

पश्चिमांचल विद्युत वितरण निगम लि०

PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.



ANNUAL ACCOUNTS FOR THE YEAR 2010-11

Registered Office : Urja Bhawan Victoria Park, Meerut

CONTENTS

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PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT

BALANCE SHEET As at 31.03.2011

(Amount in Rs.)

PARTICULAR	SCHEDULE	As at 31.03.11	As at 31.03.10
<u>SOURCES OF FUNDS</u>			
<u>Shareholders funds :</u>			
Share Capital	(1)	8050280000	5599536000
Share Application Money	(1A)	10341183096	9751540656
Reserve & Surplus	(2)	9356657005	27748120101
			8024256614
			23375333270
<u>Loan Funds</u>			
Secured Loans	(3)	7556842312	11109343407
Unsecured Loans		5099208737	12656051049
			4722403500
			15831746907
TOTAL		40404171150	39207080177

APPLICATION OF FUNDS

Fixed Assets

Gross Block		50246255616	45120781270
Less-Accumulated Depreciation	(4)	22852125347	21216483127
Net Block		27394130269	23904298143
Capital Work in Progress	(5)	1769162410	29163292679
			1766023567
			25670321710

Current Assets, Loans & Advances

Stores & Spares	(6)	2385198951	1812942798
Sundry Debtors	(7)	16920384321	10940084241
Cash and Bank Balances	(8)	6978076984	6205918843
Other Current Assets	(9)	5890618581	4499552370
Loans & Advances	(10)	1764156849	1774126498
Inter Unit Transfer		892722825	595802116
		34831158511	25828426866
		66470065007	50644615917

Less : Current Liabilities & Provisions


Net Current Assets		(31638906496)	(24816189051)
Profit & Loss Account (Debit Balance)		42879784967	38352947518

Notes on Accounts (23)

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

TOTAL		40404171150	39207080177
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(H.K. Agarwal)
Company Secretary
Part Time


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


(R.P. Gupta)
Director(Finance)


(Vijay Vishwas Pant)
Managing Director

Place : Meerut


Date :

04 MAR 2013



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 01.04.10 TO 31.03.11

(Amount in Rs.)

PARTICULAR	SCHEDULE	FOR THE PERIOD FROM 01.04.10 TO 31.03.11	FOR THE PERIOD FROM 01.04.09 TO 31.03.10
<u>INCOME</u>			
Revenue from sale of power (Gross)		58564321578	46203597389
Less Electricity Duty	(12)	<u>1265305299</u>	<u>1051852087</u>
Energy internally Consumed		75311532	64695748
Revenue Subsidies & Grants	(13)	5796900000	5494600000
Other income	(14)	1269853876	805049359
TOTAL		64441081687	51516090409

EXPENDITURE

Purchase of Power	(15)	59115235130	48145431840
Wheeling Charges		2474591238	2297850156
Repair & Maintenance Expenses	(16)	1434234256	1236285433
Employees Cost	(17)	1959214637	1664247256
Administrative, General & Other Expenses	(18)	293789510	202325076
Interest and Finance Charges	(19)	1666382846	1610803957
Depreciation	(20)	1890392022	1712821082
Provisions	(21)	93999384	95840672
TOTAL		68927839023	56965605472

Profit/(Loss) For the Year (4486757336) (5449515063)

Net prior period
Income/(Expenditure) (22) (40080113) (836080691)

Net Profit/(Loss) for the year (4526837449) (6285595754)

Accumulated loss brought forward (38352947518) (32067351764)


Net Profit/(Loss) Carried Over to Balance Sheet (42879784967) (38352947518)

Notes on Accounts (23)

Earning per share (562) (1123)


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

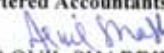

(Vijay Vishwas Pant)
Managing Director

Place : Meerut
Date :

