

पश्चिमांचल विद्युत वितरण निगम लि०

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.



ANNUAL ACCOUNTS FOR THE  
YEAR 2005-06

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Registered Office : Urja Bhawan Victoria Park, Meerut

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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 01.04.05 TO 31.03.06**

(Amount in Rs.)

PARTICULAR	SCHEDULE	FOR THE PERIOD FROM 01.04.05 TO 31.03.06	FOR THE PERIOD FROM 01.04.04 TO 31.03.05
<b>INCOME</b>			
Revenue from sale of power (Gross)		26155666712	23076744517
Less Electricity Duty	(12)	657546710	25498120002
Energy internally Consumed		86957931	-581956258
Revenue Subsidies & Grants	(13)	3975023800	22494788259
Other income	(14)	491066677	85728528
<b>TOTAL</b>		<b>30051168410</b>	<b>27384088185</b>

**EXPENDITURE**

Purchase of Power	(15)	31328322534	26085746858
Repair & Maintenance Expenses	(16)	560305509	511039389
Employees Cost	(17)	1559671116	1938357215
Administrative General & Other	(18)	192824111	194192901
Interest and Finance Charges	(19)	759774055	299658092
Depreciation	(20)	1847737840	1817515763
Provisions	(21)	4822352	1050178
Preliminary Expenses written off		4004725	4004725
<b>TOTAL</b>		<b>36257462242</b>	<b>30851565121</b>

**Profit/(Loss) For the Year** (6206293832) (3467476936)

**Net Prior Period** (22) (11920199) (28657222)

**Income/(Expenditure)** (6218214031) (3496134158)

**Accumulated loss brought forward** (5536226911) (2040092753)

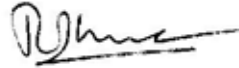
**Net Profit/(Loss) Carried Over to Balance Sheet** (11754440942) (5536226911)


Notes on Accounts (23) (1151) (647)

Earning per share

  
(H. K. Agarwal)  
Company Secretary  
In Part-time

  
(P. K. Janhavi)  
Dy. General Manager (Acctt.)

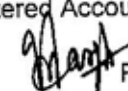
  
(R. P. Gupta)  
Director (Finance)

  
(Nand Lal)  
Managing Director

Place : Meerut  
Date : 26-11-2008

Subject to our report of even date



For Manoj Sachdeva & Co.  
Chartered Accountants  
 Partner

**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE - 1**

**SHARE CAPITAL**

(Amount in Rs.)

PARTICULARS	As at 31.03.06	As at 31.03.05
<b>A. AUTHORISED</b>	6000000000	6000000000
6000000 Equity Shares of Rs.1000/-each		
<b>B. ISSUED SUBSCRIBED AND PAID UP</b>		
(i) 5400000 Equity Share of Rs.1000/- each fully paid up	5400000000	5400000000
(ii) Promotors' Shares (500 Equity Share of Rs. 1000/- each)	500000	500000
<b>TOTAL</b>	<b>5400500000</b>	<b>5400500000</b>

**SHARE APPLICATION MONEY**

**SCHEDULE - 1A**

(Amount in Rs.)

PERTICULARS	As at 31.03.06	As at 31.03.05
<b>SHARE APPLICATION MONEY</b>		
(Pending for allotment to UPPCL)	1013405028	738826028
<b>TOTAL</b>	<b>1013405028</b>	<b>738826028</b>

**RESERVES AND SURPLUS**

**SCHEDULE - 2**

(Amount in Rs.)

PARTICULARS	As at 31.03.05	Additions	Deductions / Adjustments	As at 31.03.06
<b>A Capital Reserve</b>				
i) Consumers Contributions towards Service Line and other charges	1932304247	736467041	172299652	2496978736
ii) Subsidies towards cost of Capital Assets	189008	13593000	15296	13259612
<b>B Grants</b>	433331211	243548000	35871920	641007291
<b>TOTAL</b>	<b>2365824466</b>	<b>993608041</b>	<b>208186868</b>	<b>3151245639</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director





**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE - 3**

**LOAN FUNDS**

(Amount in Rs.)

PARTICULARS	As at 31.03.06	As at 31.03.05
<b>A. SECURED LOAN -</b>		
<b>(a) TERMS LOAN</b>		
i) <b>APDRP (PFC)</b> (Secured against hypothecation of all the movable assets created under the loan)	847799704	67650000
Interest accrued & due	847799704	1301104      68951104
<b>(b) SHORT TERMS LOAN-</b>		
<b>Rural Electrification Corporation Ltd.</b> (Secured against hypothecation of stores and charge on receivables of specified receipt accounts through escrow arrangements)	3030303035	
	3030303035	
<b>Sub Total (A)</b>	<b>3878102739</b>	<b>68951104</b>
<b>B. UNSECURED LOANS -</b>		
<b>(a) TERM LOANS :</b>		
<b>i) Govt. of U.P.</b>		
Loan (Transfer Scheme)	37500000	37500000      37500000
<b>FINANCIAL INSTITUTIONS</b>		
<b>ii) Rural Electrification Corporation Ltd.</b>		
Loan (Transfer Scheme)	2565326381	2565326381      2565326381
(Guaranted by U.P. Govt.)		
Interest accrued & due	202375403	2767701784
<b>iii) Power Finance Corporation Ltd.</b>		
Loan (Transfer Scheme)	308219279	380006398
(Guaranted by U.P. Govt.)		
Interest accrued & due	308219279	8387210      388393608
<b>iv) U.P. State Industrial Development Corporation Ltd.</b>		
Loan (Transfer Scheme)	5404758	8230087
Interest accrued & due	5404758	58463      8288550
<b>v) Other Loans from Noida, HDFC, NCRPB &amp; Grater Noida</b>		
Loan (Transfer Scheme)	77963148	91671431
Interest accrued & due	77963148	194942      91866373
<b>(b) Bill Rediscounting Scheme</b>		
<b>Industrial Development Bank of India</b>		
Loan (Transfer Scheme)	30449943	66313054
Interest accrued & due	30449943	215093      66528147
<b>Sub Total (B)</b>	<b>3227238912</b>	<b>3157903059</b>

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V. S.

