

DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

BALANCE SHEET AS AT 31.03.2010


(Amount in Rs.)

PARTICULARS	SCH.NO.	AS AT 31.03.2010	AS AT 31.03.2009
<u>SOURCES OF FUNDS</u>			
<u>Shareholder's funds</u>			
Share Capital	(1)	3700690000	3700690000
Share Application Money	(1A)	15763084466	11214437466
Reserves and Surplus	(2)	7000245044	6014153391
		26464019510	20929280857
<u>Loan Funds</u>			
Secured Loans	(3)	11582005755	7840027194
Unsecured Loans		3569699154	3331923922
		15151704909	11171951116
Total		41615724419	32101231973
<u>APPLICATION OF FUNDS</u>			
<u>Fixed Assets</u>			
Gross Block	(4)	32704566042	28090000605
Less : Accumulated Depreciation		14750103515	13159649007
Net Block		17954462527	14930351598
Capital Work in Progress	(5)	6162527029	5954358346
		24116989556	20884709944
<u>Current Assets, Loans and Advances</u>			
Stores & Spares	(6)	3075334523	2750337235
Sundry Debtors	(7)	18427118970	15408483756
Cash & Bank Balances	(8)	4639907887	3194432566
Other Current Assets	(9)	519707489	496297952
Loans & Advances	(10)	62596649	79619545
Inter Unit Transfer		5079594095	5772636010
		31804259613	27701807064
Less : Current Liabilities & Provisions	(11)	75672460326	64629286786
Net Current Assets		-43868200713	-36927479722
<u>Miscellaneous Expenditure</u>			
Profit and Loss Account (Debit Balance)		61366935576	48144001751
Notes on Accounts	(22)		
Schedule 1 to 22 and Accounting Policies form integral part of Accounts			
Total		41615724419	32101231973


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


(P.K. Jadhav)
General Manager (FA & A)

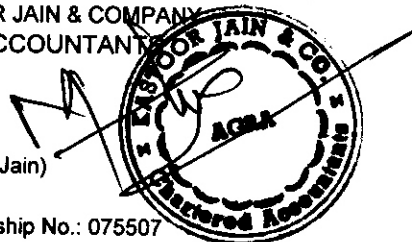

(Saroj Kumar Mishra)
Director (Finance)


(O.P. Jain)
Managing Director

Date : 11-01-2013
Place : Agra

Subject to our Audit Report of even date seperately annexed.
For M/S KASTOOR JAIN & COMPANY
CHARTERED ACCOUNTANTS

(Manish Jain)
Partner
Membership No.: 075507



DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2010

(Amount in Rs.)

PARTICULARS	SCH.NO.	For the year ended on 31.03.10	For the year ended on 31.03.09
<u>INCOME</u>			
Revenue from Sale of Power (Gross)	(12)	26338852486	22138565608
Less : Electricity Duty		655689839	609454707
Energy Internally Consumed		155026457	123164498
Revenue Subsidies and Grants	(13)	3445757303	2968200000
Other Income	(14)	1127362433	753001639
Total		30411308840	25373477038
<u>EXPENDITURE</u>			
Purchase of Power	(15)	35868006162	30476311920
Repairs and Maintenance Expenses	(16)	1810268407	1501740376
Employees Cost	(17)	1527003098	897949387
Administrative, General & Other Expenses	(18)	307969039	218402736
Interest and Finance Charges	(19)	1375475842	1421456366
Depreciation	(20)	1627843759	1375808344
Provision for Bad and Doubtful Debts	(21)	259854545	95589388
Total		42776420852	35987258517
PROFIT/ (LOSS)		(12365112012)	(10613781479)
Net Prior Period Income/(Expenditure)		(857821813)	620812897
Net PROFIT/(Loss) Before Tax		(13222933825)	(9992968582)
Provision for Fringe Benefit Tax		0	3979891
Net PROFIT/(Loss) After Tax		(13222933825)	(9996948473)
Accumulated Loss Brought Forward		(48144001751)	(38147053278)
Loss Carried Over to Balance Sheet		(61366935576)	(48144001751)
Earning / (Loss) per share		(3573)	(2701)
Notes on Accounts	(22)		


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


(P.K. Jaubari)
General Manager (FA & A)


(Saroj Kumar Mishra)
Director (Finance)


(O.P. Jain)
Managing Director

Date : 11-01-2013
Place : Agra

Subject to our Audit Report of even date separately annexed.
For M/S KASTOOR JAIN & COMPANY
CHARTERED ACCOUNTANTS


(Manish Jain)
Partner
Membership No. 075507



DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-1

SHARE CAPITAL

(Amount in Rs.)		
PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
A. AUTHORISED	40000000000	5000000000
40000000 Equity Shares of Rs 1000/- each		
B. ISSUED SUBSCRIBED AND PAID UP		
i) 3700190 Equity Shares of Rs1000/- each fully paid up allotted to UPPCL for consideration other than cash pursuant to DISCOMS Transfer Scheme, 2003	3700190000	3700190000
ii) 500 Equity Shares of Rs 1000/- each fully paid up allotted to Promoters	500000	500000
Total	37006900000	37006900000

SCHEDULE-1A

SHARE APPLICATION MONEY

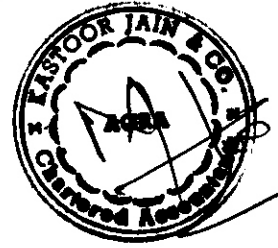
(Amount in Rs.)		
PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SHARE APPLICATION MONEY		
Pending for allotment to UPPCL	15763084466	11214437466
Total	15763084466	11214437466

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

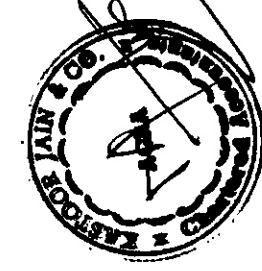
SCHEDULE-2

RESERVES AND SURPLUS

PARTICULARS	(Amount in Rs.)		
	AS AT 31.03.2009	Additions	Deductions/ Adjustments
			AS AT 31.03.2010.
A. CAPITAL RESERVE			
i) Consumers Contribution towards Service Line and Other Charges	4191826714	1275176631	311033542
			5155969803
ii) Subsidies towards Cost of Capital Assets	1810639299	156298000	134349436
			1832587863
iii) Re-Structuring A/c	11687378	0	0
			11687378
Total	6014153391	1431474631	445382978
			7000245044

