

पश्चिमांचल विद्युत वितरण निगम लि०
PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.



ANNUAL ACCOUNTS FOR THE
YEAR 2006-07

Registered Office : Urja Bhawan Victoria Park, Meerut

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
Sl. No.	Particulars
1	Balance Sheet
2	Profit & Loss Account
3	Schedule (1 to 22)
4	Significant Accounting Policies
5	Notes on Accounts
6	Cash Flow
7	Balance Sheet Abstract and Corporation's General Business Profile


PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT

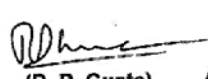
PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 01.04.06 TO 31.03.07

(Amount in Rs.)

PARTICULAR	SCHEDULE	FOR THE PERIOD FROM 01.04.06 TO 31.03.07	FOR THE PERIOD FROM 01.04.05 TO 31.03.06
<u>INCOME</u>			
Revenue from sale of power (Gross)		29261692070	26155666712
Less Electricity Duty	(12)	741959595	28519732475
Energy internally Consumed		76558679	657546710
Revenue Subsidies & Grants	(13)	4811169352	25498120002
Other income	(14)	574020124	86957931
TOTAL		33981480630	3975023800
<u>EXPENDITURE</u>			
Purchase of Power	(15)	36357276870	31328322534
Repair & Maintenance Expenses	(16)	707179333	560305509
Employees Cost	(17)	1192219339	1559671116
Administrative General & Other	(18)	184642937	192824111
Interest and Finance Charges	(19)	916363885	759774055
Depreciation	(20)	1899052159	1847737840
Provisions	(21)	6645491	4822352
Preliminary Expenses written off		4004725	4004725
TOTAL		41267384739	36257462242
Profit/(Loss) For the Year		(7285904109)	(6206293832)
Net Prior Period Income/(Expenditure)	(22)	(13684692)	(11920199)
Net Profit/(Loss) for the year		(7299588801)	(6218214031)
Accumulated loss brought		(11754440942)	(5536226911)
Net Profit/(Loss) Carried Over to Balance Sheet		(19054029743)	(11754440942)
Notes on Accounts	(23)		
Earning per share		(1352)	(1151)


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


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


(R. P. Gupta)
Director (Finance)


(Ashish Kumar Goel)
Managing Director

Place : Meerut
Date : 15-05-2010

Subject to our Report of Even Date
For Manoj Sachdeva & Co.
Chartered Accountants.




Partner

VISHAL MANGLIK [MNO.077837]

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

SCHEDULE - 1

SHARE CAPITAL

PARTICULARS	(Amount in Rs.)	
	As at 31.03.07	As at 31.03.06
A. AUTHORISED	6000000000	6000000000
6000000 Equity Shares of Rs.1000/-each		
B. ISSUED SUBSCRIBED AND PAID UP		
(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
TOTAL	5400500000	5400500000

SHARE APPLICATION MONEY

SCHEDULE - 1A

PARTICULARS	(Amount in Rs.)	
	As at 31.03.07	As at 31.03.06
SHARE APPLICATION MONEY		
(Pending for allotment to UPPCL)	2649780218	1013405028
TOTAL	2649780218	1013405028

RESERVES AND SURPLUS

SCHEDULE - 2

PARTICULARS	(Amount in Rs.)			
	As at 31.03.06	Additions	Deductions / Adjustments	As at 31.03.07
A Capital Reserve				
i) Consumers Contributions towards Service Line and other charges	2496978736	960468412	230038660	3227408488
ii) Subsidies towards cost of Capital Assets	13259612	0	1080987	12178625
B Grants	641007291	192076391	53298232	779785450
TOTAL	3151245639	1152544803	284417879	4019372563

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(Ashish Kumar Goel)
Managing Director



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

SCHEDULE - 3

LOAN FUNDS

(Amount in Rs.)