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**LOAN FUNDS**

(Amount in Rs.)

PARTICULARS	As at 31.03.06	As at 31.03.05
<b>C. <u>SHORT TERM LOANS :</u></b>		
<b>i) <u>Rural Electrification Corporation Ltd.</u></b>		
(Charge on Receivables of specified receipt accounts through escrow arrangements)	1000000000	1500000000
Interest accrued & due	1000000000	1315068 1501315068
<b>ii) <u>Power Finance Corporation Ltd.</u></b>		
(Charge on Receivables of specified receipt accounts through escrow arrangements)	806253423	1000000000
Interest accrued & due	806253423	4131849 1004131849
<b>Sub Total C</b>	<b>1806253423</b>	<b>2505446917</b>
<b>D. <u>LOAN BY UPPCL</u></b>		
<b>i) <u>Rural Electrification Corporation Ltd.</u></b>		
	109120499	109120499
<b>ii) <u>Power Finance Corporation Ltd.</u></b>		
	149085504	183054664
<b>iii) <u>U.P. Govt.(APDRP)</u></b>		
Loan	416420000	147350000
<b>iv) <u>U.P. Govt.(W.B. Aided Project)</u></b>		
Loan	855544000	855544000
<b>Sub Total D</b>	<b>1530170003</b>	<b>1295069163</b>
<b>E. <u>FINANCIAL CONTRIBUTION BY CONSUMERS</u></b>		
		3889036 3889036
<b>TOTAL</b>	<b>10441765077</b>	<b>7031259279</b>

*H.K. Agarwal*  
(H. K. Agarwal)  
Company Secretary  
Part-time

*P.K. Jauhari*  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

*R.P. Gupta*  
(R.P. Gupta)  
Director(Finance)

*Nand Lal*  
(Nand Lal)  
Managing Director



**PASCHIMANCHAL IDYUT VITRAN NIGAM LIMITED**  
**VICTORIA PARK, MEERUT**

**SCHEDULE - 4 - Fixed Assets**

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31.03.2005	Additions	Deductions/ Adjustments	As at 31.03.2006	As at 31.03.2005	Additions	Deductions/ Adjustments	As at 31.03.2006	As at 31.03.2006	As at 31.03.2005
Land & Land Rights										
i) Unclassified	130651	755775	0	886426						130651
ii) Freehold Land										
Buildings	44572470	33005356	291770	77286056	445381	1346089	0	1791470	75494586	44127089
Plant & Machinery	780895381	2104896352	1430946158	1454845575	-382011651	65259627	357712674	-674464698	2129310273	1162907032
Lines, Cable Network etc.	1225999466	1018114524	181549460	2062564530	14636611	116744177	21036535	110344253	1952220277	1211362855
Vehicles	10000	1657215	0	1667215	-9000	0	0	-9000	1676215	19000
Furniture & Fixtures	955155	404623	23016	1336762	54845	121973	0	176818	1159944	900310
Office Equipments	2237284	641132	0	2878416	109333	323562	0	432895	2445521	2127951
Transfer Scheme Data	23879200000	0	0	23879200000	14172349286	1872129280	0	16044478566	7834721434	9706850714
<b>Total</b>	<b>25934000407</b>	<b>3159474977</b>	<b>1612810404</b>	<b>27480664980</b>	<b>13805574805</b>	<b>2055924708</b>	<b>378749209</b>	<b>15482750304</b>	<b>11997914676</b>	<b>12128425602</b>

*H.K. Agarwal*  
**(H. K. Agarwal)**  
Company Secretary  
Part-time

*P.K. Jauhari*  
**(P.K. Jauhari)**  
Dy. General Manager (Acctt.)

*R.P. Gupta*  
**(R.P. Gupta)**  
Director(Finance)

*Nand Lal*  
**(Nand Lal)**  
Managing-Director



*Manoj Sachdeva*



**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE – 5**

**CAPITAL WORKS IN PROGRESS**

PARTICULARS	(Amount in Rs.)	
	As at 31.03.06	As at 31.03.05
Capital Work in Progress*	1378732510	816626296
Add revenue expenditure pending for capitalisation**	122707498	44425891
<b>SUB TOTAL (A)</b>	<b>1501440008</b>	<b>861052187</b>
Advances to Suppliers/Contractors	487301974	164366392
<b>SUB TOTAL (B)</b>	<b>487301974</b>	<b>164366392</b>
<b>TOTAL (A)+(B)</b>	<b>1988741982</b>	<b>1025418579</b>

**Notes :**

\* It includes Establishment and Administration & General Cost related to works.

\*\* It includes borrowing cost only related to works.

