

पश्चिमांचल विद्युत वितरण निगम लि०

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.



ANNUAL ACCOUNTS FOR THE
YEAR 2009-10

Registered Office : Urja Bhawan Victoria Park, Meerut

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

BALANCE SHEET As at 31.03.2010

(Amount in Rs.)

PARTICULAR	SCHEDULE	As at 31.03.10	As at 31.03.09
<u>SOURCES OF FUNDS</u>			
<u>Shareholders funds :</u>			
Share Capital	(1)	5599536000	5599536000
Share Application Money	(1A)	9751540656	6388872629
Reserve & Surplus	(2)	<u>8024256614</u>	<u>6643716010</u>
		23375333270	18632124639
<u>Loan Funds</u>			
Secured Loans	(3)	11109343407	7390037670
Unsecured Loans		<u>4722403500</u>	<u>4222721505</u>
		15831746907	11612759175
TOTAL		39207080177	30244883814

APPLICATION OF FUNDS

Fixed Assets

Gross Block		45120781270	39856206857
Less-Accumulated Depreciation	(4)	<u>21216483127</u>	<u>19897387342</u>
Net Block		23904298143	19958819515
Capital Work in Progress	(5)	<u>1766023567</u>	<u>1473957038</u>
		25670321710	21432776553

Current Assets, Loans & Advances

Stores & Spares	(6)	2276042798	2261763062
Sundry Debtors	(7)	10940084241	8500918671
Cash and Bank Balances	(8)	6205918843	3917877455
Other Current Assets	(9)	4499552370	3357270718
Loans & Advances	(10)	1774126498	1949028797
Inter Unit Transfer		<u>595802116</u>	<u>567289988</u>
		26291526866	20554148691
Less : Current Liabilities & Provisions	(11)	<u>51107715917</u>	<u>43809393194</u>


Net Current Assets		(24816189051)	(23255244503)
Profit & Loss Account (Debit Balance)		38352947518	32067351764
Notes on Accounts	(23)		

Schedule 1 to 23 and Accounting Policies form integral part of Accounts.

TOTAL		39207080177	30244883814
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(H.K. Agarwal)
Company Secretary
Part Time


(P.K. Agarwal)
Dy. G.M.(Accounts)


(R.P. Gupta)
Director(Finance)

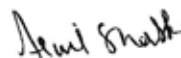

(O.P. Jain)
Managing Director

Place : Meerut
Date :



Subject to our report of even date

For S.K. Kumar & Co.
Chartered Accountants


CA AQUIL SHABBIR FCA
Partner

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

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 01.04.09 TO 31.03.10

(Amount in Rs.)

PARTICULAR	SCHEDULE	FOR THE PERIOD FROM 01.04.09 TO 31.03.10	FOR THE PERIOD FROM 01.04.08 TO 31.03.09
<u>INCOME</u>			
Revenue from sale of power (Gross)		46203597389	40255256466
Less Electricity Duty	(12)	<u>1051852087</u>	<u>937004536</u>
Energy internally Consumed		64695748	57730829
Revenue Subsidies & Grants	(13)	5494600000	4955800000
Other income	(14)	805049359	744421010
TOTAL		51516090409	45076203769
<u>EXPENDITURE</u>			
Purchase of Power	(15)	48145431840	42181508980
Wheeling Charges		2297850156	1878528740
Repair & Maintenance Expenses	(16)	1236285433	1134587989
Employees Cost	(17)	1664247256	1642579784
Administrative, General & Other Expenses	(18)	202325076	178962636
Interest and Finance Charges	(19)	1610803957	1372053629
Depreciation	(20)	1712821082	1530575022
Provisions	(21)	95840672	7569510
TOTAL		56965605472	49926366290
Profit/(Loss) For the Year		(5449515063)	(4850162521)
Net prior period Income/(Expenditure)	(22)	(836080691)	(1511943958)
Net Profit/(Loss) for the year		(6285595754)	(6362106479)
Accumulated loss brought forward		(32067351764)	(25705245285)
Net Profit/(Loss) Carried Over to Balance Sheet		(38352947518)	(32067351764)
Notes on Accounts	(23)		
Earning per share		(1123)	(1136)

H.K. Agarwal
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Part Time

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(P.K. Agarwal)
Dy. G.M.(Accounts)

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

O.P. Jain
(O.P. Jain)
Managing Director

Place : Meerut
Date :



Subject to our report of even date

For S.K. Kumar & Co.
Chartered Accountants
Aquil Shabbir
CA AQUIL SHABBIR FCA
Partner

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

SCHEDULE - 1

SHARE CAPITAL

PARTICULARS	(Amount in Rs.)	
	As at 31.03.10	As at 31.03.09
A. AUTHORISED	20000000000	20000000000
20000000 Equity Shares of Rs.1000/-each		
B. ISSUED SUBSCRIBED AND PAID UP		
(i) 5599036 Equity Share of Rs.1000/- each fully paid up	5599036000	5599036000
(ii) Promotors' Shares (500 Equity Share of Rs. 1000/- each)	500000	500000
TOTAL	5599536000	5599536000

SHARE APPLICATION MONEY

SCHEDULE - 1A

PARTICULARS	(Amount in Rs.)	
	As at 31.03.10	As at 31.03.09
SHARE APPLICATION MONEY		
(Pending for allotment to UPPCL)	9751540656	6388872629
TOTAL	9751540656	6388872629


SCHEDULE - 2

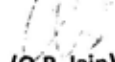
RESERVES AND SURPLUS

PARTICULARS	(Amount in Rs.)	
	As at 31.03.10	As at 31.03.09
A Capital Reserve		
i) Consumers Contributions towards Service Line and other charges	7106304389	5665736617
B Grants	911707498	971734666
B Restructuring reserve account	6244727	6244727
TOTAL	8024256614	6643716010


(H.K. Agarwal)
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Part Time

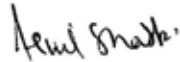

(P.K. Agarwal)
Dy. G.M.(Accounts)


(R.P. Gupta)
Director(Finance)


(O.P. Jain)
Managing Director



For S.K. Kumar & Co.
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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
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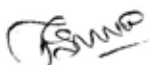
SCHEDULE - 3


LOAN FUNDS

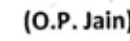
(Amount in Rs.)