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

SCHEDULE - 1

SHARE CAPITAL

PARTICULARS	(Amount in Rs.)	
	As at 31.03.11	As at 31.03.10
A. AUTHORISED	20000000000	20000000000
20000000 Equity Shares of Rs.1000/-each		
B. ISSUED SUBSCRIBED AND PAID UP		
(i) 8049780(5599536) Equity Share of Rs.1000/- each fully paid up	8049780000	5599036000
(ii) Promotors' Shares (500 Equity Share of Rs. 1000/- each)	500000	500000
TOTAL	8050280000	5599536000

SHARE APPLICATION MONEY

SCHEDULE - 1A

PARTICULARS	(Amount in Rs.)	
	As at 31.03.11	As at 31.03.10
SHARE APPLICATION MONEY		
(Pending for allotment to UPPCL)	10341183096	9751540656
TOTAL	10341183096	9751540656

RESERVES AND SURPLUS

SCHEDULE - 2

PARTICULARS	(Amount in Rs.)	
	As at 31.03.11	As at 31.03.10
A Capital Reserve		
i) Consumers Contributions towards Service Line and other charges	8493324863	7106304389
B Grants	857087415	911707498
B Restructuring reserve account	6244727	6244727
TOTAL	9356657005	8024256614


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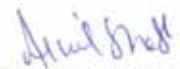

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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT**

SCHEDULE - 3

LOAN FUNDS

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
A. SECURED LOAN -		
(a) TERMS LOAN		
i) APDRP (PFC) (Secured against hypothecation of all the assets created under the loan)	1519222752	1746683371
ii) R-APDRP (PFC)	1320198600	609033600
iii) Power Finance Corporation Ltd. (Against theft prevention scheme. Secured against hypothecation of assets created)	323630011	373419243
iv) REC (For replacement of Overhead conductor with ABC conductor) (Secured against hypothecation of all the assets created under the loan)	372929601	261656000
v) REC (Construction of 33 KV s/s. Secured against hypothecation of assets created under the loan and charge on receivable of specified receipt accounts through escrow arrangements)	187528000	
(b) SHORT TERMS LOAN-		
Rural Electrification Corporation Ltd.	3833333348	4378787886
i) (Secured against hypothecation of stores and charge on receivables of specified receipt accounts through escrow arrangements)		
ii) Power Finance Corporation Ltd. (Charge on Receivables of specified receipt accounts through escrow arrangements)		3739763307
Sub Total (A)	7556842312	11109343407
B. UNSECURED LOANS - (Transfer Scheme)		
(a) TERM LOANS :		
i) Govt. of U.P.	37500000	37500000
FINANCIAL INSTITUTIONS		
ii) Rural Electrification Corporation Ltd. (Guaranted by U.P. Govt.)	1997785223	2137302354
Interest accrued & due	<u>9769719</u>	<u>183441098</u>
	2007554942	2320743452
iii) Power Finance Corporation Ltd. (Guaranted by U.P. Govt.)	93106944	116744367
iv) NCRPB	12424750	24849500
Sub Total (B)	2150586636	2499837319


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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 31.03.11	As at 31.03.10
C. <u>LOAN TAKEN BY UPPCL ON BEHALF OF</u>		
<u>PVVNL</u>		
i) <u>Rural Electrification Corporation Ltd.</u>		31342687
ii) <u>Power Finance Corporation Ltd.</u>		11339494
iii) <u>U.P. Govt.(APDRP)</u>		
Loan	425165000	425165000
iv) <u>U.P. Govt.(W.B. Aided Project)</u>		
Loan	855544000	855544000
v) <u>HUDCO</u>	1667913101	899175000
Sub Total D	2948622101	2222566181
TOTAL	12656051049	15831746907


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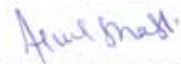

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PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT


SCHEDULE - 4 - Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	As at 31.03.10	Additions	Deductions/ Adjustments	As at 31.03.11	As at 31.03.10	Additions	Deductions/ Adjustments	As at 31.03.11	As at 31.03.10
Land & Land Rights									
(i) Unclassified									
(ii) Freehold Land	10045794			10045794				10045794	10045794
Buildings	290190944	75539193		365730137	26695162	10953883		328081092	263495782
Plant & Machinery	8972594456	6573745585	4479008483	11067331558	-1351179338	605468189	748292444	12561335151	10323773794
Lines, Cable Network etc.	11947495009	3510738754	560054307	14898179456	1215570987	679259007	48460050	13051809512	10731924022
Vehicles	1707557		227422	1480135	584496	162218	204680	938101	1123061
Furniture & Fixtures	10599702	116888		10716590	1678620	674661		8363309	8921082
Office Equipments	8947808	4624138		13571946	3739354	1819436		8013156	5208454
Transfer Scheme	23879200000			23879200000	21319393846	1134262000		1425544154	2559806154
Total	45120781270	10164764558	5039290212	50246255616	21216483127	2432599394	796957174	27394130259	23904298143


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Chartered Accountants



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

SCHEDULE - 5

CAPITAL WORKS IN PROGRESS

PARTICULARS	(Amount in Rs.)	
	As at 31.03.11	As at 31.03.10
Capital Work in Progress*	1769162410	1585764088
Add revenue expenditure pending for capitalisation**		180259479
TOTAL	1769162410	1766023567

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 31.03.11	As at 31.03.10
Stock of Materials	2848298951	2276042798
Less: Provision for unserviceable store	463100000	463100000
TOTAL	2385198951	1812942798

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)
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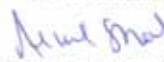

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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT**

SCHEDULE - 7

SUNDRY DEBTORS

(Amount in Rs.)


PARTICULARS	As at 31.03.11	As at 31.03.10
Sundry Debtors	33688384321	27708084241
Unsecured & considered good	16920384321	10940084241
Considered doubtful	16768000000	16768000000
	33688384321	27708084241
Less - Provision for Bad & Doubtful Debts	16768000000	16768000000
TOTAL	16920384321	10940084241


SCHEDULE - 8

CASH AND BANK BALANCES

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
<u>CASH IN HAND</u>		
Meerut Zone	352824638	885754551
Ghaziabad Zone	709902921	
Moradabad Zone	413723130	304646605
Saharanpur Zone	563786951	307358009
Head Office	217185	321261
	2040454825	1498080426
<u>Balances with Scheduled Banks</u>		
Meerut Zone	401372946	2445261847
Ghaziabad Zone	2268090130	
Moradabad Zone	453085016	426346054
Saharanpur Zone	267290124	248043155
Head Office	1547783943	1588187361
	4937622159	4707838417
TOTAL	6978076984	6205918843


(H.K. Agarwal)
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Director(Finance)


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

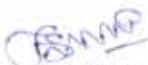
SCHEDULE - 9

OTHER CURRENT ASSETS

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
Income accrued but not received	12188300	15470616
<u>Receivables</u>		
UPPCL	4257905650	2721507007
UP Rajya Vidyut Utpadan Nigam Ltd		
UPPTCL	43307173	32754152
<u>Receivables on Account of Loan</u>		
UPPCL	3171455295	2860507194
Less Liabilities against Loan	<u>-2004150679</u>	<u>-1493585952</u>
<u>Other Receivables</u>		
Employees	154977316	132338285
Less Provision for doubtful Receivable	<u>-16209536</u>	<u>-13956793</u>
Receivables as per Transfer Scheme	219800000	219800000
Prepaid Expenses	2188563	2043738
Misc. Receivable	33140108	10119221
Receivable from Insurance Company	136416	136416
Theft of fixed Assets pending investigation	438470219	346723578
Less Provision for Estimated Loss	<u>-438470219</u>	<u>-346723578</u>
<u>Deposits</u>		
Tax deducted at source	15879975	12418486
TOTAL	5890618581	4499552370


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

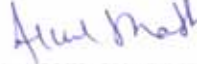

(R.P. Gupta)
Director(Finance)


(Vijay Vishwas Pant)
Managing Director



For S.K. Kumar & Co.