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-3

LOAN FUNDS

	AS AT 31.03.2010	AS AT 31.03.2009
(Amount in Rs.)		
A. SECURED LOAN :		
(a) TERM LOANS		
FINANCIAL INSTITUTIONS		
(i) Power Finance Corporation Ltd. (Secured against hypothecation of lines & substations etc under APDRP Scheme and against receivables of specified receipt accounts through escrow arrangements)	2159187693	1183896526
(ii) Rural Electrification Corporation Ltd. (Secured against hypothecation of current assets, hypothecation of assets to be created under APDRP Scheme and against receivables of specified receipt accounts through escrow arrangements)	1204266850	1575869692
(b) WORKING CAPITAL LOAN		
(i) Power Finance Corporation Ltd. (Secured against receivables of specified receipt accounts through escrow arrangement)	3839763310	1807533695
(ii) Rural Electrification Corporation Ltd. (Secured against charge on current assets and receivables of specified receipt accounts through escrow arrangement)	4378787902	3272727281
Sub total - (A)	11582005755	7840027194
B. UNSECURED LOAN :		
(a) TERM LOANS :		
(i) Govt. of U.P. (T/Scheme)	25000000	25000000
Govt. of U.P. (APDRP)	457285000	457285000
Govt. of U.P. (World Bank)	403271000	403271000
	885556000	885556000
(ii) FINANCIAL INSTITUTIONS		
REC (T/Scheme)	1880822071	2006776974
REC (By UPPCL)	27753078	52003193
(Guaranteed by Govt. of UP) Interest accrued and due	0	192283249
	1908575149	2251063416
PFC (T/Scheme)	92538942	111287382
PFC (By UPPCL)	14504719	49610124
(Guaranteed by Govt. of UP)	107043661	160897506
(iii) MISCELLANEOUS INSTITUTIONS		
Hudco Loans	645525000	0
U.P.State Industrial Development Corporation Ltd.	54490	0
Housing Development Finance Corporation Ltd.	6854	0
National Capital Region Planning Board (Guaranteed by Govt. of UP)	22938000	34407000
Sub total - (B)	3569699154	3331923922
Total (A) + (B)	15151704909	11171951116

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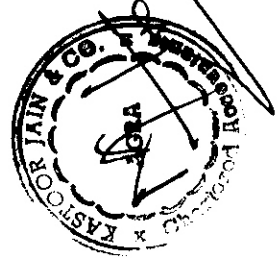
SCHEDULE-4

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.09	Additions	Deductions	As at 31.03.10	As At 01.04.09	Additions	Deductions	As at 31.03.10	As at 31.03.10	As at 31.03.09
	(Amount in Rs.)									
Land & Land Rights	631743	0	0	631743	0	0	0	0	631743	631743
Buildings	194681561	55362538	0	250044099	4761563	3173310	0	7934873	242109226	189919998
Plant & Machinery	2865401668	4016556040	2903670765	3978286943	-1019822471	212612803	444089231	-1251298899	5229585842	3885224139
Lines, Cables, Net work etc.	9959525926	3610656148	165616813	13404565261	927226565	738996823	38682998	1627540390	11777024871	9032299361
Furniture & Fixtures	8465724	1070084	0	9535808	485845	535881	0	1021726	8514082	7979879
Office Equipments	3041457	208205	0	3249662	507721	493020	0	1000741	2248921	2533736
Jeep & Motor Car	-1247474	0	0	-1247474	-1359821	0	0	-1359821	112347	112347
Total	13030500605	7683853015	3069287578	17645066042	-88200598	955811837	482772229	384839010	17260227032	13118701203
Fixed Assets as per Transfer Scheme	15059500000	0	0	15059500000	13247849605	1117414900	0	14365264505	694235495	1811650395
Grand Total	28090000605	7683853015	3069287578	32704566042	13159649007	2073226737	482772229	14750103515	17954462527	14930351598

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-5

CAPITAL WORKS IN PROGRESS

PARTICULARS	(Amount in Rs.)	
	AS AT 31.03.2010	AS AT 31.03.2009
Capital Works in Progress *	6162527029	5954358346
Total	6162527029	5954358346

Notes :

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

SCHEDULE-6

STORES & SPARES

PARTICULARS	(Amount in Rs.)	
	AS AT 31.03.2010	AS AT 31.03.2009
Stock of materials *	3156834523	2831837235
Less : Provision for Obsolete Stores	81500000	81500000
Total	3075334523	2750337235

Note:- * Include material issued to fabricators, obsolete material, scrap, transformers sent for repair and store excess/ shortage pending for investigation.

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-7

SUNDRY DEBTORS

	(Amount in Rs.)	
PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
<u>Sundry Debtors</u>		
Secured & Considered good*	2359490555	2241038460
Unsecured & Considered good	16067628415	13167445296
Considered doubtful	<u>16628431215</u>	<u>16368576671</u>
	35055550185	31777060427
Less: Provision for Bad and Doubtful Debts	16628431215	16368576671
Total	18427118970	15408483756

Note :- * Secured against security deposit from consumers.

SCHEDULE-8

CASH AND BANK BALANCES

	(Amount in Rs.)	
PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
<u>CASH IN HAND</u>		
Cash in Hand (Including Imprest with Staff)	1759910315	1320356085
<u>Balances with Scheduled Banks</u>		
In Current and other Accounts	2606297572	1864076481
In Fixed Deposit Account	<u>273700000</u>	<u>10000000</u>
	2879997572	1874076481
Total	4639907887	3194432566

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-9

OTHER CURRENT ASSETS

	(Amount in Rs.)	
PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
Other receivables	122523647	111595341
<u>Receivables from</u>		
Poorvanchal Vidyut Vitran Nigam Limited	294068120	306308120
Paschimanchal Vidyut Vitran Nigam Limited	25960551	5125526
KESCO	4479735	4479735
U.P. Rajya Vidyut Utpadan Nigam Limited	213831	88583
U.P. Power Transmission Corporation Limited	72461605	68700647
Total	519707489	496297952

SCHEDULE-10

LOANS AND ADVANCES

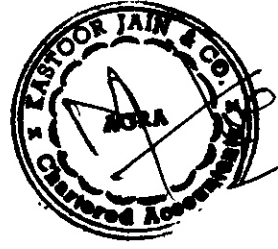
	(Amount in Rs.)	
PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
<u>ADVANCES (Unsecured)</u>		
Suppliers/ Contractors	62596649	79619545
Total	62596649	79619545

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DAKSHINACHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-11

CURRENT LIABILITIES AND PROVISIONS

	(Amount in Rs.)	
PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
<u>CURRENT LIABILITIES</u>		
Liability for Purchase of Power	58597871296	48955684422
Liability for Transmission Charges	2066124493	410166090
Liability for Capital Supplies/ Works	3097480482	4485925938
Sundry Liabilities	3111502980	2986585911
Staff Related Liabilities	1044233292	57147057
Deposits and Retentions from Suppliers & Others	319260183	255251292
Electricity Duty and Other Levies payable to Govt.	844924915	589178883
Deposit for Electrification Works	46226451	211056899
<u>Liabilities towards UP Power Sector Employees Trust</u>		
Provident Fund Liabilities	1954666407	1886861410
Pension & Gratuity Liabilities	15190069	-80576224
Interest accrued but not due on Borrowings	1969856476	1806285186
	88201529	62166349
<u>Amount Payable to :</u>		
U.P Power Corporation Limited	1676534846	2108168588
Madhyanchal Vidyut Vitran Nigam Ltd.	449447782	459591096
	2125982628	2567759684
Security Deposits from Consumers	2165877114	1850094506
Add : Interest on Security Deposits from Consumers	193613441	390943954
	2359490555	2241038460
<u>Provisions</u>		
Provision for Audit Fees Expenses (Net)	1305046	1040615
Total	75672460326	64629286786