PARTICULARS	As at 31.03.07	As at 31.03.06
A. SECURED LOAN -		
(a) TERMS LOAN		
i) APDRP (PFC) (Secured against hypothecation of all the movable assets created under the loan) Interest accrued & due	1888317589	847799704
ii) Power Finance Corporation Ltd. (Against theft prevention scheme. Secured against hypothecation of assets created)	1888317589	847799704
iii) Power Finance Corporation Ltd. (Against theft prevention scheme. Secured against hypothecation of assets created)	234531800	
(b) SHORT TERMS LOAN-		
Rural Electrification Corporation Ltd. (Secured against hypothecation of stores and charge on receivables of specified receipt accounts through escrow arrangements)	1757575775	3030303035
	1757575775	3030303035
Sub Total (A)	3880425164	3878102739
B. UNSECURED LOANS -		
(a) TERM LOANS :		
i) Govt. of U.P. Loan (Transfer Scheme)	37500000	37500000
FINANCIAL INSTITUTIONS		
ii) Rural Electrification Corporation Ltd. Loan (Transfer Scheme) (Guaranted by U.P. Govt.) Interest accrued & due	2502133878	2565326381
iii) Power Finance Corporation Ltd. Loan (Transfer Scheme) (Guaranted by U.P. Govt.) Interest accrued & due	430515537	2932649415
iv) U.P. State Industrial Development Corporation Ltd. Loan (Transfer Scheme) Interest accrued & due	242194866	202375403
v) Other Loans from Noida, HDFC, NCRPB & Grater Noida Loan (Transfer Scheme) Interest accrued & due	242194866	308219279
vi) U.P. State Industrial Development Corporation Ltd. Loan (Transfer Scheme) Interest accrued & due	4220155	5404758
vii) Other Loans from Noida, HDFC, NCRPB & Grater Noida Loan (Transfer Scheme) Interest accrued & due	4220155	5404758
viii) Bill Rediscounting Scheme Industrial Development Bank of India Loan (Transfer Scheme) Interest accrued & due	64546922	77963148
ix) Bill Rediscounting Scheme Industrial Development Bank of India Loan (Transfer Scheme) Interest accrued & due	64546922	77963148
x) Bill Rediscounting Scheme Industrial Development Bank of India Loan (Transfer Scheme) Interest accrued & due	6079642	30449943
	6079642	30449943
Sub Total (B)	3287191000	3227238912

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
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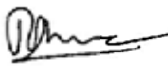


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		(Amount in Rs.)	
PARTICULARS	As at 31.03.07	As at 31.03.06	
C. SHORT TERM LOANS :			
i) Rural Electrification Corporation Ltd.			
(Charge on Receivables of specified receipt accounts through escrow arrangements)	2066363636	1000000000	
Interest accrued & due		2066363636	1000000000
ii) Power Finance Corporation Ltd.			
(Charge on Receivables of specified receipt accounts through escrow arrangements)	2315336842	806253423	
Interest accrued & due		2315336842	806253423
Sub Total C		4381700478	1806253423
D. LOAN BY UPPCL			
i) Rural Electrification Corporation Ltd.			
		89676046	109120499
ii) Power Finance Corporation Ltd.			
		113853961	149085504
iii) U.P. Govt.(APDRP)			
Loan		425165000	416420000
iv) U.P. Govt.(W.B. Aided Project)			
Loan		855544000	855544000
Sub Total D		1484239007	1530170003
TOTAL		13033555649	10441765077


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 Dy. General Manager (Acctt.)


 (R. P. Gupta)
 Director(Finance)


 (Ashish Kumar Goel)
 Managing Director



PASCHIMANCHAL VIDYUT VITRAJ NIGAM LIMITED
VICTORIA PARK, MEERUT

SCHEDULE - 4 - Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	As at 31.03.2006	Additions	Deductions/ Adjustments	As at 31.03.2007	As at 31.03.2006	Additions	Deductions/ Adjustments	As at 31.03.2007	As at 31.03.2006
Land & Land Rights	886426	1104000		1990426	0			0	886426
i) Unclassified									
ii) Freehold Land									
Buildings	77286056	68397358	17054	145686360	1791470	2334039		4125509	141540851
Plant & Machinery	145484575	3624636996	2383712888	2685709593	-674464698	118141841	577161321	-1133504078	3628273661
Lines, Cable Network etc.	2062564530	1805488514	204452386	3463969658	110344259	189718207	28822539	271229821	3182398737
Vehicle	1687215	534392	0	2201597	-9000	596950		547850	1653747
Furniture & Fixtures	1336762	187348	6300	3204810	178818	170705		347523	2857287
Office Equipments	2878416	818765	44876	3652305	432895	418016		851911	2800394
Transfer Scheme Data	23879200000	0	0	23879200000	18044478666	1872129280		17916607846	5962592154
Total	27480684980	6302822263	2688233804	30195253739	15482760304	2183470038	606013860	17060206482	13135047257