**SCHEDULE – 6**

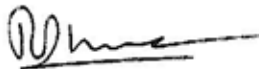
**STORES & SPARES**

PARTICULARS	(Amount in Rs.)	
	As at 31.03.06	As at 31.03.05
Stock of Materials	1137372254	556249413
<b>SUB TOTAL</b>	<b>1137372254</b>	<b>556249413</b>
<b>Less – Provision for Unserviceable Stores</b>	463100000	463100000
<b>TOTAL</b>	<b>674272254</b>	<b>93149413</b>



**Notes :** Stock of material includes capital, and O&M material, material issued to fabricators,

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director

**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

SCHEDULE - 7

SUNDRY DEBTORS

(Amount in Rs.)

PARTICULARS	As at 31.03.06	As at 31.03.05
<b>Sundry Debtors</b>	21072149910	19207852289
Unsecured & considered good	4304149910	2439852289
Considered doubtful	16768000000	16768000000
	21072149910	<u>19207852289</u>
<b>Less - Provision for Bad &amp; Doubtful Debts</b>	16768000000	16768000000
<b>TOTAL</b>	<b>4304149910</b>	<b>2439852289</b>

SCHEDULE - 8

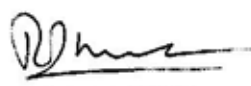
CASH AND BANK BALANCES

(Amount in Rs.)

PARTICULARS	As at 31.03.06	As at 31.03.05
<b>CASH IN HAND</b>		
Cash in Hand (Including Stamps in hand & imprest)	995337899	725994957
<b>Balances with Scheduled Banks</b>		
In Current & Other account	2241065192	2398402616
In Fixed Deposit Accounts	150000000	2391065192
<b>TOTAL</b>	<b>3386403091</b>	<b>3124397573</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director

**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE - 9**

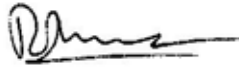
**OTHER CURRENT ASSETS**

(Amount in Rs.)

PARTICULARS	As at 31.03.06	As at 31.03.05	
<b>Income Accrued but not due</b>	727911		1856143
<b><u>Receivables</u></b>			
UPPCL	3459590427		3174318531
<b><u>Receivables on Account of Loan</u></b>			
UPPCL	1492922321		1346403274
Less Liabilities against Loan	-350118378	1142803943	-140601995
Employees	14609652		9659751
Less Provision for doubtful Receivable	-1632236	12977416	-1050178
Receivables as per Transfer Scheme		219800000	219800000
Prepaid Expenses		538470	526422
Misc. Receivable		5991994	7322776
Receivable from Insurance Company		904683	904683
Theft of fixed Assets pending investigation	42402935		
Less Provision for Estimated Loss	-4240294	38162641	
<b>TOTAL</b>	<b>4881497485</b>		<b>4619139407</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director


**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE – 10**

**LOANS AND ADVANCES**

(Amount in Rs.)

PARTICULARS	As at 31.03.06	As at 31.03.05
<b><u>A. LOANS ( Secured/considered good )</u></b>		
Employees ( including advances ) (Recoverable from salary )	373301	129819
<b><u>B. ADVANCES (Unsecured)</u></b>		
Suppliers / Contractors	444821271	18481308
<b><u>C. Deposits</u></b>		
Advance income tax	6602700	
Advance deposit fringe benefit tax	1082077	
Others	8645	8645
<b>TOTAL</b>	<b>452887994</b>	<b>18619772</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director




**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE - 11**

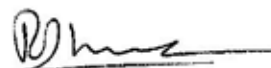
**CURRENT LIABILITIES AND PROVISIONS**

(Amount in Rs.)

PARTICULARS	As at 31.03.06		As at 31.03.05	
Liability for Purchase of Power		6880892139		2717902029
Liabilities As per Transfer Scheme 2003	4148800000		4148800000	
Staff Related Liabilities	226861364		88785733	
Sundry Liabilities	-413877		-565578	
Liabilities for Expenses	79781674		8803395	
Liability for Capital and O&M Supplies/Works	890088638		232599022	4478422572
Financial contribution by consumers	-1512	5345116287		
Deposits & Retentions from Suppliers & Others		114093750		34828630
Electricity Duty & Other Levies payable to Govt.		209098501		78481792
Deposit for Electrification works		16898030		14317348
<b>Other Liabilities payable to :</b>				
UPPCL		1275744142		1077833947
Madhyanchal Vidyut Vitran Nigam Ltd		79190458		-22719708
Purvanchal Vidyut Vitran Nigam Ltd		2305655		2398365
Dakshinanchal Vidyut Vitran Nigam Ltd		1111797		994417
General Provident Fund	2345713680		2274248126	
Pension and Gratuity	104098188	2449811868	137980569	2412228695
CPF		918289		741516
Interest Accrued but not Due on Borrowings		29065364		
Security Deposits from Consumers	3213934543		2791346938	
Interest on Security Deposits from Consumers	89747731	3303682274	50769473	2842116411
<b>Provisions :</b>				
Provision for Audit Expenses		388924		118603
<b>TOTAL</b>		<b>19708317478</b>		<b>13637664617</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director



