**
Return on Equity				
Regulatory equity at the beginning	2,792.47	3,015.34	3,181.90	3,774.91
Capitalised assets during the year	743	555	1,977	2,287
Equity portion of expenditure on capitalised assets	222.87	166.57	593.01	686.21
Regulatoryequity at the end	**3,015.34**	**3,181.90**	**3,774.91**	**4,461.12**
Return computation				
Return Regulatory equity at the beginning	55.85	60.31	63.64	75.50
Returnon Equity portion of expenditure on capitalised assets	2.23	1.67	5.93	6.86
Total return on regulatory equity	**58.08**	**61.97**	**69.57**	**82.36**

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.				
				Form No: S9
	Particulars	**Approved**	**Actual**	**True up Petition**
	Energy Wheeled (MU)	69648.16	70367.09	70367.09
	Total Transmission System Capacity (in MW)			
1	**Receipts**			
a	Transmission/Wheeling Charges	1,105.45	942.18	942:18
b	SLDC Charges		1.63	1.63
c	Subsidy from Govt (if any)			
	Total	**1,105.45**	**943.81**	**943.81**
2	**Expenditure**			
a	R&M Expenses	93.18	118.80	118.80
b	Employee Expenses	390.16	351.46	351.46
c	A&G Expenses	19.09	14.77	14.77
d	Depreciation	344.86	351.55	339.39
e	SLDC Expenses			
f	Interest & Finance Charges	326.37	429.98	532.12
g	**Less:** Interest & other expenses capitalised	88.27	318.51	352.55
h	Other Debits (incl. Prov for Bad debts)	-	42.10	-
I	Extraordinary Items			
j	Other (Misc.)-net prior period credit	-	33.83	33.83
	Total			
3	**Reasonable Return**	49.67	-	58.08
4	**Non Tariff Income**	29.62	27.49	27.49
5	**Annual Revenue Requirement (2)+(3)-(4)**	**1,105.45**	**996.50**	**1,068.40**
6	**Surplus(+) / Shortfall(-) : (1)-(5) before tariff revisi**	-	(52.68)	(124.59)
7	**Tariff Revision Impact**			
8	**Surplus(+) / Shortfall(-) : (6)-(7)after tariff revision**			

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Alloted Transmission Capacity of Long Term Transmission System Customer (Distribution Licensees& Bulk Customer)					Form No:F1
S. No.	Name of the Distribution Licensee/Bulk Consumer	Alloted Transmission Capacity (In MW)			
		Preceding Year	Current Year	Ensuing Year	
A	**Distribution Licensees**				
1	Madhayanchal Vidyut Vitran Nigam Limited, Lucknow				
2	Paschimanchal Vidyut Vitran Nigam Limited, Meerut	Waival Requested			
3	Purvanchal Vidyut Vitran Nigam Limited, Varansi				
4	Dakshinanchal Vidyut Vitran Nigam Limited, Agra				
5	Noida Power Company Limited				
6	KESCO				
7	Others				
	i.				
	ii.				
B	**Bulk Consumers/Long Term Open Access Customers (If any)**				
1					
2					
3					
	Sum of Total Allowted Transmission Capacity to all the long term Transmission system customers (SCL)				

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.				
Charges to be paid by Long Term Transmission System Customer/month (Net ARR* CL /SCL)/12				Form No:F2
S. No.	Name of the Distribution Licensee/Bulk Consumer	Charges Long Term Transmission System Customer/month		
		FY 2012-13	FY 2013-14	FY 2014-15
		Provisional Accounts	Revised Estimates	ARR
A	Distribution Licensees			
1	Meerut	36.08	40.03	50.74
2	Agra	26.79	30.09	38.11
3	Lucknow	20.34	22.34	28.24
4	Varanasi	24.80	28.28	36.14
5	Kesco	4.86	5.64	7.03
6	NPCL	0.54	0.55	0.64
B	Bulk Consumers/Long Term Open Access Consumers (If any)			
1				
2				
3				
A+B		113.40	126.93	160.90

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Operations & Maintenance Cost					Form No:F3
Sl.No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Figure in Rs Crore	Audited	Provisional Accounts	Revised Estimates	ARR
1	Repair & Maintenance Expenses	118.80	137.97	153.82	178.85
2	Employee Expenses	351.46	348.54	386.34	441.43
2	Administrative and General Expenses	14.77	15.28	16.45	18.80
	Less :				
4	Expenses Capitalized	129.32	79.00	92.64	105.85
	Net O&M Expenses	**355.71**	**422.79**	**463.97**	**533.23**

निदेशक (का० ग्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.

Repairs & Maintenance Cost **Form No:F4**

Sl.No.	Particulars	FY 2011-12 Audited	FY 2012-13 Provisional Accounts	FY 2013-14 Revised Estimates	FY 2014-15 ARR
1	Plant and Machinery	99.46	118.39	128.74	139.24
	400 KV Sub Station				
	220 KV Sub Station				
	132 KV Sub Station				
	66 KV Sub Station				
2	Building	4.53	5.10	5.55	6.00
3	Civil Works	0.01	0.14	0.15	0.16
4	Hydraulic Works				
5	Transformers				
6	Lines, Cables Networks etc.	14.75	14.09	15.32	16.57
	400 KV Sub Station				
	220 KV Sub Station				
	132 KV Sub Station				
	66 KV Sub Station				
7	Vehicles				
8	Furniture and Fixtures	0.00	0.01	0.01	0.01
9	Office Equipments	0.04	0.25	0.27	0.30
10	Transportation				
11	Sub station maintenance by private agencies				
12	Any other items	-	-	3.78	16.58
	Total	**118.80**	**137.97**	**153.82**	**178.85**

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Employee Cost and Provisions					Form No: F5a
(Separate Form to be submitted for each wing e.g, FAO, Civil, Head Office etc.)					
S.No	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
		Audited	Provisional Accounts	Revised Estimates	ARR
1	Salaries	169.76	163.58	177.89	192.40
2	Dearness Allowance	94.55	107.66	117.08	126.63
3	Other Allowances & Relief	12.82	11.14	12.11	13.10
4	Bonus/Exgratia	2.09	2.24	2.44	2.63
5	Medical reimbursment	1.75	1.20	1.31	1.41
6	Leave travel alownce	0.14	0.00	0.00	0.00
7	Earned Leave Encashment	22.35	12.94	14.08	15.22
8	Compensation to Employees	0.06	0.22	0.24	0.26
9	Employeee welfare expencess	0.27	0.28	0.31	0.33
10	Pension and gratuity	43.15	43.92	47.76	51.66
11	Other terminal benefits	-		-	-
12	Expenses on trust	0.28	0.42	0.45	0.49
13	Any other employee expenses	4.24	4.93	5.36	5.80
14	Arrear of Pay Commission/Time Scale				
15	Additional employee Expenses(@2.5% of incremental GFA)			7.31	31.50
	Total	**351.46**	**348.54**	**386.34**	**441.43**
	Employee expenses capitalised	123.27	71.25	88.86	101.53
	Net Employee expenses	**228.19**	**277.29**	**297.48**	**339.90**

निदेशक वि० प्र० एवं प्रशा०
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Administrative and General Expenses					Form No:F6
					(Rs.Crores)
S.No.	Particulars	FY 2011-12 Audited	FY 2012-13 Provisional Accounts	FY 2013-14 Revised Estimates	FY 2014-15 ARR
A)	**Administration Expenses**				
1	Rent rates and taxes (Other than all taxes on income and profit)	0.18	0.32	0.34	0.37
2	Insurance of employees, assets, legal liability	0.03	0.03	0.04	0.04
3	Revenue Stamp Expenses Account	0.00	0.00	0.00	0.00
4	Telephone,Postage,Telegram, Internet Charges	1.85	1.79	1.94	2.10
5	Incentive & Award To Employees/Outsiders	0.00	0.00	0.00	0.00
6	Consultancy Charges	0.07	0.04	0.04	0.05
7	Travelling	0.00	0.00	0.00	0.00
8	Technical Fees	0.68	0.42	0.46	0.50
9	Other Professional Charges	0.00	0.00	0.00	0.00
10	Conveyance And Travel (vehicle hiring, running)	3.85	4.35	4.73	5.12
11	UPERC License fee				
12	Security / Service Charges Paid To Outside Agencies				
13	Regulatory Expenses				
	Sub-Total of Administrative Expenses	**6.64**	**6.95**	**7.56**	**8.17**
B)	**Other Charges**				
1	Fee And Subscriptions Books And Periodicals				
2	Printing And Stationery	0.65	0.76	0.83	0.90
3	Advertisement Expenses (Other Than Purchase Related) Exhibition & Demo.	1.34	1.03	1.12	1.21
4	Contributions/Donations To Outside Institute / Association	0.00	0.00	0.00	0.00
5	Electricity Charges To Offices	0.52	0.60	0.65	0.71
6	Water Charges	0.00	0.02	0.02	0.02
7	Consultancy expenses /Any Study related expenses	0.00	0.00	0.00	0.00
8	Miscellaneous Expenses	4.35	4.52	4.92	5.32
9	Any Study - As per requirements				
10	Any Other expenses	0.05	0.44	0.00	0.00
	Sub-Total of other charges	**6.91**	**7.37**	**7.54**	**8.15**
C)	**Legal Charges**	1.09	0.84	0.91	0.99
D)	**Auditor's Fee**	0.13	0.12	0.14	0.15
E)	**Freight - Material Related Expenses**				
F)	**Departmental Charges**				
	Additional A&G expenses(@2.5% of incremental GFA)	0.00	0.00	0.31	1.34
G)	**Total Charges**	**14.77**	**15.28**	**16.45**	**18.80**
H)	**Total Charges Chargeable To Capital Works**	6.04	7.75	3.78	4.32
I)	**Total Charges Chargeable to Revenue Expenses**	**8.73**	**7.53**	**12.67**	**14.47**

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

	Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.										
	Fixed Assets and Provision for Depreciation										Form No: F7
		FY 2011-12									
Sl.No	Particulars	Gross Fixed Assets				Provision For Depreciation					Net Fixed Assets	
		At Begning of Year	Addition During Year	Adjust-ments & Deduction	At End of Year	Rate of Depreciation	At Begning of Year	Addition During Year	Adjust-ments & Deduction	At End of Year	At The begning of Year	At the End of Year
1	**Land & Land rights**											
2	**Building and Civil Works**											
	Others 1											
	Others 2											
	Others 3											
	Sub-Total											
3	**Substations, Lines, Cable Networks etc.**											
i	Transformers											
ii	Switchgears, Control gear & Protection											
iii	Batteries											
iv	Towers, poles, fixtures, overhead conductors, devices											
v	Underground Cables and devices											
vi	Service Lines											
vii	Others											
4	**Communication equipment**											
5	**Meters & Metering Equipments**											
6	**Vehicles**											
7	**Furniture & fixtures**											
8	**Office Equipments**											
9	**Assets taken over & pending final valuation**											
10	**Any other items**											
	Total (1 to 10)	7,512.95	742.90	70.66	8,185.19		2,904.88	351.68	-	3,256.56	4,608.07	4,928.63
	Equivalent amount of Depreciation on Assets acquired out of the Consumer's Contribution and GoUP's Capital Subsidy							12.29				
	Net Allowable Depreciation							339.39				

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd

Fixed Assets and Provision for Depreciation — Form No: F7

Sl.No	Particulars	FY 2012-13										
		Gross Fixed Assets				Provision For Depreciation					Net Fixed Assets	
		At Begning of Year	Addition During Year	Adjust-ments & Deduction	At End of Year	Rate of Depreciation	At Begning of Year	Addition During Year	Adjust-ments & Deduction	At End of Year	At The begning of Year	At the End of Year
1	**Land & Land rights**											
2	**Building and Civil Works**											
	Others 1											
	Others 2											
	Others 3											
	Sub-Total											
3	**Substations, Lines, Cable Networks etc.**											
i	Transformers											
ii	Switchgears, Control gear & Protection											
iii	Batteries											
iv	Towers, poles, fixtures, overhead conductors, devices											
v	Underground Cables and devices											
vi	Service Lines											
vii	Others											
4	**Communication equipment**											
5	**Meters & Metering Equipments**											
6	**Vehicles**											
7	**Furniture & fixtures**											
8	**Office Equipments**											
9	**Assets taken over & pending final valuation**											
10	**Any other items**											
	Total (1 to 10)	8,185.19	555.22	99.19	8,641.22		3,256.56	376.93	-	3,633.49	4,928.63	5,007.73
	Equivalent amount of Depreciation on Assets acquired out of the Consumer's Contribution and GoUP's Capital Subsidy							16.67				
	Net Allowable Depreciation							360.26				

निदेशक (वा० प्र० एवं प्रशा०)
यू पी पी टी सी एल

		Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.											
		Fixed Assets and Provision for Depreciation											Form No: F7
		FY 2013-14											
Sl.No	Particulars	Gross Fixed Assets				Provision For Depreciation					Net Fixed Assets		
		At Begning of Year	Addition During Year	Adjust-ments & Deduction	At End of Year	Rate of Depreciation	At Begning of Year	Addition During Year	Adjust-ments & Deduction	At End of Year	At The begning of Year	At the End of Year	
1	**Land & Land rights**												
2	**Building and Civil Works**												
	Others 1												
	Others 2												
	Others 3												
	Sub-Total												
3	**Substations, Lines, Cable Networks etc.**												
i	Transformers												
ii	Switchgears, Control gear & Protection												
iii	Batteries												
iv	Towers, poles, fixtures, overhead conductors, devices												
v	Underground Cables and devices												
vi	Service Lines												
vii	Others												
4	**Communication equipment**												
5	**Meters & Metering Equipments**												
6	**Vehicles**												
7	**Furniture & fixtures**												
8	**Office Equipments**												
9	**Assets taken over & pending final valuation**												
10	**Any other items**												
	Total (1 to 10)	8,641.22	1,976.70	-	10,617.92		3,633.49	506.49	-	4,139.98	5,007.73	6,477.94	
	Equivalent amount of Depreciation on Assets acquired out of the Consumer's Contribution and GoUP's Capital Subsidy							22.40					
	Net Allowable Depreciation							484.09					

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

		Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.										
		Fixed Assets and Provision for Depreciation										Form No: F7
Sl.No	Particulars	FY 2014-15										
		Gross Fixed Assets				Provision For Depreciation					Net Fixed Assets	
		At Begning of Year	Addition During Year	Adjust-ments & Deduction	At End of Year	Rate of Deprecia-tion	At Begning of Year	Additions During Year	Adjust-ments & Deduction	At End of Year	At The begning of Year	At the End of Year
1	**Land & Land rights**											
2	**Building and Civil Works**											
	Others 1											
	Others 2											
	Others 3											
	Sub-Total											
3	**Substations, Lines, Cable Networks etc.**											
i	Transformers											
ii	Switchgears, Control gear & Protection											
iii	Batteries											
iv	Towers, poles, fixtures, overhead conductors, devices											
v	Underground Cables and devices											
vi	Service Lines											
vii	Others											
4	**Communication equipment**											
5	**Meters & Metering Equipments**											
6	**Vehicles**											
7	**Furniture & fixtures**											
8	**Office Equipments**											
9	**Assets taken over & pending final valuation**											
10	**Any other items**											
	Total (1 to 10)	**10,617.92**	**2,287.37**	**-**	**12,905.29**		**4,139.98**	**619.06**	**-**	**4,759.04**	**6,477.94**	**8,146.25**
	Equivalent amount of Depreciation on Assets acquired out of the Consumer's Contribution and GoUP's Capital Subsidy							27.38				
	Net Allowable Depreciation							**591.68**				

निदेशक (वि० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.						
Interest & Finance Charges						Form No: F8
	S.No	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
		In Rs Crores	Audited	Provisional Accounts	Revised Estimates	ARR
I		**Interest and Finance Charges on Long Term Loans / Credits from the FIs/banks/organisations approved by the State Government**				
		Total of I	496.67	661.13	761.88	895.81
II		**Interest on Working Capital Loans Or Short Term Loans**				
		Interest on Working Capital/OD/CC	32.65	40.35	40.39	48.02
		Total of II	**32.65**	**40.35**	**40.39**	**48.02**
		Total of A : I + II	**529.32**	**701.48**	**802.27**	**943.83**
		Other Interest & Finance Charges				
	1	Bank Charges	0.04	0.05	0.05	0.06
		Other Bank Charges				
		Guarantee Fees	2.77	2.25	2.44	2.64
		Total of B	**2.81**	**2.29**	**2.49**	**2.70**
		Grand Total Of Interest & Finance Charges: A + B	**532.12**	**703.77**	**804.76**	**946.53**
		Less: Interest & Finance Charges Chargeble to Capital Account	**223.23**	**255.55**	**266.66**	**313.53**
		Net Total Of Interest & Finance Charges : For Revenue Account: C-D	**308.89**	**448.23**	**538.10**	**633.00**

निदेशक (वा० प्र० एवं प्रशा०)

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Domestic loans, bonds and financial leasing					Form No: F8a
S.No	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	In Rs Crores	Audited	Provisional Accounts	Revised Estimates	ARR
1	Opening Loan	3,696.41	4,907.17	5,591.17	6,507.09
2	Addditions (70% of Investments)	1,550.15	1,044.26	1,400.00	1,802.50
3	Less: Repayments	339.39	360.26	484.09	591.68
4	Closing Loan Balance	4,907.17	5,591.17	6,507.09	7,717.91
5	Weighted Average Rate of Interest	11.55%	12.59%	12.59%	12.59%
6	Interest	496.67	661.13	761.88	895.81
7	Less: Interest Capitalized	223.23	255.55	266.66	313.53
8	Net Interest Charged	273.43	405.58	495.22	582.28

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Details of Expenses Capitalised					Form No: F9
Sl.No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
		Audited	Provisional Accounts	Revised Estimates	ARR
1	Interest & Finance charges Capitalised	223.23	255.55	266.66	313.53
2	Other expenses capitalised:				
	a. Employee expenses	123.27	71.25	88.86	101.53
	b. R&M Expenses				
	c. A&G Expenses	6.04	7.75	3.78	4.32
	d. Depreciation				
	e. Others, if any				
	Total of 2	**129.32**	**79.00**	**92.64**	**105.85**
	Grand Total	**352.55**	**334.55**	**359.30**	**419.39**

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd					
Debits, Write-offs and any other items					Form No: F10
Sl.No.	Particulars	FY 2011-12 Audited	FY 2012-13 Provisional Accounts	FY 2013-14 Revised Estimates	FY 2014-15 ARR
1	Material Cost Variance				
2	Miscellaneous Losses And Writte Off				
3	Other Provisions	0.00	0.00		
5	Net Prior Period Credit/Charges	33.83	76.29	0.00	0.00
6	**Sub-Total**	**33.83**	**76.29**	-	-
7	Less : Chargeable to Capital Account				
	Net Chargeable To Revenue	**33.83**	**76.29**	-	-

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd					
Statement of Sundry Debtors and provision for Bad & Doubtful Debts					Form No: F11
Sl.No.	Particulars	FY 2011-12 Audited	FY 2012-13 Provisional Accounts	FY 2013-14 Revised Estimates	FY 2014-15 ARR
1	Receivable at the beginning of the year	Nil			
2	Revenue billed for the year				
3	Collection for the year				
	Against current dues				
	Against arrears upto previous year				
4	Gross receivable as at the end of the year				
6	Provision for bad and doubtful debts				
7	% of provision				

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Extraordinary Items					Form No: F12
Sl.No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
		Audited	Provisional Accounts	Revised Estimates	ARR
1	Extraordinary Credits				
	subsidies aganst losses due to natural disasters				
	TOTAL CREDITS				
2	Extraordinary Debits				
	subsidies aganst losses due to natural disasters				
	TOTAL DEBITS				
	Grand Total				

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Net Prior Period Expenses / Income					Form No: F13
Sl.No.	Particulars	FY 2011-12 Audited	FY 2012-13 Provisional Accounts	FY 2013-14 Revised Estimates	FY 2014-15 ARR
A	**Income relating to previous years:**				
1	Interest income for prior periods	0.23			
2	Income Tax prior period				
3	Excess Provision for Depreciation				
4	Excess Provision for Interest and Fin. Charges				
5	Other Excess Provision	17.76	1.84		
6	Others Income	(0.02)	(77.48)		
	Sub-Total A	**17.97**	**(75.64)**	-	-
B	**Expenditure relating to previous years**				
1	Operating Expenses	5.23	(1.39)		
2	Employee Cost	0.67	0.76		
3	Depreciation	10.33	0.16		
4	Interest and Finance Charges	34.52			
5	Admn. Expenses	1.05	1.12		
6	Withdrawal of Revenue Demand				
7	Material Related				
8	Other				
	Sub-Total B	**51.79**	**0.65**	-	-
	Net prior period Credit/(Charges) : A-B	**33.83**	**76.29**	-	-

निदेशक वित्त एवं प्रशा०
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd

Contributions, Grants and subsidies towards Cost of Capital Assets **Form No: F14**

Sl No	Particulars	Previous Year			Current Year		Ensuing Year	
		Balance at the beginning of the year	Additions during the Year	Balance at the end of the Year	Additions during the Year	Balance at the end of the Year	Additions during the Year	Balance at the end of the Year
1	Beneficiaries Contribution Towards Cost Of Capital Assets	337.00	11.29	348.29	200.00	548.29	225.00	773.29
2	Subsidies Towards Cost Of Capital Asset							
3	Grant Towards Cost Of Capital Assets							
4	Others	18.07		18.07		18.07		18.07
	Total	**355.07**	**11.29**	**366.36**	**200.00**	**566.36**	**225.00**	**791.36**

