

19 February, 2014

Uttar Pradesh Power Transmission Corporation Ltd. (UPPTCL)

UPPTCL's Petition for review of the Commission's Order dated 31 May, 2013 on Suo-moto determination of ARR and Tariff for FY 2013-14 along with true-up for FY 2008-09, FY 2009-10 and FY 2010-11

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UPPTCL's Petition for Annual Revenue Requirement and Tariff for FY 2014-15 in accordance with the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006

Preliminary Information Requirement/Discrepancies in the Petition

Note:

- 1) Petitioner should submit the replies in soft copy and hard copy.
- 2) All the letters/correspondence should be submitted in scanned PDF copy also.
- 3) In case any submission has already been submitted to the Commission, the same should be re-submitted to make it part of the present proceedings.

A. Revenue side true-up

1. UPPTCL should submit the details that its revenue, Distribution Licensees, other Long Term Open Access Consumers, Short Term Open Access Consumers, SLDC charges and any other (specify details) for FY 2007-08 to FY 2012-13 reconciling with the audited accounts in the specified formats:

Table 1: Revenue from Distribution Licensee

Revenue from Distribution Licensee							
S. No.	Name of the customer	FY 2007-08		FY 2008-09			
		Energy delivered (MU)	Revenue (Rs. crore)	Energy delivered (MU)	Revenue (Rs. crore)	Energy delivered (MU)	Revenue (Rs. crore)
1							
2							
3							
...							
Total							
Revenue from Distribution Licensee as booked in Audited Accounts							

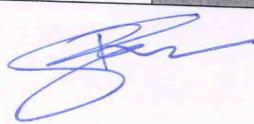

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Table 2: Revenue from Long Term Open Access Consumers

Revenue from Long Term Open Access Consumers							
S. No.	Name of the customer	FY 2007-08		FY 2008-09			
		Energy delivered (MU)	Revenue (Rs. crore)	Energy delivered (MU)	Revenue (Rs. crore)	Energy delivered (MU)	Revenue (Rs. crore)
1							
2							
3							
...							
Total							
Revenue from Long Term Open Access consumers as booked in the Audited Accounts							

Table 3: Revenue from Short Term Open Access Consumers

Revenue from Short Term Open Access Consumers							
S. No.	Name of the customer	FY 2007-08		FY 2008-09			
		Energy delivered (MU)	Revenue (Rs. crore)	Energy delivered (MU)	Revenue (Rs. crore)	Energy delivered (MU)	Revenue (Rs. crore)
1							
2							
3							
...							
Total							
Revenue from Short Term Open Access consumers as booked in the Audited Accounts							

Table 4: Revenue from SLDC charges

Revenue from SLDC charges (Rs. Crore)				
S. No.	Name of the customer	FY 2007-08	FY 2008-09	...
1				
2				
3				
...				
Total				



Revenue from SLDC charges (Rs. Crore)				
S. No.	Name of the customer	FY 2007-08	FY 2008-09	...
Revenue from SLDC charges as booked in Audited Accounts				

Table 5: Revenue from other sources

Revenue from Any other Source (Specify Details) (Rs. Crore)				
S. No.	Particulars	FY 2007-08	FY 2008-09	...
1				
2				
3				
...				
Total				
Revenue from other sources as booked in Audited Accounts				

It is to be noted that the validation of the information sought in the above formats is crucial for undertaking revenue side truing up.

Licensee's Response

The detailed break-up of the revenue is annexed hereto and marked as "Annexure-1".

B. Review Petition on Tariff Order for FY 2013-14

- UPPTCL filed a Petition for review of the Commission's Order dated 31 May, 2013 on suo-moto determination of ARR and Tariff for FY 2013-14 along with true-up for FY 2008-09, FY 2009-10 and FY 2010-11. In this regard, UPPTCL should submit the computations shown in Tables of the Petition, in workable excel form with appropriate formulae and back up calculations. UPPTCL should also submit the audited accounts for FY 2007-08 and FY 2008-09.

Licensee's Response

The soft copy of the tabular computations in respect of the review petition is enclosed in the form of a compact disc. Further the licensee submits that the audited accounts for FY 2007-08 and 2008-09 have already been submitted to the Hon'ble Commission based on which final truing up order have been issued.



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However, a scanned copy of the same is herewith enclosed in the form of a compact disc.

3. UPPTCL should submit the soft copy of the Review Petition filed by it.

Licensee's Response

The soft copy of the review petition is enclosed in the form of a compact disc.

C. True-Up for FY 2011-12

4. The Petitioner has claimed the actual R&M expenses of Rs 118.80 Crore for FY 2011-12 as against Rs 93.18 Crore. The Petitioner should submit the reasons for increase in actual R&M expenses with respect to R&M expenses approved in the Order and break up of actual R&M expenses.

Licensee's Response

At the outset it is humbly prayed that the reference for considering the R&M expense for FY 2011-12 should not be the original approved order but should be the R&M expense approved by the Hon'ble Commission in the true up for the immediately preceding year i.e., FY 2010-11.

The Hon'ble Commission in the truing up order for FY 2010-11 had approved R&M expenses of Rs. 100.19 crore. The actual expenses of Rs. 118.80 crore represents an increase of around 18.57% which is inclusive of the increase in R&M expense due to addition of new assets.

It is pertinent to mention that the UPPTCL has inherited an aged and complex network which is congested at multiple locations. While UPPTCL has been endeavouring to removing congestions by increasing the capacity of existing sub-stations and building new sub-stations and lines, there has been a marginally high R&M expense due to system constraints.

It is humbly prayed to the Hon'ble Commission that the actual expenses incurred towards R&M expenses in FY 2011-12 may be allowed in the truing up.

5. The Petitioner under the head prior period expenses for FY 2011-12 has considered the operating expenses of Rs 5.23 Crore, depreciation amount of Rs 10.33 Crore, interest and finance charges of Rs 34.52 Crore, Employee cost of Rs 0.67 Crore and A&G expenses of Rs 1.05 Crore. The Petitioner should submit the complete details of these expenses claimed under prior period expenses and also submit the rational for including the same in true-up when all these expenses are approved by the Commission on normative basis.

Licensee's Response



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Appropriate instructions have been issued to the field units to compile the break-up of the prior period items. The same would be compiled at each zonal level and then at the company level and provided to the Hon'ble Commission. The Petitioner humbly requests for some time to compile the desired information.

6. UPPTCL should submit the impact of pay revision separately in the employee expenses for FY 2011-12.

Licensee's Response

The licensee submits that the pay revision impacts are embedded in the employee costs claimed for FY 2011-12 and it is not possible to segregate the impact of pay revision for all future years subsequent to its announcement in 2008-09. Once the pay hike is approved, the impact due to wage revision gets embedded in the salary and it would not be possible to provide its segregation in future years. After the pay revision impact was embedded in the employee costs of 2008-09 and 2009-10, the Hon'ble Commission had approved the increase in employee costs for 2010-11 during truing up without going into the segregation of pay revision impacts. It is humbly submitted that the philosophy adopted in 2010-11, may be applied for 2011-12 as well and the Hon'ble Commission may kindly approve the employee expenses as prayed by the Petitioner.