PARTICULARS	As at 31.03.10	As at 31.03.09	
A. SECURED LOAN -			
(a) TERMS LOAN			
i) APDRP (PFC) (Secured against hypothecation of all the movable assets created under the loan)	1746683371	1974143986	
ii) R-APDRP (PFC)	609033600		
iii) Power Finance Corporation Ltd. (Against theft prevention scheme. Secured against hypothecation of assets created)	373419243	423208474	
iv) REC (For replacement of Overhead conductor with ABC conductor)	261656000		
(b) SHORT TERMS LOAN-			
Rural Electrification Corporation Ltd.			
i) (Secured against hypothecation of stores and charge on receivables of specified receipt accounts through escrow arrangements)	4378787886	3185151509	
ii) Power Finance Corporation Ltd. (Charge on Receivables of specified receipt accounts through escrow arrangements)	3739763307	1807533701	
Sub Total (A)	11109343407	7390037670	
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.)	2137302354	2280432924	
Interest accrued & due	<u>183441098</u>	<u>2320743452</u>	<u>355640161</u>
iii) Power Finance Corporation Ltd. Loan (Transfer Scheme) (Guaranted by U.P. Govt.)	116744367	140381798	
iv) NCRPB Loan (Transfer Scheme)	24849500	37274250	
Sub Total (B)	2499837319	2851229133	


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Managing Director



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


SCHEDULE - 3 (continue)


LOAN FUNDS

PARTICULARS	As at 31.03.10	As at 31.03.09
C. <u>LOAN TAKEN BY UPPCL ON BEHALF OF PVVNL</u>		
i) <u>Rural Electrification Corporation Ltd.</u>	31342687	50787140
ii) <u>Power Finance Corporation Ltd.</u>	11339494	39996232
iii) <u>U.P. Govt.(APDRP)</u> Loan	425165000	425165000
iv) <u>U.P. Govt.(W.B. Aided Project)</u> Loan	855544000	855544000
v) HUDCO	899175000	
Sub Total D	2222566181	1371492372
TOTAL	15831746907	11612759175


(H.K. Agarwal)
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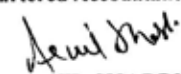

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(O.P. Jain)
Managing Director



For S.K. Kumar & Co.
Chartered Accountants


CA AQUIL SHABBIR FCA
Partner

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

SCHEDULE - 4 - Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	As at 31.03.09	Additions	Deductions/ Adjustments	As at 31.03.10	As at 31.03.09	Additions	Deductions/ Adjustments	As at 31.03.10	As at 31.03.09
Land & Land Rights									
(i) Unclassified	10045794			10045794				10045794	10045794
(ii) Freehold Land	284810739	5412980	32675	290190944	17092088	9603074		263495782	267718651
Buildings	6977265928	6272540823	4277212295	8972594456	-1073340030	480392976	758232284	10323773794	8050605958
Plant & Machinery	8685877365	3690288715	428671071	11947495009	764617182	500223534	49269729	10731924022	7921260183
Lines, Cable Network etc.	1676597		-30960	1707557	450219	159277	25000	1123061	1226378
Vehicles	9850951	748751		10599702	1031357	647263		8921082	8819594
Furniture & Fixtures	7479483	1508325	40000	8947808	2404680	1334674		5208454	5074803
Office Equipments	23879200000			23879200000	20185131846	1134262000		2559806154	3694068154
Transfer Scheme	39856206857	9970499494	4705925081	45120781270	19897387342	2126622798	807527013	23904298143	19958819515
Total									

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Aquil Shabbir

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

SCHEDULE - 5

CAPITAL WORKS IN PROGRESS

PARTICULARS	(Amount in Rs.)	
	As at 31.03.10	As at 31.03.09
Capital Work in Progress*	1585764088	1285332283
Add revenue expenditure pending for capitalisation**	180259479	188624755
TOTAL	1766023567	1473957038

Notes :

- * It includes Establishment and Administration & General Cost related to works.
- ** It includes borrowing cost only related to works.

SCHEDULE - 6

STORES & SPARES

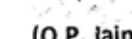
PARTICULARS	(Amount in Rs.)	
	As at 31.03.10	As at 31.03.09
Stock of Materials	2276042798	2261763062
TOTAL	2276042798	2261763062

Notes : Stock of material includes capital, and O&M material, obsolete material, scrap transformer sent for repair, material found excess/shortage pending for investigation.

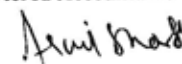

(H.K. Agarwal)
Company Secretary
Part Time


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Dy. G.M.(Accounts)


(R.P. Gupta)
Director(Finance)


(O.P. Jain)
Managing Director



For S.K. Kumar & Co.
Chartered Accountants

CA AQUIL SHABBIR FCA
Partner

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

SCHEDULE - 7

SUNDRY DEBTORS

(Amount in Rs.)

PARTICULARS	As at 31.03.10	As at 31.03.09
Sundry Debtors	27708084241	25268918671
Unsecured & considered good	10940084241	8500918671
Considered doubtful	16768000000	16768000000
	27708084241	25268918671
Less – Provision for Bad & Doubtful Debts	16768000000	16768000000
TOTAL	10940084241	8500918671

SCHEDULE - 8

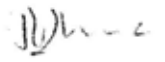
CASH AND BANK BALANCES


(Amount in Rs.)

PARTICULARS	As at 31.03.10	As at 31.03.09
<u>CASH IN HAND</u>		
Meerut Zone	885754551	523995994
Moradabad Zone	304646605	186245601
Saharanpur Zone	307358009	245421034
Head Office	321261	51987
	1498080426	955714616
<u>Balances with Scheduled Banks</u>		
Meerut Zone	2445261847	1949475513
Moradabad Zone	426346054	395639935
Saharanpur Zone	248043155	252232530
Head Office	1588187361	364814861
	4707838417	2962162839
TOTAL	6205918843	3917877455


(H.K. Agarwal)
Company Secretary
Part Time

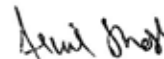

(P.K. Agarwal)
Dy. G.M.(Accounts)


(R.P. Gupta)
Director(Finance)


(O.P. Jain)
Managing Director



For S.K. Kumar & Co.
Chartered Accountants


CA AQUIL SHABBIR FCA
Partner

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

SCHEDULE - 9

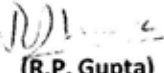
OTHER CURRENT ASSETS


(Amount in Rs.)

PARTICULARS	As at 31.03.10	As at 31.03.09
Income accrued but not received	15470616	5333605
<u>Receivables</u>		
UPPCL	2721507007	1946209731
UP Rajya Vidyut Utpadan Nigam Ltd		1809540
UPPTCL	32754152	26209666
<u>Receivables on Account of Loan</u>		
UPPCL	2860507194	1954516533
Less Liabilities against Loan	<u>-1493585952</u>	<u>-1150535021</u>
<u>Other Receivables</u>		
Employees	132338285	114092003
Less Provision for doubtful Receivable	<u>-13956793</u>	<u>-11662620</u>
Receivables as per Transfer Scheme	219800000	219800000
Prepaid Expenses	2043738	1936523
Misc. Receivable	10119221	8784403
Receivable from Insurance Company	136416	904683
Theft of fixed Assets pending investigation	346723578	253177079
Less Provision for Estimated Loss	<u>-346723578</u>	<u>-25317708</u>
<u>Deposits</u>		
Tax deducted at source	12418486	12012301
TOTAL	4499552370	3357270718


(H.K. Agarwal)
Company Secretary
Part Time

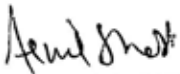

(P.K. Agarwal)
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(R.P. Gupta)
Director(Finance)


(O.P. Jain)
Managing Director



For S.K. Kumar & Co.