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-12

REVENUE FROM SALE OF POWER

	(Amount in Rs.)	
PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09
Large Supply Consumers		
Industrial	7252422432	6498765011
Traction	706835720	740060102
Irrigation	310017695	262640261
Public Water Works	598274334	565112685
	8867550181	8066578059
Small and Other Consumers		
Domestic	6986324767	5206468906
Commercial	3965046015	3103852768
Industrial Low and Medium Voltage	2507518401	2241707920
Public Lighting	282312817	266565479
STW & Pump Canals	1331997435	1093735614
PTW & Sewage Pumping	1691047896	1412138343
Miscellaneous Charges from Consumers	206391592	261228310
Less : Energy Internally Consumed	155026457	123164498
Sub Total	25683162647	21529110901
Add : Electricity Duty	655689839	609454707
Total	26338852486	22138565608

SCHEDULE-13

REVENUE SUBSIDIES AND GRANTS

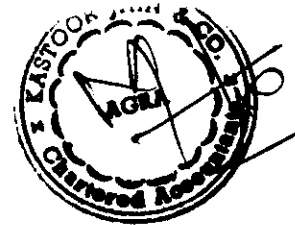
	(Amount in Rs.)	
PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09
Subsidies		
RE Subsidy from Govt. of U.P.	653500000	650200000
Revenue Subsidy from Govt. of U.P.	2784000000	2311200000
Subsidy for Power Looms	8257303	6800000
Total	3445757303	2968200000

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-14

OTHER INCOME

(Amount in Rs.)			
PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09	
<u>Interest from :</u>			
Loans to Staff	43203	79827	
Banks (Other than on Fixed Deposit)	1421702	3013296	
Fixed Deposits	5501326	1303326	4396449
Delayed Payment Charges from Consumers	1062730379		695543200
Income from Contractors / Suppliers	41092967		31229531
Rental from Staff	242651		292915
Miscellaneous Receipts	16330205		21539544
Total	1127362433		753001639

SCHEDULE-15

PURCHASE OF POWER

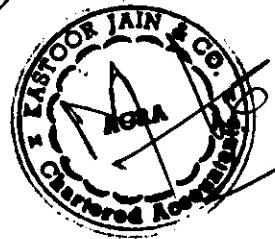
(Amount in Rs.)			
PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09	
<u>Power Purchased from :</u>			
Uttar Pradesh Power Corporation Limited	34212047760		29176934280
Wheeling Charges (UPPTCL)	1655958402		1299377640
Total	35868006162		30476311920

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-16

REPAIRS AND MAINTENANCE

	(Amount in Rs.)	
PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09
Plant & Machinery	739359804	672867422
Buildings	4446630	5618410
Lines, Cables, Net works etc.	1065902286	817504193
Vehicle Expenditure	48140021	44915497
Less:- Transferred to different Capital and O&M Works / Administrative Expenses	48140021	44915497
	0	0
Furniture and Fixtures	155714	353875
Office Equipments	403973	5396476
Total	1810268407	1501740376

SCHEDULE-17

EMPLOYEES COST

	(Amount in Rs.)	
PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09
Salaries and Allowances	1229170293	867008659
Dearness Allowance	388292855	430940503
Other Allowances	108112768	63812581
Bonus / Ex-gratia	3749851	23736372
Medical Expenses (Re-imburement)	13778947	12156657
Leave Travel Assistance	587793	39084
Earned Leave Encashment	314376940	69203553
Compensation	10543613	6194431
Staff Welfare Expenses	1638309	3462886
Pension and Gratuity	325575293	212372555
Other Terminal Benefits	24343101	13723134
Sub Total	2420169763	1702650415
Less - Expenses Capitalised	893166665	804701028
Total	1527003098	897949387

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-18

ADMINISTRATIVE, GENERAL & OTHER EXPENSES

(Amount in Rs.)

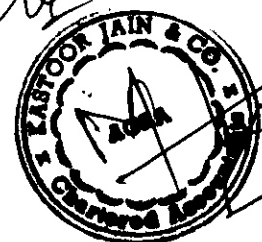
PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09
Rent	3232577	2313470
Rates & Taxes	301267	362976
Insurance	1963901	2168237
Communication Charges	29951565	25776632
Legal/Professional Charges	15246084	11380676
<u>Auditors Remuneration & Expenses</u>		
Audit Fees	155977	153213
Travelling Expenses	<u>344772</u>	<u>216512</u>
Consultancy Charges	500749	369725
Travelling & Conveyance	78618	64785
Printing & Stationery	15660103	17138286
Advertisement Expenses	15758449	13794936
Electricity Charges	1391513	16429547
Water Charges	155026457	123164498
Miscellaneous Expenses	58525	80734
	202401115	151812906
Sub Total	441570923	364857408
Less - Expenses Capitalised	134552384	154667882
Sub Total	307018539	210189526
<u>Other Expenses</u>		
Compensation (Other than Staff)	950500	8213210
Total	307969039	218402736

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-19

INTEREST & FINANCE CHARGES

(Amount in Rs.)

PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09
<u>Interest on Loans :</u>		
Govt. of U.P.	129325433	128402511
PFC	13166998	260937751
REC	153807247	351125771
HUDCO	37117610	0
NCRPB	<u>2237646</u>	<u>3068675</u>
Interest to Consumers	152197690	133182996
Bank Charges	686389	371609
Discount to Consumers	1039256	0
Interest on Working Capital Loan	883425561	539931479
Guarantee Charges	2472012	4435574
Total	1375475842	1421456366

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220 KV SUB STATION, BYE PASS ROAD, AGRA

SCHEDULE-20

DEPRECIATION

	(Amount in Rs.)	
PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09
Depreciation	2073226737	1704559251
Less : Equivalent amount of Depreciation on Assets acquired out of the Consumer's Contribution and GO UP's Capital Subsidy	445382978	328750907
	1627843759	1375808344

SCHEDULE-21

PROVISION FOR BAD & DOUBTFUL DEBTS

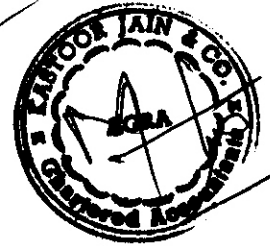
	(Amount in Rs.)	
PARTICULARS	For the year ended on 31.03.10	For the year ended on 31.03.09
PROVISION		
Bad and Doubtful Debts (Sale of Power)	259854545	95589388
Total	259854545	95589388

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

- (a) The financial statements are prepared in accordance with the provisions of the Companies Act 1956. However, where there is a deviation from the provisions of the Companies Act, 1956 in preparation of these accounts, the corresponding provisions of Electricity (Supply) Act, 1948 have been adopted.
- (b) The accounts are prepared under historical cost convention on accrual basis unless stated otherwise and on accounting assumption of going concern.
- (c) Subsidy, Grants etc. are accounted for on cash basis. Interest on loans to staff is accounted for on receipt basis after the recovery of principal in full.