Chartered Accountants


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Partner

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

SCHEDULE - 10


LOANS AND ADVANCES

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
<u>A. LOANS (Secured/considered good)</u>		
Employees (including advances) (Recoverable from salary)	140959	232201
<u>B. ADVANCES (Unsecured)</u>		
Suppliers / Contractors	1764015890	1773894297
TOTAL	1764156849	1774126498


(H.K. Agarwal)
Company Secretary
Part Time

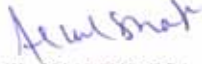

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Dy. G.M.(Accounts)


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Director(Finance)


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Managing Director



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Partner

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


SCHEDULE - 11


CURRENT LIABILITIES AND PROVISIONS

(Amount in Rs.)

PARTICULARS	As at 31.03.11		As at 31.03.10	
Liability for Purchase of Power : M/S UPPCL		38362830310		26855229790
Wheeling Charges : M/S UPPTCL		3730491259		2082126634
Liabilities As per Transfer Scheme 2003	4148800000		4148800000	
Staff Related Liabilities	902692943		963130280	
Sundry Liabilities	(1089542)		(1358347)	
Liabilities for Expenses	33820643		45339210	
Power Purchase Liab. Dhampur Sugar Mill	(372923)		(372923)	
Liability for Capital and O&M Supplies/Works	2831806865		2420145173	
Financial contribution by consumers	(1512)	7915656474	(1512)	7575681881
Deposits & Retentions from Suppliers & Others		446054637		351394924
Electricity Duty & Other Levies payable to Govt.		1742839455		1328576356
Deposit for Electrification works		225372058		58158168
Other Liabilities payable to :				
UPPCL		3619176926		3062859401
Madhyanchal Vidyut Vitran Nigam Ltd		77809973		77945120
Purvanchal Vidyut Vitran Nigam Ltd		36002655		14349655
Dakshinanchal Vidyut Vitran Nigam Ltd		23785352		23574412
KESCO		97651		
General Provident Fund	2860462459		2734714589	
Pension and Gratuity	472493893	3332956352	473008112	3207722701
CPF		9446191		5968719
Interest Accrued but not Due on Borrowings		69357275		95198443
Security Deposits from Consumers	6433423030		5680526718	
Interest on Security Deposits from Consumers	439619451	6873042481	221930276	5902456994
Provisions :				
Provision for Audit Expenses		5145958		3372719
TOTAL		66470065007		50644615917


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

SCHEDULE - 12

REVENUE FROM SALE OF POWER

	(Amount in Rs.)	
PARTICULARS	2010-11	2009-10
<u>Large Supply Consumers</u>		
Industrial	27323909077	21440712103
Irrigation	1084792	3594991
Public Water Works	1022640750	851155243
<u>Small & Others Consumers</u>		
Domestic	14446233377	11206711859
Commercial	5045833460	3813166903
Industrial Low & Medium Voltage	4509292359	3670457792
Public Lighting	694527657	473808437
STW & Pump Canals	872906432	741567927
PTW & Sewage Pumping	2221618572	2018192618
Institution	825292315	716185133
Railway	107965563	6633600
Assessment against Theft	245802213	225680681
Miscellaneous Charges from consumers	57221244	48573763
Less - Energy internally Consumed	(75311532)	(64695748)
Sub Total	57299016279	45151745302
Electricity Duty	1265305299	1051852087
Gross Sale of Power	58564321578	46203597389
Less Electricity Duty	1265305299	1051852087
Net Sale of Power	57299016279	45151745302

REVENUE SUBSIDIES AND GRANTS

SCHEDULE - 13

	(Amount in Rs.)	
PARTICULARS	2010-11	2009-10
A. Subsidies		
R.E. Subsidy from Govt. of U.P.	978300000	978300000
Revenue Loss & Tariff Subsidy from Govt. of U.P.	4818600000	4516300000
TOTAL	5796900000	5494600000

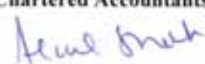

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**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
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SCHEDULE - 14

OTHER INCOME

PARTICULARS	(Amount in Rs.)	
	2010-11	2009-10
Interest from loan to Staff *	65991	99425
Delayed Payment Charges from consumers	1204383946	762558224
Interest from Bank	37816465	19515453
Income from Contractors/Suppliers	16170134	8742929
Rental from Staff	460345	1003277
Rebate for timely repayment of Loan	8626952	9071359
Miscellaneous Receipts	2330043	4058692
TOTAL	1269853876	805049359