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

SCHEDULE - 10

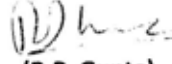
LOANS AND ADVANCES

(Amount in Rs.)

PARTICULARS	As at 31.03.10	As at 31.03.09
<u>A. LOANS (Secured/considered good)</u>		
Employees (including advances) (Recoverable from salary)	232201	268378
<u>B. ADVANCES (Unsecured)</u>		
Suppliers / Contractors	1773894297	1948760419
TOTAL	1774126498	1949028797


(H.K. Agarwal)
Company Secretary
Part Time

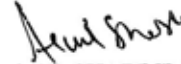

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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT**

SCHEDULE - 11

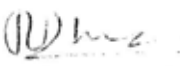
CURRENT LIABILITIES AND PROVISIONS


(Amount in Rs.)

PARTICULARS	As at 31.03.10		As at 31.03.09	
Liability for Purchase of Power : M/S UPPCL		26855229790		23408914265
Wheeling Charges : M/S UPPTCL		2082126634		595203763
Liabilities As per Transfer Scheme 2003	4148800000		4148800000	
Staff Related Liabilities	963130280		946983220	
Sundry Liabilities	(1358347)		941877	
Liabilities for Expenses	45339210		33289079	
Power Purchase Liab. Dhampur Sugar Mill	(372923)		(372923)	
Liability for Capital and O&M Supplies/Works	2420145173		2225394713	
Financial contribution by consumers	(1512)	7575681881	(1512)	7355034454
Deposits & Retentions from Suppliers & Others		351394924		345504188
Electricity Duty & Other Levies payable to Govt.		1328576356		968735469
Deposit for Electrification works		58158168		7837492
Other Liabilities payable to :				
UPPCL		3062859401		2470027771
Madhyanchal Vidyut Vitran Nigam Ltd		77945120		77944650
Purvanchal Vidyut Vitran Nigam Ltd		14349655		2305655
Dakshinanchal Vidyut Vitran Nigam Ltd		23574412		2799412
General Provident Fund	2734714589		2611598501	
Pension and Gratuity	473008112	3207722701	402231671	3013830172
CPF		5968719		3135172
Interest Accrued but not Due on Borrowings		95198443		97347117
Security Deposits from Consumers	5680526718		4873023660	
Interest on Security Deposits from Consumers	221930276	5902456994	123647733	4996671393
Provisions :				
Provision for Audit Expenses		3372719		1002221
Provision for unserviceable store (Transfer Scheme)		463100000		463100000
TOTAL		51107715917		43809393194


(H.K. Agarwal)
Company Secretary
Part Time

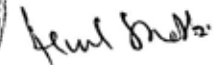

(P.K. Agarwal)
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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT**

SCHEDULE - 12

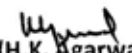
REVENUE FROM SALE OF POWER

(Amount in Rs.)		
PARTICULARS	2009-10	2008-09
<u>Large Supply Consumers</u>		
Industrial	21440712103	19225977040
Irrigation	3594991	1995861
Public Water Works	851155243	724816662
<u>Small & Others Consumers</u>		
Domestic	11206711859	9320531658
Commercial	3813166903	2948578468
Industrial Low & Medium Voltage	3670457792	3225174492
Public Lighting	473808437	385400381
STW & Pump Canals	741567927	630645652
PTW & Sewage Pumping	2018192618	1894222266
Institution	716185133	720332409
Railway	6633600	
Assessment against Theft	225680681	235465228
Miscellaneous Charges from consumers	48573763	62842642
Less - Energy internally Consumed	(64695748)	(57730829)
Sub Total	45151745302	39318251930
Electricity Duty	1051852087	937004536
Gross Sale of Power	46203597389	40255256466
Less Electricity Duty	1051852087	937004536
Net Sale of Power	45151745302	39318251930

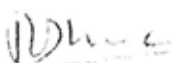
REVENUE SUBSIDIES AND GRANTS

SCHEDULE - 13


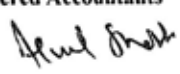
(Amount in Rs.)		
PARTICULARS	2009-10	2008-09
<u>A. Subsidies</u>		
R.E. Subsidy from Govt. of U.P.	978300000	1018500000
Revenue Loss & Tariff Subsidy from Govt. of U.P.	4516300000	3937300000
TOTAL	5494600000	4955800000


(H.K. Agarwal)
Company Secretary
Part Time


(P.K. Agarwal)
Dy. G.M.(Accounts)


(R.P. Gupta)
Director(Finance)


(O.P. Jain)
Managing Director


For S.K. Kumar & Co.
Chartered Accountants

CA AQUIL SHABBIR FCA
Partner

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

SCHEDULE - 14

OTHER INCOME

(Amount in Rs.)		
PARTICULARS	2009-10	2008-09
Interest from loan to Staff *	99425	104982
Delayed Payment Charges from consumers	762558224	677324473
Interest from Bank	19515453	41335374
Income from Contractors/Suppliers	8742929	10153590
Rental from Staff	1003277	1326774
Rebate for timely repayment of Loan	9071359	12328055
Miscellaneous Receipts	4058692	1847762
TOTAL	805049359	744421010

* Pertains to loan amount advanced during UPSEB period


SCHEDULE - 15

PURCHASE OF POWER

(Amount in Rs.)		
PARTICULARS	2009-10	2008-09
UPPCL		
Power Purchase	48145431840	42181508980
Wheeling Charges	2297850156	1878528740
TOTAL	50443281996	44060037720


(H.K. Agarwal)
Company Secretary
Part Time

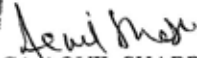

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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT**

SCHEDULE - 16

REPAIR & MAINTENANCE


PARTICULARS	(Amount in Rs.)	
	2009-10	2008-09
Plant & Machinery	632570972	443296704
Buildings	13641593	21847285
Lines, Cables net works etc.	587964481	668142488
Furniture & Fixtures	449968	110482
Office Equipments	1658419	1191030
TOTAL	1236285433	1134587989


SCHEDULE - 17

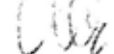
EMPLOYEES COST

PARTICULARS	(Amount in Rs.)	
	2009-10	2008-09
Salaries & Allowances	1650244353	1413794924
Dearness Allowance	482409738	562459322
Other Allowances	139555664	78223926
Bonus	15169968	31717084
Medical Expenses	24461074	25709417
Leave Travel Assistance		3841
Earned Leave Encashment on retirement	138816062	46638390
Compensation	1293710	2022303
Staff Welfare Expenses	2296732	3115686
Pension & Gratuity	356231277	402907363
CPF	23924614	12195286
Expenditure on Trust	3784795	2556286
Sub Total	2838187987	2581343828
LESS - Expenses Capitalised	1173940731	938764044
TOTAL	1664247256	1642579784


(H.K. Agarwal)
Company Secretary
Part Time

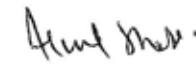

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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT**

SCHEDULE - 18

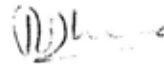
ADMINISTRATIVE, GENERAL & OTHER EXPENSES

(Amount in Rs.)