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

SCHEDULE - 5

CAPITAL WORKS IN PROGRESS

PARTICULARS	(Amount in Rs.)	
	As at 31.03.07	As at 31.03.06
Capital Work in Progress*	1879174104	1378732510
Add revenue expenditure pending for capitalisation**	252578037	122707498
SUB TOTAL (A)	2131752141	1501440008
Advances to Suppliers/Contractors	1654034950	487301974
SUB TOTAL (B)	1654034950	487301974
TOTAL (A)+(B)	3785787091	1988741982

Notes :

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

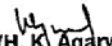
** It includes borrowing cost only related to works.

SCHEDULE - 6

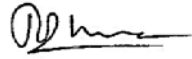
STORES & SPARES

PARTICULARS	(Amount in Rs.)	
	As at 31.03.07	As at 31.03.06
Stock of Materials	1409203897	1137372254
SUB TOTAL	1409203897	1137372254
Less - Provision for Unserviceable Stores	463100000	463100000
TOTAL	946103897	674272254

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


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

SCHEDULE - 7

SUNDRY DEBTORS

(Amount in Rs.)

PARTICULARS	As at 31.03.07	As at 31.03.06
<u>Sundry Debtors</u>	22702125530	21072149910
Unsecured & considered good	5934125530	4304149910
Considered doubtful	16768000000	16768000000
	<u>22702125530</u>	<u>21072149910</u>
Less – Provision for Bad & Doubtful Debts	16768000000	16768000000
TOTAL	5934125530	4304149910

SCHEDULE - 8

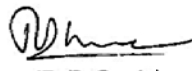
CASH AND BANK BALANCES

(Amount in Rs.)

PARTICULARS	As at 31.03.07	As at 31.03.06
<u>CASH IN HAND</u>		
Cash in Hand (Including Stamps in hand & imprest)	1153551378	995337899
<u>Balances with Scheduled Banks</u>		
In Current & Other account	2206616506	2241065192
In Fixed Deposit Accounts	100000000 2306616506	150000000 2391065192
TOTAL	3460167884	3386403091


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(Ashish Kumar Goel)
Managing Director





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

SCHEDULE - 9

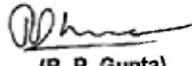
OTHER CURRENT ASSETS

(Amount in Rs.)

PARTICULARS	As at 31.03.07	As at 31.03.06
Income Accrued but not due	923216	727911
<u>Receivables</u>		
UPPCL	1064223804	3459590427
<u>Receivables on Account of Loan</u>		
UPPCL	1917124362	1492922321
Less Liabilities against Loan	<u>-618350211</u>	<u>1298774151</u>
		-350118378
		1142803943
<u>Other Receivables</u>		
Employees	24370256	14609652
Less Provision for doubtful Receivable	<u>-2636097</u>	<u>21734159</u>
		-1632236
		12977416
Receivables as per Transfer Scheme	219800000	219800000
Prepaid Expenses	653038	538470
Misc. Receivable	9230656	5991994
Receivable from Insurance Company	904683	904683
Theft of fixed Assets pending investigation	98819235	42402935
Less Provision for Estimated Loss	<u>-9881924</u>	<u>88937311</u>
		-4240294
		38162641
TOTAL	2705181018	4881497485


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Managing Director




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

SCHEDULE - 10

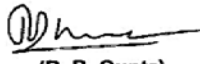
LOANS AND ADVANCES

(Amount in Rs.)