2. FIXED ASSETS

- (a) Fixed Assets are shown at the value transferred as per the Transfer Scheme, 2003 and the additions as well as deductions made during the years 2003-04 to 2009-10.
- (b) All costs relating to the acquisition and installation of fixed assets till the date of commissioning are capitalized.
- (c) Consumers Contribution, Grants 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 are capitalized @ 15% on distribution rural electrification and deposit works, 11% on other works on the amount of total expenditure.
- (f) Borrowing cost during construction stage of capital assets, which was directly attributable to the construction of qualifying assets have been capitalised as per AS-16.

3. DEPRECIATION

- (a) Depreciation is charged on straight line method at the rates prescribed by the Companies Act, 1956.
- (b) Depreciation has been provided on fixed assets in use at the beginning of the year.
- (c) Fixed assets are depreciated up to 90% of original cost after taking 10% as the residual value of assets.

4. STORES & SPARES

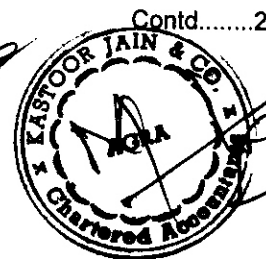
- (a) Stores & Spares are valued at cost.
- (b) Steel scrap is valued at realizable value and scrap other than steel is accounted for in the accounts as and when sold.
- (c) Any shortage/excess of material found during the year end are shown as "material short/excess pending investigation" till the finalization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

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5. REVENUE / EXPENDITURE RECOGNITION

- (a) Revenue from sale of energy is accounted for on accrual basis.
- (b) Late payment surcharge recoverable from consumers on energy bills is accounted for on cash basis due to uncertainty of realisation.
- (c) The sale of electricity does not include electricity duty payable to the State Government as the same is not the income of the Nigam.
- (d) 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, over due interest, commitment charges and incentive/rebates on loans are accounted for on cash basis after final ascertainment.

6. POWER PURCHASE

The bulk power purchases from UPPCL is accounted for on the basis of bills raised by the UPPCL, the Holding Company.

7. RETIREMENT BENEFITS

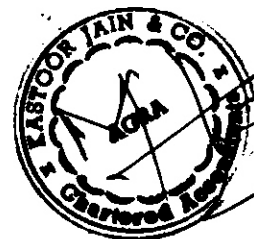
- (a) Liability for Pension & Gratuity in respect of employees has been determined on the basis of actuarial valuation and has been accounted for on accrual basis.
- (b) Leave encashment and post retirement medical benefits are accounted for on the basis of claims received and approved during the year.


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


(P.K.) Jauhari
General Manager (FA&A)


(Saroj Kumar Mishra)
Director (Finance)


(O.P.) Jain
Managing Director



DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
SCHEDULE NO. 22

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

1. The Nigam was incorporated under the Companies Act, 1956 on 01.05.2003 and commenced the business operation 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.
2. The Nigam 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. (Annexure-A) 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 issued and the balances in the accounts will be adjusted accordingly.
3. The share capital includes 500 Equity Shares of Rs.1000 each allotted to subscribers of Memorandum of Association and shown separately in Balance Sheet.
4. The energy is being purchased as bulk supply from UPPCL.
5. The liability for GPF, Pension and Gratuity Contribution during the period have been discharged to U.P. Power Sector Employees Trust partly by UPPCL and shown as payable to UPPCL by the Nigam. The liability have partly been discharged by the Nigam.
6. In the absence of asset wise break up of Plant and Machinery, Lines, Cables and other assets taken over as on 12.08.2003, the depreciation on these assets have been charged @ 7.42% on the value transferred under the Transfer Scheme, 2003 being the maximum rate prescribed for majority of the items in the Companies Act, 1956.
7. (a) Age-wise classification of Sundry Debtors could not be given for want of age-wise details of receivables transferred under the Transfer Scheme, 2003.
(b) The Provision for bad & doubtful debts against revenue from sale of power has been made @ 5 % on the incremental basis.
8. Difference between the loan transferred under provisional Transfer Scheme 2003 and actual loan has been shown in Restructuring Reserve Account.
9. The loan received by UPPCL on behalf of the Nigam during the year 2009-10 amounting to Rs. 679500000.00 and repayment made by U.P.P.C.L. amounting to Rs. 249502863.00 have been accounted for in the books of the Nigam accordingly.
10. Government dues in respect of Electricity Duty and other Levies amounting to Rs. 844924914.74 shown in Schedule-11 includes Rs. 105331235.00 on account of Other Levies realised from consumers.
11. Necessary action for capitalisation of borrowing cost pertaining to APDRP Scheme has been taken as per AS-16.
12. Liability towards Medical Expenses, Leave Encashment and LTC have been provided to the extent established.
13. Based on actuarial valuation report submitted by M/s Price Waterhouse Coopers to UPPCL (the Holding Company) provision for accrued liability on account of Pension and Gratuity for the period from 01.04.2009 to 31.03.2010 has been made @16.70% and 2.38% respectively on the amount of basic pay, Grade pay and DA paid to employees.
14. Amount due to SSI units could not be ascertained and interest there on could not be provided for want of complete information. Efforts are being made to segregate this information.

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

Particulars	2009-10	2008-09
Salary and Allowances	Rs. 5.47 Lacs	Rs. 10.30 Lacs
Contribution to Gratuity/ Pension	-	-

16. Debts due from Directors were Rs. NIL. (Previous year – NIL)
17. Payment to Directors and Officers in foreign currency towards foreign tours was NIL. (Previous year – NIL)
18. Information pursuant to provision of Para II of Schedule VI of Companies Act, 1956 are as under :-
(a) Quantitative Details of Energy Purchased and Sold :-

Sl. No.	Details	2009-10 (Units in M.U.)	2008-09 (Units in M.U.)
(i)	Total number of units purchased	12959.109	11812.524
(ii)	Total number of units sold	8840.369	8781.989
(iii)	Distribution Losses	31.78%	25.65%

- (b) Contingent Liabilities :-

Sl. No.	Details	Amount (Rs. In lacs)	
		2009-10	2008-09
1	Claims against the company not acknowledged as debts.	-	59.33
2	Estimated amount of contracts remaining to be executed on capital account and not provided for.	2849.64	5337.17
3	Other money for which the company is contingently liable.	-	94.13

19. 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.
20. 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 regards related party relationship with other state-controlled enterprises and transactions with such enterprises."
21. Due to carry forward losses / depreciation and uncertainty to recover such losses in near future, accounting of deferred tax assets as required by AS-22 issued by ICAI, New Delhi has not been made.
22. The figures shown in the Balance Sheet, Profit & Loss Account and Schedules have been rounded off to the nearest rupee.
23. Previous year figures as shown in the Balance Sheet, Profit & Loss Account and Schedules have been regrouped and rearranged, wherever considered necessary.