7. The Petitioner has submitted the Supplementary Audit report of CAG for the FY 2009-10, FY 2010-11 after the completion of Truing up Order for the mentioned years. As regard the same, the Petitioner should submit the impact if any on the ARR of the previous years on account of the submitted Supplementary Audit report of CAG.

Licensee's Response

The licensee submits that supplementary audit report of CAG has led to no impact / change whatsoever on the trued up ARR allowed by the Hon'ble Commission for FY 2009-10 and 2010-11.

D. ARR Petition for FY 2014-15

Compliance to directives

8. The Commission vide its Order dated 21 May, 2013 on true-up for FY 2000-01 to FY 2007-08 had issued certain directives to UPPTCL. UPPTCL has not submitted the compliance to the directives.


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UPPTCL should submit the compliance status to the directives issued by the Commission in the above said Order.

Licensee's Response

It is humbly submitted that the aforementioned information has already been submitted to the Hon'ble Commission through letter no. 2000/RAU/True up dated 27.06.2013.

9. The Commission vide its Order dated 31 May, 2013 on suo-moto determination of ARR and Tariff for FY 2013-14 had issued certain directives to UPPTCL. UPPTCL has not submitted the compliance to the directives. UPPTCL should submit the compliance status to the directives issued by the Commission in the format specified by the Commission in Annexure – III of the above said Order.

Licensee's Response

The Petitioner humbly submits that the desired information is being compiled and would be submitted in due course.

10. UPPTCL should submit the details of allotted transmission capacity (in MW) among the beneficiaries using its Transmission system for the Distribution Licensees and other open access consumers.

Licensee's Response

The Petitioner humbly submits that the desired information is being compiled and would be submitted in due course.

11. UPPTCL, among others, has prayed for the following:

"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."

UPPTCL should elaborate on the same as to the relief prayed for from the above prayers.

Licensee's Response



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The licensee 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 licensees' end to finalise the allotted transmission capacities and once it is done the intra-state transmission charges would be claimed and paid linked 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.

While projecting the dearness allowance for FY 2013-14 and 2014-15, the licensee had projected the expense to grow at the escalation index for the respective years. The payment on account of dearness allowance is linked with the dearness rate hike announced by the Government of UP. Since such expense is uncontrollable in nature and cannot be foreseen for the ensuing year with accuracy, the licensee has claimed that any variation on this head may be allowed while truing up based on audited accounts.

Submission of duly filled formats

12. UPPTCL should submit the following duly filled in ARR and Tariff formats as specified by the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2006 showing the details from FY 2007-08 onwards:

Table 6: Formats to be submitted

S. No.	Form No.	Name of the Form	Remarks
1	S2	Balance Sheet	Not submitted
2	S3	Cash flow statement	Not submitted
3	S4	Annual Revenue Requirement	Some of the cells are left blank
4	S8	Accounting Ratios	Not submitted
5	F1	Allotted Transmission Capacity of Long Term Transmission Customers (CL)	In light of the directive no. 7 issued by the Commission in the Tariff Order for FY 2013-14, this Form should be submitted in the specified format
6	F4	R&M Expenses	Break-up under the heads "Plant and

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S. No.	Form No.	Name of the Form	Remarks
			Machinery" and "Lines, Cables, Networks etc" to be submitted in the specified format
7	F5	Employee Strength	Not submitted
8	F5a	Employees' Cost & Provisions	Separate Form to be submitted for each wing as specified
9	F5b	Retirement Pattern	Not submitted
10	F7	Statement of Fixed Assets and Depreciation	Asset class wise details to be submitted in the specified format
11	F8	Interest & Finance Charges	Information to be furnished in the specified format
12	F8a	Domestic loans, bonds and financial leasing	Information to be furnished in the specified format
13	F12	Extraordinary Items	Cells are left blank
14	F15	Work in Progress	Not submitted
15	F18	Current Assets and Liabilities	-
16	F20	Project wise/Scheme wise Capital Expenditure	Not submitted
17	P1	Transmission Losses	Not submitted
18	P2	Energy delivered to Distribution Licensee	Not submitted
19	P3	Electrical Accidents	Not submitted
20	P4	Abstract of outages due to Feeder tripping	Not submitted
21	P5	Major System Occurrences	Not submitted
22	P6	Frequency Variation	Not submitted
23	P7	Voltage Fluctuation	Not submitted
24	P8	Licensee/Consumer wide Load shedding in the year	Not submitted
25	P9	Overloaded feeders	Not submitted
26	P9a	Details of over loaded Transformers	Not submitted
27	P10	Failure of Transformers	Not submitted
28	P11	Key Ratios	Not submitted

Licensee's Response

The Petitioner humbly submits that the desired information is being compiled and would be submitted in due course.

13. UPPTCL in Form No. F2 submitted the charges to be paid by Long Term Transmission System Customer/month. In this regard, UPPTCL should submit the computations of the same in workable excel form with appropriate formulae.


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Licensee's Response

Currently there are no long-term open access customers of UPPTCL other than the distribution licensees. Hence the details under S No. (B) titled 'Bulk Consumers/Long Term Open Access Consumers (If any)' have been left blank in the tariff form F2 submitted along with the ARR Petition.

14. UPPTCL in Form No. F4 submitted the R&M expenses. In this regard, UPPTCL should submit the rationale and breakup of Rs. 16.58 Crore projected under the head "Any other items" for FY 2014-15.

Licensee's Response

Incremental R&M Expenses @ 2.5% of GFA additions of preceding year amounting to Rs. 16.58 crore as provided in the Transmission Tariff Regulations have been claimed by the licensee. As the tariff filing formats do not specifically provide any row item titled 'Incremental R&M Expenses @ 2.5% of GFA additions', the same have been claimed under 'Any other items' as provided in the tariff forms. However the same have been clarified by the licensee in the text of the petition.

15. UPPTCL in Table 4-4 of the Petition submitted the O&M expenses for FY 2014-15. In this regard, UPPTCL should submit the basis and computations of capitalisation of Employee and A&G expenses submitted for FY 2014-15.

Licensee's Response

The licensee has considered a capitalisation rate of 23% in respect of Employee and A&G expenses for the ensuing year 2014-15. This is in line with the past practice adopted by the licensee in the previous ARR filings. It is also pertinent to mention that the average capitalisation rate in respect of employee expenses over the last 6 years has been around 23%.