PARTICULARS	As at 31.03.07	As at 31.03.06
<u>A. LOANS (Secured/considered good)</u>		
Employees (including advances) (Recoverable from salary)	664623	373301
<u>B. ADVANCES (Unsecured)</u>		
Suppliers / Contractors	284322916	444821271
<u>C. Deposits</u>		
Advance income tax	7481114	6602700
Others	8645	8645
TOTAL	292477298	451805917


(H. K. Agarwal)
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Managing Director






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

SCHEDULE - 11

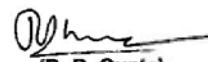
CURRENT LIABILITIES AND PROVISIONS


(Amount in Rs.)

PARTICULARS	As at 31.03.07		As at 31.03.06	
Liability for Purchase of Power		10586570039		6880892139
Liabilities As per Transfer Scheme 2003	4148800000		4148800000	
Staff Related Liabilities	116836021		226861364	
Sundry Liabilities	944760		-1495954	
Liabilities for Expenses	116270909		79781674	
Liability for Capital and O&M Supplies/Works	1043920550		890088638	
Financial contribution by consumers	-1512	5426770728	-1512	5344034210
Deposits & Retentions from Suppliers & Others		219450158		114093750
Electricity Duty & Other Levies payable to Govt.		348895755		209098501
Deposit for Electrification works		39680935		16898030
Other Liabilities payable to :				
UPPCL		1490522964		1275744142
Madhyanchal Vidyut Vitran Nigam Ltd		81442667		79190458
Purvanchal Vidyut Vitran Nigam Ltd		2305655		2305655
Dakshinanchal Vidyut Vitran Nigam Ltd		3297797		1111797
General Provident Fund	2471180921		2345713880	
Pension and Gratuity	196791854	2667972775	104098188	2449811868
CPF		1601531		918289
Interest Accrued but not Due on Borrowings		65564034		29065364
Security Deposits from Consumers	3647999423		3213934543	
Interest on Security Deposits from Consumers	84281389	3732280812	89747731	3303682274
Provisions :				
Provision for Audit Expenses		708310		388924
TOTAL		24667064160		19707235401


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

SCHEDULE - 12

REVENUE FROM SALE OF POWER

(Amount in Rs.)

PARTICULARS	2006-07	2005-06
Large Supply Consumers		
Industrial	12932415080	10892121572
Irrigation	1755472	2723394
Public Water Works	578929363	506034229
Small & Others Consumers		
Domestic	6880235892	6403551747
Commercial	2689949623	2579562056
Industrial Low & Medium Voltage	2455766952	2248573978
Public Lighting	242629203	206544173
STW & Pump Canals	426109858	519539873
PTW & Sewage Pumping	1467677058	1406065760
Common Pool		
Institution	785964915	706536273
Assessment against Theft	85515697	55757265
Meter Rent/Service Line Rental		
Miscellaneous Charges from consumers	49342041	58067613
Less - Energy internally Consumed	-76558679	-86957931
Sub Total	28519732475	25498120002
Electricity Duty	741959595	657546710
Gross Sale of Power	29261692070	26155666712

REVENUE SUBSIDIES AND GRANTS

SCHEDULE - 13

(Amount in Rs.)

PARTICULARS	2006-07	2005-06
A. Subsidies		
R.E. Subsidy from Govt. of U.P.	1012700000	978700000
Revenue Loss & Tariff Subsidy from Govt. of U.P.	3798469352	2996323800
TOTAL	4811169352	3975023800

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(R. P. Gupta)
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(Ashish Kumar Goel)
(Ashish Kumar Goel)
Managing Director



(Signature)

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

SCHEDULE - 14

OTHER INCOME

PARTICULARS	(Amount in Rs.)	
	2006-07	2005-06
Interest from loan to Staff	206472	108312
Delayed Payment Charges from consumers	543095246	449667916
Other Income	9353622	32348511
Income from Contractors/Suppliers	18979760	4895250
Rental from Staff	777824	415678
Miscellaneous Receipts	1384921	1372338
Excess found on physical verification of Stores	222279	2258672
TOTAL	574020124	491066677

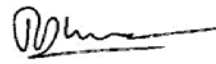
SCHEDULE - 15

PURCHASE OF POWER

PARTICULARS	(Amount in Rs.)	
	2006-07	2005-06
<u>Power Purchased from -</u> UPPCL	36357276870	31328322534
TOTAL	36357276870	31328322534