**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE - 12**

**REVENUE FROM SALE OF POWER**

PARTICULARS	(Amount in Rs.)	
	2005-06	2004-05
<b>Large Supply Consumers</b>		
Industrial	10892121572	9101048725
Irrigation	2723394	555000
Public Water Works	506034229	451616500
<b>Small &amp; Others Consumers</b>		
Domestic	6403551747	5730959423
Commercial	2579562056	2502796515
Industrial Low & Medium Voltage	2248573978	2071346678
Public Lighting	206544173	226990602
STW & Pump Canals	519539873	475417363
PTW & Sewage Pumping	1406065760	1263178370
Common Pool		
Institution	706536273	649374880
Assessment against Theft	55757265	25350355
Meter Rent/Service Line Rental		
Miscellaneous Charges from consumers	58067613	81882376
Less – Energy internally Consumed	-86957931	-85728528
<b>Sub Total</b>	<b>25498120002</b>	<b>22494788259</b>
Electricity Duty	657546710	581956258
<b>Gross Sale of Power</b>	<b>26155666712</b>	<b>23076744517</b>

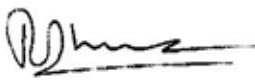
**REVENUE SUBSIDIES AND GRANTS**

**SCHEDULE - 13**

PARTICULARS	(Amount in Rs.)	
	2005-06	2004-05
<b>A. Subsidies</b>		
R.E. Subsidy from Govt. of U.P.	978700000	2389200000
Revenue Loss & Tariff Subsidy from Govt. of U.P.	2996323800	1116200000
<b>TOTAL</b>	<b>3975023800</b>	<b>3505400000</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director



**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE - 14**

**OTHER INCOME**

(Amount in Rs.)

PARTICULARS	2005-06	2004-05
Interest from loan to Staff	108312	252201
Delayed Payment Charges from consumers	449667916	1278510412
Other Income	32348511	7696799
Income from Contractors/Suppliers	4895250	8672328
Rental from Staff	415678	758126
Miscellaneous Receipts	1372338	1087657
Excess found on physical verification of Stores	2258672	1193875
<b>TOTAL</b>	<b>491066677</b>	<b>1298171398</b>

**SCHEDULE - 15**

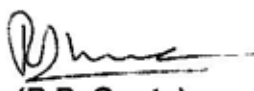
**PURCHASE OF POWER**

(Amount in Rs.)

PARTICULARS	2005-06	2004-05
<b><u>Power Purchased from -</u></b>		
UPPCL	31328322534	26085746858
<b>TOTAL</b>	<b>31328322534</b>	<b>26085746858</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director



**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE - 16**

**REPAIR & MAINTENANCE**

PARTICULARS	(Amount in Rs.)	
	2005-06	2004-05
Plant & Machinery	237822300	226494162
Buildings	15096520	8851108
Lines Cables net works etc.	307208008	275310129
Furniture & Fixtures	19320	91149
Office Equipments	159361	292841
<b>TOTAL</b>	<b>560305509</b>	<b>511039389</b>


**SCHEDULE - 17**

**EMPLOYEES COST**

PARTICULARS	(Amount in Rs.)	
	2005-06	2004-05
Salaries & Allowances	948276637	839689767
Dearness Allowance	484767208	519474334
Other Allowances	81981324	87371926
Bonus/Ex-gratia	27627689	12206612
Medical Expenses ( Re-imbursement )	20343158	20810565
Earned Leave Encashment on retirement	158191703	484914422
Compensation	425734	306156
Staff Welfare Expenses	1031564	1407197
Pension & Gratuity	262001911	250752000
CPF	2193666	397130
Expenditure on Trust	1769150	1742309
<b>Sub Total</b>	<b>1988609744</b>	<b>2219072418</b>
<b>LESS - Expenses Capitalised</b>	<b>428938628</b>	<b>280715203</b>
<b>TOTAL</b>	<b>1559671116</b>	<b>1938357215</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director





**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE - 18**

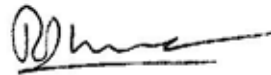
**ADMINISTRATIVE, GENERAL & OTHER EXPENSES**

(Amount in Rs.)

PARTICULARS	2005-06	2004-05
Rent	2804544	2424243
Rates & Taxes	3609119	128130
Insurance	2219116	1832183
Communication Charges	17846163	16303754
Legal Charges	8562137	13408919
Audit Fee	218768	247706
Traveling Expenses (Audit)	136020	134313
Consultancy Charges	71348	55900
Fees & Subscription	14226162	11245860
Traveling and Conveyance	23690676	25920448
Printing and Stationery	14190061	14777955
Advertisement Expenses	13431154	9746732
Electricity Charges	86957931	85728528
Water Charges	29794	74139
Miscellaneous Expenses	48705822	37510816
<b>SUB TOTAL</b>	<b>236698815</b>	<b>219539626</b>
<b>LESS - Expenses Capitalised</b>	46605534	27229458
<b>SUB TOTAL</b>	<b>190093281</b>	<b>192310168</b>
<b><u>OTHER EXPENSES</u></b>		
Compensation staff	925410	641590
Compensation (Other than staff)	1805420	1210643
Loss of Material due to pilferages	0	30500
<b>SUB TOTAL</b>	<b>2730830</b>	<b>1882733</b>
<b>TOTAL</b>	<b>192824111</b>	<b>194192901</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jaubari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director