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Statement of Assets Not in Use					Form No: F17
					All figures in Rs Crores
	Financial Year*				
Sl. No.	Date of Acquisition/Installation	Historical Cost/Cost of Acquisition	Date of withdrawal operations	Accumulated Depreciation on date of withdrawal	Written down value on date of withdrawal
NIL					
*Note:- Information to be provided for Previous Year, Current Year & Ensuing Year					

निदेशक (वा० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.						
Investments in Non business related activities					Form No: F17	
					All figures in Rs Crores	
Sl.No.	Description of investment	Balance at the beginning of the year	Further Investments during the year	Investments realised during the year	Balance at the end of the year	Remarks
			NIL			
*Note:- Information to be provided for Previous Year, Current Year & Ensuing Year						

निदेशक (वा० ग० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Current Assets & Liabilities					Form No: F18
Sl.No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
		Audited	Provisional Accounts	Revised Estimates	ARR
A	Current Assets, Loans and Advances	The Hon'ble Commission in the True up Order for FY 2007-08 dated 21st May, 2013 and in the Suo-motu Order for FY 2013-14 dated 31st May, 2013 incorporating the true ups for FY 2008-09, 2009-10 and 2010-11 had adopted a normative tariff approach towards capital structure. This entailed that regulatory balances towards equity, GFA, accumulated depreciation, loans, etc would be different from financial statements. Hence, Forms S2, S3 and F18 have become infrutuous as they would not match with financial statements. Considering the above, the Licensee seeks waival from filing the Form Nos S2, S3 and F18.			
	Stores & Spares				
	Sundry Debtors				
	Cash and Bank Balances				
	Other Current Assets				
	Loans & Advances				
	Inter Unit Transfers				
B	Current Liabilities and Provisions				
	Current Liabilities				
	Provisions				
C	NET CURRENT ASSETS (= A - B)				

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.					
Non -tariff income					Form No:F19
Sl.No.	Particulars	FY 2011-12 Audited	FY 2012-13 Provisional Accounts	FY 2013-14 Revised Estimates	FY 2014-15 ARR
1	Share of Income from the other businesses of the transmission Licensee				
2	Interest on loan to Staff	0.05	0.06		
3	Income from Investments				
4	Revenue from surcharges for late payment				
5	Any other Income	27.44	8.64		
	Total Non-Tariff Income	**27.49**	**8.70**	**32.51**	**35.17**

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.			
Capital Investment Plan for FY 2014-15			T-3
Sl.No.	**Works**	**Number/ Capacity/ Ckt Kms**	**Estimated Cost (Rs Crore)**
A	**765 KV Works**		
1	Substations		
2	Lines	422	647.57
	Sub Total		**647.57**
B	**400 KV Works**		
1	Substations	4/2740	184.07
2	Lines	282	402.28
	Sub Total		**586.35**
C	**220 KV Works**		
1	Substations	14/2980	242.93
2	Lines	696.6	159.29
	Sub Total		**402.22**
D	**132 KV Works**		
1	Substations	36/1678	273.74
2	Lines	2419.91	388.05
	Sub Total		**661.79**
E	**Augmentation**		**502.07**
	Grand Total		**2800.00**

Financing Plan

- Works of Rs. 225 crore are envisaged to be taken up through Deposit Works
- Balance capital investment plan is envisaged to be taken up with a gearing of 70:30 (Debt to Equity

निदेशक (का० प्र० एवं प्रशा०)
यू पी पी टी सी एल

Name of Transmission Licensee: U.P. Power Transmission Corporation Ltd.

Annual Revenue Requirement: FY 2014-15 T-4

Capital Formation During FY 2012-13

Incl GFA Deletions of Rs. 99.19 crore

Rs crore	Balance 01-Apr-12	Invest-ments	Cap interest	Cap expenses	To GFA	Depreciation	Balance 31-Mar-13
Gross Fixed Assets	8185.19				456.03		8,641.22
Accumulated Depreciation	3256.56					376.9	3,633.49
Work in Progress	4040.33	1519.76	263.61	79.00	(555.22)		5,347.49

Capital Formation During FY 2013-14

Rs crore	Balance 01-Apr-13	Invest-ments	Cap interest	Cap expenses	To GFA	Depreciation	Balance 31-Mar-14
Gross Fixed Assets	8641.22				1976.70		10,617.92
Accumulated Depreciation	3633.49					506.5	4,139.98
Work in Progress	5347.49	2200.00	266.66	92.64	(1,976.7)		5,930.09

Capital Formation During FY 2014-15

Rs crore	Balance 01-Apr-14	Invest-ments	Cap interest	Cap expenses	To GFA	Depreciation	Balance 31-Mar-15
Gross Fixed Assets	10617.92				2287.37		12,905.29
Accumulated Depreciation	4139.98					619.1	4,759.04
Work in Progress	5930.09	2800.00	313.53	105.85	(2,287.4)		6,862.11

निदेशक वित्त प्र० एवं प्रशा०।
यू पी पी टी सी एल

Annex-2

Audited Accounts for FY 2009-10 including the Supplementary Audit Report of the AGUP.

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

BALANCE SHEET

AS AT

31.03.2010

&

PROFIT & LOSS ACCOUNT

FOR THE PERIOD FROM

01.04.2009
TO
31.03.2010

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

CONTENTS

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

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

BALANCE SHEET AS AT 31.3.2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31 MARCH 2010		AS AT 31 MARCH 2009	
SOURCES OF FUNDS					
Shareholders funds :					
Share Capital	(1)	4335500000		50000000	
Share Application Money	(1A)	30999052000		26368852000	
Reserve & Surplus	(2)	3896413807	39230965807	3221295402	29640147402
Loan Funds	(3)		28217431617		23826055290
TOTAL			67448397424		53466202692
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	(4)	70857997074		64229313967	
Less - Accumulated Depreciation		27576359122		24765865731	
Net Block		43281637952		39463448236	
Capital Work in Progress	(5)	11382808797	54664446749	9794572848	49258021084
Current Assets, Loans and Advances					
Stores & Spares	(6)	3890238201		3487609261	
Sundry Debtors	(7)	6133314735		3373854714	
Cash and Bank Balances	(8)	6255075147		247308658	
Other Current Assets	(9)	166565967		94399784	
Loans & Advances	(10)	337039970		405475429	
		16782234020		7608647846	
Less : Current Liabilities and Provisions	(11)	14336473959		13412540947	
Net Current Assets			2445760061		-5803893101
Profit & Loss Account (Debit Balance)			10338190614		10012074709
Significant Accounting Policy & Notes on accounts	(21)				
Schedules 1 to 21 form an integral part of Accounts.					
TOTAL			67448397424		53466202692

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

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

(S.K.Agarwal)
Director (Finance)

(Dheeraj Sahu)
Managing Director.

Place : Lucknow
Date : 6th February 2013

Subject to our report of even date

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

R. M. LALL & CO. Chartered Accountants

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

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.3.2010

PARTICULARS	SCHEDULE	(Amount in Rs.) Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME			
Revenue from Transmission of power & related activities	(12)	7622580721	7581735277
Other Income	(13)	301373686	227787906
TOTAL		7923954407	7809523183
EXPENDITURE			
Repairs & Maintenance Expenses	(14)	837722654	641180002
Employees Cost	(15)	2565998056	2561045939
Administrative,General & Other Expenses	(16)	82616303	70334502
Interest and Finance Charges	(17)	1781290432	1614043584
Depreciation	(18)	3019368804	2782641137
Bad debts & Provisions	(19)	98238449	84515840
TOTAL		8385234698	7753761004
Profit/(Loss) before Prior Period Income/(Exp.) & Tax		(461280291)	55762179
Prior Period Income/(Expenditure) (Net)	(20)	135164386	(153768725)
Priliminary Expenses written off		0	74600
Profit/(Loss) before Tax		(326115905)	(98081146)
Provision for Fringe Benefit Tax		0	3212106
Profit/(Loss) after Tax		(326115905)	(101293252)
Accumulated loss B/F		(10012074709)	(9910781457)
Loss Carried Over to Balance Sheet		(10338190614)	(10012074709)
Earning Per Share (EPS) :			
Numerator		(326115905)	(101293252)
Denominator		3621250	50000
Nominal Value of Shares		Rs.1000/- each	Rs.1000/- each
Basic EPS		(90.06)	(2025.87)
Numerator		(326115905)	(101293252)
Denominator		31186275	24630519
Diluted EPS		(10.46)	(4.11)
Significant Accounting Polcies & Notes on accounts	(21)		
Schedules 1 to 21 form an integral part of Accounts.			

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

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

(S.K.Agarwal)
Director (Finance)

(Dheeraj Sahu)
Managing Director.

Place : Lucknow
Date : 6th February 2013

Subject to our report of even date

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

R. M. LALL & CO. Chartered Accountants

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

KUSUM:WAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 1

SHARE CAPITAL

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2010	AS AT 31.3.2009
A. AUTHORISED :		
100000000 (100000000) Equity Share of Rs.1000/-each fully paid up	100000000000	100000000000
B. ISSUED SUBSCRIBED AND PAID UP		
4335500 (50000) Equity Share of Rs.1000/-each fully paid up	4335500000	50000000
TOTAL	4335500000	50000000

SCHEDULE - 1A

SHARE APPLICATION MONEY

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2010	AS AT 31.3.2009
SHARE APPLICATION MONEY Pending for allotment	30999052000	2636885200(
TOTAL	30999052000	2636885200(

SCHEDULE -

RESERVES AND SURPLUS

(Amount in Rs.

PARTICULARS	AS AT 31.3.2009	ADDITIONS	DEDUCTIONS	AS AT 31.3.2010
A Capital Reserves				
Consumer's Contribution towards Capital Works	1414064402	764073499	88955094	20891828(
B Restructuring A/c	1807231000	0	0	18072310(
TOTAL	3221295402	764073499	88955094	38964138(

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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 3

LOAN FUNDS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2010		AS AT 31.3.2009	
A. SECURED LOANS -				
TERM LOANS :				
Power Finance Corporation Ltd.		6196927559		4518802482
(Secured by hypothecation of Lines & Substations under the PFC scheme.)				
Rural Electrification Corporation Ltd.		4055691832		63177000
(Secured by hypothecation of Lines & Substations under the REC scheme.)				
B. UNSECURED LOANS -				
TERM LOANS :				
Govt. of UP				
Loan	997146000		997146000	
Interest accrued & due	4426105774	5423251774	4259388516	5256534516
FINANCIAL INSTITUTIONS				
Rural Electrification Corporation Ltd.				
(Guaranteed by Govt. of UP)				
Loan	4470390448		4721210530	
Interest accrued & due	2326869913	6797260361	2326869913	7048080443
Power Finance Corporation Ltd.		4607131906		5062363609
MISCELLANEOUS INSTITUTIONS				
National Capital Region Planning Board		272350000		364775000
(Guaranteed by Govt. of UP)				
HUDCO		864818185		1512322240
(Guaranteed by Govt. of UP)				
GRAND TOTAL		28217431617		23826055290

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SCHEDULE - 4

FIXED ASSETS

(Amount In Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As AT 31.3.2009	Additions	Deductions / Adjustments	As AT 31.3.2010	As AT 31.3.2009	Additions	Deductions / Adjustments	As AT 31.3.2010	As AT 31.3.2010	As AT 31.3.2009
Land & Land Rights										
i) Land owned under full title	256,398,097	14,012,882	0	270,410,979	0	0	0	0	270,410,979	256398097
ii) Land owned under lease	532,054	0	0	532,054	0	0	0	0	532,054	532,054
Buildings	1,808,339,338	432,146,696	514,978	2,239,971,056	710,928,508	60,801,497	193,634	771,536,371	1,468,434,685	1,097,410,830
Other Civil Works	402,095,960	26,353,792	0	428,449,752	151,203,680	7,021,670	0	158,225,350	270,224,402	250,892,280
Plant & Machinery	32,383,737,757	4,915,001,144	615,551,775	36,683,187,126	11,131,084,666	1,601,838,477	356,504,963	12,376,418,180	24,306,768,946	21,252,653,091
Lines, Cable Network etc.	28,983,765,446	1,729,214,078	47,069,833	30,665,909,691	12,607,419,170	1,416,830,026	7,701,208	14,016,547,988	16,649,361,703	16,376,346,276
Vehicles	36,205,399	623,416	597,963	36,230,852	19,671,717	3,872,088	616,494	22,927,311	13,303,541	16,533,682
Furniture & Fixtures	11,341,167	718,465	254	12,059,378	4,423,575	729,695	229	5,153,041	6,906,337	6,917,592
Office Equipments	20,070,318	1,703,044	18,100	21,755,262	8,154,828	3,284,898	4,530	11,435,196	10,320,066	11,915,490
Others Assets	326,828,431	172,662,493	0	499,490,924	132,979,587	81,136,098	0	214,115,685	285,375,239	193,848,844
GRAND TOTAL	64,229,313,967	7,292,436,010	663,752,903	70,857,997,074	24,765,865,731	3,175,514,449	365,021,058	27,576,359,122	43,281,637,952	39,463,448,236
Previous Year	57,862,791,847	6,834,719,595	468,197,475	64,229,313,967	21,924,810,229	3,011,618,612	170,563,110	24,765,865,731	39,463,448,236	35,937,981,618

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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 5

CAPITAL WORKS IN PROGRESS

(Amount in Rs.)

PARTICULARS		AS AT 31.3.2010		AS AT 31.3.2009	
Capital Work in Progress *			5709781097		5980048105
Revenue Expenses pending for Capitalisation **					
Upto Previous Year		510675000		412496000	
Addition during the year		536655000		510675000	
	Sub Total	1047330000		923171000	
Less - Capitalisation during the year		510675000	536655000	412496000	510675000
SUB TOTAL (A)			6246436097		6490723105
Advances to Suppliers/Contractors			5275770331		3350473292
Less : - Provision for doubtful Advances against Capital Works			139397631		46623549
SUB TOTAL (B)			5136372700		3303849743
GRAND TOTAL			11382808797		9794572848

Notes :

* It includes Establishment and Administration & General Cost

** It includes Borrowing Cost only related to works.

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SCHEDULE - 6

STORES & SPARES

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2010		AS AT 31.3.2009	
Stock of Materials - Capital Works	3656907263		3260181876	
Stock of materials - O & M	580933324		580367815	
Other Materials	58022401	4295862988	54080310	3894630001
SUB TOTAL		4295862988		3894630001
Less - Provision for Obsolete/Unserviceable/Shortage/Loss of Stores		405624787		40702074(
TOTAL		3890238201		348760926

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

SCHEDULE -

SUNDRY DEBTORS

(Amount in Rs

PARTICULARS	AS AT 31.3.2010		AS AT 31.3.2009	
Sundry Debtors - Transmission Charges & other related activities		6310886035		355142601
Debts outstanding for period exceeding six months				
Secured & Considered good	0		0	
Unsecured & Considered good	2865591332		416743	
Considered doubtful	0	2865591332	0	4167
Other Debts				
Unsecured & Considered good		3445294703		35510092
		6310886035		35514260
Less - Provision for Bad & Doubtful Debts		177571300		1775713(
TOTAL		6133314735		33738547

SCHEDULE

CASH AND BANK BALANCES

(Amount in Rs

PARTICULARS	AS AT 31.3.2010		AS AT 31.3.2009	
CASH IN HAND				
Cash in Hand (Including Stamps in hand)	504055		417950	
Balances with Scheduled Banks				
In Current & Other account	2100584427		246810708	
In Fixed Deposit accounts	4153986665	6255075147	80000	247308
TOTAL		6255075147		247308

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SCHEDULE - 9

OTHER CURRENT ASSETS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2010		AS AT 31.3.2009	
Income Accrued but not Due		23018671		0
Receivables				
UPRVUNL	38046356		38062294	
UPJVNL	2027004	40073360	2027004	40089298
Employees	37721880		37969018	
Others	95818420		40927618	
Total	133540300		78896636	
Less - Provision for Doubtful Receivables	30148300	103392000	24683933	54212703
Prepaid Expenses		81936		97783
Theft of Fixed Assets Pending Investigation	1045672		1045672	
Less - Provision for estimated losses	1045672	0	1045672	0
Total		166565967		94399784

SCHEDULE - 1(

LOANS AND ADVANCES

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2010		AS AT 31.3.2009	
A. Loans / Advances (Secured/considered good)				
Employees (including advances)		1311387		155501
(Adjustable / recoverable from salary)				
ADVANCES (Unsecured)				
Suppliers / Contractors	348963140		427189291	
Less - Provision for doubtful Loan & Advances	34896314	314066826	42718929	38447036
Tax Deducted at Source		9490506		766964
Advance Fringe benefit tax		12171251		1178040
TOTAL		337039970		40547542

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SCHEDULE - 11

CURRENT LIABILITIES AND PROVISIONS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2010		AS AT 31.3.2009	
CURRENT LIABILITIES				
Liability for Capital Supplies/ Works		5069340850		4781393517
Liability for O & M Supplies / Works		366739903		372624537
Staff Related Liabilities		1876796409		1698700418
Deposits & Retentions from Suppliers & Others		581407390		608683065
Deposit for Electrification works		4604848611		4796740247
Net Payable to -				
UPPCL	290137974		316050487	
KESCO	15962778		9397033	
Dakshinanchal VVNL	31328143		33497736	
Madhyanchal VVNL	82681056		64890274	
Paschimanchal VVNL	14863157		20603731	
Poorvanchal VVNL	39118557	474091665	36173020	480612287
Sundry Liabilities		23138397		14790329
Liabilities for Expenses		60102104		71863366
Inter Unit Transfers		229208047		-143308419
Liabilities towards UP Power Sector Employee Trust				
Provident Fund Liabilities	333224905		166930843	
Pension and Gratuity Liability	440114352	773339257	314603051	481538894
CPF Liability		11578824		5670588
Interest Accrued but not Due on Borrowings		253698543		231048161
Provisions :				
Fringe benefit tax		12183959		12183959
TOTAL		14336473959		13412540941

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SCHEDULE 12

REVENUE FROM TRANSMISSION OF POWER & RELATED ACTIVITIES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2010	For the year ended on 31.3.2009
Transmission Charges	7285246877	7565197887
Open Access Charges	332434844	14882390
SLDC Charges	4899000	1655000
TOTAL	7622580721	7581735277

SCHEDULE 13

OTHER INCOME

(Amount in Rs.)

PARTICULARS		For the year ended on 31.3.2010		For the year ended on 31.3.2009
Interest from :				
Loans to Staff	131121		214770	
Fixed Deposits	80902456		0	
Others	4807	81038384	6038	220808
Income from Contractors/Suppliers		200334656		218570510
Rental from Staff		493577		1018170
Miscellaneous Receipts		16955456		7588529
Excess found on physical verification of Stores		2551613		389889
TOTAL		301373686		227787906

SCHEDULE 14

REPAIRS AND MAINTENANCE

(Amount in Rs.)

PARTICULARS		For the year ended on 31.3.2010		For the year ended on 31.3.2009
Plant & Machinery		697011685		547825444
Buildings		44667910		46090007
Other Civil Works		750		115457
Lines, Cables Networks etc.		95847545		46881073
Vehicles - Expenditure	27304403		26998978	
Less - Transferred to different Capital & O&M Works/Administrative Exp.	27304403	0	26998978	0
Furniture & Fixtures		43985		56735
Office Equipments		150779		211286
TOTAL		837722654		641180002

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SCHEDULE 15

EMPLOYEES COST

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2010	For the year ended on 31.3.2009
Salaries & Allowances	1895778972	1678087639
Dearness Allowance	476901068	566150066
Other Allowances	135342053	69749452
Bonus/ Ex-gratia	162452	29349434
Medical Expenses (Re-imbursement)	30486648	28296255
Leave Travel Assistance	27333	7296
Earned Leave Encashment	157359388	508992174
Compensation	1421153	1100340
Staff Welfare Expenses	2727479	4104878
Pension & Gratuity	387133065	372074778
Other Terminal Benefits	29523955	20518406
Expenditure on Trust	2605026	1654487
Sub Total	3119468592	3280085205
LESS - Expenses Capitalised	553470536	719039266
TOTAL	2565998056	2561045939

SCHEDULE 16

ADMINISTRATIVE,GENERAL & OTHER EXPENSES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2010		For the year ended on 31.3.2009	
Rent		2274427		2217515
Rates and Taxes		161501		68308
Insurance		671287		394985
Communication Charges		17865017		15635263
Legal Charges		6618553		3908159
Statutory Auditors				
Audit Fee	727980		797332	
Travelling Expenses	553638	1281618	519612	1316944
Consultancy Charges		682980		1976965
Technical Fees & Professional Charges		3948064		3750001
Travelling and Conveyance		29752110		31290866
Printing and Stationery		5575288		5425410
Advertisement Expenses		12525795		5920403
Electricity Charges		4429930		5497309
Water Charges		26369		24648
Entertainment		246145		654238
Expenditure on Trust		119030		185367
Miscellaneous Expenses		25961192		18923690
SUB TOTAL		112139306		97190071
LESS - Expenses Capitalised		29532823		26859758
SUB TOTAL		82606483		70330313
OTHER EXPENSES				
Other Losses		9820		4189
TOTAL		82616303		70334502

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SCHEDULE 17

INTEREST AND FINANCE CHARGES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2010		For the year ended on 31.3.2009	
Interest on Loans				
Government of UP	166717258		166717258	
PFC	1203924693		1087793035	
HUDCO	154050532		258346509	
NCRPB	24586399		30825047	
REC	721221834	2270500716	523250853	2066932702
Guarantee Charges		45549141		56189134
Bank Charges		1895575		1596748
SUB-TOTAL		2317945432		2124718584
LESS - Interest Capitalised		536655000		510675000
GRAND TOTAL		1781290432		1614043584

Schedule 18

DEPRECIATION

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2010		For the year ended on 31.3.2009	
Depreciation on Fixed Assets -				
Buildings	60389474		54301384	
Other Civil Works	7021391		6672149	
Plant & Machinery	1599631440		1406587027	
Lines, Cable Network etc.	1414847024		1353960322	
Vehicles	3866116		3931598	
Furniture & Fixtures	729695		699417	
Office Equipments	3284898		2816567	
Others Asstes	15524350		12024708	
	3105294388	3105294388	2840993172	2840993172
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		85925584		58352035
GRAND TOTAL		3019368804		2782641137

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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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Schedule 19

BAD DEBTS & PROVISIONS

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2010	For the year ended on 31.3.2009
PROVISIONS		
Doubtful Debts (Transmission of Power)	0	62632621
Doubtful advances (Suppliers/Contractor)	0	15806423
Doubtful other Current Assets (Receivables)	5464367	1815294
Doubtful Advances against Capital Works	92774082	4261502
TOTAL	98238449	84515840

Schedule 20

NET PRIOR PERIOD INCOME/EXPENDITURE

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2010	For the year ended on 31.3.2009
A INCOME		
a Income (Transmission of Power)	211232475	0
b Other Excess Provisions	32757623	2692827
SUB TOTAL	243990098	2692827
B EXPENDITURE		
a O & M Expenses	-3314269	-21576329
b Employee Cost	44242522	7295740
c Interest & Finance Charges	0	-135052
d Administrative & General Exp	706909	585392
e Depreciation Under/Excess Provided	67190550	170291801
SUB TOTAL	108825712	156461552
NET AMOUNT	-135164386	153768725

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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

SCHEDULE NO. 21

A- SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

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

(b) The accounts are prepared under historical cost convention, on accrual basis unless stated otherwise and on accounting assumption of going concern.