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

SCHEDULE – 16

REPAIR & MAINTENANCE

PARTICULARS	(Amount in Rs.)	
	2006-07	2005-06
Plant & Machinery	335085266	237822300
Buildings	15784479	15096520
Lines Cables net works etc.	355796722	307208008
Furniture & Fixtures	53457	19320
Office Equipments	459409	159361
TOTAL	707179333	560305509

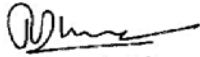
SCHEDULE – 17

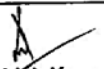
EMPLOYEES COST

PARTICULARS	(Amount in Rs.)	
	2006-07	2005-06
Salaries & Allowances	1172653376	948276637
Dearness Allowance	229004526	484767208
Other Allowances	75201814	81981324
Bonus/Ex-gratia	22730560	27627689
Medical Expenses (Re-imbusement)	36924482	20343158
Earned Leave Encashment on retirement	41025838	158191703
Compensation	2172610	425734
Staff Welfare Expenses	1178062	1031564
Pension & Gratuity	255106904	262001911
CPF	5093899	2193666
Expenditure on Trust	1448944	1769150
Sub Total	1842541015	1988609744
LESS – Expenses Capitalised	650321676	428938628
TOTAL	1192219339	1559671116


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


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


(R. P. Gupta)
Director (Finance)


(Ashish Kumar Goel)
Managing Director




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

SCHEDULE - 18

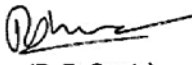
ADMINISTRATIVE, GENERAL & OTHER EXPENSES

(Amount in Rs.)

PARTICULARS	2006-07	2005-06
Rent	2313581	2804544
Rates & Taxes	3465030	3609119
Insurance	2359289	2219116
Communication Charges	22223447	17846163
Legal Charges	8329685	8562137
Audit Fee	294113	218768
Traveling Expenses (Audit)	125000	136020
Consultancy Charges	16077	71348
Fees & Subscription	17480577	14226162
Traveling and Conveyance	21935296	23690676
Printing and Stationery	17666541	14190061
Advertisement Expenses	12046976	13431154
Electricity Charges	76558679	86957931
Water Charges	62889	29794
Miscellaneous Expenses	74921892	48705822
SUB TOTAL	259799072	236698815
LESS - Expenses Capitalised	77821428	46605534
SUB TOTAL	181977644	190093281
<u>OTHER EXPENSES</u>		
Compensation staff	134000	925410
Compensation (Other than staff)	2531293	1805420
SUB TOTAL	2665293	2730830
TOTAL	184642937	192824111


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

SCHEDULE - 19

INTEREST AND FINANCE CHARGES

PARTICULARS	(Amount in Rs.)	
	2006-07	2005-06
Interest on Loans		
Government of UP	190746016	124969081
PFC	140900149	141437748
Others	5344693	5967829
UPSIDC	76720	325680
APDRP	109743587	49576482
REC	587442914	412289556
IDBI	16087945	29493860
Interest to Consumers	81643430	71852849
Finance Charges	10222679	11657238
Bank Charges		
Others	1435339	1302185
SUB TOTAL	1143643472	848872508
LESS - Interest Capitalised	227279587	89098453
TOTAL	916363885	759774055


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

SCHEDULE – 20

DEPRECIATION

PARTICULARS	(Amount in Rs.)	
	2006-07	2005-06
Depreciation	2183470038	2055924708
Less – Equivalent amount of Depreciation on Assets acquired out of the Consumer's Contribution and GOUP's Capital Subsidy	284417879	208186868
GRAND TOTAL	1899052159	1847737840

SCHEDULE – 21

BAD DEBTS & PROVISIONS

PARTICULARS	(Amount in Rs.)	
	2006-07	2005-06
Provision for Loss against theft of Fixed Assets pending investigation	5641630	4240294
Provision for Bad & Doubtful Adv. to Employees	1003861	582058
GRAND TOTAL	6645491	4822352


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

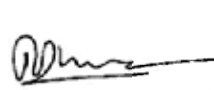
SCHEDULE - 22

NET PRIOR PERIOD EXPENSES

PARTICULARS	(Amount in Rs.)	
	2006-07	2005-06
A. INCOME	-40815	-16672516
B. EXPENDITURE		
i) Operating Expenses	437414	1207225
ii) Interest & finance charges		8750811
iii) Employees Cost	13810825	17351597
iv) Adm. & General Expenses	-522732	1283082
GRAND TOTAL	13684692	11920199


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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.