**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

**SCHEDULE - 19**

**INTEREST AND FINANCE CHARGES**

PARTICULARS	(Amount in Rs.)	
	2005-06	2004-05
<b>Interest on Loans</b>		
Government of UP	124969081	89188416
PFC	141437748	76199800
Others	5967829	9668642
UPSIDC	325680	932257
APDRP	49576482	
REC	412289556	32112865
IDBI	29493860	29282481
Interest to Consumers	71852849	72375489
Finance Charges	11657238	10967121
<b><u>Bank Charges</u></b>		
Others	1302185	1478912
<b>SUB TOTAL</b>	<b>848872508</b>	<b>322205983</b>
<b>LESS - Interest Capitalised</b>	89098453	22547891
<b>TOTAL</b>	<b>759774055</b>	<b>299658092</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director



**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

SCHEDULE – 20

DEPRECIATION

PARTICULARS	(Amount in Rs.)	
	2005-06	2004-05
Depreciation	2055924708	1947840711
Less – Equivalent amount of Depreciation on Assets acquired out of the Consumer's Contribution and GOUP's Capital Subsidy	208186868	130324948
<b>GRAND TOTAL</b>	<b>1847737840</b>	<b>1817515763</b>

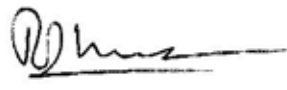
SCHEDULE – 21

BAD DEBTS & PROVISIONS

PARTICULARS	(Amount in Rs.)	
	2005-06	2004-05
Provision for Loss against theft of Fixed Assets pending investigation	4240294	
Provision for Bad & Doubtful Adv. to Employees	582058	1050178
<b>GRAND TOTAL</b>	<b>4822352</b>	<b>1050178</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director



**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,  
VICTORIA PARK, MEERUT**

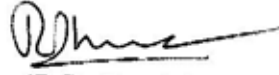
**SCHEDULE - 22**

**NET PRIOR PERIOD EXPENSES**

PARTICULARS	(Amount in Rs.)	
	2005-06	2004-05
<b>A. INCOME</b>	<b>-16672516</b>	-
<b>B. EXPENDITURE</b>		
i) Operating Expenses	1207225	1076894
ii) Interest & finance charges	8750811	
iii) Employees Cost	17351597	24778001
iv) Adm. & General Expenses	1283082	2802327
<b>GRAND TOTAL</b>	<b>11920199</b>	<b>28657222</b>

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director



**PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED**  
**VICTORIA PARK, MEERUT**

**SIGNIFICANT ACCOUNTING POLICIES**

1. **GENERAL**

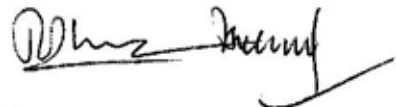
- (a) The financial statements are prepared in accordance with the provisions of the Companies Act 1956. However, where there is a deviation from the provisions of the companies Act 1956 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Act 1948 have been adopted.
- (b) The accounts are prepared under historical cost convention, on accrual basis unless stated otherwise and on accounting assumption of going concern.
- (c) Subsidy, Grants etc 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 the value transferred as per transfer Scheme, 2003 as opening balance.
- (b) All costs relating to the acquisition and installation of fixed assets till the date of commissioning are capitalized.
- (c) Consumers Contribution, Grant and subsidies 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 the 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, employees cost and general & administration expenses to capital works are capitalized @ 15% on distribution and deposit work, 11% on other works on the amount of total expenditure.
- (f) Borrowing cost during construction stage of capital assets are apportioned on the average balance of capital work in progress for the year. The determination of amount of borrowing cost attributable to capital works are capitalized as per the computation method given in the Electricity (Supply) Annual Accounts Rules 1985.









3. DEPRECIATION

- (a) Depreciation is charged as per Electricity (Supply) Act 1948 on straight line method at the rates notified by the Central Govt.
- (b) Depreciation is provided only on fixed assets transferred as per transfer scheme 2003 proportionate basis in existence at the beginning of the year as per Electricity (Supply) Act 1948.
- (c) Fixed assets are depreciated up to 90% of original cost after taking 10% as the residual value of assets.

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/EXPENDITURE RECOGNITION

- (a) Revenue from sale of energy is accounted for on accrual basis.
- (b) Late payment surcharge recoverable from consumer on energy bills is accounted for on cash basis due to uncertainty of realisation.
- (c) The sale of electricity does not include electricity duty payable to the State Government, as the same is not the income of the Nigam.
- (d) Rebate allowed to consumers for timely payment of energy bills have been shown separately as an expense in the accounts.
- (e) Assessment of own energy consumption is done on the basis of connected load/hours of supply/meters.
- (f) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission.
- (g) In case of detection of theft of energy, the consumer is billed on laid down norms respective of actual realisation from the consumer.
- (h) Penal interest, overdue interest, commitment charges, restructuring charges and incentives/rebates on loans are accounted for on cash basis after final ascertainment.

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*Prakash*



*Prakash*

6. POWER PURCHASE

The bulk power purchase from UPPCL, is accounted for on the basis of bills raised by the UPPCL, the holding company.