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

2. FIXED ASSETS

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

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

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

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

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

In case of Capital Transmission works

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

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

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

3. **DEPRECIATION**

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

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

4. **STORES & SPARES**

(a) Stores & Spares are valued at cost.

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

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

5. **REVENUE RECOGNITION**

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

(b) In case of Inter State transmission, revenue from transmission of energy/open access is recognised and accounted at tariff approved by NRLDC.

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

7. **EMPLOYEE BENEFITS**

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

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

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8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

(H.K.Agarwal)	(A.K.Gupta)	(S.K.Agarwal)	(Dhiraj Sahu)
Company Secretary (Part Time)	General Manager (Accounts)	Director (Finance)	Managing Director

Place :- Lucknow
Date :- 6 15 Febrvp 2013

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

R. M. LALL & CO. Chartered Accountants

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

SCHEDULE No.-21

B- NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

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

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

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

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

2. Share application money (pending for allotment) amounting to Rs. 3099.91 crore (Previous year Rs.2636.89 crore) includes share capital of Rs. 1263.97 crore and share application money Rs.579 crore transferred under the Provisional Transfer Scheme. The balance amount of Rs. 1256.94 crore was received towards equity.

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3. (a) In view of the draft comment issued by the office of the AG.U.P. on the accounts for the year 2008-09, the provision for bad and doubtful debts on debtors related to DISTCOMS (being sister concern of the company) has not been made this year.

(b) The provision for doubtful loans & advances has been made @ 10% on the balances of suppliers/contractors appearing under the head "Loans & Advances"/ "Capital Works in Progress". However, no provision is made for the amount of material issued to contractors for capital works.

(c) The provision for doubtful receivables against "Employees" and "Others" appearing under the head of 'Other Current Assets', has been made @ 10% except Rs. 1.86 crore in ETLEU, Varanasi where 100% provision has been made in the earlier year.

4. Inter Unit Transactions: The reconciliation of balance of Inter unit transactions of Rs.22.92 Crores shown in the schedule-11(Previous year debit balance of Rs.14.33 crore) is in process and effect of reconciliation, if any, will be accounted for in the accounts of subsequent years.

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

(b) Depreciation on assets has been provided on straight line method at the rates prescribed in schedule XIV of Companies Act-1956. Depreciation on additions/deductions has been provided on pro-rata basis.

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

6. On an overall basis the current assets loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.

7. Amount due to Micro, Small and Medium Enterprises (under the MSMED Act 2006) could not be ascertained and interest thereon could not be provided for want of sufficient related information. However the company is in process to obtain the complete information in this regard.

R. M. LALL & CO Chartered Accountants

8. In view of the accounting policy for this year, the transmission revenue related to intra-state transmission of energy has been accounted for on the basis of tariff approved by the UPERC i.e. Rs. 0.1260 /kwh. In the previous year, the transmission revenue was accounted for in accordance with the policy adopted for the previous year i.e. on the basis of actual expenditure tariff (Rs. 0.1435/kwh) determined on the basis of pre-audited accounts. Due to change in the accounting policy for this year, the effect to the extent as ascertainable resulted in understatement of revenue for Rs. 36.32 crore and overstatement of Loss for Rs. 36.32 crore.

9. As a part of separate function of SLDC, the company is maintaining separate account for SLDC. The break-up of charges relating to SLDC shown separately in the schedule No. 12 is given below.

(Amount in Rs.)

	2009-10	2008-09
Annual Charges	400000	300000
Application Fee/ Concurrence fee	975000	30000
SLDC Charges	3524000	1325000
	4899000	1655000

10. Earnings and Expenditure in foreign currency were NIL (Previous year NIL)

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

12. Remuneration and Benefits to Directors:
The whole time Directors (executive and key members of the Board) including Chairman and Managing Director have been appointed/posted by Govt. of U.P. for the UPPCL and have the additional charge of the company (UPPTCL) also. They have drawn their remuneration from the UPPCL, as per their entitlement.

13. (a) Based on actuarial valuation report dated 09.11.2000 (adopted by Board of Directors of UPPCL) provisions for accrued liability on account of pension and gratuity has been made @ 16.70% and 2.38% respectively on the amount of basic pay and grade pay plus DA. The company has initiated the process of getting actuarial valuation afresh for recognizing the liability for the Pension and Gratuity.

R. M. LALL & CO. Chartered Accountants

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

14. Since the Corporation is principally engaged in the business of transmission of electricity and there is no other reportable segment as per AS-17, hence the disclosure as per AS-17 on segment reporting is not required. However the transactions of activities relating to separate function of SLDC have already been specified in Para 11 above.

15. Disclosure as per AS-18:

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

S. No.	Name	Designation	Working Period (for F.Y. 2009-10)	
			Appointment	Retirement/ Cessation(As on 31.03.2010)
1	Shri. Navneet Sehgal	Chairman	07.01.2009	Working
2	Shri. Narendra Bhushan	Managing Director	16.03.2009	Working
3	Shri. S.K.Agarwal	Director Finance	09.01.2009	Working
4	Shri. Rama Raman	Director	22.09.2008	Working
5	Shri. Ganesh Singh	Director	16.12.2008	Working
6	Shri. Manmohan	Director	31.03.2009	31.12.2009

(b) Remuneration and Benefits paid to key management personnel is (Chairman & Managing Directors and Directors)- NIL.

(c) Transactions with related parties-The UPPTCL being a state owned enterprise, the disclosure regarding related party transactions with other state controlled enterprises as per provisions of AS-18 is not applicable.

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

R. M. LALL & CO. Chartered Accountants

(Amount in Rs.)

	Earning per share:	31.03.2010	31.03.2009
(a)	Net loss after tax(numerator used for calculation)	326115905	101293252
(b)	Weighted average number of Equity Shares (denominator for calculating Basic EPS)	3621250	50000
(c)	Weighted average number of Equity Shares (denominator for calculating Diluted EPS)	31186275	24630519
(d)	Basic earnings per share of Rs. 1000/- each	(90.06)	(2025.87)
(e)	Diluted earnings per share of Rs. 1000/- each	(10.46)	(4.11)

17. An accounting of Deferred Tax Assets has not been considered in accounts on prudent basis as the company is not certain about Income available in near future due to the unabsorbed accumulated losses of Rs. 1033.82 crore. It includes the accumulated loss amounting to Rs. 976.27 crore which has been transferred by the UPPCL under the transfer scheme. The transfer of the Transmission undertaking from the transferor (UPPCL) to the transferee (UPPTCL) under the above transfer scheme shall be a de-merger of the transferor within the meaning of Section 2 (19AA) of the Income Tax Act, 1961).

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

19. Energy transmitted/wheeled during the year 56745.601 MU. (Previous year-52719.149 MU)

20. (a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for as at 31-03-2010 is Rs. 356.49 crores (previous year Rs 233.75 crores).

(b) Contingent liabilities:
Other claims against company not acknowledged as debts is Rs 25.77 crores (previous year Rs 16.78 crores).

R. M. DALL & CO. Chartered Accountants

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

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

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

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

(S.K. Agarwal)
Director (Finance)

(Dheeraj Sahu)
Managing Director

Place :-Lucknow
Date :- 6th February 2013

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

R. M. LALL & CO. Chartered Accountants

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

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly Known As Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-Ashok Marg, Shakti Bhawan, Lucknow.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 **Registration details**

Registration No. - 20-28687 State Code 20

Balance Sheet Date 31 Date 3 Month 2010 Year

2 **Capital raised during the year**

(Amount in Rupees Thousands)

Public Issue : NIL

Rights Issue NIL

Bonus Issue NIL

Private Placement NIL

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

(Amount in Rupees Thousands)

Total Liabilities 67448397

Total Assets 67448397

Sources of Funds :

Paid Up Capital 4335500

Reserves & Surplus 3896414

Share App. Money pending for allotment 30999052

Unsecured Loans 17964813

Secured Loans 10252619

Applications of Funds :

Net Fixed Assets 54664447

Miscellaneous Expenditure 0

Accumulated Losses 10338191

Net Current Assets 2445760

Investments 0

4 **Performance of the Company**

(Amount in Rupees Thousands)

Turnover (Gross Revenue) 7923954

Total Expenditure 8250070

(+/-)Profit/Loss before Tax -326116

(+/-)Profit/Loss after Tax -326116

Earning per Share (in Rupees) -90.06

Dividend rate in % NIL

Product/Service description

Transmission of Electricity

Item code No.

NA

UTTAR PRADESH POWER TRASMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

Rs. In crores

		For the year ended March 31,	2009-10	2008-09
A		CASH FLOW FROM OPERATING ACTIVITES		
		Net Profit/ Loss Before Prior Period Income & Expenditure And Tax	(46.13)	5.58
		Adjustment for :-	-	-
	a	Depreciation	317.55	301.16
	b	Interest & Financial Charges	178.13	161.40
	c	Provision for bad & doubtful debts	9.82	8.45
	d	Provision for bad & doubtful debts written back (Loans & Advances)	(0.78)	-
	e	Interest Income	(8.10)	(0.02)
	f	Prior Period Expenditure (Net)	13.51	(15.38)
	g	Fringe Benefit Tax	-	(0.32)
	h	Preliminary exp written off	-	0.01
		Sub Total	510.13	455.30
		Operating Profit Before Working Capital Charges	464.00	460.88
		Adjustment for:	-	-
	a	Stores & Spares	(40.26)	(58.59)
	b	Sundry Debtors	(275.95)	(125.27)
	c	Other Current Assets	(7.76)	(1.98)
	d	Loans & Advances	7.63	(16.09)
	e	Current Liabilities & Provisions	92.40	327.47
		Sub Total	(223.94)	125.54
		NET CASH FROM OPERATING ACTIVITIES (A)	240.06	586.42
B		CASH FLOW FROM INVESTING ACTIVITIES	-	-
	a	Decrease (Increase) in Fixed Assets	(729.24)	(683.47)
	a (i)	Fixed Assets adjusted/deducted	66.37	46.82
	a(ii)	Depreciation Reserve adjusted/deducted	(36.50)	(17.06)
	b	Decrease (Increase) in Work in Progress	(168.10)	(181.53)
	c	Interest Income	8.10	0.02
		NET CASH GENERATED FROM INVESTING ACTIVITIES (B)	(859.37)	(835.22)
C		CASH FLOW FROM FINANCING ACTIVITIES	-	-
	a	Proceeds from Borrowing (Net)	439.14	(83.57)
	b	Proceeds from Share Capital	428.55	-
	c	Proceeds from share application money	463.02	428.55
	d	Proceeds from consumers contribution & Go Up capital subsidy (Reserve & Surplus)	76.41	44.70
	d (i)	Amount amortized	(8.90)	(5.87)
	e	Interest & Financial Charges	(178.13)	(161.40)
		NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	1220.09	222.41
		NET INCREASE (DECREASE) IN CASE & CASH EQUIVALENTS (A+B+C+)	600.78	(26.39)
		CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	24.73	51.12
		CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	625.51	24.73

Notes to the Cash Flow Statements.

(i) This statement has been prepared under indirect method as prescribed by AS-3.

(ii) Adjustment for depreciation as per Schedule-4 of Balance Sheet includes the depreciation charged for prior period amounting to Rs.7.02 crore previous year Rs.17.06 crore).

(iii) Cash and cash equivalent consists of cash in hand bank balances with schedule bank and fixed deposits with banks.

(iv) The figures in this statement have been rounded off to the rupees in crore up to two decimals.

(V) Previous year figures have been regrouped/reclassified/recast wherever considered necessary.

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

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

(S.K. Agarwal)
Director (Finance)

(Dheeraj Sahu)
Managing Director

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

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

Place :- Lucknow

Date :- 6th February 2013

R.M. LALL & CO.
CHARTERED ACCOUNTANTS

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4/10, Vishal Khand
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Lucknow-226 010
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AUDITOR'S REPORT

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

1) We have audited the attached Balance Sheet of Uttar Pradesh Power Transmission Corporation Limited as at 31st March 2010, the profit and loss account and the Cash Flow statement of the company for the year ended on that date, annexed thereto wherein are incorporated the accounts of four transmission zones audited by the respective Branch auditors. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) *The annual accounts of the financial year 2008-09 have not been placed/considered/ adopted before the Shareholders in the Annual General Meeting.* However, in view of the clarification issued from the office of C&AG for clearing the pending accounts in arrears, *the accounts for 2009-10 are being certified pending approval/adoption of previous year's accounts in the Annual General Meeting.*

4) As required by the companies (Auditors Report) order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act 1956, we enclose in the annexure a statement on the matter specified in para 4 and 5 of the said Order.

5) (a) Reserves & surplus includes a balance of Rs. 180.72 crores as restructuring account as at the year end. This relates to the difference between the aggregate division wise balances of assets and liabilities as per books as on 01.04.2007 and the balances appearing in the transfer scheme notified by the Government of Uttar Pradesh vide gazette notification no. 2974/XXIV-P-2-2010 dated December23,2010. *The said provisional transfer scheme is pending for finalization which may change the position of balances of assets and liabilities as appearing in the financial statements (refer note no. 1 of Schedule 21B).*

R. M. LALL & CO. Chartered Accountants

(b) As per accounting policy no. 5 of Schedule 21A, transmission revenue for the year has been recognized on the basis of tariff of Rs. 0.126/Kwh approved by UPERC for inter-state transmission of energy. Hitherto, transmission revenue was being recognized on the basis of actual expenses incurred during the year and return on equity as approved by the Board of Directors time to time. Consequent to this change in policy for recognizing transmission revenue, loss for the year has been overstated by Rs.36.32 crores and assets (profit & loss - debit balance) are overstated by Rs. 36.32 crores (Refer note no. 8 of Schedule 21B).

Further, difference in transmission tariff stated above as approved by UPERC and the actual 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 in the subsequent year/s on the basis of the decision of UPERC.

(c) *The balances under current assets, loans and advances, unsecured loans, current liabilities (including the balances of DISCOMs etc), material-in-transit/under inspection/lying with contractors/fabricators etc are subject to confirmation, reconciliation and consequential adjustments, if any. In the absence of adequate information, we are unable to comment on the realisability or otherwise of these balances and also the adequacy of the provisions made in accordance with note no. 3 (a), (b) and (c) of schedule 21 B.*

(d) *Current Liabilities & Provisions include Rs. 22.92 crores as `Inter Unit Transfer` which represent the un-reconciled balance of inter unit transactions. As informed by the management reconciliation of inter unit account is in process.*

(e) *Dues payable to Micro, Small and Medium Enterprises as defined under MSMED Act 2006 has not been disclosed in accordance with Part I of schedule VI to the Companies Act 1956 and interest due on such balances has not been recognized in the financial statement in the absence of sufficient information with the Company (refer note 7 of schedule 21B).*

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

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

(h) Contingent liabilities stated in note nos. 20 (a) and 20 (b) of schedule 21 B are as provided by the company and has been relied upon by us.

M. LALL & CO. Chartered Accountants

(i) *As per the branch audit report of Allahabad zone (Transmission East), title deed of land at Basti division was not made available for verification to the branch auditors.*

(j) *As per branch audit report of Allahabad zone (Transmission East), Rs. 1,76,95,718 in code 28.108 includes Rs.24,80,800 and Rs. 59,75,916 both relating to O & M charges of PGCIL bay in Varanasi and Mau unit respectively, in respect of which the agreement/confirmation from PGCIL has not been provided to the auditors.*

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

(b) *The amount of capital work in progress has been capitalized by transferring the value of project completed. The cost of project is verified by the concerning officer/ executive engineer. Due to multiplicity of functional units as well as multiplicity of function at particular unit, employee cost and general & administration expenses are capitalized on the basis of amount of total expenditure of capital works. (Refer to accounting policy 2(e)of schedule 21 A).*
This system of capitalization of indirect expenses is not in accordance with the treatment prescribed as per Accounting Standard(AS) 10 Accounting for fixed assets.

(c) *The company has not recognized/disclosed employees benefits in accordance with the Accounting Standard(AS)15 Employees Benefits(revised 2005)[refer accounting policy no.7 (a) and 7 (b) of Schedule 21 A note no. 13 (a) and 13 (b) of the schedule 21 B of notes to accounts].*
Further, during the year payment aggregating to Rs.8.36 crores made towards leave encashment were adjusted against the provision made in earlier years in transmission East zone(Allahabad) and the same was not debited to profit &loss account.

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

(e) *In view of inadequate information with reference to note no.17 of schedule 21 B, we are unable to comment on the adequacy or otherwise on the accounting of deferred tax as per AS-22"Accounting for tax on income".*

(f) *Opinion of the management regarding Impairment of assets is not supported by relevant information, hence we are unable to comment on the compliance with the provision of Accounting Standard (AS) 28 as per the note no. 18 of schedule 21 B.*

R. M. LALL & CO. Chartered Accountants

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

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

8) *The final accounts of the company have been compiled by the management on the basis of trial balances of the branches (zones) of the company audited by the branch auditors.*

9) In our opinion proper returns adequate for the purpose of our audit have been received from branches not visited by us. The branch auditors` 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 3,5to8 above and in Annexure referred to in para 4, we report that:*

(a) We have obtained all the information and explanations, except as stated above, which to the best of our knowledge and belief were necessary for purpose of our audit.

(b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of books.

(c) The balance Sheet, profit and loss account and the cash flow Statement dealt by this report are in agreement with the books of accounts and with the audited returns received from the zones.

(d) In our opinion, the balance sheet and profit & loss Account and cash flow Statement dealt by this report comply with the accounting standards referred to in section 211 (3c) of the Companies Act, 1956.

(e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and notes referred to in Schedule-21, gives the information required by the Companies Act, 1956 in the manner so required

and give a true and fair view in conformity with accounting principles generally accepted in India:

a. In the case of Balance Sheet, the state of affairs of the Company as on 31st March 2010;

b. In the case of the Profit and Loss Account, the loss for the year ended on that date; and

c. In the case of Cash Flow Statement, the cash flows for the year ended on that date.

Place: Lucknow
Date: 6th February 2013

For R. M. LALL & CO.
Chartered Accountants

R. M. LALL & CO. Chartered Accountants

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

R.M. LALL & CO.
CHARTERED ACCOUNTANTS

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4/10, Vishal Khand
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Lucknow-226 010
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(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 2010)

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

(i)	(a)	*The company has not maintained proper records showing full particulars including quantitative details and situations of fixed assets.*
	(b)	*The company has not carried out physical verifications of the fixed assets hence we are unable to comment whether any material discrepancy was noticed as such or not.*
	(c)	In our opinion, the company has not disposed of substantial part of the fixed assets during the year.
	(d)	*As per the branch audit report of Merrut division, the transfer of capital work in progress has been made to fixed assets without obtaining final certificate of completion from the units.*
(ii)	(a)	As per information's provided by the management, the stock of store and spare parts has been physically verified by the management during the year. In our opinion having regard to the nature and location of stock, the frequency of physical verification is reasonable.
	(b)	The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of business *except at transmission (East) Allahabad, where the same required further strengthening.*
	(c)	In our opinion, the company is maintaining proper records of inventory except at Transmission (East) zone. The materials discrepancies, wherever noticed on physical verification, have been properly dealt with in the books of accounts except at transmission east zone.
(iii)	(a)	As explained to us, the company has not granted any loans secured or unsecured to companies, firms of other parties covered in the register maintained under section 301 of the Companies Act, 1956.
	(b)	In view of the (iii) (a) above, the para nos. (iii) (b), (c) and (d) of the Order, are not applicable.
	(c)	The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the registers maintained under section 301 of the Companies Act, 1956.
	(d)	In view of (iii) (c) above the para nos. (iii) (f) and (g) of the companies (Auditors Reports) order, 2003 are not applicable.