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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

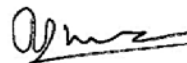
- (a) Stores & Spares are valued at cost.
- (b) Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.
- (c) Any shortage/excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization 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 irrespective 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.









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

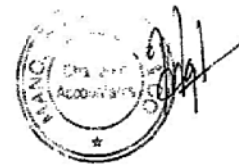
- (a) Liability for Pension & Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Leave encashment and post retirement medical benefits are accounted for on the basis of claims received and approved during the year.


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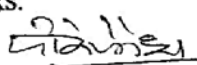
PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED

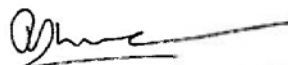
SCHEDULE No. 23

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2007 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. 163.64 crore during the year, (Total Rs. 264.98 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(pending for allotment) as per orders of the U.P. Govt/UPPCL, the Holding Company.
- (e) In reference to Govt. of U.P. orders issued from time to time a sum of Rs. 32.67 crore has been transferred in Share Application Money(pending for allotment) against APDRP grant.
2. The Preliminary Expenses have been continued to be written off during the year @ 1/5th.
3. (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.
4. In reference to Significant Accounting Policy No. 2(f) the borrowing cost in respect of assets created against specific loan where the same are well identifiable and attributable 100% to the capital works has been debited to the respective capital works.

Mynd











5. (a) Age-wise classification of Sundry Debtors could not be given as the same is under process.
 (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* appearing 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) @ Rs. 2.41 per KWH as approved by UPERC.
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 01.04.06 to 31.03.07 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. 45.33 crore debit (previous year debit Rs. 26.69 crore) is in process and the effects of reconciliation, if any, will be provided for in the forthcoming years.
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.

Myself

Prakash

Ramesh



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16. Expenditure on UP Power Sector Employees Trust amounting to Rs. 14.49 (previous year 17.69) lacs, distributed on prorata basis has been accounted for as intimated by Holding Company.
17. Bank Guarantee charges of Rs. 102.23 (previous year Rs. 116.57) 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	2006-07	2005-06
(i)	Tariff Petition fees	10,00,000	10,00,000
(ii)	License fees	1,34,75,750	1,19,79,000
(iii)	Study of Line Losses	(-) 700000	7,00,000

20. Repayment of loan amounting to Rs. 7.15 crore, repayment of interest on loan Rs. 28.49 crore, interest liability amounting to Rs. 22.81 crore, rebate for timely payment of Rs. 0.10 crore have been accounted for as intimated by the Holding Company.
21. The interest on REC loan has been accounted for after adjustment of subsidy received against the interest paid to REC.
22. As per the final accounts of this Holding Company M/S UPPCL the following figures have been revised in financial year 2006-07 in respect of financial year 2005-06 :-

Sl. No.	Heads of Accounts	Original Figures	Revised Figures
1.	APDRP Loan	416420000.00	425165000.00
2.	APDRP Grants	274150000.00	254921391.00
3.	PTW Grants	116748000.00	114703000.00

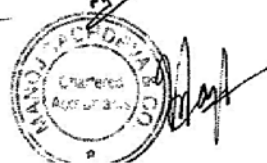
Figures in PVVNL have been modified accordingly.

23. The credit amount of Rs. 1.65 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.
24. Net prior period expenditure Rs. 1.37 crore includes operating expenditure Rs. 0.04 crore employees cost Rs. 1.38 crore, administrative & general expenses Rs. -0.05 crore.
25. The recovery of advances to employee granted before the incorporation of Company is being accounted for in the books of the Nigam.
26. 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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27. Employees cost includes remuneration to Managing Director and Director as under.

