

AUDIT REPORT

To,
The Members
UTTARAKHAND JAL VIDYUT NIGAM LIMITED
Dehradun

We have audited the attached Balance Sheet of Uttarakhand Jal Vidyut Nigam Limited (Formerly known as Uttranchal Jal Vidyut Nigam Ltd.) at 31.03.2008 and also the profit & loss account for the year ended on that date annexed thereto and also the cash flow statement for the year ended on that date. The name of the company has been changed from "Uttarnachal Jal Vidhyut Nigam Ltd." to "Uttarakhand Jal Vidyut Nigam Ltd." w.e.f 2nd July 2007, the attached Balance Sheet has been adopted by the Board of Directors under the name and style of Uttarakhand Jal Vidhyut Nigam Ltd." These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Audited Financial Statements for the financial year 2006-07 have not been placed in the AGM of the Company.
3. The books of accounts presented before us for Tax Audit u/s 44AB of Income Tax Act have been re-casted by the management. Consequently the company is required to obtain revised Audit Report u/s 44AB of Income Tax Act and revised return of income tax is to be filed.

4. Further to our comments in the annexure referred in paragraph-1 above we report that:-
 - a. As referred in Note No. B (1) of Schedule III annexed to the balance Sheet, the management has stated that in absence of final transfer scheme between UPJVN and UJVNL provisional opening balances have been incorporated in books of accounts. The accuracy of these opening balances of Assets & Liabilities could not be verified by us in absence of any agreement between UPJVN & UJVNL and notification of Final Transfer



scheme. The details and breakup of Assets & Liabilities so transferred were not made available to us and the allocated balances of consolidated balances have been incorporated in the financial statements of the Company for the year 2001-02. Consequently the opening balances of the specific Assets & Liabilities vested in the Company is not identifiable or verifiable. These opening balances are unaudited and are not in agreement with the balances shown as transferred by UPJVNL in their audited accounts for the year ending 31.03.2002. Substantial difference were observed in the opening Balances taken in the books of accounts as compared to audited balance sheet of UPJVNL as on 31.03.2002. During the year the management has made certain changes in their opening balances taken on 09.11.01 as given in Schedule XXI Note B(1). In absence of such details, and in light of above facts we are unable to express our opinion on the correctness of the accounting of the transactions relating to such balances and also to verify and ascertain the true nature and proper disclosure of the balances appearing in the final accounts of the Company. We are also unable to ascertain the correctness or otherwise of the payments made by the Company on account of the liabilities taken over and also the reliability and nature of assets so taken over by the company.

b. The financial accounts presented before us for audit are:

- i. Not in conformity with accounting policy No.2 (1), since the fixed assets are taken at estimated provisional value in place of historical cost as given in the policy.
- ii. Records / Title deeds in respect of Land & Buildings included in Schedule IV to the Balance Sheet have not been produced before us for our verification. The ownership rights and the charges or obligations, if any, against the fixed assets have not been provided for our verification. We are unable to comment upon the impact, if any, on the final accounts of the Company.

c. As referred to Note No. B (7) of Schedule XXI annexed to the Balance Sheet though vide Central Government Notification No. SO 1228 (E) dated 2-9-2005 the amount of Loan from Life Insurance Corporation of Rs. 352.59 Crores has been transferred to State of Uttarakhand against Hydro Electric Projects transferred to the state. However the Company has considered only Rs. 43.78 Crores as liability against above loan. The management has made less provision of Rs. 15.68 Crores towards interest payable to LIC on account of rate difference (14.29 % as per the terms of sanction and 11% taken by the management) and a less provision of Rs. 296.24 Crores on account of interest payable to LIC due to less liability shown in the balance sheet.