PARTICULARS	2009-10	2008-09
Rent	4549996	2118933
Rates & Taxes	620841	4645759
Insurance	3765755	2535931
Telephone	22415083	20606477
Postage	3725061	4834240
Legal Charges	15795741	11653924
Audit Fee	2752992	4420465
Traveling Expenses (Audit)	168409	230793
Consultancy Charges	4843000	
Fees & Subscription	29850901	21356209
Traveling and Conveyance	21242145	22245519
Printing and Stationery	17893676	18297675
Advertisement Expenses	27841990	22163645
Electricity Charges	64695748	57730829
Water Charges	142339	26109
Miscellaneous Expenses	106668389	94212024
SUB TOTAL	326972066	287078532
LESS - Expenses Capitalised	129889452	114049000
SUB TOTAL	197082614	173029532
<u>OTHER EXPENSES</u>		
Compensation staff	470613	1877553
Compensation (Other than staff)	4771849	4055551
SUB TOTAL	5242462	5933104
TOTAL	202325076	178962636


(H.K. Agarwal)
Company Secretary
Part Time

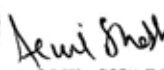

(P.K. Agarwal)
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(R.P. Gupta)
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(O.P. Jain)
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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT**


SCHEDULE - 19

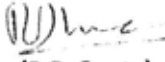
INTEREST AND FINANCE CHARGES

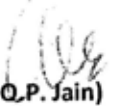
(Amount in Rs.)

PARTICULARS	2009-10	2008-09
Interest on Loans		
Government of UP	189810553	189810553
PFC	209754574	350269768
Others	1124038	3324401
APDRP	225635204	227077157
HUDCO	51702454	
REC	677538079	603339635
REC ABC	16659805	
Interest to Consumers	292381420	170131896
Finance Charges		4800878
Bank Charges		
Others	641488	742772
SUB TOTAL	1665247615	1549497060
LESS - Interest Capitalised	54443658	177443431
TOTAL	1610803957	1372053629


(H.K. Agarwal)
Company Secretary
Part Time

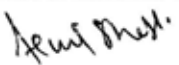

(P.K. Agarwal)
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(R.P. Gupta)
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(Q.P. Jain)
Managing Director



For S.K. Kumar & Co.
Chartered Accountants


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

SCHEDULE - 20

DEPRECIATION

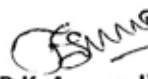
PARTICULARS	(Amount in Rs.)	
	2009-10	2008-09
Depreciation	2126622798	1814035485
Less - Equivalent amount of Depreciation on Assets acquired out of the Consumer's Contribution and GOUP's Capital Subsidy	(413801716)	(283460463)
GRAND TOTAL	1712821082	1530575022

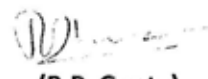
SCHEDULE - 21

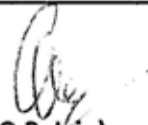
BAD DEBTS & PROVISIONS


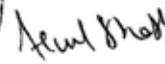
PARTICULARS	(Amount in Rs.)	
	2009-10	2008-09
Provision for Loss against theft of Fixed Assets pending investigation	93546499	5905807
Provision for Bad & Doubtful Dues from Staff on accounts of various reasons.	2294173	1663703
GRAND TOTAL	95840672	7569510


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Chartered Accountants

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Partner

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


SCHEDULE - 22


NET PRIOR PERIOD INCOME/(EXPENSES)

PARTICULARS	(Amount in Rs.)	
	2009-10	2008-09
A. INCOME		(14309072)
SUB TOTAL		(14309072)
B. EXPENDITURE		
i) Power Purchase		(934813734)
ii) Wheeling Charges	572099389	(931946819)
iii) Operating Expenses	29970	2697121
iv) Employees Cost	33038914	636474782
v) Depreciation Prev. Years	3053047	2684278244
vi) Interest & finance charges		38119467
vii) Adm. & General Expenses		2825825
viii) Short Provision for loss against theft of fixed assets	227859371	
SUB TOTAL	836080691	1497634886
GRAND TOTAL	(836080691)	(1511943958)

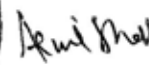

(H.K. Agarwal)
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Partner

PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED
SCHEDULE No. 23

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

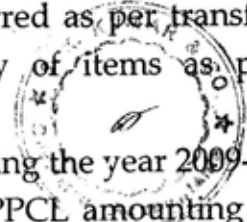
- 1) (a) The Company was incorporated under the Companies Act 1956 on 01-05-2003 and commenced the business operations w.e.f 12-08-2003 in terms of Government of U.P Notification No. 2740/P-1/2003-24-14P/2003 dated 12-08-2003.
- (b) The Company is a subsidiary of U.P. Power Corporation Ltd. The annual accounts for the year 2009-10 are based on the balances of assets and liabilities received as per Transfer Scheme 2003 as well as the transactions pertaining to distribution business during the period 12-08-2003 to 31-03-2004 and the financial years 2004-05 to 2009-10. The final transfer scheme is yet to be finalised and the balances in the accounts will be adjusted accordingly.
- (c) The share capital includes 500 Nos. Equity Shares of Rs. 1000 each allotted to subscribers of Memorandum of Association and shown separately in Balance Sheet.
- (d) The Authorised Capital of the Company is Rs. 2000.00 crores.
- (e) Difference of Loan transferred under provisional Transfer Scheme 2003 and actual loan amounting to Rs. 6244727.00 has been shown in Restructuring Reserve Account "Schedule No. 2".
- (f) Unutilized Grant of Kutir Jyoti Works worth Rs. 80,32,000.00 has been adjusted by REC during the year.
- 2) (a) The Company is making efforts to recognize 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) During the year the depreciation has been provided as per the Schedule-XIV of Companies Act 1956 on SLM basis.
- (c) In absence of asset wise break up of Plants & Machinery, Lines & Cables and other assets taken over as on 12-08-2003, the depreciation on these assets has been charged @ 4.75% on the value transferred as per transfer scheme 2003, being the rate prescribed for majority of items as per Companies Act 1956.
- 3) The loan received by UPPCL on behalf of the Company during the year 2009-10 amounting to Rs. 946500000 and repayment made by UPPCL amounting to Rs. 274618942 have been accounted for in the books of the Company.