*Pertains to loan amount advanced during UPSEB period

SCHEDULE - 15

PURCHASE OF POWER

PARTICULARS	(Amount in Rs.)	
	2010-11	2009-10
UPPCL		
Power Purchase	59115235130	48145431840
Wheeling Charges	2474591238	2297850156
TOTAL	61589826368	50443281996

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

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

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

Vijay Vishwas Pant
(Vijay Vishwas Pant)
Managing Director



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

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

SCHEDULE - 16

REPAIR & MAINTENANCE

PARTICULARS	(Amount in Rs.)	
	2010-11	2009-10
Plant & Machinery	646628982	632570972
Buildings	20776145	13641593
Lines, Cables net works etc.	764420115	587964481
Furniture & Fixtures	819549	449968
Office Equipments	1589465	1658419
TOTAL	1434234256	1236285433

SCHEDULE - 17

EMPLOYEES COST

PARTICULARS	(Amount in Rs.)	
	2010-11	2009-10
Salaries & Allowances	1685132637	1650244353
Dearness Allowance	681686383	482409738
Other Allowances	139063478	139555664
Bonus	24927174	15169968
Medical Expenses	44489012	24461074
Leave Travel Assistance	5423	
Earned Leave Encashment on retirement	156578555	138816062
Compensation	945812	1293710
Staff Welfare Expenses	1843427	2296732
Pension & Gratuity	342831506	356231277
CPF	32997331	23924614
Expenditure on Trust	3600516	3784795
Sub Total	3114101254	2838187987
LESS - Expenses Capitalised	1154886617	1173940731
TOTAL	1959214637	1664247256


(H.K. Agarwal)
Company Secretary
Part Time

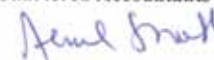

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Chartered Accountants


CA AQUIL SHABBIR FCA
Partner


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

SCHEDULE - 18

ADMINISTRATIVE, GENERAL & OTHER EXPENSES

	(Amount in Rs.)	
PARTICULARS	2010-11	2009-10
Rent	2462909	4549996
Rates & Taxes	526567	620841
Insurance	3669140	3765755
Telephone	24339284	22415083
Postage	3453129	3725061
Legal Charges	18113416	15795741
Audit Fee	2807945	2752992
Traveling Expenses (Audit)	137750	168409
Consultancy Charges	501512	4843000
Fees & Subscription	26255108	29850901
Traveling and Conveyance	21634017	21242145
Printing and Stationery	25919884	17893676
Advertisement Expenses	19407547	27841990
Electricity Charges	75311532	64695748
Water Charges	451603	142339
Meter Reading & Billing Expenses	112680534	52231783
Miscellaneous Expenses	68000260	54436606
SUB TOTAL	405672137	326972066
LESS - Expenses Capitalised	122975287	129889452
SUB TOTAL	282696850	197082614
<u>OTHER EXPENSES</u>		
Compensation staff	336000	470613
Compensation (Other than staff)	10756660	4771849
SUB TOTAL	11092660	5242462
TOTAL	293789510	202325076


(H.K. Agarwal)
Company Secretary
Part Time

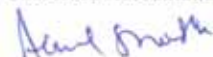

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

CA AQUIL SHABBIR FCA
Partner


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


SCHEDULE - 19

INTEREST AND FINANCE CHARGES

	(Amount in Rs.)	
PARTICULARS	2010-11	2009-10
Interest on Loans		
Government of UP	189810553	189810553
PFC	168830897	209754574
Others	1643650	1124038
APDRP	232883694	225635204
HUDCO	86609070	51702454
REC	665327989	677538079
REC ABC	36429632	16659805
REC 33 KV	3549745	
Interest to Consumers	340831604	292381420
Finance Charges	1600149	
<u>Bank Charges</u>		
Others	954976	641488
SUB TOTAL	1728471959	1665247615
LESS - Interest Capitalised	62089113	54443658
TOTAL	1666382846	1610803957