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


(P.K. Jauhari)
General Manager (FA&A)


(Saroj Kumar Mishra)
Director (Finance)


(O.P. Jain)
Managing Director

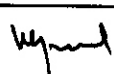
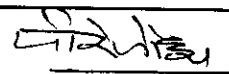



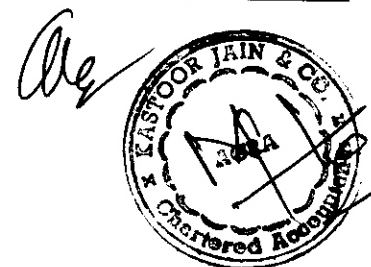
DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED

IN REFERENCE TO PARA NO. 2 OF NOTES ON ACCOUNTS (SCHEDULE - 22)
ANNEXED TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

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

	Amount (Rs in Crores)
Fixed Assets	
Gross Fixed Assets	1505.95
Less: Accumulated depreciation	671.94
Net Fixed Assets	834.01
Cap. Expd. in progress	52.98
Investments	-
Total Fixed Assets	886.99
Current Assets:	
Cash and Bank Balances	115.95
Total Stocks	27.72
Less: Provision for Obsolete Stores	8.15
Net Stock	19.57
Gross Receivables for Sale of Electricity	1785.00
Less: Provision for Bad & Doubtful debts	1565.29
Net Receivables for sale of Power	219.71
Other Receivables	3.24
Total Current Assets	358.47
Total Assets	1245.46
Net Worth	
Paid up and Subscribed Share Capital	346.19
Retained Earning (Losses)/Reserves	-
Consumer's Contributions	83.75
Capital Reserves	-
Grants - RE	22.90
Grants - APDRP	2.50
Total Net Worth	455.34
Long Term Debts	
GoUP Loans	2.50
IDBI - Deferred Credit	12.49
REC	225.79
Commercial Banks (SPA)	-
HDFC	-
PFC	38.78
NOIDA	-
UPSIDC	1.37
Urban Co-operative Bank	-
Others	12.42
IBRD	-
Working Capital Borrowings	-
GPF Liability	171.18
Total Long Term Loans	464.53
Current Liabilities	
Accounts Payable	240.94
Security Deposits from consumers	84.65
Accumulated Interest on Govt. Loans	-
Accumulated Interest on other IFI's	-
Overdue Principal not Paid	-
Total Current Liabilities	325.59
Total Liabilities	1245.46



DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

BALANCE SHEET ABSTRACT AND NIGAM'S GENERAL BUSINESS PROFILE

1 Registration details

Registration No.	20-27460	State Code	20
Balance Sheet Date	31	3	2010
	Date	Month	Year

2 Capital raised during the year

(Amount in Rupees Thousands)

Public Issue	NIL	Bonus Issue	NIL
Rights Issue	NIL	Private Placement	NIL

3 Position of Mobilisation and Development of Funds

(Amount in Rupees Thousands)

Total Liabilities	41615724	Total Assets	41615724
Sources of Funds :		Reserves & Surplus	7000245
Paid Up Capital	3700690	Unsecured Loans	3569699
Secured Loans	11582006	Miscellaneous Expenditure	0
Applications of Funds :		Net Current Assets	(-) 43868201
Net Fixed Assets	24116990		
Accumulated Losses	61366936		

4 Performance of the Company

(Amount in Rupees Thousands)

Turnover (Gross Revenue)	30411309	Total Expenditure	41918599
(+/-) Profit/Loss before Tax	(-) 13222934	(+/-) Profit/Loss after Tax	(-) 13222934
Earning per Share (in Rupees)	(-) 3573	Dividend rate in %	NIL

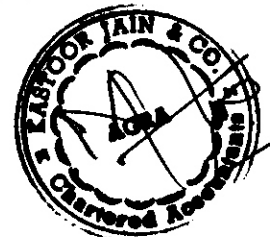
Product/Service Description

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

Item Code No.

NA
NA

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DAKSHINANCHAL VIDYUT VITRAN NIGAM LIMITED
220 KV SUB STATION, BYE PASS ROAD, AGRA

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2010

(Rs. In Crores)

		2009-10	2008-09
A	Cash Flow from operating activities		
	Net Loss before prior period expenses	(1236.51)	(1061.78)
	Adjustment for :		
	a Depreciation	162.78	137.58
	b Provisions including Bad Debts	25.99	9.56
	c Interest expenses (Financing)	121.91	128.35
	d Interest income	(0.70)	(0.44)
	e Deferred Cost	0.00	0.00
	f Prior Period Adjustment(Net)	(85.78)	62.08
	SUB TOTAL	224.20	337.13
	Operating profit before working capital changes	(1012.31)	(724.65)
	Working Capital changes		
	a Sundry Debtors	(327.85)	(78.00)
	b Stores & Spares	(32.50)	(130.64)
	c Other Current Assets	(2.34)	(15.06)
	d Loans & Advances	1.70	13.86
	e Preliminary Expenses	0.00	0.00
	f Inter Unit Transfers	69.30	76.18
	g Current Liabilities	1104.32	1290.35
	SUB TOTAL	812.63	1156.69
	Net Cash from operating activities - A	(199.68)	432.04
B	Cash Flow from investing activities		
	a Addition to fixed assets & WIP	(486.01)	(547.23)
	b Interest Received	0.70	0.44
	Net Cash Flow from investing activities - B	(485.31)	(546.79)
C	Cash Flow from financing activities		
	a Proceeds from Share Capital	454.86	9.46
	b Proceeds from Borrowings (Net)	397.98	119.59
	c Proceeds from Consumer's Contribution and GoUP Capital Subsidy	98.61	158.35
	d Interest paid on borrowings	(121.91)	(128.35)
	Cash Flow from financing activities - C	829.54	159.05
	Net increase in Cash and Cash equivalents (A+B+C)	144.55	44.30
	Cash and Cash equivalents at the beginning of the year	319.44	275.14
	Cash and Cash equivalents at the end of the year	463.99	319.44


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


(P.K. Jauhari)
General Manager (FA & A)


(Saroj Kumar Mishra)
Director (Finance)


(O.P. Jain)
Managing Director





KASTOOR JAIN & CO.
CHARTERED ACCOUNTANTS

E-295, KAMLA NAGAR
AGRA-282 004

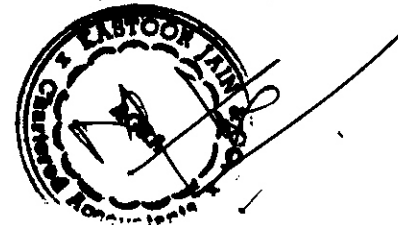
PH.No. (0562) 2880366, 4033968 FAX NO.(0562) 4006544, 4033968 M. NO.9412560606, 9412535257
E-Mail ID:-Manishjain70@yahoo.co.in, Kastoorjain@yahoo.com

AUDITORS REPORT

To,

The Member of Dakshinanchal Vidyut Vitran Nigam Ltd.