Average Capitalisation of Employee Expenses (FY 2007-08 to 2012-13)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Gross Employee Expenses	247.16	328.01	311.95	354.47	351.46	348.54	1941.58
Employee exp. capitalisation	53.63	71.90	55.35	76.75	123.27	71.25	452.15
Net Employee expenses	193.53	256.10	256.60	277.72	228.19	277.29	1489.43
Average Capitalisation Rate							23.3%


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16. UPPTCL should submit the details of its Transmission system in the format shown below:

Table 7: Details of Transmission Network

Voltage level	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Projected
ckt km									
HVDC									
765 kV									
400 kV									
220 kV									
132 kV									
Transformation Capacity (MVA)									
No. of bays									
765 kV									
400 kV									
220 kV									
132 kV									

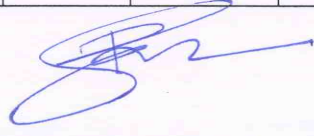
Licensee's Response

The Petitioner humbly submits that the desired information is being compiled and would be submitted in due course.

17. UPPTCL should submit the O&M expenses for its Transmission network in the format shown below:

Table 8: O&M expenses

Voltage level	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Estimated	Projected
Rs. Lakh/ckt km									
HVDC (Rs. Lakh)									
765 kV									
400 kV									


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Voltage level	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Estimated	Projected
220 kV									
132 kV									
Rs. Lakh/MVA									
Rs. Lakh/bay									
765 kV									
400 kV									
220 kV									
132 kV									

UPPTCL should also submit the comparison of its O&M expenses category wise as shown in the Table above, with the O&M expenses of Transmission Licensees in all the States in the Northern region.

Licensee's Response

As per the current structure and scheme of things, the accounts are prepared at each division level. Multiple lines and bays of different voltage levels are generally under the jurisdiction of a single division which prepares accounts on composite basis for the area under its jurisdiction. There is no segregation of staff and other expenses as per separate lines and bays for different voltage levels. It is also pertinent to mention that there is no prescription of maintenance of separate accounting records even in the Transmission Tariff Regulations formulated by the Hon'ble Commission.

In this background, it is submitted that the desired information is not maintained by UPPTCL.

18. UPPTCL in its Petition has envisaged a capital investment of Rs 2200 Crore in FY 2013-14. In this regard, UPPTCL should submit the following information:

- Actual Capital Investment and Capitalisation during the period April to December 2013 with respect to the planned Capital Investment and Capitalisation.
- Preparedness to complete the remaining capital investment during FY 2013-14 in terms of physical and financial progress.

Licensee's Response



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The Petitioner humbly submits that the desired information is being compiled and would be submitted in due course.

19. UPPTCL in its Petition has envisaged a capital investment of Rs 2800 Crore in FY 2014-15. In this regard, UPPTCL should submit the preparedness to execute these works in terms of funds tie up and orders placed. Further, the first machine of Bara is schedule in August, 2014 and the evacuation system is constructed by SEUPTCL & WUPTCL up to the 400 KV substations. The Petitioner should submit its detailed plan to evacuate power from the 400 KV sub-stations to 220, 132 KV sub-stations. Petitioner should submit the above details for all the upcoming generating capacities during FY 2014-15.

Licensee's Response

The proposed capital expenditure would be funded through a mix of debt and equity. The equity is invested by the GoUP through a budgetary allocation. The debt would be tied up from financial institutions such as PFC and REC. The licensee has a long standing relationship with such financial institutions and getting debt support is not seen as a challenge. The work orders would be placed in the ensuing year as they pertain to FY 2014-15.

Further, in respect of the details of the evacuation system of Bara TPS, the desired information is being compiled and would be submitted in due course.

20. UPPTCL in Para 4.8 of the Petition submitted the Finance Charges for FY 2013-14 and FY 2014-15. In this regard, UPPTCL should submit the computations of the same in workable excel form with appropriate formulae.

Licensee's Response

The licensee 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 amounting to Rs. 2.29 crore as per provisional accounts by using the Inflation Index of 8.15%.

21. UPPTCL should submit the proposed transmission charges for FY 2014-15 payable by all for Long Term and Short Term Open Access consumers based on the voltage level at which they are connected with the grid.

Licensee's Response



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The proposed transmission charges for FY 2014-15 payable by all for Long Term and Short Term Open Access consumers based on the voltage level at which they are connected with the grid are as per the table below:

Details	Unit	FY 2014-15 (Proposed)	
		Long Term	Short Term
Connected at 132 kV Voltage Level	Rs./kWh	0.2172	0.2172
Connected above 132 kV Voltage Level	Rs./kWh	0.1629	0.1629

The above rates for customers at 132 kV voltage level has been calculated based on the ARR for FY 2014-15 and the true up claimed for FY 2011-12 and considering the energy proposed to be handled in FY 2014-15. The rates for customers at voltage levels above 132 kV are proposed to be billed considering a discount of 25%..

SLDC

22. Load Despatch Centres should be independent in their operations. UPPTCL should elaborate on the steps taken to ensure the functioning of SLDC in independent manner both in financial terms and decision making along with the year-wise progress made in this regard.

Licensee's Response

The Petitioner humbly submits that the desired information is being compiled and would be submitted in due course.

23. UPPTCL in Section 7 of the Petition submitted that SLDC Charges constitute around 2% of its ARR. In this regard, UPPTCL should submit the basis of such estimation.

Licensee's Response

In the tariff order for FY 2012-13, the Hon'ble Commission had approved total UPPTCL ARR of Rs. 1241.38 crore out of which the ARR attributable to SLDC function was determined at Rs. 25.43 crore which translates to around 2.0% of the total UPPTCL ARR.

Based on this background, the estimated costs of SLDC function has been estimated to be around 2% of the total UPPTCL ARR towards running central load despatch centre in Lucknow and four regional load despatch centres at Panki, Sahupuri, Modipuram and Moradabad.

24. As regard the grant of open access, the Petitioner should submit the details of the pending application for open access with their current status. Petitioner should also submit the detailed reasons (both Commercial and Technical) for delay in allowing the open access to eligible open access consumers in the State. The Petitioner should also submit the actions taken to mitigate

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the adverse commercial impact, if any, by allowing open access to eligible consumers of electricity in the State.

Licensee's Response

The Petitioner submits that as regards intra-state short term open access, no application is pending in SLDC.

25. In light of the Hon'ble ATE's Judgment dated October 21, 2011 in Appeal No. 121 of 2010 & I.A. No. 83 of 2011, the Petitioner for the purpose of determination of ARR for FY 2014-15 should submit the audited accounts of FY 2012-13. In case audited accounts of FY 2012-13 are not available, the complete audited accounts of FY 2011-12 along with the supplementary audit report of the CAG should be submitted. Failing the above, the Commission would have to proceed for the suo-moto proceedings for determining the ARR for FY 2014-15. Petitioner should also submit the current status of the audit accounts of FY 2012-13.

Licensee's Response

The copy of the statutory audited balance sheet for FY 2011-12 was submitted along with the ARR and Tariff Petition for FY 2014-15. Subsequently the CAG audit has also been completed. Accordingly, the supplementary audited report of the CAG is enclosed herewith as per 'Annexure-2'

Further, it is stated that the provisional accounts for FY 2012-13 have already been submitted to the Hon'ble Commission along with the ARR and Tariff Petition for FY 2014-15. The statutory and CAG audit is under progress and it is stated that the same would be completed by 31st July 2014.