7. RETIREMENT BENEFITS

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

  
(H.K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R. P. Gupta)  
Director (Fin)

  
(Nand Lal)  
Managing Director

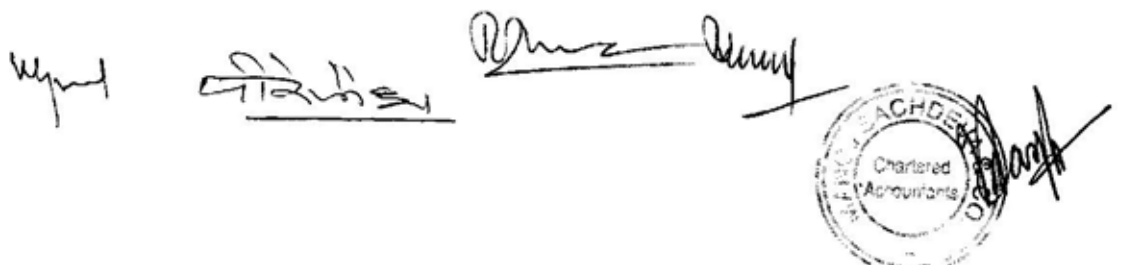


# PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED

## SCHEDULE No. 23

### NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2006 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

- 1.(a) The Company is a subsidiary of U. P. Power Corporation Ltd. The annual accounts are prepared on the basis of opening balances received under transfer scheme 2003 which are subject to finalisation of the same and will be adjusted accordingly.
- (b) The Share Capital includes 500 Equity Shares of Rs. 1000 each (Rs. 5,00,000.00) as Promoter's Shares and shown separately and payment thereof has been shown as receivable from UPPCL (the Holding Company) under the head "Other Current Assets".
- (c) Equity provided by the Holding Company amounting to Rs. 27.46 crore during the year, (Total Rs. 101.34 crores) has been shown as Share Application Money, pending for allotment, in the books of Account.
- (d) Accountal of funds received against Rajiv Gandhi Gramin Vidyutikaran Yojana has been made as Share Application Money as per orders of the U.P. Govt/UPPCL, the Holding Company.
2. The Preliminary Expenses have been continued to be written off during the year @ 1/5<sup>th</sup>.
3. Outstanding Expenses/Accrued Income relating to period prior to transfer of business and assets & liabilities as mentioned in para -1(a) above have been adjusted to the extent liabilities/receivables were provided for in the Transfer Scheme- 2003. However, the expenses/income over and above the amounts included in Transfer Scheme- 2003 have been accounted for by the Company in the accounts.
- 4.(a) The Company is making efforts to recognise and identify the location of fixed assets, transferred under the Transfer Scheme-2003 for the purpose of maintaining the Fixed Assets Register. Till such time the assets as mentioned in the Transfer Scheme, are taken into accounts.
- (b) Depreciation has been provided on the opening balances of fixed assets as on 12-08-2003 in terms of Electricity (Supply) Act, 1948. In absence of asset wise break up of Plant and Machinery, Lines, Cables and other assets taken over as on 12-08-2003, the depreciation on these assets has been charged @ 7.84% on the value transferred as per transfer scheme 2003, being the maximum rates prescribed for majority of the items as per Central Govt. notification no. S0266(E) dated 29.03.94.

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- 5.(a) Age-wise classification of Sundry Debtors could not be given for want of age-wise details of receivables transferred under the Transfer Scheme-2003.
- (b) The Provision for bad & doubtful debts against revenue from sale of power has been made @ 5% on incremental basis but the related entries in the accounts have not been passed as the sufficient provision already exists in the Transfer Scheme- 2003.
- (c) The provision for doubtful receivable @ 10 % on the incremental balances appearing under the different heads under "Other Current Assets" (excluding the receivable on account of loans) have been made.
6. Provision of loss on account of theft of fixed assets, pending investigation, has been made @ 10% of the balance amount *pending investigation* at the end of the year.
- 7.(a) Some balances appearing under the heads 'Current Assets', 'Loans & Advances', "Unsecured Loans", 'Current Liabilities', Material in transit/under inspection/lying with contractors are subject to confirmation/reconciliation and subsequent adjustments, as may be required.
- (b) On an overall basis the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amounts at which they are stated in the Balance Sheet.
8. The Value of construction stores is charged to capital work-in-progress as and when the material is issued. The material at the year end lying at the work sites is treated as part of capital work in progress but the material lying in stores is grouped under the head "Stores & Spares".
9. The energy is being purchased as a bulk supply from UPPCL (The Holding Company).
10. Amount due to SSI units could not be ascertained and interest thereon could not be provided for want of complete information. Efforts are being made to segregate the same.
11. Based on actuarial valuation report submitted by M/s Price Waterhouse Coopers to UPPCL (the Holding Company) and adopted by their Board of Directors, the provision for accrued liability on account of Pension and Gratuity for the period from 01.04.05 to 31.03.06 has been made @ 16.70% and 2.38% respectively on the amount of basic pay and DA paid to the employees.
12. Liability towards Staff training expenses, Medical expenses, Leave Encashment and LTC has been provided to the extent established.
13. The reconciliation of Inter Unit Transfer balances amounting to Rs. 26.69 crore debit (previous year debit Rs. 17.68 crore) is in process and the effects of reconciliation, if any, will be provided for in the forthcoming years.