1. We have audited the attached Balance sheet of M/s Dakshinanchal Vidyut Vitran Nigam Ltd. as on 31 March, 2010 and Profit & Loss Account for the year ended on that date annexed there to, in which the Accounts of Z.A.O Kanpur, Z.A.O Agra and Z.A.O Jhansi Audited by other auditors appointed by Comptroller & Auditor General of India and Electricity stores Division-Kanpur, Agra, Jhansi, Aligarh, EE-Administration Office and G.M. Finance office audited by us are incorporated. These financial statements are the responsibility of the Nigam's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the over all financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the company Law Board in terms of Sec.227 (4A) of the Companies Act 1956 we enclose in the Annexure statements on the matters specified in the paragraph 4&5 of the said order.
4. Further to our comments in the annexure referred to in Paragraph 3 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;
 - (II) In our opinion proper books of account as required by law have been kept by the Nigam so far as appears from our examination of those books.
 - (III) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (IV) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3c) of sec. 211 of the companies Act, 1956; except AS-2 on valuation of Inventory, AS-6 on Depreciation and AS-10 on Accounting for Fixed Asset valuation, wherein the



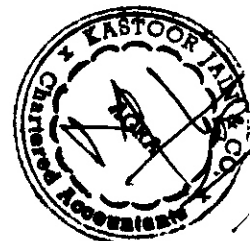
Nigam is not charging depreciation as per AS-6, the system of valuation of inventory is at variance with AS-2 and system for accounting of Fixed Assets is at variance with AS-10, AS-15 for provision of gratuity & pension, AS-16 on borrowing cost, AS-29 on provision for contingent liabilities. The qualification of the total effect on the Profit & Loss Account of the Nigam is not ascertained.

(V) Being the Govt. undertaking, proviso of section 274 (1) (g) of the companies Act regarding disclosure of disqualification of directors is not applicable to the Nigam.

(VI) The reports on accounts of branches/units audited by the other auditors have been forwarded to us and we have considered the same in preparing our report and state as under:-

AGRA ZONE

1. Some of the divisions have not completed/updated the 4S & 4T registers.
2. The units were found not raising the bills properly. In some of the units it was noticed that the bills are pending for more than a year and no proceeding were initiated for neither the recovery of outstanding dues nor the connection have been disconnected. In some of the cases, it was also observed that the PDC (Permanent Disconnection) proceeding have initiated but the billing in the name of concerned consumers are still continued.
3. Most of the divisions are preparing bank reconciliation statements of revenue and works but it was observed that in sum of the unit the un-reconciled entries are not being reconciled. Further, mostly un-cashed cheques have become time barred.
4. As per present practice revenue receipt books are issued to cash collectors for collecting the cash/revenue from the consumers. It is observed that these receipt books are not received back by the concerned office after their use in some division.
5. Division keeps ATC & ATD registers. Though in these registers entries for issue materials and receipts (cash and stock outstanding) to/from different divisions are made but the acceptance of the relevant materials have been pending since long time.
6. Some of the divisions are not properly maintaining and/or updating, contractor register, deposit & security register, dishonored cheque register, work register, stock register and Fixed Assets register.
7. In some of the Division T.D.S is not deducted/deposited properly & timely in accordance with the provision of the Income Tax Act 1961.
8. The most units under the zone have not maintained records of fixed assets showing the full particulars, their quantitative details and value of fixed assets during the year.
9. Physical verification of the fixed asset has not been done in most of the units.
10. As per AS-10 fixed Asset discarded/retired from active life should be valued at lower of net book value or net realizable value and shown separately in the financial statements.



Though the transformers, plant and machinery and transmission lines are regularly discarded/rendered useless owing to faults/fire/non repairable damage but still no such adjustment/provision/valuation for the discarded assets have been separately shown in the financial statements.

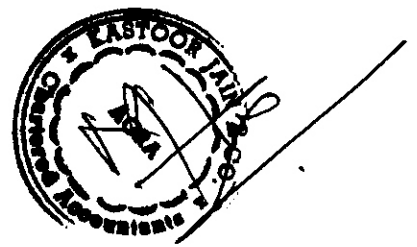
11. The valuation of opening stock is in contravention to AS-2 valuation of inventories. However we observed that certain items in closing inventory consist of items carried forward from the opening inventory which have not been valued at cost or net realizable value whichever is lower, further zone has not determine obsolete and dead stock.
12. As per the details provided to us and on the basis of information and explanations given to us, none of the debtors have been shifted to inoperative debtors during the current year despite huge arrears, thereby continuing to book revenue (Sales and late payment surcharge) or otherwise genuine inoperative debtors. Hence the Zone is wrongly recognizing revenue on such debtors (inoperative by nature) even when there is no reasonable certainty that the ultimate collection will be made, it leads to contravening the provision of AS-9 on revenue recognition.
13. Since the balance of debtors remain unconfirmed or non reconciled regularly, hence the correctness of delayed payment charges on the debtors could not be ascertained.
14. Internal control system for the purchase of store and fixed assets needs improvement/ modified to be commensurate with the size of the company and nature of its business.

JHANSI ZONE:

1. Though there is a policy of drawing regular Trial balance on monthly basis of each division and the zone but these are not drawn up at the zone and respective division on timely basis and generally a delay of 12 to 18 months is being observed in preparation of the same at zonal office is also delayed considerably. The consolidated trial balance for the period under audit was handed over to us in June 2011 after a period of more than 26 months. Trial balance should be drawn on timely basis so that the real objective of the same could be achieved.
2. Third party bills for supplies or services availed by the company are not being accounted for at the time of supplies or service availed. Rather these are being accounted for at the time of payment. Thus most of the transactions are being accounted for on cash basis instead of mercantile system of accounting hence "matching concept" "principle of accounting (AS-1) is not being followed.
3. The division and sub-division of the zone are not maintaining record of fixed asset containing dates of installation, commissioning and location of asset.
4. Consumer over dues are being recovered through special drives like recovery camps etc. however, there are many consumers particularly institutional for whom more efforts are required for timely recovery of dues. Staff loans & advances are by and large being adjusted /recovered.