R. M. LALL & CO. Chartered Accountants

(iv)		In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of company and the nature of its business for the purchase of inventories and fixed assets and for the sale of services except that: (1) *Accountal of expenditure in respect of deposit work and other work done by the sub-contractors and staff for particular job at Transmission (East), Allahabad.* (2) *Inspection/verification of inventories, adjustment of advances and receipt of materials at transmission (East) Allahabad.* Subject to the above, we have not come across continuing failures to correct major weaknesses in internal controls.
(v)	(a)	According to the information and explanations given to us and the records examined, there are no contracts or arrangements the particulars whereof are required to be entered in the register required to be maintained under section 301 of the Companies Act 1956.
	(b)	In view of (v) (a) above the para (v) (b) of the Order is not applicable.
(vi)		Based on our examination of the company`s records and according to the information and explanation given to us, in our opinion, the company has not accepted any loans or deposits from the public.
(vii)		The company has an internal audit system for its field units by the firms of chartered Accountants *except at head office. Further, increase in the period of test checking in field units needs to be done to make the same commensurate with the size and nature of business of the company at Transmission (East), Allahabad. Compliance report of the internal audit of the units of Transmission (East) and Transmission (South) has not been received.*
(viii)		In our opinion, the cost records prescribed under section 209(1) (d) of The Companies Act, 1956 have been maintained by the company during the year under audit.
(ix)	(a)	According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Employees' State Insurance, Income-Tax, Service-Tax Custom Duty, Cess and any other statutory dues with the appropriate authorities. *However, it was observed that provident fund and contributions to the U. P. Power sector Employee's Trust are made on lump sum basis as against the monthly depositions.* *Further, deduction and deposition of income tax at source and trade tax at source were not properly complied at Transmission (West) and Transmission (South).*
	(b)	As informed to us, there are no dues that have not been deposited on account of dispute.

M. LALL & CO. Chartered Accountants

(x)		The para (x) of the Order regarding' accumulated losses' is not applicable as the company has been registered for a period of less than 5 years.
(xi)		As per information's or explanation given to us, the company has not defaulted in repayment of dues of a financial institution or bank or debenture holders.
(xii)		The company has not granted any loans and advance on the basis security by way of pledge of shares, debentures and other securities.
(xiii)		The company is not chit fund /nidhi/mutual benefit fund/societies; hence para (xiii) of the Order is not applicable.
(xiv)		The company is not dealing or trading in shares, securities, debenture and other investments, hence of para (xiv) of the Order is not applicable.
(xv)		As informed to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
(xvi)		*We are unable to comment whether loan funds were applied for the purpose for which the loan were obtained as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds.* However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.
(xvii)		As per information and explanations given to us, the funds received on short term basis have not been used for long term purpose.
(xviii)		The company has not made any preferential allotment of shares 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: 6th February 2013

For R. M. LALL & CO.
Chartered Accountants

R. M. LALL & CO. Chartered Accountants

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

कार्यालय महालेखाकार
(आर्थिक एवं राजस्व लेखापरीक्षा), उ0 प्र0
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–II/लेखा/यू•पी•पा•ट्रां•का•लि•/2009–10/ 502
दिनांक: 28/5/13

सेवा में,

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

महोदय,

एतत्संह कम्पनी अधिनियम, 1956 की धारा 619(4) के अधीन उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के 31 मार्च 2010 को समाप्त होने वाले वर्ष के लेखो पर भारत के नियत्रक–महालेखापरीक्षक की टीका–टिप्पणियॉ कम्पनी अधिनियम, 1956 की धारा 619(5) के निबन्धनों के अनुसरण में कम्पनी की वार्षिक सामान्य बैठक के समक्ष प्रस्तुत करने हेतु अग्रेषित की जा रही है। कृपया वार्षिक सामान्य बैठक के समक्ष इन टीका–टिप्पणियों के प्रस्तुत किये जाने की वास्तविक तिथि की सूचना दें।

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

कृपया पत्र की पावती भेजने का कष्ट करें।

भवदीया

(डॉ० स्मिता एस० चौधरी)
महालेखाकार

1671 PS
CMD/UPPTCL सहपत्र–दिखोपरि
Director (Finance)
No. 3542-PSDF/13
Dt. 6/13
GM(FM)
30.5.13
Dy CAO(Trans)
No. 4211 G.M.(F)
Date 5/6
Dy. C.A.O. (G) / F-II
Dy. C.A.O. (Pvt/Trans.)
AO.(F)
G.M. (F)
DGM(Fin)
for signature
5/06/13

दूरभाष / Phone : 0522-2323935, 2324130 फैक्स / Fax : 0522-4080215

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 2010.

The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2010 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 06 February 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 2010. 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:

General

1. Due to non-reconciliation of the inter company balances of Current Assets verses Current Liabilities, a difference of ₹ 25.72 crore could not be taken in to account by the company.

Accountant General

Comment on the accounts of Uttar Pradesh Power Transmission Corporation Limited for the year ended 31 March 2010

MANAGEMENT'S REPLY TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTIO 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF U.P.POWER TRANSMISSION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2010.

COMMENTS	MANAGEMENT'S REPLY
The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statuary 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 06 February 2013.	No Comment
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 2010. This supplementary audit has been carried out independently without access to the working papers of the statutoary auditors and is limited primarily to inquiries of the statutoary 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	No Comment

the related Audit Report	
General 1. Due to non-reconciliation of the inter company balances of Current Assets verses Current Liabilities, a difference of Rs. 25.72 crore could not be taken in to account by the company.	2. The reconciliation of receivable/payable with U.P.P.C.L. and other corporations is a regular process and the balances under the relevant head of Accounts are subject to reconciliation and subsequent adjustment.

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

(S.K.Agarwal)
Director (Finance)

04/7/13

Annex-3

Audited Accounts for FY 2010-11 including the Supplementary Audit Report of the AGUP.

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

BALANCE SHEET

AS AT

31.03.2011

&

PROFIT & LOSS ACCOUNT

FOR THE PERIOD FROM

01.04.2010
TO
31.03.2011

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

CONTENTS

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

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

BALANCE SHEET AS AT 31.3.2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 31 MARCH 2011		AS AT 31 MARCH 2010	
SOURCES OF FUNDS					
Shareholders funds :					
Share Capital	(1)	4335500000		4335500000	
Share Application Money	(1A)	35999052000		30999052000	
Reserve & Surplus	(2)	4089666054	44424218054	3896413807	39230965807
Loan Funds	(3)		34634087241		28217431617
TOTAL			79058305295		67448397424
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	(4)	75129503917		70857997074	
Less - Accumulated Depreciation		30682888393		27576359122	
Net Block		44446615524		43281637952	
Capital Work in Progress	(5)	21283290307	65729905831	11382808797	54664446749
Current Assets, Loans and Advances					
Stores & Spares	(6)	4738745189		3890238201	
Sundry Debtors	(7)	11324858818		6133314735	
Cash and Bank Balances	(8)	3532057245		6255075147	
Other Current Assets	(9)	213082786		166565967	
Loans & Advances	(10)	385927991		337039970	
		20194672029		16782234020	
Less : Current Liabilities and Provisions	(11)	17228635200		14336473959	
Net Current Assets			2966036829		2445760061
Profit & Loss Account (Debit Balance)			10362362635		10338190614
Significant Accounting Policy & Notes on accounts	(21)				
Schedules 1 to 21 form an integral part of Accounts.					
TOTAL			79058305295		67448397424

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

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

(S.K.Agarwal)
Director (Finance)

(Alok Kumar)
Chairman & Managing Director.

Subject to our report of even date

Place : Lucknow
Date : 3/4/13

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

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

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.3.2011

(Amount in Rs.)

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

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

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

(S.K.Agarwal)
Director (Finance)

(Alok Kumar)
Chairman & Managing Director.

Place : Lucknow
Date : 3/4/13

Subject to our report of even date

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

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

KUSUMWAL

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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 1

SHARE CAPITAL

(Amount in Rs.)

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

SCHEDULE - 1A

SHARE APPLICATION MONEY

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011	AS AT 31.3.2010
SHARE APPLICATION MONEY Pending for allotment	35999052000	30999052000
TOTAL	35999052000	30999052000

SCHEDULE - 2

RESERVES AND SURPLUS

(Amount in Rs.)

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

Abha Lettri Tandan

Chartered Accountants

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KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 3

LOAN FUNDS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011		AS AT 31.3.2010	
A. SECURED LOANS -				
TERM LOANS :				
Power Finance Corporation Ltd.		8746889044		6196927559
(Secured by hypothecation of Lines & Substations under the PFC scheme.)				
Rural Electrification Corporation Ltd.		9250299545		4055691832
(Secured by hypothecation of Lines & Substations under the REC scheme.)				
B. UNSECURED LOANS -				
TERM LOANS :				
Govt. of UP				
Loan	997146000		997146000	
Interest accrued & due	4592823032	5589969032	4426105774	5423251774
FINANCIAL INSTITUTIONS				
Rural Electrification Corporation Ltd.				
(Guaranteed by Govt. of UP)				
Loan	4143896770		4470390448	
Interest accrued & due	2326869913	6470766683	2326869913	6797260361
Power Finance Corporation Ltd.		4062557937		4607131906
MISCELLANEOUS INSTITUTIONS				
National Capital Region Planning Board		179925000		272350000
(Guaranteed by Govt. of UP)				
HUDCO		333680000		864818185
(Guaranteed by Govt. of UP)				
GRAND TOTAL		34634087241		28217431617

Abha Lotti Landau

R. M. LALL & CO. Chartered Accountants

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 4

FIXED ASSETS

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As AT 31.3.2010	Additions	Deductions / Adjustments	As AT 31.3.2011	As AT 31.3.2010	Additions	Deductions / Adjustments	As AT 31.3.2011	As AT 31.3.2011	As AT 31.3.2010
Land & Land Rights										
i) Land owned under full title	270,410,979	41,661,364	0	312,072,343	0	0	0	0	312,072,343	270410979
ii) Land owned under lease	532,054	0	0	532,054	0	0	0	0	532,054	532,054
Buildings	2,239,971,056	245,031,659	0	2,485,002,715	771,536,371	72,837,633	0	844,374,004	1,640,628,711	1,468,434,685
Other Civil Works	428,449,752	4,492,073	0	432,941,825	158,225,350	7,467,071	0	165,692,421	267,249,404	270,224,402
Plant & Machinery	36,683,187,126	3,315,808,844	712,316,040	39,286,679,930	12,376,418,180	1,779,532,427	292,589,218	13,863,361,389	25,423,318,541	24,306,768,946
Lines, Cable Network etc.	30,665,909,691	1,263,860,245	5,859,067	31,923,910,869	14,016,547,988	1,470,981,519	3,801,209	15,483,728,298	16,440,182,571	16,649,361,703
Vehicles	36,230,852	424,335	640,712	35,814,475	22,927,311	4,096,238	670,172	26,353,377	9,461,098	13,303,541
Furniture & Fixtures	12,059,378	1,587,446	28,327	13,618,497	5,153,041	777,252	399	5,929,894	7,688,603	6,906,337
Office Equipments	21,755,262	1,311,391	290,833	22,775,820	11,435,196	3,611,444	0	15,046,640	7,729,180	10,320,066
Others Assets	499,490,924	116,664,465	0	616,155,389	214,115,685	64,286,685	0	278,402,370	337,753,019	285,375,239
GRAND TOTAL	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	30,682,688,393	44,446,615,524	43,281,637,952
Previous Year	64,229,313,967	7,292,436,010	663,752,903	70,857,997,074	24,765,865,731	3,175,514,449	365,021,058	27,576,359,122	43,281,637,952	39,463,448,236

Abha Lettie Landau

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 5

CAPITAL WORKS IN PROGRESS

(Amount in Rs.)

PARTICULARS		AS AT 31.3.2011		AS AT 31.3.2010	
Capital Work in Progress *			10400568704		5709781097
Revenue Expenses pending for Capitalisation **					
Upto Previous Year		536655000		510675000	
Addition during the year		786487000		536655000	
	Sub Total	1323142000		1047330000	
Less - Capitalisation during the year		414508258	908633742	510675000	536655000
SUB TOTAL (A)			11309202446		6246436097
Advances to Suppliers/Contractors			10371090538		5275770331
Less : - Provision for doubtful Advances against Capital Works			397002677		139397631
SUB TOTAL (B)			9974087861		5136372700
GRAND TOTAL			21283290307		11382808797

Notes :

* It includes Establishment and Administration & General Cost

** It includes Borrowing Cost only related to works.

Abha Lekhi Tandon

K. M. JALL & CO. Chartered Accountants

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 6

STORES & SPARES

(Amount in Rs.)

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

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

SCHEDULE - 7

SUNDRY DEBTORS

(Amount in Rs.)

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

SCHEDULE - 8

CASH AND BANK BALANCES

(Amount in Rs.)

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

Abha Mittal Gandhi

M. LALL & CO.

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 9

OTHER CURRENT ASSETS

(Amount in Rs.)

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

SCHEDULE - 10

LOANS AND ADVANCES

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011		AS AT 31.3.2010	
A. **Loans / Advances (Secured/considered good)**				
Employees (including advances)		1476119		1311387
(Adjustable / recoverable from salary)				
ADVANCES (Unsecured)				
Suppliers / Contractors	391701342		348963140	
Less - Provision for doubtful Loan & Advances	39170134	352531208	34896314	314066826
Tax Deducted at Source		19749413		9490506
Advance Fringe benefit tax		12171251		12171251
TOTAL		385927991		337039970

Abha Sethi Tandan

R. M. L. & CO. Chartered Accountants

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE - 11

CURRENT LIABILITIES AND PROVISIONS

(Amount in Rs.)

PARTICULARS	AS AT 31.3.2011		AS AT 31.3.2010	
CURRENT LIABILITIES				
Liability for Capital Supplies/ Works		6201833542		5069340850
Liability for O & M Supplies / Works		379011269		366739903
Staff Related Liabilities		1768097127		1876796409
Deposits & Retentions from Suppliers & Others		1205307864		581407390
Deposit for Electrification works		5847085600		4604848611
Net Payable to -				
UPPCL	151190925		290137974	
KESCO	17416643		15962778	
Dakshinanchal VVNL	34322066		31328143	
Madhyanchal VVNL	92353694		82681056	
Paschimanchal VVNL	16048404		14863157	
Poorvanchal VVNL	40295579	351627311	39118557	474091665
Sundry Liabilities		54424731		23138397
Liabilities for Expenses		47050491		60102104
Inter Unit Transfers		181085141		229208047
Liabilities towards UP Power Sector Employee Trust				
Provident Fund Liabilities	369917362		333224905	
Pension and Gratuity Liability	486385886	856303248	440114352	773339257
CPF Liability		22930071		11578824
Interest Accrued but not Due on Borrowings		301694846		253698543
Provisions :				
Fringe benefit tax		12183959		12183959
TOTAL		17228635200		14336473959

Asha Setti Laudau

For M. LALL & Co. Chartered Accountants

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE 12

REVENUE FROM TRANSMISSION OF POWER & RELATED ACTIVITIES

(Amount in Rs.)

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

SCHEDULE 13

OTHER INCOME

(Amount in Rs.)

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

SCHEDULE 14

REPAIRS AND MAINTENANCE

(Amount in Rs.)

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

Asha Lata Tandon

R. M. LALL & Co. Chartered Accountants

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE 15

EMPLOYEES COST

(Amount in Rs.)

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

SCHEDULE 16

ADMINISTRATIVE,GENERAL & OTHER EXPENSES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011		For the year ended on 31.3.2010	
Rent		2125920		2274427
Rates and Taxes		560425		161501
Insurance		2372388		671287
Communication Charges		17319726		17865017
Legal Charges		13386439		6618553
Statutory Auditors				
Audit Fee	666182		727980	
Travelling Expenses	566826	1233008	553638	1281618
Consultancy Charges		1328959		682980
Technical Fees & Professional Charges		6236749		3948064
Travelling and Conveyance		28002204		29752110
Printing and Stationery		6294067		5575288
Advertisement Expenses		12814335		12525795
Electricity Charges		4494294		4429930
Water Charges		22822		26369
Entertainment		271226		246145
Expenditure on Trust		146602		119030
Miscellaneous Expenses		49484407		25961192
SUB TOTAL		146093571		112139306
LESS - Expenses Capitalised		40419373		29532823
SUB TOTAL		105674198		82606483
OTHER EXPENSES				
Compensation (Other than staff)		125000		0
Other Losses		0		9820
TOTAL		105799198		82616303

Usha Sethi Tandon

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

SCHEDULE 17

INTEREST AND FINANCE CHARGES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011		For the year ended on 31.3.2010	
Interest on Loans				
Government of UP	166717258		166717258	
PFC	1374680922		1203924693	
HUDCO	31655638		154050532	
NCRPB	18347742		24586399	
REC	1163607501	2755009061	721221834	2270500716
Guarantee Charges		37787247		45549141
Bank Charges		1413499		1895575
Discount to consumers		83862		0
SUB-TOTAL		2794293669		2317945432
LESS - Interest Capitalised		786487000		536655000
GRAND TOTAL		2007806669		1781290432

Schedule 18

DEPRECIATION

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011		For the year ended on 31.3.2010	
Depreciation on Fixed Assets -				
Buildings	72881155		60389474	
Other Civil Works	7419457		7021391	
Plant & Machinery	1778466429		1599631440	
Lines, Cable Network etc.	1470785426		1414847024	
Vehicles	3830886		3866116	
Furniture & Fixtures	777252		729695	
Office Equipments	3611444		3284898	
Other Assets	29164997		15524350	
	3366937046	3366937046	3105294388	3105294388
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		104957011		85925584
GRAND TOTAL		3261980035		3019368804

Abha Sethi Tandan

R. M. Chartered Accountants

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

Schedule 19

BAD DEBTS & PROVISIONS

(Amount in Rs.)

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

Schedule 20

NET PRIOR PERIOD INCOME/EXPENDITURE

(Amount in Rs.)

PARTICULARS	For the year ended on 31.3.2011	For the year ended on 31.3.2010
A INCOME		
a Income (Transmission of Power)	38122388	211232475
b Other Excess Provisions	350847051	32757623
SUB TOTAL	388969439	243990098
B EXPENDITURE		
a O & M Expenses	64774	-3314269
b Employee Cost	21869998	44242522
c Interest & Finance Charges	-730555	0
d Administrative & General Exp	-257618	706909
e Depreciation Under/Excess Provided	30006287	67190550
SUB TOTAL	50952866	108825712
NET AMOUNT	-338016553	-135164386

Abha Lethi Tandon

R. M. L. & CO. Chartered Accountants

KUSUMWAL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

SCHEDULE NO. 21

A- SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

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

(b) The accounts are prepared under historical cost convention, on accrual basis unless stated otherwise and on accounting assumption of going concern.

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

2. FIXED ASSETS

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

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

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

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

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

In case of Capital Transmission works

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

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

Abha Sethi Tandon

M. LALL & CO. Chartered Accountants 116

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

3. DEPRECIATION

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

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

4. STORES & SPARES

(a) Stores & Spares are valued at cost.

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

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

5. REVENUE RECOGNITION

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

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

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

7. EMPLOYEE BENEFITS

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

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

Asha Sethi Tandon

8. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

(Abha Sethi Tandon)	(A.K.Gupta)	(S.K.Agarwal)	(Alok Kumar)
Company Secretary	General Manager	Director (Finance)	Chairman & Managing Director
(Part Time)	(Accounts)		

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

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

R. M. LALL & CO. Chartered Accountants

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

SCHEDULE No.-21

B- NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

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

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

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

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

2. Share application money (pending for allotment) amounting to Rs. 3599.91 crore (Previous year Rs. 3099.91 crore) includes share capital of Rs. 1263.97 crore and share application money Rs.579 crore transferred under the Provisional Transfer Scheme. The balance amount of Rs. 1756.94 crore was received towards equity.

Asha Sethi Tandon

R. M. VALI & CO. Chartered Accountants

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

(b) The provision for doubtful loans & advances has been made @ 10% on the balances of suppliers/contractors appearing under the head "Loans & Advances"/ "Capital Works in Progress". However, no provision is made for the amount of material issued to contractors for capital works.

(c) The provision for doubtful receivables against "Employees" and "Others" appearing under the head of 'Other Current Assets', has been made @ 10% except Rs. 1.86 crore in ETLEU, Varanasi where 100% provision has been made in the earlier year.

4. Inter Unit Transactions: The reconciliation of balance of Inter unit transactions of Rs. 18.11 Crores (credit) shown in the schedule-11(Previous year credit balance of Rs.22.92 crore) is in process and effect of reconciliation, if any, will be accounted for in the accounts of subsequent years.

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

(b) Depreciation on assets has been provided on straight line method at the rates prescribed in schedule XIV of Companies Act-1956. Depreciation on additions/deductions has been provided on pro-rata basis.

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

6. On an overall basis the current assets loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.

7. Amount due to Micro, Small and Medium Enterprises (under the MSMED Act 2006) could not be ascertained and interest thereon could not be provided for want of sufficient related information. However the company is in process to obtain the complete information in this regard.

Abha Lettwalla

M. L. A. & Co. Chartered Accountants

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8. (a) In view of the accounting policy for this year, the transmission revenue related to intra-state transmission of energy has been accounted for on the basis of tariff approved by the UPERC i.e. Rs. 0.1260 /kwh.

(b) In case of open access, accounting policy No.5(b) has been further clarified but there is no financial impact in the accounts due to this clarification.

9. As a part of separate function of SLDC, the company is maintaining separate account for SLDC. The break-up of charges relating to SLDC shown separately in the schedule No. 12 is given below.

(Amount in Rs.)

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

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

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

12. Remuneration and Benefits to Directors:
The whole time Directors (executive and key members of the Board) including Chairman and Managing Director have been appointed/posted by Govt. of U.P. for the UPPCL and have the additional charge of the company (UPPTCL) also. They have drawn their remuneration from the UPPCL, as per their entitlement.

13. (a) Based on actuarial valuation report dated 09.11.2000 (adopted by Board of Directors of UPPCL) provisions for accrued liability on account of pension and gratuity has been made @ 16.70% and 2.38% respectively on the amount of basic pay and grade pay plus DA. The company has initiated the process of getting actuarial valuation afresh for recognizing the liability for the Pension and Gratuity.