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Signature  
Accountants

14. The reconciliation of bank accounts with cash book of some of the units is in process and effect of reconciliation, if any, will be provided for in the forthcoming years.
15. Rebate received against timely repayment of loan has been accounted for on cash basis.
16. Expenditure on UP Power Sector Employees Trust amounting to Rs. 17.69 (previous year 17.42) lacs, distributed on prorata basis has been accounted for as intimated by Holding Company.
17. Bank Guarantee charges of Rs. 116.57 (previous year Rs. 91.56) lacs has been accounted for as intimated by Holding Company.
18. The late payment surcharge payable to UPPCL (The Holding Company) will be accounted for on its payment i.e. cash basis due to uncertainty of actual payment.
19. The amount of License fees/Petition charges etc., detailed as under paid to UPERC has been debited as intimated by Holding Company, M/s UPPCL :-

Sl.No.	Details	2005-06	2004-05
(i)	Tariff Petition fees	10,00,000	-
(ii)	License fees	1,19,79,000	1,11,20,750
(iii)	Study of Line Losses	7,00,000	-

20. Receipt of loan amounting to Rs. 26.99 crore from PFC and Govt. of UP, repayment of loan amounting to Rs. 15.90 crore, repayment of interest on loan Rs. 27.20 crore, interest liability amounting to Rs. 20.24 crore, rebate for timely payment of Rs. 0.34 crore have been accounted for as intimated by the Holding Company.
21. The credit amount of Rs. 1.58 cores on account of Electricity Charges received form Electricity Import Export and Payment Circle, Lucknow has been accounted for as intimated by the Holding Company.
22. (a) Shunt capacitor surcharge, assessed for the year 2004-05, amounting to Rs. 1.67 crore has been accounted for as prior period revenue.  
(b) Expenditure in respect of Operating Expenses Rs. 0.12 lacs, Employees Cost Rs. 173.51 lacs, Interest & Finance Charges Rs. 88.00 lacs and Administrative & General Expenses Rs. 13.00 lacs related to the previous years have been accounted for as prior period expenses.
23. The recovery of advances to employee is being affected by the company on behalf of the Holding Company UPPCL, as these advances were granted before the incorporation of Company.
24. As per Clause IV of Schedule VI of Electricity (Supply) Act 1948, the corporation is required to transfer a minimum of 0.25% of gross value of fixed assets from its revenue to Contingency Reserve Account. Since the Company has losses, this appropriation has not been made.

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25. Employees cost includes remuneration to Managing Director and Director as under.

	Amount (Rs. in Lacs)	
	2005-06	2004-05
Salary and Allowance	3.64	Rs. 3.57
Contribution to Grat./Pension	-	-

26. Payment to Directors and Officers in foreign currency towards foreign tour was Nil. (previous period - NIL)

27. Debts due from Directors were Rs. NIL. (Previous period - NIL)

28. Information pursuant of provision of Part I & II of Schedule VI of Companies Act, 1956 are as under :-

- (a) Quantitative Details of Energy Purchased & Sold :-

Sl.No.	Details	2005-06	2004-05
(i)	Total no. of Units Purchased (MU)	13388.172	12541.809
(ii)	Total no. of Units sold (MU)	9818.22	8934.930
(iii)	Distribution Losses	26.66%	28.76%

- (b) Contingent Liabilities :-

S.No.	Details	AMOUNT (Rs. In crores)	
		2005-06	2004-05
1	Claims against the company not acknowledged as debts.	123.52	0.14
2	Capital commitment	0.14	0.40
3	Contingencies	1.37	1.13

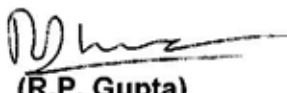
- (c) The details of auditor's expenses is as under :-

Details	(Rs. In lacs)	
	2005-06	2004-05
(i) As auditor	-	-
(x) Audit fees	3.24	2.48
(y) T.A. expenses	1.36	1.34
(ii) As advisor	-	-
(x) Taxation matters	-	-
(y) Company law matters	-	-
(iii) In any other manner	-	-

29. Government dues in respect of Electricity Duty and other levies amounting to Rs. 20.91 crore shown in shedule -11 includes Rs. 8.19 crore on account of compounding charges realised from consumers.
30. Since the Company is principally engaged in the distribution business of electricity and there are no other reportable segment as per AS-17, hence the disclosure as per AS-17 on segment reporting is not required.
31. The disclosure required as per AS-18 issued by ICAI on related parties transactions is not applicable as the Accounting Standard provides that “ no disclosure is required in the financial statement of state-controlled enterprises as regard related party relationship with other state-controlled enterprises and transactions with such enterprises”
32. Due to heavy carried forward losses/depreciation and uncertainties to recover such losses/depreciation in near future, accounting of deferred tax assets as required by AS-22 issued by ICAI is not made.
33. AS-28 required estimation and provision for impairment loss represented by amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the assets net selling price and its value in use based on the present value of estimated future cash flows expected from the use of assets and its disposal at the end of its useful life. It is worth mentioning here that assets of the Company have been accounted for at their historical cost and most of the assets are very old. Thus the impairment of assets is unlikely in the Company because of the fact that the recoverable amount of the assets is higher than its present accounted value.
34. The figures shown in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest Rupee.
35. Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.