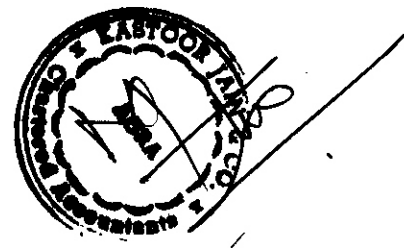
5. The procurement of inventories is done by a separate store division and only very few items involving very small amounts are purchased at division's level. However, as mentioned earlier no stock records regarding the inventories are maintained at division level.
6. The account system of the company is not computerized.
7. The Zone does not have adequate system for regularly identifying & monitoring the disposal of non-moving, obsolete or surplus of raw material, store & spares and finished goods.
8. Divisions are not properly maintaining 4-S & 4-T registers and subdivision are not maintaining 3-S, 3-T registers (regarding details of stock) anywhere in Jhansi Zone.
9. The company does not have any system of physical verification of material lying with the divisions and sub-divisions and hence discrepancies between book records and physical records have not been ascertained by the Zone.
10. There are large numbers of outstanding debit & credit entries in bank reconciliation statements of various divisions/banks accounts those produced before us, which need to be adjusted/accounted for. Also bank reconciliation statements in some of the divisions/bank accounts (for revenue & expenditure a/c) are not prepared or produced before us in such cases, we are unable to comment upon.
11. Compliance of TDS provisions in general is not up to the mark. In many cases TDS has been short deducted or not deducted in various divisions. In many cases TDS is not deposited within the stipulated time. Cases of non submission/late submission of quarterly e- TDS return have been noticed in many divisions. The full amount/default can not be quantified at this stage in the want of complete information, on random checking we found the short/non deduction of Rs. 264130/- and late deposit of TDS of Rs. 3645004/- in various divisions.
12. In few of the units, there are instances of previous period items accounted for during the year in contravention of AS-5. On random checking it was found that the prior period items booked this year amounting to Rs. 8053900/- in various division.
13. Contingent liabilities register is not maintained by any division or at zone level.
14. In most of the division PD application are pending since long and PD register is not complete/properly maintained. Bills are continued to be raised against such cases, which will lead to unwanted dispute and litigation against the company.
15. The Central Government has prescribed maintenance of cost records in the electricity Industry, but these record are not maintained by the zonal during the period hence the provision of section 209 (1) (d) of the companies Act 1956 are not being compiled at zone level.



16. No proper record/statement/details showing heavy line losses and measures taken to control them are maintained by the divisions.
17. TDS not deducted on the provision for interest payable on security deposit.
18. Inter office accounts are not being reconciled.
19. Capital W.I.P is outstanding as on 31-03-2010 for which no year-wise break up is available with the zone and no confirmation for the balances of UPSEB is available with the zone.
20. Control and subsidiary accounts are not written and reconciled up to date.
21. There is no system of accounting for return inward.

KANPUR ZONE

1. No cost record is being maintained at Zone level.
2. For repairing of Fixed Assets, cost net of estimated depreciation is reduced from Fixed Assets and transferred to inventory and after repairing it is recapitalized by an amount plus repairing cost. The Fixed Assets pending for recapitalization at the end of the year remains in Inventory. The aforesaid accounting treatment is not in accordance with Accounting Standard -10-Accounting for Fixed Assets.
3. Account with Head Office Agra is subject to reconciliation and confirmation.
4. Balance appearing under the various heads of inter unit accounts within Zone and outside Zone is pending for reconciliation. However reconciliation is in progress.
5. Valuation of stock of stores for maintenance is not in accordance with AS-2.
6. Most of the division is preparing Bank Reconciliation Statement of revenue and expenditure accounts, but it was observed that in some of unit the un-reconciled entries are not being reconciled properly. Further mostly un-cashed cheques have become time barred.
- 7 The provision made for Gratuity and pension is not in accordance with Accounting Standard-15.
8. In some of the division, TDS is not deposited properly and timely in accordance with the provision of the Income Tax.
9. Proper records have not been maintained in respect of miscellaneous advance to employees. Therefore age wise analysis of advance could not be made.
10. Old Balance lying in various advance accounts in debit and credit relating to employees needs to be adjusted by passing due adjustment entries after reconciliation at controlling office level.



11. Details of advance to suppliers and contractors are not available.

Subject to comments in foregoing and adjustment that may arise in respect of matters referred to therein and its consequential effect on the Loss for the year and other items of assets and liabilities in Balance Sheet, 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 manner so required and give a true and fair view in conformity with the accounting policies generally accepted in India.

- 1) In the case of the Balance Sheet of the state of affairs of the Nigam as at 31st, March 2010.
- 2) In the case of the Profit and Loss Account, of the Loss of the Nigam for the period ended on that date; and
- 3) In the case of cash flow statement, of the cash flows for the year ended on that date.

Place: Agra
Date: 11-01-2013



M/s Kastoor Jain & CO.
Chartered Accountants

(MANISH JAIN)
PARTNER

Membership No.: 075561

Annexure referred to in paragraph 3 of our report of even date

Re: Dakshinanchal Vidyut Vitran Nigam Ltd ('The Company')

- 1.a) Company is not maintaining proper records showing full particular, including quantitative details and situation of situation of fixed assets.
- b) Fixed Assets have not been physically verified by the management at reasonable intervals and as such we are unable to determine whether any discrepancies existed or not.
2. According to information and explanation given to us, the Nigam has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in register maintained under sec-301 of the Act.
3. There is not an adequate internal control procedure to suffix with the size of the Nigam and the nature of its business, for the purchase of inventory, fixed assets and for the sale of electricity. There needs to be some strengthening of the internal control procedure in commensurate with the size of the business and its operation.
4. (a) According to information and explanation given to us, there is no transaction that needs to be entered in to the register in pursuance of section 301 of the Act hence this clause is not applicable.
- (b) Due to above this clause is not applicable.
5. According to the information given to us we are of the opinion that the Nigam has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
6. The provisions of any special statue applicable to chit fund are not applicable.
7. According to the information and explanation given to us, the Nigam has not dealing or trading in shares, securities, debentures and other investment, therefore this clause is not applicable.
8. The company does not have any outstanding debenture during the year.

The following points are observed during the course of our audit of Administration section and Agra, Kanpur, Jhansi, and Aligarh stores:-

Administrators Section

1. T.A. /T.I. have not been adjusted within month and T.A. advances are pending since last may, 2004.
2. Compliance of TDS provisions is not proper e.g. during Feb-2010 TDS has not been deposited on due date and TDS has been excess deposited for Rs.229 under head 46.924.
3. Sale Tax Returns have not been found on records for verification for the F.Y.2009-10 so we are unable to comment on it.
4. As per Information given to us by the Admin. Section, the Sale Tax has been excess paid of Rs.13122/- to M/s K.G. Goyal during the F.Y.2008-09 and the addition of



Rs.167/- during the F.Y.2009-10. The total Sales Tax excess paid to the said firm was Rs.13289/- which was still pending for recovery.

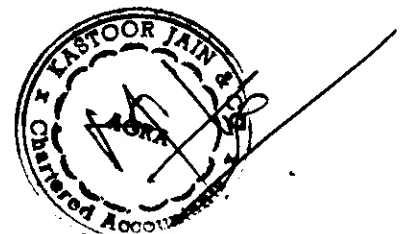
5. No Contractors Payment Register/ Ledger maintained during the F.Y.2009-10. So we are unable to comments on it.
6. In the case of EMD, SD and Retention Money, the figures of the captioned registers have not been reconciled with Trial Balance.

KANPUR STORE:

1. Compliance of TDS is not proper and challans have not been deposited on due date. Quarterly returns of TDS (which are required to be submitted quarterly) have not been submitted timely.
2. Security deposit register is not maintained properly and even un-reconciled.
3. Sales tax was excess paid by Rs.189.00 in the month of March, 2010.
4. No confirmation certificate was obtained from Madhyanchal Vidyut Vitran Nigam ltd (under head 28.873) for the F/Y 2009-10.
5. Balances were not carried forward properly by store in 2S Register.
6. ATD is pending for Rs.111.07 cr. (Approx.) in the F/Y 2009-10.
7. There was no register for retention money; where as amount of Rs. 1282317.00 was shown in the trial balance.