Asha Setti Tandon

R. M. LALL & CO. Chartered Accountants

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

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

15. Disclosure as per AS-18:

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

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

(b) Remuneration and Benefits paid to key management personnel is (Chairman & Managing Directors and Directors)- NIL.

(c) Transactions with related parties-The UPPTCL being a state owned enterprise, the disclosure regarding related party transactions with other state controlled enterprises as per provisions of AS-18 is not applicable.

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

Asha Sethi Pandey

R. M. LALL & CO. Chartered Accountants

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(Amount in Rs.)

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

17. An accounting of Deferred Tax Assets has not been considered in accounts on prudent basis as the company is not certain about Income available in near future due to the unabsorbed accumulated losses of Rs. 1036.24 crore. It includes the accumulated loss amounting to Rs. 976.27 crore which has been transferred by the UPPCL under the transfer scheme. The transfer of the Transmission undertaking from the transferor (UPPCL) to the transferee (UPPTCL) under the above transfer scheme shall be a de-merger of the transferor within the meaning of Section 2 (19AA) of the Income Tax Act, 1961).

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

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

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

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

Abha Lotti Gautam

R. M. LALL & CO. Chartered Accountants

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

S. NO.	PARTICULARS	Movement OF PROVISIONS			
		OPENING BALANCE AS ON01.04.2010	PROVISION MADE DURING THE YEAR	PROVISION ADJUSTED DURING THE YEAR	CLOSING BALANCE
1	Provision for doubtful Advances against capital work	13,93,97,631	25,76,05,046		39,70,02,677
2	Provision for absolute/unserviceable/shortage/Loss of stores	40,56,24,787	-	126,915	40,54,97,872
3	Provision for bad & doubtful debts	17,75,71,300	-	-	17,75,71,300
4	Provision for doubtful Receivables	301,48,300	15,45,399	-	3,16,93,699
5	Provision for Losses due to theft of fixed Assets	10,45,672	-	-	10,45,672
6	Provision for doubtful advances against O&M works	348,96,314	42,73,820	-	391,70,134
	Total	**7886,84,004**	**26,34,24,265**	**126915**	**1051981354**

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

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

Abha Sethi Tandon

(Abha Sethi Tandon)
Company Secretary
(Part Time)

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

(S.K. Agarwal)
Director (Finance)

(Alok Kumar)
Chairman & Managing Director

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

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

R. M. LALL & CO. Chartered Accountants

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

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-Ashok Marg, Shakti Bhawan, Lucknow.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration details

Registration No. -	20-28687		State Code	20	
Balance Sheet Date	31	3	2011		
	Date	Month	Year		

2 Capital raised during the year

(Amount in Rupees Thousands)

Public Issue :	Bonus Issue
NIL	NIL
Rights Issue	Private Placement
NIL	NIL

3 Position of Mobilisation and Development of Funds

(Amount in Rupees Thousands)

Total Liabilities	Total Assets
79058305	79058305
Sources of Funds :	
Paid Up Capital	Reserves & Surplus
4335500	4089666
Share App. Money pending for allotment	Unsecured Loans
35999052	16636898
Secured Loans	
17997189	
Applications of Funds :	
Net Fixed Assets	Miscellaneous Expenditure
65729906	0
Accumulated Losses	Net Current Assets
10362363	2966037
	Investments
	0

4 Performance of the Company

(Amount in Rupees Thousands)

Turnover (Gross Revenue)	Total Expenditure
9034632	9058804
(+/-)Profit/Loss before Tax	(+/-)Profit/Loss after Tax
-24172	-24172
Earning per Share (in Rupees)	Dividend rate in %
-5.58	NIL

Product/Service description	Item code No.
Transmission of Electricity	NA

Akhe Sethi Tandon

R. M. LALI
Chartered Accountant

UTTAR PRADESH POWER TRASMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

Rs. In crores

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

Notes to the Cash Flow Statements.

(i) This statement has been prepared under indirect method as prescribed by AS-3.

(ii) Adjustment for depreciation as per Schedule-4 of Balance Sheet includes the depreciation charged for prior period amounting to Rs.3.67 crore (previous year Rs.7.02 crore).

(iii) Cash and cash equivalent consists of cash in hand bank balances with schedule bank and fixed deposits with banks.

(iv) The figures in this statement have been rounded off to the rupees in crore up to two decimals.

(V) Previous year figures have been regrouped/reclassified/recast wherever considered necessary.

(Abha Sethi Tandon)	(A.K. Gupta)	(S.K. Agarwal)	(Alok Kumar)
Company Secretary	General Manager	Director (Finance)	Chairman & Managing Director
(Part Time)	(Accounts)		

Place :- Lucknow

Date :- 3/4/13

Subject to our report of even date

For R.M.LALL & Co.Chartered Accountants

FRN No. 000932C

R. M. LALL & Co. Chartered Accountants

(R.P. Tewari)

Partner

M. No. 071448

R.M. LALL & CO.
CHARTERED ACCOUNTANTS

Head Office:
4/10, Vishal Khand
Gomti Nagar
Lucknow
India

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+91-522-230417
e-mail: rmlallco@rmlallco.com

AUDITORS' REPORT

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

1) We have audited the attached Balance Sheet of Uttar Pradesh Power Transmission Corporation Limited as at 31st March 2011, the Profit and Loss account and the Cash Flow Statement of the company for the year ended on that date, annexed thereto wherein are incorporated the accounts of four transmission zones audited by the respective Branch auditors. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

4) As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the

Companies Act 1956, we enclose in the annexure a statement on the matter specified in para 4 and 5 of the said Order.

5) (a) Reserves & surplus includes a balance of Rs. 180.72 crores as restructuring account as at the year end. This relates to the difference between the division wise balances of assets and liabilities as per books as on 01.04.2007 and the balances appearing in the transfer scheme notified by the Government of Uttar Pradesh vide gazette notification no. 2974/XXIV-P-2-2010 dated December 23, 2010. *The said provisional transfer scheme is pending for finalization which may change the position of balances of assets and liabilities as appearing in the financial statements. (Refer note no. 1 of Schedule 21B).*

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

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

(c) *The balances under current assets, loans and advances, unsecured loans, current liabilities, including the balances of DISCOMs etc, material-in-transit/under inspection/lying with contractors/fabricators etc are subject to confirmation, reconciliation and consequential adjustments, if any. In the absence of adequate information, we are unable to comment on the realisability or otherwise of these balances and also the adequacy of the provisions made in accordance with note no. 3 (a), (b) and (c) of schedule 21 B.*

(d) *Current Liabilities & Provisions include Rs. 18.11 crores as `Inter Unit Transfer` which represent the un-reconciled balance of inter unit transactions. As informed by the management reconciliation of inter unit account is in process.*

(e) *Dues payable to Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 has not been disclosed in accordance with Part I of Schedule VI to the Companies Act 1956 and interest due on such balances has not been recognized in the financial statement in the absence of sufficient information with the Company (Refer note 7 of Schedule 21B).*

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

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

(h) *As per branch audit report of Transmission East (Allahabad)-*

(i) Rs. 2,18,65,120.50 in code 28.108 includes Rs.1,22,00,800 and Rs. 24,70,720 both relating to O & M charges of PGCIL bay in Varanasi and Mau unit respectively, in respect of which the agreement/confirmation from PGCIL has not been provided to the auditors.

(ii) Capital work in progress (Code 14) includes a blocked sum of Rs.6, 28, 17,411.69 pertaining to ETLEU (Defunct Unit since long). As per the information given by the management the matter is under reconciliation.

(iii) Title deeds of lands purchased by Electricity Transmission Division-II, does not indicate the name of the purchaser ie. Uttar Pradesh Power Corporation Ltd. Further mutation in land revenue is yet to be done.

(iv) Cash and Bank Balances (Schedule 8) includes Rs.80000/-Fixed deposit with bank details whereof are not available with the company and for which no provision has been made. As informed by the management investigation with respect to this missing Fixed Deposit is in process.

(i) In the books of the Company, balance with Uttar Pradesh Power Corporation Limited as on 31st March , 2011 is Rs.15.12 crores (shown in Schedule-11 Current Liabilities & Provisions) whereas as per the audited accounts of Uttar Pradesh Power Corporation Limited the balance of receivable from Uttar PradeshTransmission Corporation Limited is Rs.49.63 crores (shown in Schedule-10 Other Current Assets). The difference is of Rs.34.51 crores, which is subject to reconciliation and consequential adjustments.

(j) During the year provision aggregating to Rs.35.08 crores made in earlier years towards leave encashment has been written back in Transmission East (Allahabad) , which is done in accordance with Accounting policy no.7(b) of Schedule 21A.

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

(b) The recognition of revenue in case of Inter State Transmission, from transmission of energy/open access is on cash basis which is not in accordance with Accounting Standard (AS) 9 'Revenue Recognition' (Refer Accounting policy no.5(b) of Schedule 21 A).

(c) The amount of capital work in progress has been capitalized by transferring the value of project completed. The cost of project is verified by the concerning officer/ executive engineer. *Due to multiplicity of functional units as well as multiplicity of function at particular unit, employee cost and general & administration expenses are capitalized on the basis of amount of total expenditure of capital works. (Refer to Accounting policy 2(e) of Schedule 21 A). This system of*

M. LALL & CO. Chartered Accountants

capitalization of indirect expenses is not in accordance with the treatment prescribed as per Accounting Standard (AS) 10 'Accounting for Fixed Assets'.

(d) *Leave encashment is accounted for on the basis of claims received and approved during the year and not on the basis of actuarial valuation [Refer Accounting policy no. 7(b) of Schedule 21A and note no.13(b) of Schedule 21B). Further the provision for pension and gratuity in respect of employees has been made on the basis of actuarial valuation dated 09.11.2000 (Refer Accounting policy no. 7(a) of Schedule 21A and note no. 13(a) of Schedule 21B). These employee benefits are not accounted for in accordance with the treatment prescribed in the Accounting Standard (AS) 15, 'Employee Benefits (revised 2005)'.*

(e) *Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year. (Refer accounting policy no. 2(f) of schedule 21 A). Further, interest is also capitalized on certain assets which may not be qualifying assets as they do not take substantial period of time to get ready. In our opinion, this method of capitalization of borrowing cost on fixed assets is not in accordance with the provisions of Accounting Standard (AS) 16.*

(f) *In view of inadequate information with reference to note no.17 of Schedule 21 B, we are unable to comment on the adequacy or otherwise on the accounting of deferred tax as per AS-22'Accounting for Taxes on Income'.*

(g) *Opinion of the management regarding Impairment of assets is not supported by relevant information, hence we are unable to comment on the compliance with the provision of Accounting Standard (AS) 28 (Refer note no. 18 of Schedule 21 B).*

7) *For want of complete information, the cumulative impact of our observations in paras 5 and 6 and in Annexure to this report, on the accounts of the company is not ascertained.*

8) *The final accounts of the company have been compiled by the management on the basis of trial balances of the branches (zones) of the company audited by the branch auditors. The Balance Sheet and Profit and Loss Account are not prepared at the branch level which is in contravention to the Section 209 of the Companies Act, 1956.*

9) In our opinion proper returns adequate for the purpose of our audit have been received from branches not visited by us. The branch auditor's reports have been forwarded to us and the same have been appropriately dealt by us in framing our report.

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

11) *Read with our comments in para 3 and subject to our observations given in paragraphs 5 to 8 above and in Annexure referred to in para 4, we report that:*

(a) We have obtained all the information and explanations, except as stated above, which to the best of our knowledge and belief were necessary for purpose of our audit.

(b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of books.

(c) The Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt by this report are in agreement with the books of accounts and with the audited returns received from the zones.

(d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt by this report comply with the accounting standards referred to in section 211 (3c) of the companies Act,1956.

(e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and notes referred to in Schedules 21A and 21B, gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

a. In the case of Balance Sheet, the state of Affairs of the Company as on 31st March 2011;

b. In the case of the Profit and Loss Account, the Loss for the year ended on that date; and

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

Place: Lucknow
Date: 03.04.2013

For R. M. LALL & CO.
Chartered Accountants

M. LALL & Co. Chartered Accountants

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

R.M. LALL & CO.
CHARTERED ACCOUNTANTS

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4/10, Vishal Khand
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+91-522-230417
e-mail: rmlallco@rmlallco.com

(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 2011)

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

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

	(b)	In view of the (iii) (a) above, the para nos. (iii) (b), (c) and (d) of the Order, are not applicable.
	(c)	The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the registers maintained under section 301 of the Companies Act, 1956.
	(d)	In view of (iii) (c) above the para nos. (iii) (f) and (g) of the Order, 2003 are not applicable.
(iv)		In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of services except that: (1) *Accounting of expenditure in respect of deposit work and other work done by the sub-contractors and staff for particular job at Transmission (East), Allahabad.* (2) *Inspection/verification of inventories, adjustment of advances and receipt of materials at transmission (East) Allahabad.* Subject to the above, we have not come across continuing failures to correct major weaknesses in internal controls.
(v)	(a)	According to the information and explanations given to us and the records examined by us, there are no contracts or arrangements the particulars whereof are required to be entered in the register required to be maintained under section 301 of the Companies Act 1956.
	(b)	In view of (v) (a) above the para (v) (b) of the Order is not applicable.
(vi)		Based on our examination of the company`s records and according to the information and explanation given to us, in our opinion, the Company has not accepted any loans or deposits from the public.
(vii)		The Company has a system of internal audit by the firm of Chartered Accounts for its field units. *There is no internal audit system at the Head Office. Further, increase in the sample size checking in field units needs to be done to make the same commensurate with the size and nature of business of the company at Transmission (East), Allahabad. Compliance report to the internal audit reports of Transmission (East) and Transmission (South) were not produced.*
(viii)		*The cost records prescribed under section 209(1) (d) of the Companies Act, 1956 have not been maintained by the company during the year under audit.*
(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, there is an undisputed liability of Rs.*

		3, 78,134 pertaining to fringe benefit tax is outstanding for more than six months as on the Balance Sheet date. *It was observed that provident fund and contributions to the U. P. Power sector Employee's Trust are not made on monthly basis.* *Further, deduction and deposition of income tax at source and trade tax at source were not properly complied and VAT returns have not been submitted in few units as required under UPVAT Act, 2008 at Transmission (West).*
	(b)	As informed to us by the management, there are no dues that have not been deposited on account of dispute.
(x)		The Company has been registered for more than 5 years, its accumulated losses are more than 50 percent of its net worth and it has not incurred any cash losses during the current financial year and in the financial year immediately preceding such financial year.
(xi)		As per information's or explanation given to us, the Company has not defaulted in repayment of dues of a financial institution or bank or debenture holders.
(xii)		The Company has not granted any loans and advance on the basis security by way of pledge of shares, debentures and other securities.
(xiii)		The Company is not chit fund /nidhi/mutual benefit fund/societies; hence para (xiii) of the Order is not applicable.
(xiv)		The Company is not dealing or trading in shares, securities, debenture and other investments, hence of para (xiv) of the Order is not applicable.
(xv)		As informed to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
(xvi)		*We are unable to comment whether loan funds were applied for the purpose for which the loan were obtained as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds.* However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.
(xvii)		*We are unable to comment whether the funds received on short term basis have 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.*
(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

R. M. LALL &

		clause (xx) of the Order is not applicable.
(xxi)		As per information and explanations given to us, no fraud has been done by the company or on the company during the year.

Place: Lucknow
Date: 03.04.2013

For R. M. LALL & CO.
Chartered Accountants

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

कार्यालय महालेखाकार
(आर्थिक एवं राजस्व लेखापरीक्षा), उ0 प्र0
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– II / लेखा / यू•पी•पा•ट्रां•का•लि• / 2010–11 / 608
दिनांक: 1.7.13

1959
No.....CMD/UPPTCL में,

Director (F)

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

(अध्यक्ष एवं प्रबन्ध निदेशक)
उ०प्र०पावर ट्रान्समिशन कारपोरेशन लि०
लखनऊ

महोदय,

एतत्सह कम्पनी अधिनियम, 1956 की धारा 619(4) के अधीन उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के 31 मार्च 2011 को समाप्त होने वाले वर्ष के लेखों पर भारत के नियंत्रक–महालेखापरीक्षक की टीका–टिप्पणियाँ कम्पनी अधिनियम, 1956 की धारा 619(5) के निबन्धनों के अनुसरण में कम्पनी की वार्षिक सामान्य बैठक के समक्ष प्रस्तुत करने हेतु अग्रेषित की जा रही है। कृपया वार्षिक सामान्य बैठक के समक्ष इन टीका–टिप्पणियों के प्रस्तुत किये जाने की वास्तविक तिथि की सूचना दें।

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

कृपया पत्र की पावती भेजने का कष्ट करें।

सहपत्र–यथोपरि

Sr. AO.
3rd/7/13
09/7/13

GM(FM)

No. 4076-PSDF/13
08/7/13

भवदीया

(डॉ० स्मिता एस० चौधरी)
महालेखाकार

No. 5119 G.M.(F)
Date. 9/7
Dy. C.A.O. (C) / F-II
Dy. C.A.O./W(Trans.)
AO.(F)

Dy C.A.O. (AHL) Trans
10/7/13

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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 2011.

The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2011 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 03 April 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 2011. 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

Application of Funds

Current Assets, Loans and Advances

Sundry Debtors (Schedule 7) ₹ 1132.48 Crore

1. **Provision for Bad & Doubtful Debts: ₹ 17.76 Crore**

The above provision relates to the period up to the year 2008-09 against which payments had already been cleared.

Thus, the provision of ₹ 17.76 crore earlier made by the Company should have been written back. Not writing back the above provision has resulted in understatement of prior period income and understatement of Sundry Debtors by ₹ 17.76 crore.

Profit & Loss A/c

Expenditure

2. Interest & Finance Charges (Schedule 17) ₹ 279.43 Crore

Interest on loans to REC ₹ 116.36 Crore.

The above does not include the outstanding interest amounting to ₹ 0.39 crore against the loan on REC for the period from 20-03-2011 to 31-03-2011.

Thus, non provision of outstanding interest on above said loan resulted in understatement of current liabilities & provisions and loss both by ₹ 0.39 Crore.

3. General

(a) Notes on Accounts

Notes on Accounts annexed to and forming part of Balance Sheet as at 31.3.2011 and Profit & Loss Account for the year ended on that date of U.P. Power Corporation Limited (UPPCL) at point no. 1 states as below:

" Due to non-formation of finance, accounts, audit, headquarters and other service units in U.P.Power Transmission Corporation Limited (UPPTCL), the employees of UPPCL working in these units were entrusted the work of UPPTCL also, therefore, the services rendered by such UPPCL employees, the 25 % of the employee and administrative cost of such units have been loaded to UPPTCL during the year."

However, the same fact being materjal should have been disclosed by the Company in the Schedule No.21 (B) - Notes on Accounts.

(b) 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 UPPTCL, however, has not complied with the said section of the Companies Act and the Final Accounts of the Company are signed by a part time Company Secretary.

(c) Due to non-reconciliation of the inter company balances of Current Assets verses Current Liabilities, a difference of ₹ 57.11 crore could not be taken in to account by the company.

17/7/13

ACCOUNTANT GENERAL

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF U.P.POWER TRANSMISSION CORPORATION LIMITED LUCKNOW FOR THE YEAR ENDED 31 MARCH 2011.

COMMENTS	MANAGEMENT'S REPLY
The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statuary 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 03 April 2013.	No Comment
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 2011. 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 :	No Comment

Balance Sheet **Application of Funds** **Current Assets. Loans and Advances** **Sundry Debtors (Schedule 7) Rs. 1132.48 Crore** **1. Provision for Bad & Doubtful Debts : Rs. 17.76 Crore** The above provision relates to the period up to the year 2008-09 against which payments had already been cleared. Thus, the provision of Rs. 17.76 crore earlier made by the Company should have been written back. Not writing back of the above provision has resulted in understatement of prior period income and understatement of Sundry Debtors by Rs. 17.76 crore.	The said Provision of Rs. 17.76 crore has been written back and accounted for in the year 2011-12.
Profit & Loss A/c **Expenditure** **2. Interest & Finance Charges (Schedule 17) Rs. 279.43 crore.** **Interest on Loans to REC Rs. 116.36 Crore.** The above does not include the outstanding interest amounting to Rs. 0.39 crore against the loan on REC for the period from 20-03-2011 to 31-03-2011. Thus, non provision of outstanding on above said loan resulted in understatement of current liabilities & provisions and loss both by Rs. 0.39 Crore.	Provision of interest on Loan to REC amounting to Rs. 0.39 crore has been made in the year 2011-12.
3. General **(a) Notes on Accounts** Notes on Accounts annexed to end forming part of Balance Sheet as at 31.3.2011 and Profit & Loss Account for the year ended on that date of U. P. Power Corporation Limited (UPPCL) at point no. 14 states as below: "Due to non-formation of finance, accounts ,audit, headquarters and other service units in U. P.Power Transmission Corporation Limited (UPPTCL), the employees of UPPCL working in these units were entrusted the work of UPPTCL also, therefore, the services rendered by such UPPCL employees, the 25% of the employee and administrative cost of such units have been loaded to UPPTCL during the year ". However, the same fact being material should have been disclosed by the Company in the Schedule No.21(B)- Notes on Accounts.	As advised by audit required disclosure has been made in the accounts for the year 2011-12.

(b) 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 Rs.2 crore, shall have a whole time Company Secretary. The UPPTCL, however, has not complied with the said section of the Companies Act and the Final Accounts of the Company are signed by a part time Company Secretary.	Company is in process to appoint full time Company secretary.
(c) Due to non-reconciliation of the inter company balances of Current Assets verses Current Liabilities, a difference of Rs. 57.11 crore could not be taken in to account by the company.	The reconciliation Inter company balances of Current Assets/Current Liabilities is in process. Instructions have been issued to reduce the balances.