26. The Commission in its Suo-moto Order dated May 31, 2013 has determined the Transmission charges and Open access charges in para 8.12 and 8.13 respectively. The Petitioner in case wants any clarity in the language, terminology, terms and conditions in the mentioned paras of the Order then Petitioner may file a detailed note for the same.

Licensee's Response

As per the practice adopted by the Hon'ble Commission in the past tariff orders, the transmission charges for short term open access were calculated @ 1/4th of the transmission charges applicable to the long term open access customers. This was based on the rationale that short term open access customers will be allowed only surplus transmission capacity, which means a low priority and as and when available.



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This was the practice adopted since the early 2000. At that relevant time, the transmission capacity in the State & also in other parts of the country was not fully developed & the transmission system was just about sufficient to meet the total long-term capacity requirement. Further, the generating capacity in the country was predominantly having identified long-term beneficiaries & the system was fully serviced for the long-term beneficiaries with marginal use for short term open access.

However the business environment has changed over the years. Currently, there is substantial merchant capacity in the country for which the long-term beneficiaries are not identified. In such a situation, the low short-term open access charges are counter-productive and induce the generators not to commit to long-term use of the networks thereby lowering non-tariff incomes & making good loss by long term beneficiaries & eventually retail consumers.

The above situation is causing considerable uncertainty in transmission capacity expansion as transmission system augmentation would be necessary to take into account the expanding generation capacity. Besides the above, there are serious issues of dealing with congestion in the existing systems.

It is necessary to ensure that the transmission licensee recovers its transmission charges and at the same time long-term customers do not get burdened unnecessarily. Therefore, in the long run the transmission charges for the short-term customers and long-term customers have to converge & comparable with neighbouring states.

The short-term open access charges in the State of Uttar Pradesh are amongst the lowest and substantially lower than the short-term open access charges applicable in other States of the country as depicted in the table below:

S. No.	Name of Constituents	STOA Rates in Rs/MWh	STOA Period
1	Punjab	270	1 Month
2	Haryana	170	1 Month
3	Delhi	219.55	1 Year
4	Rajasthan	368	5 Year
5	Uttar Pradesh	34	1 day to 12 Month
6	Uttarakhand	80	1 Month
7	Jammu & Kashmir	80	1 Month
8	UT Chandigarh	80	1 Month


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Revenue from Transmission of Power & related activities & prior period incomes

S.No	Name of Discoms	2011-12			2012-13 (Audited Accounts)			2013-14 upto 10/2013		
		Energy (MU)	(Rs./per kwh.)	Amount (Rs. crore)	Energy (MU)	(Rs./per kwh.)	Amount (Rs. crore)	Energy (MU)	(Rs./per kwh.)	Amount (Rs. crore)
1	Madhyanchal V.V.N. Ltd	12537.17	0.126	157.97	13146.66	0.174	228.75	8616.76	0.135	116.33
2	Purvanchal V.V.N. Ltd	15703.73	0.126	197.87	16033.71	0.174	278.99	9754.08	0.135	131.68
3	Paschimanchal V.V.N. Ltd	22648.64	0.126	285.37	23673.53	0.174	411.92	14981.00	0.135	202.24
4	Dakshinanchal V.V.N. Ltd	16051.60	0.126	202.25	17331.14	0.174	301.56	10692.85	0.135	144.35
5	KESCO Ltd.	3088.95	0.126	38.92	3140.07	0.174	54.64	0.00		0.00
6	Noida P.C. Ltd.	340.96	0.126	4.30	342.29	0.174	5.96	0.00		0.00
	Total 1 to 6	70371.05		886.68	73667.40		1281.81	44044.69		594.60
7	Extra State Con. (M.P. & H.P)			2.16	230.259678	0.174	4.01			0.00
8	PGCIL			3.90						0.00
9	OPEN ACCESS			49.45			20.96			20.96
10	SLDC			1.63			1.99			1.03
11	Prior Period									
	Total 1 to 10	70371.05		943.81	73897.66		1308.78	44044.69		616.60



(P. G. Khandalkar)
Director (Commercial), UPPTCL

Considering the above, it is prayed that the transmission charges for short term open access for FY 2014-15 be fixed by the Hon'ble Commission at the same rates as applicable for long term open access. This issue has also been raised by the licensee in Petition No. 831 of 2012 in which pleadings have been concluded and final order is pending.

External links to the Formats

27. The Formats submitted by UPPTCL are having external links to the following files:

- [UPPTCL_Tariff Model_ARR 2014-15.xlsx]

UPPTCL should submit the above external link to the submitted Formats.

Licensee's Response

The licensee submits that the tariff forms contained some links to files which were redundant. The soft copy of the revised tariff formats are being re-submitted by the licensee by removing such redundant links in the form of a compact disc.



(P. G. Khandalkar)
Director (Commercial), UPPTCL

Revenue from Transmission of Power & related activities & prior period incomes

S.No	Name of Discoms	2007-08			2008-09			2009-10			2010-11		
		Energy (MU)	(Rs/per kwh.)	Amount (Rs. crore)	Energy (MU)	(Rs/per kwh.)	Amount (Rs. crore)	Energy (MU)	(Rs/per kwh.)	Amount (Rs. crore)	Energy (MU)	(Rs/per kwh.)	Amount (Rs. crore)
1	Madhyanchal V.V.N. Ltd	8683.23	0.1317	114.36	8872.46	0.1435	127.32	9755.10	0.126	122.91	10944.71	0.126	137.90
2	Purvanchal V.V.N. Ltd	11344.09	0.1317	149.40	11971.01	0.1435	171.78	12700.61	0.126	160.03	14011.69	0.126	176.55
3	Paschimanchal V.V.N. Ltd	16947.34	0.1317	223.20	17077.53	0.1435	245.06	18236.91	0.126	229.79	19639.61	0.126	247.46
4	Dakshinanchal V.V.N. Ltd	11602.49	0.1317	152.80	11812.52	0.1435	169.72	12959.11	0.126	163.28	14296.43	0.126	180.14
5	KESCO Ltd.	2649.41	0.1317	34.89	2635.47	0.1435	37.61	2740.21	0.126	34.53	2940.01	0.126	37.04
6	Noida P.C. Ltd.	345.69	0.1317	5.39	350.15	0.1435	5.02	353.67	0.126	4.46	309.80	0.126	3.90
	Total 1 to 6	51572.24		680.05	52719.15		756.52	56745.60		714.99	62142.26		782.99
7	Extra State Con. (M.P. & H.P)										126.188414		4.89
8	PGCIL									34.65			13.66
9	OPEN ACCESS			0.17			1.49			33.24			70.84
10	SLDC						0.17			0.49			1.37
11	Prior Period												
	Total 1 to 10	51572.24		680.22	52719.15		758.17	56745.60		783.38	62268.45		873.76