Upend

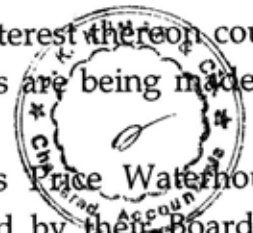
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- 4) Necessary action for capitalisation of borrowing cost has been taken as per AS-16.
- 5) Age-wise classification of Sundry Debtors could not be given as the same is under process.
- 6) The provision for bad and doubtful debts against revenue from sale of power has not been made since the sufficient provision already exists in the Transfer Scheme-2003.
- 7) The provision for doubtful receivable from employees have been made @ 10 % on the incremental basis appearing at the close of financial year under the head "Other Current Assets- Other Receivables-Employees" have been made.
- 8) Provision of loss on account of theft of fixed assets, pending investigation, has been made @ 100% of the balance appearing at the end of the year.
- 9) (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.
- 10) 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".
- 11) (a) The energy is being purchased as a bulk supply from UPPCL (The Holding Company).
(b) UPPTCL has charged the Transmission charges @ Rs. 0.126 per KWH.
- 12) Supplementary Revised Transmission Charges Bill payable to UPPTCL for the year 2008-09, received after finalisation of Final Account for the year 2008-09, have been accounted for this year in Schedule No-22 "Net Prior Period, Income/(Expenses)".
- 13) 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.
- 14) 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 during the year has been made @ 16.70% and 2.38% respectively on the amount of Basic Pay and DA paid to the employees.
- 15) Liability towards Staff training expenses, Medical expenses, Leave Encashment and LTC has been provided to the extent established.



Report

Signature

Date

11/11/08

- 16) The reconciliation of Inter Unit Transfer balances amounting to debit Rs. 59.58 crore (previous year debit Rs. 56.73 crore) is in process and the effects of reconciliation, if any, will be provided for in the forthcoming years.
- 17) Rebate received against timely repayment of loan has been accounted for on cash basis.
- 18) Expenditure on UP Power Sector Employees Trust amounting to Rs. 37.85 (previous year 25.56) lacs, distributed on prorata basis has been accounted for as intimated by the Holding Company.
- 19) The recovery of advances to employee granted before the incorporation of Company is being accounted for in the books of the Nigam.
- 20) Employees cost includes remuneration to Managing Director and Directors as under.

	Amount (Rs. in Lacs)	
	2009-10	2008-09
Salary and Allowance	17.35	12.21
Contribution to Gratuity/Pension	2.58	2.05

- 21) Payment to Directors and Officers in foreign currency towards foreign tour was Nil. (previous period - NIL)
- 22) Debts due from Directors were Rs. NIL. (Previous period - NIL)
- 23) Information pursuant of provision of Part I & II of Schedule VI of Companies Act, 1956 are as under :-

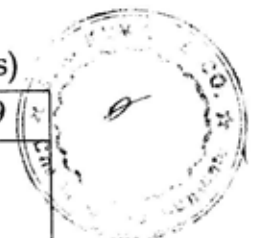
(a) Quantitative Details of Energy Purchased & Sold :-

Sl.No.	Details	2009-10	2008-09
(i)	Total no. of Units Purchased (MU)	18236.906	17372.71
(ii)	Total no. of Units sold (MU)	13007.610	12531.96
(iii)	Transmission & Distribution Losses	28.67%	27.86%

(b) Contingent Liabilities under different categories i.e. Claims against the company not acknowledged as debts, Capital commitment and Contingencies for the year is Rs. 0.57 crore (previous year Rs. 1.06 crore).

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

	(Rs. In lacs)	
Details	2009-10	2008-09
(i) As auditor	-	-
(x) Audit fees	27.53	44.20
(y) T.A. expenses	1.68	2.31
(ii) As advisor	-	-



Report
S.M.O.

(x) Taxation matters


(y) Company law matters

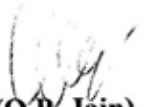
(iii) In any other manner

- 24) Cash Flow Statement has been prepared by following the Indirect Method.
- 25) Government dues in respect of Electricity Duty and other levies amounting to Rs. 132.86 crore shown in schedule -11 includes Rs. 40.29 crore on account of compounding charges realised from consumers.
- 26) 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.
- 27) 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"
- 28) 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.
- 29) 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.
- 30) The figures shown in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest Rupee.
- 31) Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.


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


(P.K. Agarwal)
Dy. G.M.(Accounts)


(R.P. Gupta)
Director(Finance)


(O.P. Jain)
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.
- (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.

3) DEPRECIATION

- (a) Depreciation is charged on straight line method as prescribed in the schedule XIV of Indian Companies Act 1956.
- (b) Fixed assets are depreciated up to 95% of original cost after taking 5% 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.

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- (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) Assessment of own energy consumption is done on the basis of connected load/hours of supply/meters.
- (e) Sale of energy is accounted for based on tariff rates approved by U.P. Electricity Regulatory Commission.
- (f) In case of detection of theft of energy, the consumer is billed on laid down norms irrespective of actual realisation from the consumer.
- (g) 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**

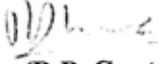
The bulk power purchase from UPPCL, is accounted for on the basis of bills raised by the UPPCL, the holding company.

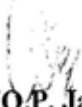
7) **RETIREMENT BENEFITS**

- (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.


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


(P.K. Agarwal)
Dy. G.M.(Accounts)


(R.P. Gupta)
Director(Finance)



(O.P. Jain)
Managing Director




CASH FLOW STATEMENT

(Rs. in Crore)

	Year 2009-10	Year 2008-09
Cash Flow from operating activities		
Net Loss before prior period expenses	-544.95	-485.02
<u>Adjustment for</u>		
Depreciation	171.28	153.06
Provisions including Bad Debts	0.96	0.76
Interest expenses (Financing)	161.08	137.21
Interest income		
Deferred Cost		
Prior period adjustments (Net)	-83.61	-151.19
SUB TOTAL	-295.24	-345.18
Operating profit before working capital change		
<u>Working Capital changes</u>		
Sundry Debtors	-243.92	-82.75
Stores' Spares	-1.42	-42.46
Other Current Assets	-115.19	182.50
Loans & Advances	17.49	39.24
Inter Unit Transfers	-2.85	-30.58
Current Liabilities	729.83	511.28
Current Assets/Liabilities transferred from UPPCL		
SUB TOTAL	383.94	577.23
Net cash from operating activities- A	88.70	232.05
Cash flow from investing activities		
Additions to fixed assets & WIP	-595.03	-227.44
Investment in Discoms (Subsidiaries)		
Interest received		
Fixed assets transferred from UPPCL		
Net Cash flow from investing activities- B	-595.03	-227.44
Cash flow from financing activities		
Proceeds from Share Capital	336.26	-69.72
Proceeds from borrowings (Net)	421.89	124.94
Proceeds from consumers' contribution and GoUP Capital Subsidy	138.06	112.92
Interest paid on borrowings	-161.08	-137.21
Restructuring Account		
Loans/Liabilities transferred from UPPCL		
Net Cash flow from financing activities- C	735.13	30.93
Net increase in Cash and Cash equivalents (A+B+C)	228.80	35.54
Cash and Cash equivalents at the beginning of the Year	391.79	356.25
Cash and Cash equivalents at the end of the Year	620.59	391.79