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

12/7/13

(S.K.Agarwal)
Director (Finance)

Annex-4

Audited Accounts for FY 2011-12.

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.

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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 Vidyut 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	4,336,500,000
(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		116,384,252,652	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	10	6,418,518,932	4,738,745,189
(b) Inventories	11	15,925,695,302	11,324,658,818
(c) Trade Receivables	12	4,324,422,575	3,532,057,245
(d) Cash and Cash Equivalents	13	388,980,443	373,756,740
(e) Short-Term Loans and Advances	14	227,722,814	213,082,786
(f) Other Current Assets			
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

(Atiha Sethi Tandon)
Company Secretary
(Part Time)

(Dr. Bina 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	2,497,921,838	2,007,806,569
6 Depreciation and Amortization Expenses	19	3,515,537,063	3,261,960,035
7 Other Expenses			
a) Administrative, General & Other Expenses	20	87,288,990	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			

(Abhis Sethi Tandon)	(Dr. Uma Kant Yadav)	(A.K.Gupta)	(S.K.Agarwal)	(Kamran Rizvi)
Company Secretary (Part Time)	Dy. General Manager (Accounts)	General Manager (Accounts)	Director(Finance)	(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. 000912C

Chartered Accountants

(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%

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

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	7,035,271,923	8,032,417,923	8,720,059,707	9,717,205,707
(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.

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	48911538	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 monnly installments	9250299545	0	9250299545	13749592171	0	22999891715	201497511	22798394204
			Total (A)	17997186589	815432707	17181755882	20454287689	815432707	37636043570	1185744929	36450298641
(B) Unsecured											
(i) Power Finance Corporation Ltd(Govt Guaranteed)	Guaranteed by Govt. of U.P.	8.75% to 13.25%	Forty equal quarterly installments	4052567937	585540239	3476027698	0	585540239	3476027698	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	93270960	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	1256682784	6947771523	1057575822	5890195701
(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)	513605000	426105000	87500000	0	426105000	87500000	87500000	0
			Total (B)	9717205707	1728388579	7988817128	0	1684787784	8032417923	1345915978	6686501944
			Grand Total (A + B)	27714394296	2543821286	25170573010	20454287689	2500220491	45668461493	2531660908	43136800585

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.

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 Restruct-uring	Install-ments	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	Interest Default w.e.f
Unsecured												
(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		

(Amount in Rs.)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE '5' - OTHER LONG-TERM LIABILITIES		
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.

R. M. LALL & CO. Chartered Accountants

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	4,710,796,143	351,006,083	4,943,829,115
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	11,564,954		16,048,404	
Poorvanchal VVNL	38,394,203	915,678,547	40,295,579	351,627,311
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		389,917,362
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	12,708	12,171,251	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.

NOTE - 08

SCHEDULE OF FIXED ASSETS AS AT 31.03.2012

(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 31.03.2012	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	925,037,187	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	-	173,211,832	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	15,622,540,943	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	1,611,399,863	8,664,641	17,086,463,540	16,371,136,291	16,440,182,571
Vehicles	35,814,475	346,316	676,587	35,484,204	26,363,377	3,265,080	538,152	29,080,305	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	6,798,561	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	16,880,276	9,571,508	7,729,180
Other assets	616,155,389	83,864,141	-	700,019,530	278,402,370	37,918,467	-	316,320,837	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	34,176,333,481	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

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	584,745,128	2,215,777,614	414,508,258	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	816,729,862	21,841,122,771	397,002,677	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

(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	3,835,950,236
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	576,265
(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

(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	39,917,855	359,260,699	39,170,134	352,531,208
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	3,279,804	104,966,373	2,034,239	94,971,274
Receivables :				
Employees	38,336,285		39,124,342	
Others	116,359,340		109,869,946	
Total	154,695,625		148,994,288	
Less: Provision for Doubtful Receivables	32,263,833	122,431,792	31,693,699	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	1,045,672	-	1,045,672	-
Total		227,722,614		213,082,786

(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	33,310,759	85,823	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	18,821,262
Other Allowances	128,197,817	132,544,732
Pension & Gratuity	431,486,752	417,801,004
Medical Expenses(Re-imbursement)	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**

(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	2,398,747,101	4,271,752,973	1,163,607,501	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	37,918,500	3,638,390,636	29,164,997	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

(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	1,253,007	566,826	1,233,008
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**

(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

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 contactor is yet to be affected, capitalization is done, subject to necessary adjustment in the year of final settlement.

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

In case of Capital Transmission works

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

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

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

3). DEPRECIATION

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

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

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

4). STORES & SPARES

(a) Stores & Spares are valued at cost.

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

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

5). REVENUE RECOGNITION

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

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

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

7). EMPLOYEE BENEFITS

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

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

8). PROVISIONS,CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

(Abha Sethi Tandon)	(Dr. Uma Kant Yadav)	(A.K.Gupta)	(S.K.Agarwal)	(Kamran Rizvi)
Company Secretary (Part Time)	Dy. General Manager (Accounts)	General Manager (Accounts)	Director(Finance)	(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.M. LALL & CO. Chartered Accountants

(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.

(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

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

(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

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)	(Dr. Uma Kant Yadav)	(A.K.Gupta)	(S.K.Agarwal)	(Kamran Rizvi)
Company Secretary (Part Time)	Dy. General Manager (Accounts)	General Manager (Accounts)	Director(Finance)	(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	2,007,808,669
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)	(336,256,003)	338,016,553
h)	Accumulated loss pertaining prior to transfer scheme	(578,792,872)	-
	Operating Profit Before Working Capital Changes	5,262,474,906	5,540,359,577
	Adjustment for :-		
a)	Decrease/(Increase) in Inventories	(1,679,691,708)	(848,360,072)
b)	Decrease/(Increase) in Trade Receivables	(4,423,265,184)	(5,191,544,683)
c)	Decrease/(Increase) in Other Current Assets	(15,209,861)	(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	715,334,979
a(ii)	Depreciation Reserve adjusted/deducted	(256,643,974)	(297,060,998)
b)	Decrease/(Increase) in Work-in-Progress	(19,539,764,341)	(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	(3,045,858,507)
b)	Proceeds from Share Capital	-	-
c)	Proceeds from Share Application Money	4,090,546,000	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	1,218,920,408	304,856,193
e(i)	Amount amortized	(131,272,068)	(111,603,945)
f)	Interest & Financial Charges paid	(2,407,921,838)	(2,007,808,669)
	Net cash flow from Financing Activities (C)	21,413,958,820	2,114,450,881
	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	550,231	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)	(Dr. Uma Kant Yadav)	(A.K.Gupta)	(S.K.Agarwal)	(Kamran Rizvi)
Company Secretary (Part Time)	Dy. General Manager (Accounts)	General Manager (Accounts)	Director(Finance)	(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

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AUDITORS' REPORT

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

1) We have audited the attached Balance Sheet of Uttar Pradesh Power Transmission Corporation Limited (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 December23, 2010. *The said provisional transfer scheme is pending for finalization which may change the*

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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

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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'.*

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(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 finanacial 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.

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(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:

a. In the case of Balance Sheet, the state of affairs of the Company as on 31st March 2012;

b. In the case of the Profit and Loss Statement, the loss for the year ended on that date; and

c. In the case of Cash Flow Statement, the cash flows for the year ended on that date.

Place: Lucknow
Date: 31st October, 2013

For R. M. LALL & CO.
Chartered Accountants

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

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(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)	*The Company has not maintained proper records showing full particulars including quantitative details and situations of fixed assets.*
	(b)	*The Company has not carried out physical verifications of the fixed assets hence we are unable to comment whether any material discrepancy was noticed as such or not.*
	(c)	The Company has not disposed of substantial part of the fixed assets during the year.
	(d)	*As per the branch audit report of Transmission West (Meerut), the transfer of capital work in progress has been made to fixed assets without obtaining final certificate of completion from the units.*
(ii)	(a)	As per information provided by the management, the stock of store and spare parts has been physically verified by the management during the year. In our opinion having regard to the nature and location of stock, the frequency of physical verification is reasonable.
	(b)	The procedures 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.*
	(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.
(iii)	(a)	As explained to us by the management, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
	(b)	In view of the (iii) (a) above, the para nos. (iii) (b), (c) and (d) of the Order, are not applicable.
	(c)	The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

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	(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. *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.
(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.*
	(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.*
(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.

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(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)		*We are unable to comment whether loan funds were applied for the purpose for which the loan were obtained as the accounts are not maintained in such manner which could identify the immediate nexus for ultimate usage of loan funds.* However as per the explanation given by the management the loan funds were applied for the purpose for which the loans were obtained.
(xvii)		*We are unable to comment whether the funds received on short term basis have 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.
(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

Annex-5

Provisional Balance Sheets for FY 2012-13.

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

PROVISIONAL BALANCE SHEET

AS AT

31.03.2013

&

PROVISIONAL PROFIT & LOSS STATEMENT

FOR THE YEAR ENDED

31.03.2013

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

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

PROVISIONAL BALANCE SHEET AS AT 31st MARCH, 2013

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	45,755,100,000	4,335,500,000
(b) Reserves and surplus	2	(6,244,774,960)	(6,290,665,201)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment	3	6,670,000,000	40,089,600,000
(3) Non-current liabilities			
(a) Long-term borrowings	4	58,773,186,246	43,136,800,585
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-Term Liabilities	5	2,653,320,695	2,653,320,695
(d) Long Term Provisions		-	-
(4) Current liabilities			
(a) Short Term Borrowings	6	-	2,000,000,000
(b) Trade Payables		-	-
(c) Other Current liabilities	7	33,557,929,729	29,439,696,573
(d) Short-Term Provisions		-	-
Total		141,164,761,710	115,364,252,652
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	8	48,560,601,667	47,675,565,323
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress	9	53,474,891,362	40,403,347,463
(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	7,295,009,641	6,418,518,932
(c) Trade Receivables	11	27,786,657,640	15,925,695,302
(d) Cash and Cash Equivalents	12	3,313,103,276	4,324,422,575
(e) Short-Term Loans and Advances	13	278,990,673	388,980,443
(f) Other Current Assets	14	455,507,451	227,722,614
Significant Accounting Policies	24(A)		
Notes on Accounts	24(B)		
Note 1 to 24(B) form Integral Part of Accounts			
Total		141,164,761,710	115,364,252,652

(J.P. Narayan)	(Dr. Uma Kant Yadav) 21/9/13	(A.K.Gupta)	(S.K.Agarwal)
Sr. Accounts Officer	Dy. General Manager (Accounts)	General Manager (Accounts)	Director(Finance)

GUPTA MANOJ K. CHARTERED ACCOUNTANTS

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

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

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
(I) Revenue from Operations (Gross)	15	13,216,717,446	9,438,141,224
(II) Other income	16	86,983,198	274,934,177
(III) TOTAL REVENUE (I+II)		13,303,700,644	9,713,075,401
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	2,772,859,102	2,281,908,006
5 Finance costs	18	4,268,308,725	2,407,921,838
6 Depreciation and Amortization Expenses	19	3,844,528,599	3,515,537,063
7 Other Expenses			
a) Administrative, General & Other Expenses	20	75,280,984	87,268,990
b) Repairs & Maintenance Expenses	21	1,379,727,303	1,187,962,527
c) Bad Debts & Provisions	22	267,083,440	421,045,040
(IV) TOTAL EXPENSES		12,607,788,151	9,901,643,464
V Profit /(Loss) before Prior Period Income/(Expenditure), Exceptional and Extraordinary Items and Tax (III-IV)		695,912,492	(188,568,063)
VI Prior Period Income/(Expenditure)	23	(762,900,733)	(338,256,003)
VII Exceptional Items		-	-
VIII Profit /(Loss) before Extraordinary Items and Tax (V-VI-VII)		(66,988,240)	(526,824,066)
IX Extraordinary Items		-	-
X Profit / (Loss) before Tax (VIII-IX)		(66,988,240)	(526,824,066)
XI Tax expenses:			
a) Current Tax		-	-
b) Deferred Tax		-	-
XII Profit / (Loss) for the Period from Continuing Operations (X-XI)		(66,988,240)	(526,824,066)
XIII Profit / (Loss) from Discontinuing Operations		-	-
XIV Tax Expense of Discontinuing Operations		-	-
XV Profit / (Loss) from Discontinuing Operations (After Tax) (XIII-XIV)		-	-
XVI Profit / (Loss) for the Period (XII+XV)		(66,988,240)	(526,824,066)
XVII Earnings per Equity Share:			
(a) Basic EPS		(2.35)	(121.51)
(b) Diluted EPS		(1.42)	(12.40)
Significant Accounting Policies	24(A)		
Notes on Accounts	24(B)		
Note 1 to 24(B) form Integral Part of Accounts			

(J.P. Narayan)	(Dr. Uma Kant Yadav)	(A.K.Gupta)	(S.K.Agarwal)
Sr. Accounts Officer	Dy. General Manager (Accounts)	General Manager (Accounts)	Director(Finance)

GUPTA MANOJ ... CHIEF ACCOUNTS ...

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE '1' - SHARE CAPITAL		
(A) Authorised Capital		
100000000 Equity Shares of par value Rs 1000 each	100,000,000,000	100,000,000,000
(Previous year 100000000 Equity share of par value Rs 1000 each)		
(B) Issued, Subscribed and Paid-up Capital		
45755100 Equity Shares of par value Rs 1000 each issued for cash	45,755,100,000	4,335,500,000
(Previous year 4335500 Equity Shares of par value Rs 1000 each)		
Total	45,755,100,000	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 31.03.2013	As at 31.03.2013	As at 31.03.2012	As at 31.03.2012
	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	41419600	41,419,600,000	-	-
Shares outstanding at the end of the year	45755100	45,755,100,000	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 issued 41419600 shares.

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

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

	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012	As at 31.03.2012
Name of Shareholder	No. of Shares	% Holding	No. of Shares	% Holding
Hon'ble Governor of Government of U.P.	23621748	51.626%	4285500	98.85%
Uttar Pradesh Power Corporation Ltd.	22132752	48.372%	-	-

GUPTA MANOJ KUM
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(Amount in Rs.)

Particulars	As at 31.03.2013		As at 31.03.2012	
NOTE '2' - RESERVES & SURPLUS				
(a) Capital Reserve				
Consumer Contribution towards Capital Works				
Balance as per last Balance Sheet	3,370,083,372		2,282,435,054	
Add: Addition during the year	279,597,892		1,218,920,406	
Less: Deduction during the year	166,719,410		131,272,088	
Closing Balance		3,482,961,854		3,370,083,372
(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	(11,467,979,573)		(10,362,362,635)	
Add : Accumulated loss pertaining prior to transfer scheme	-		(578,792,872)	
Add : Trf. from Statement of Profit & Loss	(66,988,240)		(526,824,066)	
Closing Balance		(11,534,967,814)		(11,467,979,573)
Total		**(6,244,774,960)**		**(6,290,665,201)**
NOTE '3' - SHARE APPLICATION MONEY				
Share Application Money pending for allotment		6,670,000,000		40,089,600,000
Total		**6,670,000,000**		**40,089,600,000**

Reconciliation of Share Application Money

Share Application Money as on 31.03.2012	Received during the year	Allotted during the year	Share Application Money as on 31.03.2013
40089600000	8000000000	41,419,600,000	6670000000

GUPTA MANOJ KUMAR
CHARTERED ACCOUNTANTS

(Amount in Rs.)

Particulars	As at 31.03.2013		As at 31.03.2012	
NOTE '4' - LONG TERM BORROWINGS				
Secured Loans				
Term loans				
From Others		56,069,494,924		37,636,043,570
(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	5,890,196,101	6,887,342,101	7,035,271,923	8,032,417,923
(All the above loans are guaranteed by Govt of U.P.)				
Sub-Total of Secured & Unsecured Loans		62,956,837,025		45,668,461,493
Less: Current Maturity of Long Term Borrowings (Refer Annexure A)		4,183,650,779		2,531,660,908
Total		58,773,186,246		43,136,800,585

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.

GUPTA MANOJ KUMAR
CHARTERED ACCOUNTANT

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.
DISCLOSURES OF TERMS ETC. OF BORROWINGS AS REQUIRED IN SCHEDULE-VI

Annexure A to Note 4
(Amount in Rs.)

Loans	Security & Guarantee Details	Interest Rate	Repayment Terms	Balance as on 31.03.2012 (A)	Current Maturity for Long term debt (F.Y. 11-12) (B)	Long term borrowing as on 31.03.2012 C= (A-B)	Loan received during the year (F.Y. 12-13) (D)	Loan repaid during the year (F.Y. 12-13) (E)	Balance as on 31.03.2013 F=(A+D-E)	Current Maturity for Long term debt (F.Y. 12-13) (G)	Long term borrowing as on 31.03.2013 H=(F-G)
(A)Secured											
(i) Power Finance Corporation Ltd(Hypo)	Secured by hypothecation of Lines & Substations under the PFC scheme	8.75% to 13.25%	Forty to sixty equal quarterly installments.	14587240317	935335880	13651904437	3388477941	937482874	17038235384	1482925236	15555310148
(ii) Power Finance Corporation Ltd(BLC)	Secured by hypothecation of Lines & Substations under the PFC scheme	13.75%	Forty equal quarterly installments	48911538	48911538	0	0	48911538	0	0	0
(iii) Rural Electrification Corporation Ltd (Transmission)	Secured by hypothecation of Lines & Substations under the REC scheme	11% to 13%	One hundred twenty equal monthly installments	22999891715	201497511	22798394204	16232965337	201497511	39031259540	1382053889	37649205651
			Total (A)	37636043570	1185744929	36450298641	19621343278	1187891921	56069494924	2864979125	53204515799
(B) Unsecured											
(i) Power Finance Corporation Ltd(Govt Guarantee)	Guaranteed by Govt. of U.P.	8.75% to 13.25%	Forty equal quarterly installments	3476017698	584779168	2891238530	0	584779168	2891238530	569114209	2322124321
(ii) Rural Electrification Corporation Ltd (Reschedule)	Guaranteed by Govt. of U.P.	10.11%	One hundred eighty equated monthly installments(EMI)	652118153	93270566	558847587	0	93270566	558847587	102714789	456132798
(iii) Rural Electrification Corporation Ltd (Transmission)	Guaranteed by Govt. of U.P.	11% to 13%	One hundred twenty equal monthly installments	726103680	90762960	635340720	0	90762960	635340720	90762960	544577760
(iv) Rural Electrification Corporation Ltd (UPPCL)	Guaranteed by Govt. of U.P.	11% to 12.50%	One hundred twenty equal monthly installments	2093532392	288763128	1804769264	0	288763128	1804769264	288763128	1516006136
			Total (i+ii+iii+iv)	6947771923	1057575822	5890196101	0	1057575822	5890196101	1051355086	4838841015
(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	200840157	796305843	0	0	997146000	267316558	729829442
			Total (v)	997146000	200840157	796305843	0	0	997146000	267316558	729829442
(vi) National Capital Region Planning Board	Guaranteed by Govt. of U.P.	7%	Six to Eight equal annual installments	87500000	87500000	0	0	87500000	0	0	0
(vii) HUDCO	Guaranteed by Govt. of U.P.	11.25%	Sixty equal monthly installments	0	0	0	0	0	0	0	0
			Total (vi+vii)	87500000	87500000	0	0	87500000	0	0	0
			Total (B)	8032417923	1345915979	6686501944	0	1145075822	6887342101	1318671644	5568670457
			Grand Total (A + B)	45668461493	2531660908	43136800585	19621343278	2332967745	62956837025	4183650769	58773186246

For UPTA MANOJ KUMAR & CO.
CHARTERED ACCOUNTANTS

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

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

Loans	Repayment Terms				Default as on 31.03.2012				Default as on 31.03.2013			
	Date of Restruct-uring	Install-ments	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	Interest Default w.e.f
Unsecured												
(i) Govt of U.P.	2003-04	180 (monthly)	2010-11	13.5% to 15.25%	134363755	4653100960	2011-12	2007-08	200840157	4798530352	2011-12	2007-08
Total					134363755	4653100960			200840157	4798530352		

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

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

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE '5' - OTHER LONG-TERM LIABILITIES		
Interest accrued but not due on REC	2,653,320,695	2,653,320,695
Total	2,653,320,695	2,653,320,695
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.

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

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

(Amount in Rs.)