(P. G. Khandalkar)
Director (Commercial), UPPTCL

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



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

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

सेवा में,

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

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

महोदय,

5064
No. CMD/UPPTCL
13-2-14

Dir. (F)
V

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

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

AM (M)

L

संलग्न: यथा उपरोक्त

भवदीया

No. 480-PSDF/14
14.2.14

1029/CME/14
15/2

(डॉ० स्मिता एस० चौधरी)
महालेखाकार

Dy. GM (Tr.)

for

15/02/14

(P. G. Khandalkar)
Director (Commercial), UPPTCL

Sh. W. car
22/2

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

1. Short Term Borrowings (Note-6)

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

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

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

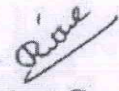
2. Notes on Accounts (Note No. 24(B))

Energy transmitted/wheeled during the year 70371.050500 MU

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

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

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


Dy. Accountant General/ES-II


(P. G. Khandalkar)
Director (Commercial), UPPTCL

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



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

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

सेवा में,

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

महोदय,

एतत्सह कम्पनी अधिनियम, 1956 की धारा 619(4) के अधीन उ०प्र० पावर ट्रांसमिशन कारपोरेशन लिमिटेड के 31 मार्च 2012 को समाप्त वर्ष के लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टीका-टिप्पणियों कम्पनी अधिनियम, 1956 की धारा 619(5) के निबन्धनों के अनुसरण में कम्पनी की वार्षिक सामान्य बैठक के समक्ष प्रस्तुत करने हेतु अग्रपिठ की जा रही है। कृपया वार्षिक सामान्य बैठक के समक्ष इन टीका-टिप्पणियों के प्रस्तुत किये जाने

5065
No. CMD/UPPTCL/वास्तविक तिथि की सूचना दें।

Dir. (F)

V

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

कृपया पत्र की पावती भेजें।
उ०प्र० पा० ट्रां० का० लि०

भवदीया

gm(fm)
L

सहपत्र-यथोपरि

No. 481-PSDF/14

14-2-14

D29m (481)

gm(fm)

15/02/14

1038/GM(F)/14
15/2

भ.स.स.स.
(डॉ० स्मिता एस० चौधरी)
महालेखाकार

(P. G. Khandalkar)
Director (Commercial) UPPTCL

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

The preparation of the Financial Statement of the Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these Financial Statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their audit Report dated 31 October 2013.

I, on behalf of Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the Financial Statements of Uttar Pradesh Power Transmission Corporation Limited, Lucknow for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my notice and which in my view are necessary for enabling a better understanding of the Financial Statement and the related Audit Report:

Balance Sheet

Current Liabilities

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

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



(P. G. Khandalkar)
Director (Commercial), UPPTCL

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

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

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

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

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

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

(ii) Non compliance of Section 383 A

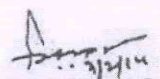
As per the requirement of Section 383-A of Companies Act and according to Rule 2 of Companies (Appointment & Qualification of Secretary) Rules 1988, all Companies having paid up capital of not less than ₹ 2 crore, shall have a whole time Company Secretary. The Company however, has not complied with the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

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

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

Place: Lucknow
Date:

MARCH 2012.


Accountant General


(P. G. Khandalkar)
Director (Commercial), UPPTCL

UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

(Formerly known as UTTAR PRADESH VIDYUT VYAPAR NIGAM LIMITED)

BALANCE SHEET

AS AT

31.03.2012

&

PROFIT & LOSS STATEMENT

FOR THE YEAR ENDED

31.03.2012

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

CONTENTS

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

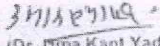
UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly Known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

BALANCE SHEET AS AT 31st MARCH, 2012

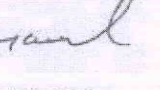
(Amount in Rs.)

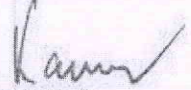
Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds	1	4,335,500,000	4,335,500,000
(a) Share capital	2	(6,290,665,201)	(6,272,696,581)
(b) Reserves and surplus		-	-
(c) Money received against share warrants	3	40,089,800,000	35,999,052,000
(2) Share application money pending allotment		-	-
(3) Non-current liabilities	4	43,136,800,585	25,170,573,010
(a) Long-term borrowings		-	-
(b) Deferred Tax Liabilities (Net)	5	2,653,320,695	1,975,863,830
(c) Other Long-Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current liabilities	6	2,000,000,000	-
(a) Short Term Borrowings		-	-
(b) Trade Payables	7	29,439,696,573	24,704,114,350
(c) Other Current liabilities		-	-
(d) Short-Term Provisions		-	-
Total		115,364,252,652	85,912,406,609
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	8	47,675,565,323	44,446,615,524
(i) Tangible Assets		-	-
(ii) Intangible Assets	9	40,403,347,463	21,263,290,307
(iii) Capital Work-in-Progress		-	-
(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	11,324,858,818
(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)	-	-
Total		115,364,252,652	85,912,406,609


(Asha Sethi Tandon)
Company Secretary
(Part Time)


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


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


(S.K. Agarwal)
Director(Finance)


(Kamran Rizvi)
(Chairman & Managing Director)

Subject to our report of even date

Place: Lucknow
Date: 31st October, 2013

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



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

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

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

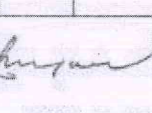
(Amount in Rs.)

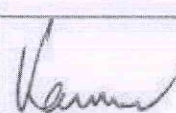
Particulars	Note No.	For the year ended 31st March 2012	For the year ended 31st March 2011
(I) Revenue from Operations (Gross)	15	9,438,141,224	8,699,459,374
(II) Other income	16	274,934,177	335,172,385
(III) TOTAL REVENUE (I+II)		9,713,075,401	9,034,631,759
EXPENSES			
1 Cost of Materials Consumed	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


(Abhis Sethi Tandon)
Company Secretary
(Part Time)


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


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


(S.K. Agarwal)
Director(Finance)


(Kamran Rizvi)
(Chairman & Managing Director)

Place: Lucknow
Date: 31st October, 2013

Subject to our report of even date

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



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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in Rs.)

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

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

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

(B) Terms / Rights attached to Equity Shares

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

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

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

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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.

(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	4000548000	-	40089600000

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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.

(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.