	Amount (Rs. in Lacs)	
	2006-07	2005-06
Salary and Allowance	7.29	3.64
Contribution to Grat./Pension	-	-

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

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

30. 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	2006-07	2005-06
(i)	Total no. of Units Purchased (MU)	15086.007	13388.172
(ii)	Total no. of Units sold (MU)	11053.97	9818.22
(iii)	Distribution Losses	26.73%	26.66%

(b) Contingent Liabilities :-

S.No.	Details	AMOUNT (Rs. In crores)	
		2006-07	2005-06
1	Claims against the company not acknowledged as debts.	193.23	123.52
2	Capital commitment	0.15	0.14
3	Contingencies	0.20	1.37


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

Details	(Rs. In lacs)	
	2006-07	2005-06
(i) As auditor	-	-
(x) Audit fees	2.34	3.24
(y) T.A. expenses	1.25	1.36
(ii) As advisor	-	-
(x) Taxation matters	-	-
(y) Company law matters	-	-
(iii) In any other manner	-	-

31. Government dues in respect of Electricity Duty and other levies amounting to Rs. 34.89 crore shown in schedule -11 includes Rs. 11.56 crore on account of compounding charges realised from consumers.
32. 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.
33. 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"
34. 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.
35. 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.
36. The figures shown in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest Rupee.
37. Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.


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

(Rs. in Crore)

	Year 2006-07	Year 2005-06
Cash Flow from operating activities		
Net Loss before prior period expenses	-728.59	-620.63
Adjustment for		
Depreciation	189.91	184.77
Provisions including Bad Debts	0.66	0.48
Interest expenses (Financing)	91.64	75.98
Interest income		
Deferred Cost		
Prior period adjustments (Net)	-1.37	-1.19
SUB TOTAL	-447.75	-360.59
Operating profit before working capital change		
Working Capital changes		
Sundry Debtors	-163.00	-186.42
Stores' Spares	-27.18	-58.12
Other Current Assets	217.36	-26.31
Loans & Advances	15.93	-43.43
Inter Unit Transfers	-18.64	-9.01
Current Liabilities	495.98	607.06
Current Assets/Liabilities transferred from UPPCL		
SUB TOTAL	520.45	283.77
Net cash from operating activities- A	72.70	-76.82
Cash flow from investing activities		
Additions to fixed assets & WIP	483.32	-268.10
Investment in Discoms (Subsidiaries)		
Interest received		
Fixed assets transferred from UPPCL		
Net Cash flow from investing activities- B	-483.32	-268.10
Cash flow from financing activities		
Proceeds from Share Capital	163.64	27.46
Proceeds from borrowings (Net)	259.18	341.05
Proceeds from consumers' contribution and GoUP Capital Subsidy	86.82	78.54
Interest paid on borrowings	-91.64	-75.98
Restructuring Account		
Loans/Liabilities transferred from UPPCL		
Net Cash flow from financing activities- C	418.00	371.07
Net increase in Cash and Cash equivalents (A+B+C)	7.38	26.15
Cash and Cash equivalents at the beginning of the Year	338.64	312.44
Cash and Cash equivalents at the end of the Year	346.02	338.64


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PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.

Urja Bhawan, Victoria Park, Meerut

ANNEXURE-B

1 Registration details

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

State Code 20
2007
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

25103208

Sources of Funds :

Paid Up Capital

5400500

Share App. Money pending for allotment

2649780

Secured Loans

3880425

Applications of Funds :

Net Fixed Assets

16920834

Accumulated Losses

19054030

Total Assets

25103208

Reserves & Surplus

4019373

Unsecured Loans

9153130

Miscellaneous Expenditure

4004

Net Current Assets

-10875660

Investments

-

4 Performance of the Company

(Amount in Rupees Thousands)

Turnover (Gross Revenue)

33981480

(+/-) Profit/Loss before Tax

-7299589

Earning per Share (in Rupees)

-1352

Total Expenditure

41281069

(+/-) Profit/Loss after Tax

-7299589

Dividend rate in %

NIL


Product/Service description
Purchase of Electricity
Distribution and Sale of Electricity

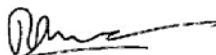
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