(H.K. Agarwal)
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Part Time



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

SCHEDULE – 20

DEPRECIATION


PARTICULARS	(Amount in Rs.)	
	2010-11	2009-10
Depreciation	2391051867	2126622798
Less – Equivalent amount of Depreciation on Assets acquired out of the Consumer's Contribution and GOUP's Capital Subsidy	(500659845)	(413801716)
GRAND TOTAL	1890392022	1712821082

SCHEDULE – 21

BAD DEBTS & PROVISIONS

PARTICULARS	(Amount in Rs.)	
	2010-11	2009-10
Provision for Loss against theft of Fixed Assets pending investigation	91746641	93546499
Provision for Bad & Doubtful Dues from Staff on accounts of various reasons.	2252743	2294173
GRAND TOTAL	93999384	95840672


(H.K. Agarwal)
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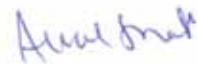

(P.K. Agarwal)
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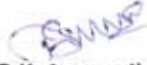
**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT**


SCHEDULE – 22


NET PRIOR PERIOD INCOME/(EXPENSES)

	(Amount in Rs.)	
PARTICULARS	2010-11	2009-10
A. INCOME		
SUB TOTAL		
B. EXPENDITURE		
i) Wheeling Charges		572099389
ii) Operating Expenses	17949	29970
iii) Employees Cost	2453854	33038914
iv) Depreciation Prev. Years	41547527	3053047
v) Interest & finance charges	(3939217)	
vi) Short Provision for loss against theft of fixed assets		227859371
SUB TOTAL	40080113	836080691
GRAND TOTAL	(40080113)	(836080691)


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Company Secretary
Part Time


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Managing Director



For S.K. Kumar & Co.
Chartered Accountants


CA AQUIL SHABBIR FCA
Partner

PASCHIMANCHAL VIDYUT VITRAN NIGAM LIMITED
SCHEDULE No. 23

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

- 1)– (a) The 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 2010-11 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 2010-11. 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".
- 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.
- (d) Due to multiplicity of nature of capital works and difficulty in establishing the correct date of installation of assets, the depreciation on addition of

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fixed assets during the year has been provided on pro-rata basis by taking average six months period.

- 3) The loan received by UPPCL on behalf of the Company during the year 2010-11 amounting to Rs. 958038101 and repayment made by UPPCL amounting to Rs. 407561485 have been accounted for in the books of the Company.
- 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) 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.
- 13) 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

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during the year has been made @ 16.70% and 2.38% respectively on the amount of Basic Pay and DA paid to the employees.

- 14) Liability towards Staff training expenses, Medical expenses, Leave Encashment and LTC has been provided to the extent established.
- 15) The reconciliation of Inter Unit Transfer balances amounting to debit Rs. 89.27 crore (previous year debit Rs. 59.58 crore) is in process and the effects of reconciliation, if any, will be provided for in the forthcoming years.
- 16) Rebate received against timely repayment of loan has been accounted for on cash basis.
- 17) Expenditure on UP Power Sector Employees Trust amounting to Rs. 36.01 (previous year 37.85) lacs, distributed on prorata basis has been accounted for as intimated by the Holding Company.
- 18) The recovery of advances to employee granted before the incorporation of Company is being accounted for in the books of the Nigam.
- 19) Employees cost includes remuneration to Managing Director and Directors as under.

	Amount (Rs. in Lacs)	
	2010-11	2009-10
Salary and Allowance	21.92	17.35
Contribution to Gratuity/Pension	2.32	2.58

- 20) Payment to Directors and Officers in foreign currency towards foreign tour was Nil. (previous period - NIL)
- 21) Debts due from Directors were Rs. NIL. (Previous period - NIL)
- 22) 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	2010-11	2009-10
(i)	Total no. of Units Purchased (MU)	19639.613	18236.906
(ii)	Total no. of Units sold (MU)	14329.77	13007.610
(iii)	Transmission & Distribution Losses	27.04%	28.67%