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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.
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 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)
1) Secured Power Finance Corporation (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	750217320	14587240317	935335890	13651904437
2) Power Finance Corporation (BLC)	Secured by hypothecation of Lines & Substations under the PFC scheme	13.75%	Forty equal quarterly installments	114126925	65215367	48911539	65215367	48911539	48911539	0
3) Rural Electrification Corporation (Transmission)	Secured by hypothecation of Lines & Substations under the REC scheme	11% to 13%	One hundred twenty equal monthly installments	9250299545	0	9250299545	0	22999991715	201497511	22799391204
			Total (A)	17997186589	815432707	17181755882	815432707	37636043570	1193744929	36450298641
4) Unsecured Power Finance Corporation (Govt Guarantee)	Guaranteed by Govt. of U.P.	8.75% to 13.25%	Forty equal quarterly installments	4052557837	586540239	3476017698	0	3476017698	594779168	2891238530
5) Rural Electrification Corporation (Reschedule)	Guaranteed by Govt. of U.P.	10.11%	One hundred eighty equal monthly installments(EMI)	853971850	201853487	652118153	0	652118153	93270566	558847587
6) Rural Electrification Corporation (Transmission)	Guaranteed by Govt. of U.P.	11% to 13%	One hundred twenty equal monthly installments	907629600	90762960	816886840	0	726103680	90762960	635340720
7) Rural Electrification Corporation (UPPCL)	Guaranteed by Govt. of U.P.	11% to 12.50%	One hundred twenty equal monthly installments	2382235520	288763128	2093532392	0	2093532392	288763128	1804763284
			Total (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K)+(L)+(M)+(N)+(O)+(P)+(Q)+(R)+(S)+(T)+(U)+(V)+(W)+(X)+(Y)+(Z)	8206454707	1157919824	7038534883	0	6947771923	1057575822	5890196101
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	997146000	200840157	798305843
			Total (Y)	997146000	134363755	862782245	0	997146000	200840157	798305843
National Capital Region Planning and	Guaranteed by Govt. of U.P.	7%	Six to Eight equal annual installments	179925000	92425000	87500000	0	87500000	87500000	0
1) HUDCO	Guaranteed by Govt. of U.P.	11.25%	Sixty equal monthly installments	333680000	333680000	0	0	0	0	0
			Total (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K)+(L)+(M)+(N)+(O)+(P)+(Q)+(R)+(S)+(T)+(U)+(V)+(W)+(X)+(Y)+(Z)	513608000	426104000	87500000	0	87500000	87500000	0
			Total (B)	9717205707	1728364579	796817126	0	8032417923	1345915979	666601944
Grand Total (A + B)				27714394298	2543621286	35170513010	20454287683	45668451493	2531680903	14313600985

to:- 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.



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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.

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

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

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

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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.

(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	-
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Total	2,000,000,000	-
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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.

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UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

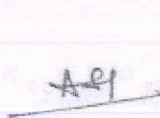
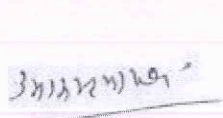
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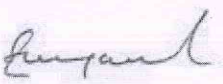
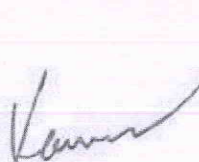
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

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

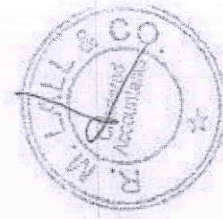


UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED
(Formerly known as Uttar Pradesh Vidyut Vyapar Nigam Ltd.)
14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

NOTE - 08
(Amount in Rs.)

SCHEDULE OF FIXED ASSETS AS AT 31.03.2012

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET CARRYING VALUE	
	As at 01.04.2011	Addition	Deduction/ Adjustment	As at 31.03.2012	As at 01.04.2011	For the year	Deduction/ Adjustment	As at 31.03.2012	Balance as at 31.03.2011
Land & Land Rights									
(i) Land Owned under full title	312,072,343	4,383,157	-	316,455,500	-	-	-	-	312,072,343
(ii) Land Owned under Lease	532,054	51,764,518	-	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	443,862	925,037,187	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	267,249,404
Plant & Machinery	39,286,679,930	5,428,398,086	686,974,425	44,028,103,591	13,863,361,389	2,006,127,083	246,947,539	15,622,540,943	25,423,318,541
Lines, Cables Network etc.	31,923,910,869	1,551,662,180	17,973,218	33,457,599,831	15,483,728,298	1,611,399,883	8,664,641	17,086,463,540	16,440,182,571
Vehicles	35,814,475	346,316	676,587	35,484,204	26,353,377	3,285,080	538,152	29,080,305	9,461,098
Furniture & Fixtures	13,618,497	832,413	6,300	14,444,610	5,929,894	872,231	3,584	6,798,561	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	7,729,180
Other assets	616,155,389	83,864,141	-	700,019,530	278,402,370	37,918,467	-	316,320,837	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	44,446,615,524
Previous Year	70,857,997,074	4,990,841,822	719,334,379	75,129,503,917	27,576,359,122	3,403,590,269	297,060,998	30,682,888,393	43,281,637,952



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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.

(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	414,508,258
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	397,002,677
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

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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.

(Amount in Rs.)

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

NOTE '10' - INVENTORY

Stores & Spares

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

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

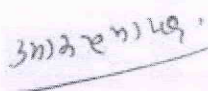
NOTE '11' - TRADE RECEIVABLES

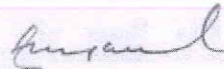
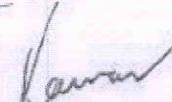
Unsecured, Considered Good

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

NOTE '12' - CASH AND CASH EQUIVALENTS

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



UTTAR PRADESH POWER TRANSMISSION CORPORATION LIMITED

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

14-ASHOK MARG, SHAKTI BHAWAN, LUCKNOW.

(Amount in Rs.)

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

Asst

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Asst

Asst

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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.

(Amount in Rs.)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
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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
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Less: Excise Duty/Service Tax Recovered

Revenue from Operation (Net)	9,438,141,224	8,699,459,374
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NOTE '16' - OTHER INCOME

Interest Income on :

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

Other Non-Operating Income

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

Total	274,934,177	335,172,385
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NOTE '17' - EMPLOYEE BENEFIT EXPENSES

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

Sub Total	3,514,640,622	3,544,683,279
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Less: Expenses Capitalised	1,232,732,616	767,459,005
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Total	2,281,908,006	2,777,224,274
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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.

(Amount in Rs.)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
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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	1,163,607,501
	4,271,752,973	2,755,009,061

(ii) General Provident Fund

83,862

(B) Other Borrowings Cost

Guarantee Charges	27,702,492	37,787,247
Bank Charges	355,373	1,413,499

Sub Total	4,299,810,838	2,794,293,669
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Less: Interest Capitalised	1,891,889,000	786,487,000
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Total	2,407,921,838	2,007,806,669
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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	29,164,997
	3,638,390,636	3,366,937,046

Less: Amount amortised in the proportion in which the dep. has been charged on Assets acquired out of the Consumer's Contribution towards capital works	122,853,573	104,957,011
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Total	3,515,537,063	3,261,980,035
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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.

		(Amount in Rs.)	
Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011	
NOTE '20' - ADMINISTRATIVE, GENERAL & OTHER EXPENSES			
Payment to Auditor			
(a) Audit fee	666,182	666,182	
(b) Reimbursement of Out of Pocket Expenses	586,825	566,826	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

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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.

Particulars	(Amount in Rs.)	
	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



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

NOTE NO. 24(A)

SIGNIFICANT ACCOUNTING POLICIES

1). GENERAL

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

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

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

2). FIXED ASSETS

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

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

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

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

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

In case of Capital Transmission works

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

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

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(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.