(H.K. Agarwal)
Company Secretary
Part Time


(P.K. Agarwal)
Dy. G.M.(Accounts)


(R.P. Gupta)
Director(Finance)


(O.P. Jain)
Managing Director

Place : Meerut
Date :



PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,

Urja Bhawan, Victoria Park, Meerut

1 Registration details

Registration No. -

20 - 27458

State Code

20

Balance Sheet Date

31

3

2010

Date

Month

Year

2 Capital raised during the year

(Amount in Rupees Thousands)

Public Issue

-

Bonus Issue

-

Right Issue

-

Private Placement

-

3 Position of Mobilisation and Development of Funds

(Amount in Rupees Thousands)

Total Liabilities

39207080

Total Assets

39207080

Sources of Funds :

Paid Up Capital

5599536

Reserves & Surplus

8024257

Share App. Money pending for allotment

9751541

Secured Loans

11109343

Unsecured Loans

4722403

Applications of Funds :

Net Fixed Assets

25670322

Miscellaneous Expenditure

0

Accumulated Losses

38352947

Net Current Assets

-24816189

Investments

-

4 Performance of the Company

(Amount in Rupees Thousands)

Turnover (Gross Revenue)

51516090

Total Expenditure**

57801685

(+/-) Profit/Loss before Tax

-6285595

(+/-) Profit/Loss after Tax

-6285595

Earning per Share (in Rupees)

-1123

Dividend rate in %

NIL

Product/Service description

(i) Purchase of Electricity

(ii) Distribution and Sale of Electricity

Item code No.

NA

NA

** Including Prior Period Expenditure

(H.K. Agarwal)

Company Secretary

Part Time

(P.K. Agarwal)

Dy. G.M.(Accounts)

(R.P. Gupta)

Director(Finance)

(O.P. Jain)

Managing Director



For S.K. Kumar & Co.
Chartered Accountants

CA AQUIL SHABBIR FCA
Partner

To
The Members of
Paschimanchal Vidyut Vitran Nigam Ltd
Urja Bhawan, Victoria Park
Meerut

1. We have audited the attached Balance Sheet of PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD MEERUT as at 31-03-2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto wherein accounts of 3 Zones audited by the respective Zonal Auditors are incorporated. 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 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 a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and overall financial statement's 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 Government of India in terms of Subsection (4A) of section 227 of the Companies Act, 1956, we enclose the ANNEXURE 1, a statement on the matter specified in paragraph 4 and 5 of the said order.
4. We draw the attention to ANNEXURE-2.
5. The Annual Accounts for the financial year 2008-09 adopted by the Board of Directors on 19-11-2012 is yet to be adopted in Annual General Meeting of Share Holders which is likely to be held shortly.
6. Further to our comments in the Annexure referred to in para 3 and also para 4 above we report that :-
 - (i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit except those which are mentioned in the Report or annexure to the report;
 - (ii) In our opinion proper books of Account as required by law have been kept by the Company as required by law so far as appears from our examination of these Books and returns (audited by Zonal Auditors) received from the zones except those which are mentioned in the Report or annexure to report;
 - (iii) The Company for working purpose is bifurcated into three zones namely Meerut, Moradabad and Saharanpur Zone and the Report of these zonal auditors/ branch auditors have been forwarded to us and the Report have been prepared by incorporating the observations of the branch auditors.



- (iv) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with in the report are in agreement with the books of account and with the returns received from the Zones; subject to para 1 of ANNEXURE-2 .
- (v) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account and comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except those which are mentioned in Annexure- 2
- (vi) Being a Government company, pursuant to the General Circular no. 8 of 2002 dated 22nd March 2002 issued by the Company Law Board, provisions of clause (g) of sub section (1) of section 274 of the Companies Act 1956, are not applicable to the company.
- (vii) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manners so required and give a true and fair view in the conformity with the accounting principles generally accepted in India.
- a) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31-03-2010
- b) In the case of the Profit and Loss Account of the Loss for the year ended on that date and
- c) In the case of the Cash Flow Statement of the Cash flows for the year ended on that date

FOR S.K. KUMAR & CO
CHARTERED ACCOUNTANTS

Aquil Shabbir

CA AQUIL SHABBIR FCA
CHARTERED ACCOUNTANT
PARTNER
M.NO. 400805
PLACE: MEERUT
DATE: 17/12/2012



Statement referred to in paragraph (3) of our report of even date to the members of PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED on the accounts for the year ended 31st March 2010.

- i) a) The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has not carried out physical verification of the fixed assets.
- c) No fixed asset has been disposed off during the period, which affects the going concern assumption.
- ii) a) The stock of stores and spare parts have been physically verified by the management. The Zonal Auditors have stated that the procedure of physical verification of stock of stores and spares is reasonable and adequate.
- b) Some of the divisions and sub-divisions of Zones have not adopted proper procedure in relation to the physical verification of inventory having regards to the size of the Company and nature of its business.
- c) Though the Company is maintaining the records of inventory at unit level but in our opinion these needs further improvement. Stores ledgers (3S & 4S) and Tools & Plant Registers (3T & 4T) in Saharanpur Zone are not maintained at divisional office.
- d) Stocks have been physically verified by the management during the last year and treatment of discrepancies in the books of account has been done by the units.
- iii) The Company has not granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties to be covered in the register required maintained under section 301 of the Companies Act, 1956.
- iv) Although there is an adequate internal control system commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and for the sale of electrical energy but the internal control system needs further improvement to eliminate the discrepancies in the internal controls:-
 - (a) In Meerut Zone Branch Auditors observed that while verifying the 1S & 2S registers, the Sub-Division-Officers have not done the Physical verifications of Stock in hand with JEs.
 - (b) In EDD Hapur, EDD-IV Noida and EDD Khurja record of consumer security deposit is not maintained properly.
- v) As informed to us, there are no such 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.