  
(H.K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R.P. Gupta)  
Director(Finance)

  
(Nand Lal)  
Managing Director



## ANNEXURE-A

Statement showing the transfer of Assets & Liabilities to DISCOMS as per Schedule-A,B,C&D (Part-II) of the Uttar Pradesh Power Sector Reforms (transfer of Distribution Undertakings) Scheme, 2003 vide Uttar Pradesh Shasan Urja Anubhag 1, Notification No. 2740/P-1-2003-24-14P-2003, Dated Lucknow, August 12, 2003

(Rs. in Crores)

	MEERUT
<b>Fixed Assets</b>	
Gross Fixed Assets	2387.92
Less Accumulated depreciation	-1110.84
Net Fixed Assets	1277.08
Cap. Expd. In progress	83.19
Investments	
<b>Total Fixed Assets</b>	<b>1360.27</b>
<b>Current Assets</b>	
Cash and Bank Balances	163.53
Total Stocks	67.11
Less Provision for Obsolete Stores	-46.31
Net Stock	20.80
Gross Receivable for Sale of Electricity	1989.04
Less : Provision for Bad & Doubtful debts	-1676.80
NetReceivables for sale of Power	312.24
Other Receivable	21.98
<b>Total Current assets</b>	<b>518.55</b>
<b>Total Assets</b>	<b>1878.82</b>
<b>Net Worth</b>	
Paid up and Subscribed Share Capital	540.00
Retained Earning (Losses)/Reserves	
Consumer's contributions	123.89
Capital Reserves	
Grants-RE	10.82
Grants-APDRP	3.75
<b>Total Net Worth</b>	
<b>Long Term Debts</b>	<b>678.46</b>
GoUP Loans	3.75
IDBI-Deferred Credit	14.96
REC	256.58
Commercial Banks (SPA)	
HDFC	
PFC	48.90
NOIDA	
UPSIDC	1.58
Urban Cooperative Bank	
Others	12.79
IBRD	
Working Capital Borrowings	
GPF Liability	228.57
<b>Total Long Term Loans</b>	<b>567.13</b>
<b>Current Liabilities</b>	
Accounts Payable	414.88
Security Deposit from consumers	218.35
Accumulated Interest on Govt. Loans	-
Accumulated Interest on Other IFI's	-
Overdue Principal not paid	-
<b>Total Current Liabilities</b>	<b>633.23</b>
<b>Total Liabilities</b>	<b>1878.82</b>

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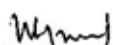
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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,**  
**VICTORIA PARK, MEERUT**  
**CASH FLOW STATEMENT**


(Rs. in Crore)

	Year 2005-06	Year 2004-05
Cash Flow from operating activities		
Net Loss before prior period expenses	-620.63	-346.75
Adjustment for		
Depreciation	184.77	181.75
Provisions including Bad Debts	0.48	0.11
Interest expenses (Financing)	72.69	29.97
Interest income		
Deferred Cost		
Prior period adjustments (Net)	-1.19	-2.87
<b>SUB TOTAL</b>	<b>-363.88</b>	<b>-137.79</b>
Operating profit before working capital change		
Working Capital changes		
Sundry Debtors	-186.42	-190.25
Stores' Spares	-58.12	7.69
Other Current Assets	-26.31	-223.60
Loans & Advances	-43.43	-1.81
Inter Unit Transfers	-9.01	-16.56
Current Liabilities	607.06	423.26
Current Assets/Liabilities transferred from UPPCL		
<b>SUB TOTAL</b>	<b>283.77</b>	<b>-1.27</b>
Net cash from operating activities- A	-80.11	-139.06
<b>Cash flow from investing activities</b>		
Additions to fixed assets & WIP	-268.10	-149.45
Investment in Discoms (Subsidiaries)		
Interest received		
Fixed assets transferred from UPPCL		
Net Cash flow from investing activities- B	-268.05	-149.45
<b>Cash flow from financing activities</b>		
Proceeds from Share Capital	27.46	53.98
Proceeds from borrowings (Net)	341.05	300.23
Proceeds from consumers' contribution and GoUP Capital Subsidy	78.54	70.35
Interest paid on borrowings	-72.69	-29.97
Restructuring Account		
Loans/Liabilities transferred from UPPCL		
Net Cash flow from financing activities- C	374.36	394.59
Net increase in Cash and Cash equivalents (A+B+C)	26.20	106.08
Cash and Cash equivalents at the beginning of the Year	312.44	206.36
Cash and Cash equivalents at the end of the Year	338.64	312.44

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
(R. P. Gupta)  
Director (Fin)

  
(Nand Lal)  
Managing Director



**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,**  
**VICTORIA PARK, MEERUT**

ANNEXURE-B

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**1 Registration details**

Registration No. -	20 - 27458		State Code	20
Balance Sheet Date	31	3	2006	
	Date	Month	Year	

**2 Capital raised during the year**

(Amount in Rupees Thousands)

Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement	-

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

(Amount in Rupees Thousands)

Total Liabilities	20006916
<b>Sources of Funds :</b>	
Paid Up Capital	5400500
Share App. Money pending for allotment	1013405
Secured Loans	3878103
<b>Applications of Funds :</b>	
Net Fixed Assets	13986657
Accumulated Losses	11754441
Total Assets	20006916
Reserves & Surplus	3151246
Unsecured Loans	6563662
Miscellaneous Expenditure	8009
Net Current Assets	(-) 5742191
Investments	-

**4 Performance of the Company**

(Amount in Rupees Thousands)

Turnover (Gross Revenue)	30051168
(+/-) Profit/Loss before Tax	(-) 6218214
Earning per Share (in Rupees)	(-) 1151
Total Expenditure	36269382
(+/-) Profit/Loss after Tax	(-) 6218214
Dividend rate in %	NIL

Product/Service description

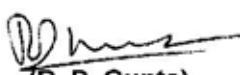
- (i) Purchase of Electricity
- (ii) Distribution and Sale of Electricity

Item code No.

NA  
NA

  
(H. K. Agarwal)  
Company Secretary  
Part-time

  
(P.K. Jauhari)  
Dy. General Manager (Acctt.)

  
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Director (Fin)

  
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Managing Director