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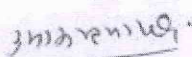
8). PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(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 obligation.

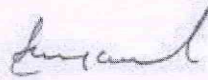
(b) Contingent liabilities have been disclosed in the Notes on Accounts.

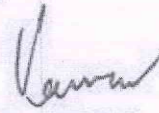
(c) The Contingent assets of unrealisable income have not been recognised.


(Abha Sethi Tandon)
Company Secretary
(Part Time)


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


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


(S.K. Agarwal)
Director(Finance)

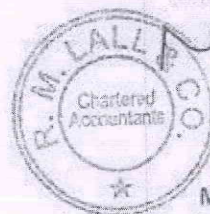

(Kamran Rizvi)
(Chairman & Managing Director)

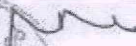
Subject to our report of even date

Place: Lucknow

Date: 31st October, 2013

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




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

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

NOTE NO. 24(B)

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

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

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

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

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

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

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

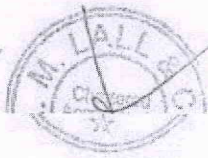
(b) The provision for doubtful loans and advances has been made @10% on the balances of suppliers/contractors appearing under the head "Loans and Advances"/"Capital Work-in-Progress". However, no provision is made for the amount of material issued to contractors for capital works.

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

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

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

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

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(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.

Particulars	(Amount in Rs.)	
	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 :-

Particulars	(Amount in Rs.)	
	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

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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

AS *Shri Navneet Sehgal* *Shri A.K.Awasthi* *Shri S.K.Agarwal* *Shri P.J.Thakkar* *Shri Ganesh Singh* *Shri Neel Ratan Kumar* *Shri S.K.Gupta* *Shri Ravi Shankar Panday* *Shri Ashok Kumar Singh* *Shri Sunil Kumar Garg* *Shri O.P.Jain*

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.

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).

Particulars	(Amount in Rs.)	
	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

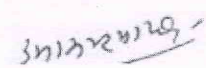
20. An accounting of Deferred Tax Assets has not been considered in accounts on prudent basis as the company is not certain about income in near future due to unabsorbed accumulated losses of Rs 1146.80 crore. It includes the accumulated loss amounting to Rs 976.27 crore which has been transferred by 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.

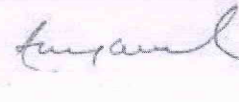
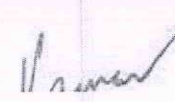
21. In the opinion of management, there is no specific indication of impairment of any assets as on balance sheet date as envisaged by As 28 of ICAI. Further, the assets of the corporation have been accounted for at their historical cost and most of the assets are very old where the impairment of assets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

Particulars	(Rs. in Crores)	
	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

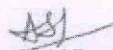



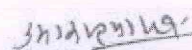

24. Disclosure as per AS-29 is as under :-

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

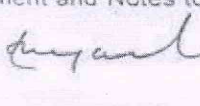
25. Financial statements for the year have been prepared following the provisions of Schedule-VI of Companies Act 1956 as revised by Govt. of India vide Notification no. 447(E) dated 28 February, 2011 read with Notification No.[F. No. 2/6/2008-C.L.-V] dated 30.03.2011, as such corresponding figures of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

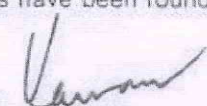
26. The figures as shown in the Balance Sheet, Profit & Loss Statement and Notes to accounts have been rounded off to the nearest rupee.


(Abha Sethi Tandon)
Company Secretary
(Part Time)


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


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


(S.K. Agarwal)
Director(Finance)


(Kamran Rizvi)
(Chairman & Managing Director)

Place: Lucknow
Date: 31st October, 2013

Subject to our report of even date

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



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

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

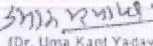
(Amount in Rs.)

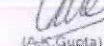
S.No.	Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
A)	Cash Flow from Operating Activities		
	Net Profit/Loss before Prior Period Income & Expenditure & Tax	(188,568,063)	(352,188,574)
	Adjustment for :-		
a)	Depreciation	3,750,089,062	3,403,590,270
b)	Interest & Finance Charges	2,407,921,838	2,007,806,659
c)	Provision for Bad & Doubtful Debts	421,045,040	263,424,265
d)	Provision for Bad & Doubtful Debts written back (Loans & Advances)	(177,571,300)	-
e)	Provision for obsolete/unserviceable/shortage/loss of stores adjusted	(82,036)	(126,915)
f)	Interest Income	(33,310,760)	(110,163,691)
g)	Prior Period Expenditure (Net)	(338,256,003)	338,016,553
h)	Accumulated loss pertaining prior to transfer scheme	(578,792,872)	-
	Operating Profit Before Working Capital Changes	5,252,474,906	5,540,358,577
	Adjustment for :-		
a)	Decrease/(Increase) in Inventories	(1,679,691,708)	(848,380,972)
b)	Decrease/(Increase) in Trade Receivables	(4,423,265,184)	(5,191,544,083)
c)	Decrease/(Increase) in Other Current Assets	(15,208,961)	(48,082,219)
d)	Decrease/(Increase) in Short-Term Loans & Advances	(15,971,425)	(53,161,840)
e)	Increase/(Decrease) in Short-Term Borrowing	2,000,000,000	-
f)	Increase/(Decrease) in Other Current Liabilities	4,735,582,225	10,379,811,639
	Cash Generated from Operations	5,863,918,853	9,779,022,002
	Taxes paid	-	-
	Net cash flow from Operating Activities (A)	5,863,918,853	9,779,022,002
B)	Cash Flow from Investing Activities		
a)	Decrease/(Increase) in Fixed Assets	(7,428,981,978)	(4,990,841,822)
a(i)	Fixed Assets adjusted/deducted	706,587,091	719,334,979
a(ii)	Depreciation Reserve adjusted/deducted	(256,643,974)	(287,060,996)
b)	Decrease/(Increase) in Work-in-Progress	(19,539,784,341)	(10,158,086,555)
c)	Interest received	33,310,759	110,163,691
	Net cash used in Investing Activities (B)	(26,485,512,443)	(14,616,490,705)
C)	Cash Flow from Financing Activities		
a)	Proceeds from Borrowings(Net)	17,966,227,575	(3,046,858,607)
b)	Proceeds from Share Capital	-	-
c)	Proceeds from Share Application Money	4,090,546,000	5,000,000,000
d)	Other Long-term Liabilities	877,456,865	1,975,863,830
e)	Proceeds from Consumers Contribution & Go Up Capital Subsidy	1,219,920,406	304,856,183
e(i)	Amount amortized	(131,272,088)	(111,803,946)
f)	Interest & Financial Charges paid	(2,407,921,838)	(2,007,806,659)
	Net cash flow from Financing Activities (C)	21,413,958,920	2,114,450,801
	Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	792,365,330	(2,723,017,902)
	Cash & cash equivalents as at beginning of the year	3,532,057,245	6,255,075,147
	Cash & cash equivalents as at end of the year	4,324,422,575	3,532,057,245