- vi) The Company has not accepted any deposits from public during the year.
- vii) The Company has an internal audit system but having regard to the size and nature of its business, the internal audit system needs further strengthening.
- viii) The company has not maintained the cost records prescribed under section 209(I)(d) of the companies Act, 1956.
- ix) (a) As per the records produced before us and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues applicable to it like Provident fund, Income Tax, Customs Duty, Cess etc. with the appropriate authorities and there are following arrears:

S.No	Particulars	Amount (Rs. in Crores)	Amount payable to
1	Electricity Duty and other levies	132.86	U.P. Govt.
2	GPF, Pension and Gratuity	320.77	Employees Trust
3	CPF	0.60	Employees Trust

- (b) According to the records of the Company and explanation and informations given to us there are no dues of Trade Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty which have not been deposited on account of any dispute.
- x) The company has been registered for a period not less than five years and its accumulated losses at the end of the financial year are not less than 50% of its net worth.
- The accumulated losses of the company at the end of the financial year are Rs. 3835.29 Crores and its net worth at the end of the financial year is Rs. (-)1497.76 Crores. Therefore, accumulated losses are (-)256.07% of its net worth. The company has cash losses of Rs. 345.18 Crores in the immediately preceding financial year.
- xi) As per information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- xii) The company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund / nidhi / mutual benefit fund / societies, hence Clause (XIII) of para 4 of the order is not applicable.
- xiv) In our opinion, the Company is not dealing or trading in shares, debentures or other investments hence clause XIV of para 4 of the order is not applicable.
- xv) As informed to us company has not given any guarantee for loans taken by others.
- xvi) As per the information and explanations given to us, the loan fund have been utilized for the purpose they were received.



- xvii) As per the information and explanations given to us, the funds received on short-term basis have not been used for long-term investment.
- xviii) The Company has not made any preferential allotments of shares, hence clause XVIII of para 4 of the order is not applicable.
- xix) As per the records of the company, the company has not issued any debentures, hence clause XIX is not applicable.
- xx) The company has not raised any money by public issue; hence clause XX is not applicable to the company.
- xxi) It was explained to us that no fraud has occurred during the year.

FOR S.K. KUMAR & CO
CHARTERED ACCOUNTANTS

Aquil Shabbir

CA AQUIL SHABBIR FCA
CHARTERED ACCOUNTANT
PARTNER
M.NO. 400805
PLACE: MEERUT
DATE: 17/12/2012



Statement referred to in paragraph-5 (iv & v) of our report of even date to the members of PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED on the accounts for the year ended 31st March 2010.

1. In the Books of accounts of Zones and Units/Divisions, the Opening Balance as on 12-08-2003 in respect of assets and liabilities has been taken on the basis of existed balance as on 11-8-2003 in the Books of Uttar Pradesh Power Corporation Limited (the holding company) but Balance Sheet and profit and Loss Accounts are prepared by taking Opening Balance as on 12-08-2003 in respect of Assets and Liabilities on the basis of balances provided in the Transfer Scheme 2003. The details of breakup of individual assets and liabilities are under finalization. In absence of item wise detail of individual assets and liabilities transferred to company and pending reconciliation of balances, the correctness of the book balances and the effect of the same on the assets and liabilities and profit and loss account cannot be ascertained.
2. The approval of Commissioner of Income Tax for the registration of Uttar Pradesh Power Sector Employees Trust for GPF has not been provided.
3. As regards to Balance confirmation from Debtors/Creditors, Lenders, Bankers etc. for Head Office letter has been sent but no reply is yet received.
4. The company is working as per business plan approved for this purpose.
5. The company has purchased 18236.906 MU and sold 13007.610 MU units as such there is a Distribution/Transmission loss of 28.67%.
6. Party wise ledgers are not maintained. However the company has a system of maintaining various sectional journal where in vouchers relating to day to day transactions are recorded and the final Trial Balance, the Balance Sheet and the Profit and Loss Account is drawn on the basis of transactions recorded in these sectional journals.
7. The power is purchased from Uttar Pradesh Power Corporation Limited (the Holding Company) and accounted for on the basis of bill raised by Uttar Pradesh Power Corporation Limited.
8. Sundry Creditors are not classified into micro and small enterprises and other than micro and small enterprises so as to ascertain the dues to micro and small enterprises.
9. The Company has contravened the provisions of section 383 A of the Companies Act, 1956 by not appointing the whole time Company Secretary.
10. **Points observed by Zonal Auditors:-**
 - (A) **Moradabad Zone**
 - i) Most of the units of the Moradabad zone has done physical verification of the stock and stores, as we have relied on the internal auditors report to the extent of measurement of



stock quantities and their physical verification by them, we do not rely on the accuracy of the physical verification reports due to the qualifications made by the internal auditors on measurement of stock items.

- ii) Since no confirmation/Statements are produced before us in respect of balances under sundry debtors, advances, current liabilities including advances to contractors, advance to employees, security deposits by consumers, material with contractors etc: we are unable to comment upon the impact, if any, on account of reconciliation of balances.
- iii) *The unit except Urban Construction Division, Moradabad, does not maintain Works register which is very essential for the control over receipt & issue of material. In the absence of such register a clear reflection of all receipt & issue of material against particular work (either deposits work or plan work) can't be ascertained.*
- iv) *Title deeds of Land & building are not produced before us for our verification. We are advised that the said documents are under the jurisdiction of Civil Division, which is not part of the zone.*
- v) Material in stock: The assets that are discarded are taken into stock account (AG22) after providing depreciation on estimated basis, the proper fixed assets register is not maintained. Age wise details of materials in hand are not prepared. The exact financial implication on account of above is not ascertained.
- vi) Bill revision in the business of Electricity Distribution is a regular process. We have observed that on revision, the amounts of bills are not adjusted in the relevant financial year. The impact of the same could not be ascertained.
- vii) Almost in all the divisions, we observed that report 11 reflects very large number of cases where consumer is not billed for long (two years or more) because of temporary disconnection. Arrears against such consumers are due for same period.
- viii) *Substantial difference exists between balances of debtors as per commercial diary (MIS) and as per Debtors balances in books of account. The management does not ascertain the exact amount of difference and its financial implication on reconciliation. However based on our test checking, transaction occurred during the year in case of Electricity charges and Electricity duty(sale of power) are reconciled with Commercial Statement-4.*
- ix) Balances of the units/ divisions/ zone accounts with head office are subject to reconciliation/ confirmation.
- x) *Bank Reconciliation statements are prepared by the units but, old entries are lying and these outstanding entries in Bank Reconciliation are required to be adjusted.*
- xi) *Huge amount is lying in the form of advance to the employees the recovery of which is not satisfactory therefore, it is recommended that the management should take necessary step for the recovery of advance which are pending for long period.*
- xii) TDS Return in some divisions has been filed late.



xiii) Complete details of retention money are not kept in Electricity Stores Division, Moradabad.