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- (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. 10.49 crore (previous year Rs. 0.57 crore).
- (c) The details of auditor's expenses is as under :-

(Rs. In lacs)		
Details	2010-11	2009-10
(i) As auditor	-	-
(x) Audit fees	28.07	27.53
(y) T.A. expenses	1.37	1.68
(ii) As advisor	-	-
(x) Taxation matters	-	-
(y) Company law matters		
(iii) In any other manner		

- 23) Cash Flow Statement has been prepared by following the Indirect Method.
- 24) Government dues in respect of Electricity Duty and other levies amounting to Rs. 174.28 crore shown in schedule -11 includes Rs. 52.68 crore on account of compounding charges realised from consumers.
- 25) 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.
- 26) 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"
- 27) 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.
- 28) 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.

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- 29) The figures shown in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest Rupee.
- 30) 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)


(Vijay Vishwas Pant)
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.


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Company Secretary
Part-time


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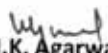


**PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD.,
VICTORIA PARK, MEERUT**

CASH FLOW STATEMENT

(Rs. in Crore)

	Year 2010-11	Year 2009-10
Cash Flow from operating activities		
Net Loss before prior period expenses	-448.68	-544.95
<u>Adjustment for</u>		
Depreciation	189.04	171.28
Provisions including Bad Debts	0.94	0.96
Interest expenses (Financing)	166.64	161.08
Interest income		
Deferred Cost		
Prior period adjustments (Net)	-4.01	-83.61
SUB TOTAL	-96.07	-295.24
Operating profit before working capital change		
<u>Working Capital changes</u>		
Sundry Debtors	-598.03	-243.92
Stores' Spares	-10.92	-1.42
Other Current Assets	-140.04	-115.19
Loans & Advances	0.99	17.49
Inter Unit Transfers	-29.69	-2.85
Current Liabilities	1536.24	729.83
Current Assets/Liabilities transferred from UPPCL		
SUB TOTAL	758.55	383.94
Net cash from operating activities- A	662.48	88.70
Cash flow from investing activities		
Additions to fixed assets & WIP	-538.34	-595.03
Investment in Discoms (Subsidiaries)		
Interest received		
Fixed assets transferred from UPPCL		
Net Cash flow from investing activities- B	-538.34	-595.03
Cash flow from financing activities		
Proceeds from Share Capital	304.05	336.26
Proceeds from borrowings (Net)	-317.56	421.89
Proceeds from consumers' contribution and GoUP Capital Subsidy	133.23	138.06
Interest paid on borrowings	-166.64	-161.08
Restructuring Account		
Loans/Liabilities transferred from UPPCL		
Net Cash flow from financing activities- C	-46.92	735.13
Net increase in Cash and Cash equivalents (A+B+C)	77.22	228.80
Cash and Cash equivalents at the beginning of the Year	620.59	391.79
Cash and Cash equivalents at the end of the Year	697.81	620.59


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Part Time


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(Vijay Vishwas Pant)
Managing Director

Place : Meerut

Date : 04 MAR 2013



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	2011	
	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	Total Assets
40404171	40404171
Sources of Funds :	
Paid Up Capital	Reserves & Surplus
8050280	9356657
Share App. Money pending for allotment	
10341183	
Secured Loans	Unsecured Loans
7556842	5099209
Applications of Funds :	
Net Fixed Assets	Miscellaneous Expenditure
29163292	0
Accumulated Losses	Net Current Assets
42879785	-31638906
	Investments
	-

4 Performance of the Company

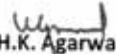
(Amount in Rupees Thousands)


Turnover (Gross Revenue)	Total Expenditure**
64441082	68967919
(+/-) Profit/Loss before Tax	(+/-) Profit/Loss after Tax
-4526837	-4526837
Earning per Share (in Rupees)	Dividend rate in %
-562	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)


 (Vijay Vishwas Pant)
 Managing Director

04 MAR 2013



For S.K. Kumar & Co.
 Chartered Accountants

 CA AQUIL SHABBIR FCA
 Partner