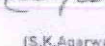
Notes to the Cash flow Statement:

- (i) Cash & cash equivalents as at end of the year:-
- | | | |
|----------------------------|----------------------|----------------------|
| Cash in hand | 550,271 | 578,265 |
| Balances with banks | | |
| In Current & Other Account | 2,297,477,784 | 2,259,091,926 |
| In Fixed Deposit Account | 2,026,394,520 | 1,232,387,054 |
| Total | 4,324,422,575 | 3,532,067,246 |
- (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.36,853,222)
- (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 Selhi Tandon)
Company Secretary
(Part Time)


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


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

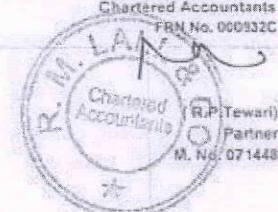

(S.K. Agarwal)
Director(Finance)


(Kamran Rizvi)
(Chairman & Managing Director)

Place: Lucknow
Date: 31st October, 2013

Subject to our report of even date

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



AUDITORS' REPORT

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

- 1) We have audited the attached Balance Sheet of Uttar Pradesh Power Transmission Corporation Limited (the Company) as at 31st March 2012, the Profit and Loss Statement and the Cash Flow Statement of the company for the year ended on that date, annexed thereto wherein are incorporated the accounts of four transmission zones of the Company audited by the respective branch auditors. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act 1956, as amended from time to time we enclose in the annexure a statement on the matter specified in para 4 and 5 of the said Order.
- 4) (a) Reserves & surplus includes a balance of Rs. 180.72 crores as restructuring account as at the year end. This relates to the difference between the division wise balances of assets and liabilities as per books of accounts as on 01.04.2007 and the balances appearing in the transfer scheme notified by the Government of Uttar Pradesh vide gazette notification no. 2974/XXIV-P-2-2010 dated December 23, 2010. *The said provisional transfer scheme is pending for finalization which may change the*



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

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

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

- (c) The balances under current assets, current loans and advances, Trade Receivables, Other Current Assets, unsecured loans, current and non-current liabilities (including the balances of UPPCL, DISCOMs etc), stores & spares, material-in-transit/under inspection/lying with contractors/fabricators etc are subject to confirmation, verification, reconciliation and consequential adjustments, if any. In the absence of adequate information, we are unable to comment on the realisability or otherwise of these balances and also the adequacy of the provisions made in accordance with para 3(a), (b) and (c) of Note 24 B.
- (d) The credit balance of Rs. 56.46 crores shown as 'Inter Unit Transfer' (Under the head "Other Current Liabilities"- Refer Note No. 7) represent the un-reconciled balance of inter unit transactions. As informed by the management reconciliation of inter unit account is in process.
- (e) Dues payable to Micro, Small and Medium Enterprises as defined under MSMED Act, 2006 have not been disclosed in accordance with the requirements of Section 22 of that Act and interest if any due on such balances has not been recognized in the financial statement in the absence of sufficient information with the Company (para 8 of Note No. 24 B).
- (f) It was observed that the system of maintaining party-wise subsidiary ledgers and its matching with primary books of accounts is not effective.
- (g) Contingent liabilities stated in para 23 of Note no.24 B are as per details provided by the company and which have been relied upon by us as such.
- (h) Cash and Bank Balances (Note No. 12) includes Rs.80,000/-Fixed deposit with bank details whereof are not available with the company and for which no



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

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

5) (a) The inventories have been valued at cost and not at 'lower of cost or net realizable values' as required by Accounting Standard (AS) 2 'Valuation of inventories' (Refer accounting policy no.4 of Note no.24 A).

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

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

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

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

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

(e) Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year. (Refer accounting policy no. 2(f) of Note no. 24 A). Further, interest is also capitalized on certain assets which may not be qualifying assets as they do not take substantial period of time to get ready. In our opinion, this method of capitalization of borrowing cost on fixed assets is not in accordance with the provisions of Accounting Standard (AS) 16 'Borrowing Costs'.

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



- (g) *Opinion of the management regarding Impairment of assets is not supported by relevant information, hence we are unable to comment on the compliance with the provision of Accounting Standard (AS) 28 'Impairment of Assets' (Refer para 21 of Note no.24 B).*
- 6) *For want of complete information, the cumulative impact of our observations in paras 4 and 5 above and in Annexure to this report, on the accounts of the company is not ascertained.*
- 7) *The financial statements of the company have been prepared incorporating the audited trial balances of Zonal Accounts Offices and financial statements of the zonal office were not prepared by the management. In the absence of adequate information, we are unable to comment on the basis of classification of assets, liabilities, income & expenditure in the financial statements of the Zonal Accounts Offices in the financial statements of the Company and we are also unable to comment whether the same is in accordance with the requirement of Schedule VI of the Companies Act, 1956.*
- 8) *The branch auditor has expressed opinion and submitted the audit report on the Trial Balance as at 31st March, 2012 of the Zonal Accounts Offices.*
- 9) *In our opinion proper returns adequate for the purpose of our audit have been received from branches not visited by us. The branch auditor's reports have been forwarded to us and the same have been appropriately dealt by us in framing our report. In our opinion proper returns adequate for the purpose of our audit have been received from branches not visited by us. The branch auditor's reports have been forwarded to us and the same have been appropriately dealt by us in framing our report.*
- 10) *In view of department of company affairs' circular no. 8/2002, the provisions of disqualifications of directors as per section 274(1) (g) of the Companies Act, 1956 are not applicable to the company.*
- 11) *Subject to our observations given in paragraphs 4 to 8 above and in the Annexure referred to in para 3, we report that:*
- (a) *We have obtained all the information and explanations, except as stated above, which to the best of our knowledge and belief were necessary for purpose of our audit.*
- (b) *In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.*



- (c) The Balance Sheet, Profit and Loss Statement and the Cash Flow Statement dealt by this report are in agreement with the books of accounts and with the audited returns received from the zones.
- (d) In our opinion, the Balance Sheet and Profit & Loss Statement and Cash Flow Statement dealt by this report comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
- (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and notes referred to in Note nos. 24 A & 24 B, gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
- In the case of Balance Sheet, the state of affairs of the Company as on 31st March 2012;
 - In the case of the Profit and Loss Statement, the loss for the year ended on that date; and
 - In the case of Cash Flow Statement, the cash flows for the year ended on that date.

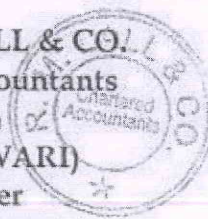
Place: Lucknow
Date: 31st October, 2013

For R. M. LALL & CO.
Chartered Accountants

(R.P. TEWARI)

Partner

M. No. 071448
FRN No. 000932C



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

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

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



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



R.M. LALL & CO.
CHARTERED ACCOUNTANTS

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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