(B) Meerut Zone

- i) Miscellaneous advances are lying in EDD-Khurja, EUDD-I, Meerut, EDD-Baghpat, EDD-Hapur, EDD-III, Bulandshahr, EDD-Mawana from more than 8 years and no action has been taken by the divisions for adjustment of advances. It is recommended that the management should take necessary steps for the recovery of advances which are pending from long period.
- ii) In EUDD-I, Noida uncashed cheques are lying in Bank Reconciliation since long and no action have been taken on stale cheques.
- iii) Bank Reconciliation statements are prepared by the units but, old entries are lying and these outstanding entries in Bank Reconciliation are required to be adjusted.

(C) Saharanpur Zone

- i) Branch Auditors has informed that the capital work in progress/fixed assets of Rs. 203,51,71,861.75 as on 11.08.2003 shown by UPPCL as closing balance in the duly audited accounts were taken over as opening balance by PVVNL on 12.08.2003. Branch Auditors have been informed that no fixed assets register as of 11.08.2003 was provided by UPPCL to PVVNL and in absence of which individual assets could not be worked out.
- ii) We were explained that employee's cost and administration expenses to capital works are capitalized @ 15% on distribution and Rural Electrification works, other works, deposit works, etc which amounts to negative balance of establishment expenses, sometimes. In our opinion its percentage should be based on percentage of actual expenditure.
- iii) The valuation of the stock has following discrepancies:-
 - a) The Controlling Stock Registers 3S & 4S are not maintained at Divisional Office level.
 - b) There are damaged items in the stock lists. The rates of the same are not provided in the central list. In absence of any central list, the rates of damaged items adopted at divisional offices are not verifiable being technical in nature.
 - c) Manual system of valuation and compilation of stock is not appropriate in view of the size and nature of activities conducted at divisional level.
- iv) Recovery of misc. advance of Rs. 464356.22 is pending from the claims of Sri. C.V. Tyagi (JE) Ex-employee.
- v) Miscellaneous advance against employees are lying outstanding in various Units since long and no action has been taken by the Divisions for adjustment of advances. It is recommended that the management should take necessary steps for the recovery of advances which are pending.



- vi) The balance in various accounts has not been classified into good and doubtful of recovery. The provision if any required for doubtful debts shall be made by Head Office. Huge amounts are shown as debtors. The proper procedure/guidelines to identify the bad debts and/or approving authority for giving approval for providing bad debts in the books of accounts has not been shown to us.
- vii) It is advised to have proper internal control over the differences of stocks between valuation of stock as per amount and the valuation of stock as per stock inventory i.e. Material Cost Variance.
- viii) Branch Auditor of the Zone has observed that in some of the bank accounts normal unexplained amounts debited by the bank are appearing in the reconciliation. Similarly, some of the cheques deposited are not credited by the bank in the accounts of divisional office. In some cases the bank charges debited by the bank have not been recognized in the books of accounts. The details of such debit entries made by the bank, bank charges not entered and cheque deposited but not cleared are given in Schedule-A.
11. The Company has partly complied with AS-2 "Valuation of Inventions" AS-6 "Depreciation Accounting" AS-9 "Revenue Recognition" AS-10 "Accounting of fixed assets" AS-12 "Accounting of Government Grants" AS-15 "Accounting of Retirement Benefits" AS-16 "Borrowing Cost" AS-22 "Accounting of Deferred tax assets" AS-26 "Intangible Assets" AS-28 "Impairment of Assets" and AS-29 "Accounting of Provisions, Contingent liabilities and Assets".
12. *The loss of the company as reported in the Balance Sheet amounts to Rs. 628.56 crores may increase due to qualifications raised by the Auditors.*

FOR S.K. KUMAR & CO
CHARTERED ACCOUNTANTS

Aquil Shabbir

CA AQUIL SHABBIR FCA
CHARTERED ACCOUNTANT
PARTNER
M.NO. 400805
PLACE: MEERUT
DATE: 17/12/2012



SCHEDULE-A

BANK RECONCILIATION DETAILS
 PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.
 FOR THE YEAR ENDING ON 31.03.2010 (SAHARANPUR ZONE)

Sl.	Name of Unit	Place	Bank A/c	CHEQUE DEPOSITED BUT NOT CREDITED BY BANK				Other Amounts debited by Bank					Remarks
				O/S before 1.4.2009	O/S C.Y More than 6 months	O/S C.Y less than 6 months	Bank Charges L.Y	Bank Charges C.Y	Other Debits L.Y	Other Debits C.Y			
1	2	3	4	5	6	7	8	9	10	11	12		
				Provision recommended			Provision recommended	Provision recommended	Provision recommended				
1	EUDD-I	SRE	ICICI Exp ICICI Receipt ICICI Capital ICICI Receipt ICICI Capital	- 548103.00 - - -	- 3200.00 - - -	- 4341060.00 - - -	- 101485.00 - - -	- 26591.00 - - -	- 80564.12 21375.08 93576.00 -	3735.81 - - - 25301.22	Checked Checked Checked Checked Checked		
2	EUDD-II	SRE									Checked		
3	EDD-I	SRE	CBI Exp CBI Receipt	- -	- -	- -	- -	- -	- 188741.28	- -	Checked Checked		
4	EDD-II	SRE	CBI Receipt	-	-	-	-	-	4917244.64	82010.00	Checked		
5	EDD	DEOBAND	PNB Receipt PNB Receipt PNB Receipt PNB Receipt	- 44113.00 -	- -	- -	- -	100.00 4985.00	- -	- 3839.00	Checked Checked Checked Checked		
6	EUDD-I	MZN	PNB Receipt SBI Capital	- -	- 26887.00	- -	- -	- -	- -	- -	Note 2 Checked		
7	EUDD-I	MZN	CBI Receipt	-	-	-	-	-	46043.00	-	Checked		
8	EDD-I	MZN	CBI Exp CBI Receipt CBI Capital	- 666137.82 20000.00	- -	- -	336.00 -	110.00 -	14056.97 391348.27	40.00 -	Checked Checked Checked		
9	EDD-I	SHAMLI	PNB Exp PNB Receipt PNB OTS PNB Capital SBI Receipt SBI Receipt SBI Receipt SBI Receipt	- - - - - - -	- - - - - - 329297.00	- - - - - - 1286449.00	53107.95 216709.00 660.00 150.00 -	42711.00 660.00 110.00 -	13875.00 19909.21 5897.00 500.00 1148242.00	- - - 873.00 600.00 818598.00 125338.00	Checked Note 3 Checked Checked Checked Note 4 Checked		
10	EDD-II	SHAMLI									Checked		
Total				1278353.82	359384.00	8787149.00	372997.95	75817.00	7174717.57	1060435.03			

Note 1 Provision recommended for Rs. 8901886.34 of columns no (5,8,9,10)
 Note 2 Rs. 26887 cash deposited in capital a/c for which is till now unknown whether it is exist or not
 Note 3 Cash robbery of Rs. 15710 is shown in reconciliation from march 1991
 Note 4 Cheque of Rs. 20000000 was dishonored and reduced from the bank.