Particulars	As at 31.03.2013		As at 31.03.2012	
NOTE '7' - OTHER CURRENT LIABILITIES				
Current Maturities of Long-term Debt		4,183,650,779		2,531,660,908
Interest accrued & due on borrowings				
Govt. of U.P.	4,798,530,352		4,653,100,960	
REC	63,537,178	4,862,067,530	57,695,183	4,710,796,143
Interest accrued but not due on borrowings		532,869,249		452,647,932
Liability for Capital Supplies/Works		8,309,624,376		8,276,497,201
Liability for O & M Supplies/Works		583,133,817		526,906,705
Staff Related Liabilities		1,491,701,739		1,583,284,999
Deposit & Retentions from Suppliers & Others		4,042,784,949		2,531,834,268
Deposit for Electrification Works		7,119,608,895		5,900,877,593
Inter-Corporation Balances				
UPPCL	166,833,578		573,648,576	
KESCO	19,173,670		18,469,745	
Dakshinanchal VVNL	68,916,700		46,889,751	
Madhyanchal VVNL	231,151,481		226,691,318	
Paschimanchal VVNL	13,026,209		11,584,954	
Poorvanchal VVNL	49,940,247	549,041,885	38,394,203	915,678,547
Inter-Unit Transfers		-		564,622,438
Sundry Liabilities		108,388,697		36,426,149
Liabilities for Expenses		52,761,790		68,485,809
Liabilities towards UP Power Sector Employee Trust				
Provident Fund Liabilities	730,361,480		615,516,097	
Pension & Gratuity Liability	865,540,543	1,595,902,023	651,920,074	1,267,436,171
Liabilities towards UPPCL CPF Trust				
CPF Liability		126,394,000		72,529,002
Balance with Government Authorities:				
Fringe Benefit Tax - Provision			12,183,959	
Less: Advance Tax		-	12,171,251	12,708
Total		**33,557,929,729**		**29,439,696,573**

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

GUPTA MAN... & CO. CHARTERED ACCOUNTANTS

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

SCHEDULE OF FIXED ASSETS AS AT 31.03.2013

NOTE - 08
(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET CARRYING VALUE	
	As at 01.04.2012	Addition	Deduction/ Adjustment	As at 31.03.2013	As at 01.04.2012	For the year	Deduction/ Adjustment	As at 31.03.2013	Balance as at 31.03.2013	Balance as at 31.03.2012
Land & Land Rights										
(i) Land Owned under full title	316,455,500	1,246,262	-	317,701,762	-	-	-	-	317,701,762	316,455,500
(ii) Land Owned under Lease	52,296,572	-	-	52,296,572	-	-	-	-	52,296,572	52,296,572
Buildings	2,782,313,111	254,146,036	244,325	3,036,214,822	925,037,187	97,401,972	33,920	1,022,405,239	2,013,809,583	1,857,275,924
Other Civil Works	438,730,071	4,215,351	-	442,945,422	173,211,832	7,170,975	-	180,382,807	262,562,615	265,518,239
Plant & Machinery	44,028,103,591	3,812,942,174	974,587,876	46,866,457,889	15,622,540,943	2,158,786,162	327,445,768	17,453,881,337	29,412,576,552	28,405,562,648
Lines, Cables Network etc.	33,457,599,831	1,445,020,217	16,521,920	34,886,098,128	17,086,463,540	1,623,162,826	9,583,660	18,700,042,706	16,186,055,422	16,371,136,291
Vehicles	35,484,204	4,429	538,000	34,950,633	29,080,305	3,367,628	413,350	32,034,583	2,916,050	6,403,899
Furniture & Fixtures	14,444,610	1,169,483	3,820	15,610,273	6,798,561	963,705	43,189	7,719,077	7,891,196	7,646,049
Office Equipments	26,451,784	26,977,971	6,700	53,423,055	16,880,276	7,693,649	2,853	24,571,072	28,851,983	9,571,508
Other assets	700,019,530	6,506,090	-	706,525,620	316,320,837	114,264,851	-	430,585,688	275,939,932	383,698,693
Total	81,851,898,804	5,552,228,013	991,902,641	86,412,224,176	34,176,333,481	4,012,811,768	337,522,740	37,851,622,509	48,560,601,667	47,675,565,323
Previous Year	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	34,176,333,481	47,675,565,323	44,446,615,524

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

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

(Amount in Rs.)

Particulars	As at 31.03.2013		As at 31.03.2012	
Note '9' - Capital Work in Progress				
Capital Work in Progress *		20,588,389,386		16,346,447,078
Revenue Expenses pending for Capitalisation upto Previous Year **	2,215,777,614		908,633,742	
Add: Addition during the year	2,636,087,000		1,891,889,000	
Less: Capitalisation during the year	657,959,449	4,193,905,165	584,745,128	2,215,777,614
Sub Total(A)		24,782,294,551		18,562,224,692
Advances to Suppliers/Contractors	29,776,410,113		22,657,852,633	
Less: Provision for Doubtful Advances against Capital Works	1,083,813,302	28,692,596,811	816,729,862	21,841,122,771
Sub Total(B)		28,692,596,811		21,841,122,771
Grand Total(A+B)		53,474,891,362		40,403,347,463

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

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

(Amount in Rs.

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE '10' - INVENTORY		
Stores & Spares		
(a) Stock of Materials-Capital Works	7,204,111,796	6,243,007,505
(b) Stock of Materials-O&M	287,620,818	446,609,517
(c) Other Materials*	208,689,696	134,317,746
	7,700,422,310	6,823,934,768
Sub Total	7,700,422,310	6,823,934,768
Less: Provision for Obsolete /Unserviceable /Shortage/Loss of Stores	405,412,669	405,415,836
Total	7,295,009,641	6,418,518,932

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	21,519,018,092	11,566,047,933
b) Other Debts	6,267,639,548	4,359,647,369
Sub Total	27,786,657,640	15,925,695,302
Less: Provision for Bad & Doubtful Debts	-	-
Total	27,786,657,640	15,925,695,302
NOTE '12' - CASH AND CASH EQUIVALENTS		
(a) Cash in Hand (including Stamps in Hand)	639,005	550,271
(b) Balance with Banks		
In Current & Other Account	1,696,131,505	2,297,477,784
In Fixed Deposit Account	1,616,332,766	2,026,394,520
Total	3,313,103,276	4,324,422,575

GUPTA MANOJ KUMAR
CHARTERED ACCOUNTANT

(Amount in Rs.

Particulars	As at 31.03.2013		As at 31.03.2012	
NOTE '13' - SHORT TERM LOANS AND ADVANCES				
Unsecured, Considered Good				
Balance with Government Authorities:				
Fringe Benefit Tax - Advance	12,171,251			
Less: Provision	12,120,276	50,975		-
Advances to Employees (Adjustable/recoverable from salary)		2,761,218		2,516,052
Tax Deducted at Source		39,179,941		27,203,692
Advances to Suppliers/Contractors	263,331,710		399,178,554	
Less: Provision for Doubtful loan & Advances	26,333,171	236,998,539	39,917,855	359,260,699
Total		278,990,673		388,980,443
NOTE '14' -OTHER CURRENT ASSETS				
Unsecured, Considered Good				
Inter Corporation Balances :				
UPRVUNL	149,761,087		101,686,569	
UPJVNL	3,434,784	153,195,871	3,279,804	104,966,373
Receivables :				
Employees	37,131,332		38,336,285	
Others	69,214,283		116,359,340	
Total	106,345,615		154,695,625	
Less: Provision for Doubtful Receivables	27,460,953	78,884,662	32,263,833	122,431,792
Inter-Unit Transfers		222,974,528		-
Interest accrued but not due on F.D.		304,347		237,882
Prepaid Expenses		63,079		86,567
Theft of Fixed Assets pending investigation	1,130,636		1,045,672	
Less: Provision for Estimated Losses	1,045,672	84,964	1,045,672	-
Total		455,507,451		227,722,614

GUPTA MAN[illegible] & CO. CHARTERED ACCOUNTANTS

(Amount in Rs.)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
NOTE '15' - REVENUE FROM OPERATIONS		
Sale of Services		
Transmission Charges	12,858,592,345	8,927,374,053
Open Access Charges	338,189,879	494,468,071
SLDC Charges	19,935,222	16,299,100
Revenue from operations (Gross)	13,216,717,446	9,438,141,224
Less: Excise Duty/Service Tax Recovered	-	-
Revenue from Operation (Net)	13,216,717,446	9,438,141,224
NOTE '16' - OTHER INCOME		
Interest Income on :		
Fixed Deposits	22,021,350	32,489,165
Loans to Staff	12,208	74,632
Others	5,987,968	746,962
	28,021,526	33,310,759
Other Non-Operating Income		
Income from Contractors/Suppliers	50,659,848	201,587,515
Rental From Staff	597,374	535,061
Miscellaneous Receipts	7,704,450	39,182,438
Subsidies and Grants Received (against loss on account of flood,fire,cyclone etc.)	-	318,404
Total	86,983,198	274,934,177
NOTE '17' - EMPLOYEE BENEFIT EXPENSES		
Salaries & Allowances	1,635,829,550	1,697,584,662
Dearness Allowance	1,076,636,550	945,514,654
Bonus/ Ex-gratia	22,396,197	20,902,240
Other Allowances	111,364,455	128,197,817
Pension & Gratuity	439,222,173	431,486,752
Medical Expenses(Re-imbursement)	12,012,725	17,518,054
Leave Travel Assistance	17,468	1,401,470
Earned Leave Encashment	129,435,256	223,523,053
Compensation	2,185,494	574,551
Contribution to Provident & Other Funds	49,296,887	42,445,495
Expenditure on Trust	4,156,759	2,794,665
Staff Welfare Expenses	2,816,831	2,697,209
Sub Total	3,485,370,345	3,514,640,622
Less: Expenses Capitalised	712,511,243	1,232,732,616
Total	2,772,859,102	2,281,908,006

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

(Amount in Rs.)

Particulars	For the year ended 31.03.2013		For the year ended 31.03.2012	
NOTE '18' - FINANCE COSTS				
(A) Interest expenses				
Long term loans				
Government of UP	145,429,392		145,429,392	
PFC	2,309,950,288		1,696,492,475	
HUDCO	-		18,991,697	
NCRPB	5,896,661		12,092,308	
REC	4,420,187,106	6,881,463,447	2,398,747,101	4,271,752,973
(B) Other Borrowings Cost				
Guarantee Charges		22,456,631		27,702,492
Bank Charges		475,647		355,373
Sub Total		6,904,395,725		4,299,810,838
Less: Interest Capitalised		2,636,087,000		1,891,889,000
Total		4,268,308,725		2,407,921,838
NOTE '19' - DEPRECIATION & AMORTIZATION EXPENSES				
Depreciation on Fixed Assets :				
Buildings	97,401,972		80,299,566	
Other Civil Works	7,170,975		7,535,092	
Plant & Machinery	2,158,786,162		1,954,853,189	
Lines, Cable Network etc.	1,623,162,826		1,550,930,668	
Vehicles	3,367,628		3,223,111	
Furniture & Fixtures	963,705		872,231	
Office Equipments	6,129,890		2,758,279	
Other Assets	114,264,851	4,011,248,009	37,918,500	3,638,390,636
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		166,719,410		122,853,573
Total		3,844,528,599		3,515,537,063

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

(Amount in Rs.)

Particulars	For the year ended 31.03.2013		For the year ended 31.03.2012	
NOTE '20' - ADMINISTRATIVE, GENERAL & OTHER EXPENSES				
Payment to Auditor				
(a) Audit fee	666,182		666,182	
(b) Reimbursement of Out of Pocket Expenses	576,125	1,242,307	586,825	1,253,007
Advertisement Expenses		10,286,248		13,360,172
Communication Charges		17,871,412		18,479,362
Consultancy Charges		384,816		661,094
Electricity Expenses		6,011,823		5,186,440
Entertainment		3,401,252		290,522
Expenditure on Trust		1,015,406		218,707
Insurance		329,497		260,905
Legal Charges		8,375,852		10,927,078
Miscellaneous Expenses		45,201,205		43,253,550
Printing & Stationery		7,635,744		6,544,193
Rates & Taxes		735,986		31,130
Rent		2,420,092		1,752,239
Technical Fees & Professional Charges		4,226,894		6,778,028
Travelling & Conveyance		43,509,323		38,453,033
Water Charges		167,452		27,707
Sub Total		152,815,309		147,477,167
Less: Expenses Capitalised		77,534,411		60,440,647
Sub Total		75,280,898		87,036,520
Compensation(Other than staff)		-		-
Other losses		86		232,470
Total		75,280,984		87,268,990
NOTE '21' - REPAIRS & MAINTENANCE EXPENSES				
Plant & Machinery		1,183,851,890		994,621,426
Buildings		51,042,068		45,305,747
Other Civil Works		1,396,683		86,850
Lines, Cables Networks etc.		140,855,981		147,528,003
Vehicles-Expenditure	43,691,864		40,636,988	
Less: Transferred to Different Capital & O&M Works /Administrative Exp.	43,691,864	-	40,636,988	-
Furniture & Fixtures		65,020		10,243
Office Equipments		2,515,661		410,258
Total		1,379,727,303		1,187,962,527

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

(Amount in Rs.)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
NOTE '22' - BAD DEBTS & PROVISIONS		
Doubtful advances(Suppliers/Contractor)	-	747,721
Doubtful other Current Assets(Receivables)	-	570,134
Doubtful advances against Capital works	267,083,440	419,727,185
Total	267,083,440	421,045,040
NOTE '23' - NET PRIOR PERIOD INCOME /(EXPENDITURE)		
(a)Income		
Interest Income	-	2,259,625
Other Income	(774822055)	(150,258)
Other Excess Provisions	18,387,564	177,571,300
Sub Total (A)	(756,434,491)	179,680,667
(b)Expenditure		
O&M Expenses	(13,900,092)	52,312,673
Employee Cost	7,560,316	6,700,400
Interest & Finance Charges	-	345,164,556
Administrative & General Exp	11,242,259	10,479,130
Depreciation under/excess provided	1,563,759	103,279,911
Sub Total (B)	6,466,242	517,936,670
Net Amount (A-B)	(762,900,733)	(338,256,003)

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

UTTAR PRADESH POWER TRANSMISSION CORPORATION 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 contactor 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%.

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

(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.

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

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.

(J.P. Narayan)	(Dr. Uma Kant Yadav)	(A.K.Gupta)	(S.K.Agarwal)
Sr. Accounts Officer	Dy. General Manager (Accounts)	General Manager (Accounts)	Director (Finance)

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

NOTE NO. 24(B)

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

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

(b) The State Government through Gazette Notification No. 2974(1)/24-P-2-2010 dated Dec 23,2010, notified the Provisional Transfer Scheme for the purpose of the transfer of the transmission activities from U.P. Power Corporation Ltd. (UPPCL), to the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL), 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. (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.

3. Inter Unit Transactions: The Reconciliation of balance of Inter Unit Transactions of Rs. 22.29 crores (debit) shown in the Balance Sheet(Previous year credit balance of Rs.56.46 crores) is in process and effect of reconciliation, if any, will be accounted for in the accounts of subsequent years.

4. (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.

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

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

(d) During the year ended 31.03.2013, 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.

5. 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.

6. 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.

7. 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.0.1740/kwh.

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

9. Auditor Remuneration :-

(Amount in Rs.)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Statutory Auditors :-		
As Audit fee	666,182	666,182
Reimbursement of Out of Pocket Exps.	576,125	586,825
Total	1,242,307	1,253,007

10. Earning/Expenditure in foreign currency :-

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

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

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

12. 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.

13. (a) Based on actuarial valuation report dated 09.11.2000(adopted by Board of Directors of UPPCL) provisions for accrued liability on account of pension and gratuity has been made @16.70% and 2.38% respectively on the amount of basic pay and grade pay plus DA. The company has initiated the process of getting actuarial valuation afresh for recognizing the liability for the Pension and Gratuity.

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

14. Employees benefit expense(Note-17) and administrative, general & other expenses(Note-20) include Rs 23.33 crore(Previous year 28.25 crore) crore being 25% of the common expenditure apportioned by U.P.Power Corporation Ltd.

15. 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.

16. RELATED PARTY INFORMATION :-

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

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

I. Key management personnel & their relatives:

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

b) Transactions

(Amount in Rs.)

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

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

(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.

17. 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 31.03.2013	For the year ended 31.03.2012
(I) Basic EPS		
Profit after Tax as per Profit & Loss A/c (A)	(66,988,240)	(526,824,066)
Weighted Average Number of Equity Shares (B)	28496933	4335500
Basic Earning Per Share (A/B)	(2.35)	(121.51)
Face Value per share	1000	1000
(II) Diluted EPS		
Profit after Tax as per Profit & Loss A/c (A)	(66,988,240)	(526,824,066)
Weighted Average Number of Equity Shares (B)	47330933	42497977
Diluted Earning Per Share (A/B)	(1.42)	(12.40)
Face Value per share	1000	1000

18. 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 1153.50 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 been debited in financial year 2011-12 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.

19. 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.

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

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

(Rs. in Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided	479.82	1033.44
(ii) Other claims against company not acknowledged as debts	20.50	29.85
Total	500.32	1063.29

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

22 Disclosure as per AS-29 is as under :-

Particulars	Movement of Provisions			
	Balance as on 01.04.2012	Provision made during the year	Provision adjusted during the year	Balance as on 31.03.2013
	Rs.	Rs.	Rs.	Rs.
(i) Provision for doubtful advances against capital works	816,729,862	267,083,440	-	1,083,813,302
(ii) Provision for obsolete /unserviceable/shortage/loss of stores	405,415,836	-	3,167	405,412,669
(iii) Provision for bad & doubtful debts	-	-	-	-
(iv) Provision for doubtful receivables	32,263,833	-	4,802,880	27,460,953
(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	39,917,855	-	13,584,684	26,333,171
Total	1,295,373,058	267,083,440	18,390,731	1,544,065,767

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

(J.P. Narayan)
Sr. Accounts Officer

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

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

(S.K.Agarwal)
Director
(Finance)

GUPTA MANOJ & CHARTERED ACCOUNTANTS

GUPTA MANOJ KUMAR & CO.

CHARTERED ACCOUNTANTS

Head Off. : FLAT NO-4,GREEN WOOD APARTMENT,22,GOKHLAY MARG LUCKNOW 226 001.
PH. (0522) 2205771, 2208545 9415022215 –16 / 9450200100

E-MAIL : guptamanojkumar_ca@rediffmail.com, gmk_ca@rediffmail.com

FORM NO.3CB
[See rule 6G(1)(b)]

Audit report under section 44AB of the Income-tax Act, 1961, in the case of a person referred to in clause (b) of sub-rule (1) of rule 6G

1. We have examined the Provisional Balance sheet as at 31st March 2013, and the Provisional Profit and loss account for the year ended on that date, attached herewith of ***M/S U.P.POWER TRANSMISSION CORPORATION LTD.*** **[PAN No.AAACU8823E]** Tthese 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 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(s). An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

3. We certify that the balance sheet and the profit and Loss account are in agreement with the books of account maintained at the Head Office at **SHAKTI BHAWAN 14, ASHOK MARG LUCKNOW.** and zones at ALL over UP.

4. We report subject to our notes on account, attached herewith:-

   A. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

   B. In our opinion, proper books of account have been kept by the head office and branches of the assessee so far as appears from our examination of the books.

   C. In our opinion, and to the best of our information and according to explanations given to us, the said accounts, read with notes thereon, if any, give a true and fair view in conformity with the accounting principals generally accepted in India.

      (i) In the case of the balance sheet, of the state of the affairs of the assessee as at 31st March 2013 and

      (ii) In the case of the profit and loss account, of the Loss of the assessee for the year ended on that date.

5. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No.3CD. In our opinion, and to the best of our information and according to explanations given to us, the particulars given in the said Form No.3CD are true and correct.