JHANSI STORE:

1. In 2S register, negative balances has been carried forward & white ink was majorly used in 2S register.
2. Only auction list was found in the store but no other supporting document was found.
3. Physical verification due in march 2010, but done in the month of May, 2010.
4. The System of ATD raising and ATC acceptance were not proper as ATD no.75/09-10 for rupees 103,11,911.00 and ATD no. 325/09-10 for Rs. 57,74,820.00 raised by the store division Jhansi were accepted vide ATC no.03/09-10 dated 03/2010 for Rs. 133,11,911.00 and ATC. No.636/ESDD dated 09/12/2010 for Rs.1,62,62,220.00 respectively.
5. Security deposit register maintained but updated up to March 2006, thus not reconciled with March-10 final.
6. Retention money register not maintained during the year.
7. In civil lines Jhansi, Bank a/c (expenditure):
 - a) ISO charges credited by Bank not entered in cash book for Rs. 29,460/-.



b) ISO charges debited by Bank not entered in cash book for Rs. 16,472/-.

AGRA STORE:

1. Compliance of TDS in general is not proper. TDS deposition and Quarterly Return submission has not been deposited timely during the year.
2. Retention money register is not being maintained properly during the year.
3. Compliance of TCS provision in general is not up to the mark. TCS has not been deposited timely.
4. Quarterly returns of TDS & Sales tax has not been submitted timely.
5. Division keep ATD register but the acceptance of the relevant material have been pending.

ALIGARH STORE:

1. Compliance of TDS provision in general is not proper. TDS has not been deposited timely.
2. TDS returns have not been filed timely.
3. Retention money register is not being maintained properly during the year.
4. Quarterly returns of TDS & Sales tax has not been submitted timely.
5. Division keep ATD register but the acceptance of the relevant material have been pending.

NIGAM COMPILED BALANCE SHEET

1. As per AS-10 fixed assets discarded/retired from active life should be valued at lower of net book value or net realizable value and shown separately in the financial statements. Though the transformers, plant and machinery and transmission lines are regularly discarded/rendered useless owing to faults/fire/non repairable damage but still no such adjustment/provision/valuation for the discarded assets have been separately shown in the financial statements.
2. The provision made for gratuity and pension is not in accordance with AS-15.
3. No provision has been made for leave encashment, viz. in contradiction of accounting standard 29.
4. Capitalization of borrowing cost is not in accordance with accounting standard 16.
5. Explanation given to us on account of dr. for Rs.34161006.23 under head 28.810 "Amt. recoverable from supplier" is not satisfactory to substantiate the same.



6. There are some instances where booking of expenses seems to be improper as under head 23.701 expenses of fuse charges & under head 23.706 meter box charges has been credited. Further in accounting head 48.305 i.e. "interest payable on consumer deposit "under sub head "P.T.W. "shows debit balance.
7. IUT and HO reconciliations are still pending in the year 2009-10. So we are unable to comment on it.
8. Although there is no overdraft facility has taken by the Nigam's yet Canara Bank receipt a/c is showing cr. balance for rupees 7,46,966.00 under head AG-24.3.319.
9. In case of Trial balance accounting head 22.780 (Transformer sent for repair) has a credit balance of Rs. 733,126,514.46 which seems excess material received from supplier which is not possible.
10. The proper details of addition in fixed asset have not been verified through purchase bills, completion certificate etc. So we are unable to comment on it.
11. In the Accounting code 24.220 cash imprest with staff, no person wise details of the same has been provided by the nigam to us. So we are unable to comment on it.
12. The Cap. Reserve Of rupees 11687378.00 has been created due to difference in balance of loan accounts (provisional transfer scheme balances) and balances provided by UPPCL needs to be written off.
13. This Audit report has been issued as per clause no. 3(a) of appointment letter issued by CAG in which the AGM of the company for the year 2008-09 (revised) has not been conducted till the date of this report.
14. Documentation on account of FDR was not proper. Some copies of FDR for physical verification were not provided to us therefore we are unable to verify all the FDR.
15. Explanation given to us on account of "other recovery from staff" under head 44.410 was not satisfactory to substantiate the same.
16. No balance confirmation certificate given to us on account of REC & PFC loans, so we are unable to comment on the same.
17. No balance confirmation statement given to us on account of fund transferred to UPPCL under accounting head 28.889 & 28.899.
18. Current status of Frauds (embezzlement) as reported to us is as under:

1) EDD-1ST/EDD 11ND, ALIGARH:

In the year 2004-2005 embezzlement was made by Shri T. K. Goswami clerk & FIR was also lodged. Now as reported amount of embezzlement was rupees 798265.00 beside, the unascertain amount collected though four receipt books not return by Mr. T.K. Goswami has been terminated from service, written off of this amount is proposed.



2) EUDD-V, SHAHGANJ AGRA

In the year 2005-2006 Manoj Jauhari O.A. 2nd under SDO 1st & 3rd Avas Vikas Colony, Agra collected cash from the consumers in the month of July & October 2006. From the total cash realization of these two months he depositing rupees 1483884.00 less in the bank & the records were sealed by the department. Out of this amount he returned Rs.240000/- and deposited in the division vide receipt no. 45/000185 dated 13/09/2006 for embezzlement FIR no.339/05 dated 14/9/2006 and 224/05 dated 1/11/2006 were lodged with the police under sec. 409 of IPC and Shri Jauhari was sent to jail. Criminal proceeding against Shri Jauhari is pending. Departmental enquiry was set up by the corporation. The finding of enquiry committee was that rupees 1248834.00 along with annual interest @ 18% will be recovered from his salary & he will not posted either on confidential post or at revenue related work as per current status recovery proceeding has been initiated by rupees 8062.00 per month with interest since January 2012.

3) EDD-2, MAINPURI


In the year 2009 it was found that during the period 29-10-2007 to 31-07-2009, total 143 revenue receipt books have been issued to Shri Manik Chandra. out of which 133 revenue receipts books were utilized for cash collected for the consumers and the total cash collection was rupees 18978633.00 but Shri Manik Chandra has deposited only a sum of rupees 18018919.00 he short deposited rupees 959714.00 to the main cashier Manik Chandra has been terminated from the post vide O.M. no.5407 EDD-2ND MAINPURI DATED 21/11/2011. Rupees 920415.00 have been accounted as sundry advances in monthly account 02/2011. This case is pending in Supreme Court.

4) EUDD-VI, KAMLA NAGAR, AGRA

In the year 2008, it was found that Shri Mahaveer Singh, T.G.-2, was indulged in the malpractices by way of issuing incorrect receipts of higher amount, wherein he embezzled of estimated total amount of rupees. 22-23 lacs, police complaint has been lodged and civil and criminal suit for the recovery of the embezzled amount has been filled, In October, 2009 he was terminated. As per current status case is still pending in court.

Place: Agra
Date: 11-01-2013

For M/s Kastoor Jain & CO.
Chartered Accountants



(MANISH JAIN)
PARTNER
Membership No.: 075507