For GUPTA MANOJ KUMAR & CO.
Chartered Accountants

GUPTA MANOJ KUMAR CHARTERED ACCOUNTANTS

(CA Mansi Kaushik)
Partner
M.No.-415897

Dated: - 26.09.2013

Place: - Lucknow

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FORM 3 CD
[See rule 6G (2)]

Statement of particulars required to be furnished under Section 44 AB of the Income Tax Act, 1961

PART A

1	Name of Assesse	**UTTAR PRADESH POWER TRANSMISSION CORPORATION LTD.**
2	Address	SHAKTI BHAWAN 14, . ASHOK MARG LUCKNOW 226001
3	Permanent Account No.	AAACU8823E
4	Status	**PUBLIC LIMITED GOVT. COMPANY**
5	Previous year ended	ON 31-03-2013
6	Assessment year	**2013-2014**

PART B

7	(a) If firm or AOP, names of partners/members and their profit sharing ratios	N.A.
	(b) If there is any change in the partners/members or their profit sharing ratios, the particulars of such change.	
8	(a) Nature of business or profession (if more than one business or profession is carried on during the previous year, nature of every business or profession).	Transmission of Electricity
	(b) If there is any change in the nature of business or profession, the particulars of such change.	No Change during the year as compared to last year
9	(a) Whether books of account prescribed under section 44AA If yes, list of books so prescribed.	N.A.
	(b) Books of account maintained (In case books of account are maintained in a computer system, mention the books of account generated by such computer system.)	Cash Books, Sectional Ledger (SJ-1, SJ-2, and SJ-3) at unit level and consolidation of Trial Balance are made at Head Office Level.
	(c) List of Books of account examined.	Consolidated Trial Balance
10	Whether the profit & loss account includes any profits and gains assessable on presumptive basis.If yes, the amount and the relevant section (44AD, 44AF, 44B, 44BB, 44BBA, 44 BBB or any other relevant section).	No
11	(a) Method of accounting employed in the	Mercantile System

GUPTA MANOJ Kum... CHARTERED ACCOUNTANTS

	previous year.	
	(b) Whether any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year.	No
	(c) If answer to (*b*) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.	
	(d) Details of deviation if any, in the method of accounting employed in the previous year from accounting standards prescribed u/s145 and the effect thereof on the profit & loss.	No
12	(a) Method of valuation of closing stock employed in the previous year.	As per information provide by the management and accounting policies of the assessee attached with the Balance Sheet.
	(b) Details of Deviation if any, from the method of valuation prescribed u/s 145 A, and the effect thereof on the profit & loss.	No
12 A	Give the following particulars of the capital asset converted into Stock-in-trade: - (a) Description of capital asset; (b) Date of acquisition; (c) Cost of acquisition; (d) Amount at which the asset is converted into stock-in trade;	As informed to us by the management that no such case has been observed.
13	Amounts not credited to the profit & loss account being: -	As inform to us by the management and accounting policies of the Nigam attached with the Balance Sheet no such type of amount found during the course of our verification of consolidation Trial Balance.
	(a) Items falling within the scope of section 28:	Do
	(b) Performa credits, drawbacks, refunds or duty of customs or excise, or refunds of sales tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned.	Do
	(c) Escalation claims accepted during the previous year	
	(d) Any other item of Income	Do
	(e) Capital receipt if any	Do
14	Particulars of depreciation allowable as per the Income Tax Act in respect of each asset or block of assets, as the case may be in the following form:	Do As per Annexure "I "attached with the report.
	(a) Description of asset/block of assets.	
	(b) Rate of Depreciation	Do
	(c) Actual Cost or WDV, as the case may be	Do
	(d) Additions/deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustment on account of	Do Do
	(i) Modified Value Added Tax credit claimed and allowed under the Central Excise Rules, 1944, in respect of assets acquired on or after 1st March, 1994, (*ii*) change in rate of exchange of currency, and (*iii*) subsidy or grant or reimbursement, by whatever name called.	Do
	(e) Depreciation allowable.	
	(f) W.D.V. at the end of the year	Do
15	Amounts admissible under sections- (a) 33AB (b) 33ABA (c) 33AC (wherever applicable) (d) 35 (e) 35ABB (f) 35AC (g) 35CCA (h) 35CCB (i) 35D (j) 35DD	Do NIL

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	(k) 35DDA (l) 35E	
	(a) Debited to the profit & loss account (showing the amount debited and deduction allowable under each section separately);	NIL (As informed by Company)
	(b) Not debited to the profit & loss account	
16	(a) Any sum paid to an employee as bonus or commission for Services rendered, where such sum was otherwise payable to him as profits or dividend. [Section 36(1)(*ii*)].	Nil
	(b) Any sum received from employees towards contributions to any provident fund or superannuation fund or any other fund mentioned in section 2(24)(*x*); and due date for payment and the actual date of payment to the concerned authorities under section 36(1)(*va*).	The corporation is deducting GPF & CPF from employees and being deposited in Provident fund trust which is a regular process.
17	Amounts debited to the profit & loss account, being	
	(a) Expenditure of capital nature	NIL (As informed by Company)
	(b) Expenditure of personal nature	Do
	(c) Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party	Do
	(d) Expenditure incurred at clubs:	Do
	(i) As entrance fees and subscriptions;	Do
	(ii) As cost for club services and facilities used;	Do
	(e) (i) expenditure by way of penalty or fine for infraction of Law	Do
	(ii) Any other penalty or fine;	Do
	(iii) Expenditure incurred for any purpose which is an offence or which is prohibited by law;	Do
	(f) Amounts inadmissible u/s 40(a)	Do
	(g) Interest, salary, bonus, commission or remuneration inadmissible u/s 40(b)/40(ba) and computation thereof;	N.A
	(h) (A) whether a certificate has been obtained from the assessee regarding payments relating to any expenditure covered under section 40A(3) that the payments were made by account payee cheques drawn on a bank or account payee bank draft, as the case may be, [Yes/No]	No
	(B) Amount inadmissible under section 40A(3), read with rule 6DD [with break-up of inadmissible amounts]	As informed by the management of the corporation firm has not made any payment in excess of Rs. 20,000.00 in cash however it is not possible for us to verify whether the cheques or bank drafts was A/c payee or not.
	(i) Provision for payment of gratuity not allowable u/s 40A(7)	Payment of Gratuity has been made to trust constituted bu UP Govt. on regular basis as informed by the corporation.
	(j) Any sum paid by the assesse as an employer not allowable u/s 40A(9)	No.
	(k) Particulars of any liability of a contingent nature debited to the profit & loss account;	No.
	(l) Amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income;	No
	(m) Amount inadmissible under the proviso to section 36(1)(iii)	No
17A	Amount of Interest Inadmissible U/S 23 of the micro small and Medium Enterprises development act 2006	Information not provided by the assessee
18	Particular of payments made to person specified u/s 40A(2)(b)	As informed to us by the management that no such type of payment has been made.
19	Amounts deemed to be profits and gains u/s 33AB or 33ABA or 33AC;	NIL
20	Any amount of profit chargeable to tax u/s 41 and	NIL

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

	computation thereof	
21	(i) In respect of any sum referred to in clause (a), (c), (d) , (e) or (f) of section 43B, the liability for which: -	N/A
	(A) Pre-existed on the first day of the pervious year but was not allowed in the assessment of any preceding previous year and was	
	(a) Paid during the previous year;	
	(b) Not paid during the previous year;	As per Annexure II attached
	(B) Was incurred in the previous year and was: -	
	(a) Paid on or before the due date for furnishing the return of income of the previous year u/s 139(1)	As per Annexure III attached
	(b) Not paid on or before the aforesaid date	
	(ii) State whether sales tax customs duty excise duty or any other indirct tax levy cess, impost etc is passed through the profit and loss account .	
22	(a) Amount of Modified Value Added Tax credits availed of or utilized during the previous year and its treatment in the profit and loss account and treatment of outstanding Modified Value Added Tax credits in the accounts.	N.A.
	(b) Particulars of income or expenditure of prior period credited or debited to the profit & loss account.	As per schedule of 22 of Balance Sheet
23	Details of any amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through and account payee cheque [Section 69D]	NIL
24	(a) Particulars of each loan or deposit in an amount exceeding the limit specified in section 269 SS taken or accepted during the previous year:	N.A.
	(i) Name, address and PAN (if available with the assessee)of the lender or depositor.	
	(ii) Amount of loan or deposit taken or accepted.	
	(iii) Whether the loan or deposit was squared up during the previous year;	
	(iv) Maximum amount outstanding in the account at any time during the previous year.	
	(v) Whether the loan or deposit was taken or accepted otherwise than by an A/c payee cheque or an A/c payee bank draft.	
	(b) Particulars of each repayment of loan or deposit in an amount exceeding the limit specified in section 269T made during the previous year.	
	(i) Name, address and PAN (if available with the assesses)of the payee;	
	(ii) Amount of the repayment.	
	(iii) Maximum amount outstanding in the account at any time during the previous year ;	
	(iv) Whether the repayment was made other wise than by account payee cheque or account payee bank draft.	
	(C) Whether a certificate has been obtained from the assessee regarding taking or accepting loan or deposit, or repayment of the same through an account payee cheque or an account payee bank draft. [Yes/No].	
25	Details of brought forward loss or depreciation allowance, in the following Performa, to the extant available	Annexure attached

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

a	S.No.	A.Y.	Nature of Loss/Allowance	Amount as returned	Amount as assessed (give reference to relevant order)	Remarks

	(b) Whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section 79	N.A.
26	Section-wise details of deductions, if any, admissible under chapter VI A	N.A
27	(a) Whether the assessee has complied with the provisions of Chapter XVII-B regarding deduction of tax at source and regarding the payment thereof to the credit of the Central Government. [Yes/No]	The Corporation has deposited all the TDS into the account of Central Govt. It is not possible to us to verify whether all provisions have been compliance at project level and we have relied upon certificate given by Account Deptt Because of We have compiled our report at H.O. and We are unable to comment weather compliance at Unit level are made nor not.
	(b) If the provisions of Chapter XVII-B have not been complied with, please give the following details*, namely: -	DO

	(i) Tax deductible and not deducted at all	
	(ii) Shortfall on account of lesser deduction than required to be deducted	
	(iii) Tax deducted late	
	(iv) Tax deducted but not paid to the credit of the Central Government	

28	(a) In case of a trading concern, quantitative details of principal items of goods traded:	The company is engaged in Transmission of Electricity. Quantitative Detail is not available.
	(i) Opening Stock	
	(ii) Purchase during the previous year	
	(iii) Sales during the previous year	
	(iv) Closing Stock	
	(v) Shortage/excess if any	
	(b) In the case of a manufacturing concern, quantitative details of principal items of raw materials, finished products and by products: -	
	A. RAW MATERIALS: -	
	(i) Opening Stock	
	(ii) Purchase during the previous year	
	(iii) Consumption during the previous year	
	(iv) Sales during the previous year	
	(v) Closing Stock	
	(vi) Yield of finished products	
	(vii) Percentage of Yield	
	(viii) Shortage/excess if any	
	B. FINISHED PRODUCTS/BY PRODUCTS: -	
	(i) Opening Stock	
	(ii) Purchase during the previous year	
	(iii) Quantity manufactured during the previous year	
	(iv) Sales during the previous year.	
	(v) Closing Stock.	
	(vi) Shortage/excess if any	
29	In the case of a domestic company, details of tax on	Being the Corporation is a Govt. Company

GUPTA MANOJ KUMAR CHARTERED ACCOUNTANTS

	distributed profits under section 115-O in the following form (*a*) Total amount of distributed profits; (*b*) Total tax paid thereon; (*c*) Dates of payment with amounts.	therefore this clause is not applicable.
30	Whether any cost Audit was carried out. If yes, enclose a copy of the report of such audit[see section 139(9)]	N./A.
31	Whether any audit was conducted under the Central Excise Act, 1944.If yes, enclose a copy of the report of such Audit.	N/A
32	Accounting ratios with calculations as follows: -	
	(a) Gross Profit/Turnover.	N/A
	(b) Net Profit/Turnover	N/A
	(c) Stock in Trade/Turnover	N/A
	(d) Material Consumed/Finished goods Produced	N/A

For GUPTA MANOJ KUMAR & CO.
Chartered Accountants

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

(CA Mansi Kaushik)
Partner
M.No. 415897

Dated: -26-09-2013
Place: - Lucknow

ANNEXURE

PART A

1	Name of the assessee:	U.P.POWER TRANSMISSION CORPORATION
2	Address:	14, ASHOK MARG SHAKTI BHAWAN, LUCKNOW 226001
3	Permanent Account Number:	AAACU8823E
4	Status:	PUBLIC LIMITED (GOVT. COMPANY)
5	Previous year ended:	31ST MARCH 2013
6	Assessement year	2013-14

PART B

Nature of business or profession in respect of every business	CODE
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Sr. No	Parameters	Current year	Previous year
1	Paid up share capital/capital of partner/proprietor	45,75,51,00,000.00	4,33,55,00,000.00
2	Share application money/Current Account of Partner or	6,67,00,00,000.00	40,08,96,00,000.00
3	Reserve and surplus/Profit and Loss Account	(6,24,47,74,960.00)	(6,29,06,65,201.00)
4	Secured loans	56,06,94,94,924.00	37,63,60,43,570.00
5	Unsecured loans	6,88,73,42,101.00	8,03,24,17,923.00
6	Current liabilities and provisions	33,55,79,29,729.00	31,43,96,96,573.00
7	Total of Balance Sheet	1,41,16,47,61,710.00	1,15,36,42,52,652.00
8	Gross turnover/gross receipts	13,21,67,17,446.00	9,43,81,41,224.00
9	Gross profit	N.A.	N.A.
10	Commission received	-	-
11	Commission paid	-	-
12	Interest received	2,80,21,526.00	3,33,10,759.00
13	Interest paid	6,88,14,63,447.00	4,27,17,52,973.00
14	Depreciation as per books of accounts	3,84,45,28,599.00	3,51,55,37,063.00
15	Net Profit (or loss) before tax as per Profit and Loss	(6,69,88,240.00)	(52,68,24,066.00)
16	Taxes on incomepaid/provided for in the books	-	-

For GUPTA MANOJ KUMAR & CO.
Chartered Accountants

GUPTA MANOJ KUMAR CHARTERED ACCOUNTANTS

MANSI KAUSHIK
(Partner)

PLAC Lucknow
DATE 26.09.2013

UTTAR PRADESH POWER TRANSMISSION COROPORATION LTD.
14,ASHOK MARG ,LUCKNOW

ANNEXURE "I"

SCHEDULE OF OF FIXED ASSETS AS ON 31ST MARCH, 2013 AND DEPRECIATION CHARGED AS PER INCOME TAX ACT,1961

PARTICULARS	NET BLOCK ON 01.04.2012	ADDITIONS Ist Half	ADDITIONS IIND HALF	DEDUCTIONS IST HALF	TOTAL	RATE OF DEP.	DEPRECIATION Current Year	W.D.V. AS ON 31.03.2013
Land & Land Rights	45,82,15,181	-	12,46,262	-	45,94,61,443	0.00%	-	45,94,61,443
Building	2,88,54,35,597	-	25,41,46,036	2,44,325	3,13,93,37,308	5.00%	15,06,13,214	2,98,87,24,093
Other civil works	37,43,93,679	-	42,15,351	-	37,86,09,030	10.00%	3,76,50,135	34,09,58,895
Plant & Machinery	21,42,46,67,361	-	3,81,29,42,174	97,45,87,876	24,26,30,21,659	15.00%	3,35,34,82,586	20,90,95,39,074
Lines,Cables Network etc.	14,20,19,22,896	-	1,44,50,20,217	1,65,21,920	15,63,04,21,193	15.00%	2,23,61,86,663	13,39,42,34,530
Vehicles	1,27,62,935	-	4,429	5,38,000	1,22,29,364	15.00%	18,34,072	1,03,95,292
Furniture & Fixtures	1,76,56,594	-	11,69,483	3,820	1,88,22,257	10.00%	18,23,752	1,69,98,505
Office Equipment	1,67,73,416	-	2,17,97,722	6,700	3,85,64,438	15.00%	41,49,836	3,44,14,601
Other Assets	45,06,09,561	-	65,06,090	-	45,71,15,651	15.00%	6,80,79,391	38,90,36,260
Computer	28,56,999	-	51,80,249	-	80,37,248	60.00%	32,68,274	47,68,974
Total(A)	**39,84,52,94,220**	**-**	**5,55,22,28,013**	**99,19,02,641**	**44,40,56,19,592**		**5,85,70,87,924**	**38,54,85,31,668**
1.transfer to UTTRANCHAL POWER CORP.	58,79,93,698	-			58,79,93,698	15.00%	8,81,99,055	49,97,94,643
Assets Retained by UPPCL	3,76,30,890	-			3,76,30,890	0.00%	-	3,76,30,890
Less: Provisional Transfer to Subsidiary Company		-						
AGRA DIVISION	1,49,77,99,994	-	-	-	1,49,77,99,994	15.00%	22,46,69,999	1,27,31,29,995
LKO DIVISION	1,72,74,84,226	-	-	-	1,72,74,84,226	15.00%	25,91,22,634	1,46,83,61,592
MEERUT DIVISION	2,29,25,29,004	-	-	-	2,29,25,29,004	15.00%	34,38,79,351	1,94,86,49,653
VARANASI DIVISION	1,88,92,33,686	-	-	-	1,88,92,33,686	15.00%	28,33,85,053	1,60,58,48,633
TOTAL(B)	**8,03,26,71,497**	**-**	**-**	**-**	**8,03,26,71,497**		**1,19,92,56,091**	**6,83,34,15,406**
Less Assets(Grant & Public C).	7,27,18,994		-		7,27,18,994	15.00%	1,09,07,849	6,18,11,145
NET Balance	**31,73,99,03,728**		**5,55,22,28,013**				**4,64,69,23,984**	**31,65,33,05,116**

Notes:

01. All the addition in fixed assets has been taken in IInd Half (I.e. after 30th Sept.2012) and depreciation on such assets has been taken for half year.
02. The Coroporation is involve only in Distribution and transmission of Power and not in generation,hence special rate of depreciation for power Generating unit as per Income Tax act ,1961 has not been for above calculation and gereral rate of depreciation has been considered.
03. Depreciation on Capital Works in Progress has not been charged.
04. Some Assets has been transfared to Distribution companies vide GOUP Notification no.2740/P-1-2003-24-14P/2003 dated 12.6.: Since the transfer scheme is provisional and amount of transfer group of assets wise has not been given in Govt. Notification and only gross value less gross depreciation are given so that provisional amount has been shown as tr
05. Addition in 2nd half and and Deduction in 1st half has been taken on the basis of information provided by the Management.
06. Depreciation on assets transferred to Uttaranchal and DISCOM has been taken @15% on WDV which has been deducted from Gross Depreciation .
05- Corporation has received entire remaing assets as om 1.4.2007 to its Holding Co M/S U.P. Power corp.Ltd except office and residential town ship at Lucknow on approx amount of Rs.225.oo Lacs but Depreciation not considere in above Chart becuase of depreciation was charged in earlier year 10% on Building and it has assumed that either WDV value of Holding Co has taken as transfer value for calculation of depreciation in UPPTCL and few two Building has kept by UPPCL where more than 90% dep was charged earlier hence UPPCL Building Dep not charged
06 UP Transmission will charge Dep on all Assets transferred by UPPCL on Approx WDV of UPPCL as on 1.4.2007

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

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UTTAR PRADESH POWER TRANSMISSION COROPORATION LTD.
14,ASHOK MARG,LUCKNOW

ANNEXURE "II "

Interest which was pre-existed at Ist day of previous year but which was not paid during the previous year.

Name of Liability	Outstanding Opening Balance Not allowed in earlier P.Y. As on 31-March-2012	Amount Paid During The F.Y. 12-13	Amoutn not paid before due Date of filing of return
Pension & Gratuity	63,07,69,255	18,03,36,338	45,04,32,917
CPF	5,76,72,946	5,76,72,946	-
Provident Fund	55,84,11,097	27,28,77,244	28,55,33,853
Leave In Cashment	52,18,385	52,18,385	-
Bonus Payable	4,04,363	4,00,664	3,699
	1,25,24,76,046	**51,65,05,577**	**73,59,70,469**

ANNEXURE "III"

Amount incurred during the previous year and paid on or before due date for furnishing the return of income.
(refer to Section 43 B of Income Tax Act, 1961

Name of Liability	Amount Outstanding 31.3.2013	Amount paid from 01.04.13 to 30.09.13	Amoutn not paid before due date of filing of return
Liabilities Related to Employee Trust			
PFC	7,84,27,732	7,84,27,732	-
REC	76,45,168	76,45,168	
Pension & Gratuity	86,55,40,543	22,67,15,000	63,88,25,543
CPF	12,63,94,000	6,37,15,222	6,26,78,778
Provident Fund	73,03,61,480	23,40,44,000	49,63,17,480
Leave In Cashment	1,88,05,910	1,88,05,910	-
Bonus Payable	10,98,617	-	10,98,617
TOTAL	**1,82,82,73,450**	**62,93,53,032**	**1,19,89,20,418**

GUPTA MANOJ KUMAR CHARTERED ACCOUNTANTS

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UTTAR PRADESH POWER TRANSMISSION COROPORATION LTD.

14,ASHOK MARG ,LUCKNOW

ANNEXURE "IV"

BUSINESS LOSS/DEPRECIATION ON ALLOWANCE TO BE

A.Y.	Business Loss	Depreciation	Total Loss	Losses Set of during	Balance Loss C/F	Loss Assessed
2008-09	-	6,07,15,65,891	6,07,15,65,891	-	6,07,15,65,891	Pending with Income Tax Deptt.
2009-10	-	4,53,89,27,265	4,53,89,27,265	-	4,53,89,27,265	Pending with Income Tax Deptt.
2010-11	-	80,64,03,324	80,64,03,324	-	80,64,03,324	Pending with Income Tax Deptt.
2011-12	-	77,11,78,896	77,11,78,896	-	77,11,78,896	Pending with Income Tax Deptt.
2012-13		8,56,22,303	8,56,22,303	-		
	-	12,27,36,97,679	12,27,36,97,679	-	12,18,80,75,376	-

GUPTA MANOJ KUM... CHARTERED ACCOUNTANT

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FORM NO. 29B
[See rule 40B]

REPORT UNDER SECTION 115JB OF THE INCOME-TAX ACT, 1961 FOR COMPUTING THE BOOK PROFITS OF THE COMPANY

1 We have examined the accounts and records of M/s UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED [PAN - AAACU8823E] in order to arrive at the book profit during the year ended on 31-Mar-2013.

2 We certify that the book profit has been computed in accordance with the provisions of this section. The tax payable under section 115JB of the Income-tax Act in respect of the assessment year 2013-14 is Rs. NIL, which has been determined on the basis of the details as given below.

3 In our opinion and to the best of my knowledge and according to the explanations given to me the particulars given below are true and correct.

5	Total income\(Loss) of the company under the Income-tax Act.	Nil
6	Income Tax Payable on Total Income	
7	Whether Profit and Loss Account is prepared in accordance with the provisions of Parts II and III of Schedule VI to the Companies Act 1956 (1 of 1956)	Yes
8	Whether the Profit and Loss Account referred to in column 7 above has followed the same accounting policies, accounting standards for preparing the P&L account and the same method of rates for calculating depreciation as have been adopted for preparing accounts laid before the company at its annual general body meeting ? If not, the extent and nature of variation be specified	Yes
9	Net Profit\(Loss) according to Profit & Loss Account referred to in (7) above	-6,69,88,240.00
10	Amount of net profit as shown in P&L as increased by the amounts referred to in clauses (a) to (f) of explanation of sub-section (2) of this section (File working separately, if required).	4,11,16,12,039.00
11	The amount as referred to in item 10 as reduced by the amounts referred to in clauses (i) to (vii) of Explanation of sub-section (2) of . this section (File working separately, where required).	4,04,46,23,799.00
12	Book profit\(Loss) as computed according to Explanation given in sub-section (2).	0.00
13	18.50% of 'book profits' as computed in 12 above.	0.00
14	In case income tax payable by the company referred to at Sl. No. 6 is less than 18.50% of its book profits shown in column 12, the amount of income-tax payable by the company would be 18.50% of column 12 i.e. as per (13). (Including Surcharge & Education Cess)	0.00

Note: - Total income mentioned in the clause 5 above is as computed by the assessee

Place : Lucknow
Date:- 26/9/13

FOR GUPTA MANOJ KUMAR & CO.
Chartered Accountants.
F.R.N. - 006707C

GUPTA MANOJ KUMAR & CO. CHARTERED ACCOUNTANTS

MANSI KAUSHIK
M.No. - 415897
(PARTNER)