- (i) further the management has not provided the other terms & conditions, details of securities provided, if any, the documents executed and balance confirmation in respect of loan from Life Insurance Corporation of India along with overdue principal, and interest payable there on, to verify the correctness of the liability and obligation of the Company. The balance sheet & profit & loss account is subject to above Adjustment.
- (ii) The company has acknowledged liability of Rs. 43.78 crores towards Loan from LIC against MB-II projects. The interest provision for Rs.8.46 crores (total Rs. 41.61 crores) has been debited to Profit & Loss A/c instead of capitalizing the same. Hence Profit of the company is understated by the same amount and the cost of project MB-II has been undercapitalized by the same amount and depreciation thereon.
- d. BOD in its 48th meeting accorded its approval for revised project cost of Rs.2323.33 crore for MB-II. The cost of MB-II project has been anticipated as Rs. 2323.33 crore however the company in its books of account has capitalised only of Rs. 1,895.00 crore. The Company has not furnished justification for variation in the two figures. The company has not provided to us bill for civil construction done by Irrigation Department or any documentary evidence in support of the capitalization of MB II Project. Therefore we are unable to comment upon the correctness of the value of fixed assets capitalised against MB II project during the year.
- e. The company has produced contracts valuing Rs. 469.62 Crores as against payment of Rs. 1134.43 Crore to the contractors for civil construction of MB-II, Approval for variation in quantities, extension of times, has not been furnished to us. Adjustment for bills for power consumption, cements and Steel consumed, LD deducted, penalty imposed has not been shown to us for our verification. Therefore we are unable to comment upon the correctness of value of capitalisation of Assets against MB-II. As certified by the management no provision for the liability towards centage charges on civil construction was made since it was neither payable nor acknowledged by the company.
- f. The company has deducted an amount of Rs.5,25,92,209/- (Interest income) from Incidental Expenditure instead of Crediting to Profit & Loss A/c. because of which the profit of the company and Incidental expenditure during the year have been understated by the same amount.
- g. Share deposit Account (shareholder fund) has been overstated by Rs. 73.23 crores amount being received from Government of Utrakhand for preparation of DPR as given in Note No.10 of schedule XXI (B) of balance sheet consequently deferred Capital grant was understated by the similar amount.



- h. Provision has not been made for Debtor not confirmed & ageing more than six month amounting to Rs. 5,55,61,110/- being the opening balances on 9.11.2001, Rs 17,13,53,334/- outstanding towards consumers and Rs 1,09,84,563.82 for HPSEB and Rs. 11,58,27,249/- amount towards consumption of electricity in colonies and Rs.4,53,39,999/- for UPCL. Profit & loss account is subject to such adjustment, the management failed to provide details for the above mentioned amount, supply against which debtors are appearing in the books of accounts. However, as explained to us by the management Rs.11, 58,27,249/- amount outstanding with UPCL for more than six months is towards colony consumption up to 30.11.2004 balance Rs. 4,53,39,999/- is not reconciled by the company. Hence, we are unable to comment upon the correctness of figures. In view of the Limitation Act recovery of the said amount is doubtful.
- i. The company is subjected to Wealth Tax however the company has neither filed return under Wealth Tax Act 1957 nor made provision for the liability under the Act. The accounts are subject to the provision under the Act.
- j. The internal control system is not commensurate with size and nature of business of the Company except for sales of Electricity and purchase of goods. The default is persisting in nature & was also reported by various auditors in their reports. Losses incurred by the company cannot be quantified. The instances of lapses are given below:

The Internal Audit System of the company has been collapsed. The company has an internal audit department but the department is not looking after the Internal Audit and the job was outsourced to consultants. As explained to us the Internal Audit department is doing special assignments only. The consultant appointed for Internal Audit has not submitted their Report for the Financial Year 2007-08 till the date of our Audit Report. (even after laps of 15 month from their appointment) Hence the purpose of the internal Audit of the company cannot be justified and payment if made will be prejudicial to the interest of the company. As explained to us no records of various special assignment carried out by the Internal Audit department is not maintained in absence of such record it is not possible to comment whether the action to outsource all the works to consultants and not utilizing the available man power with the department is not prejudice to the interest of the company. As explained to us the department is not maintaining any Penal of consultants and firms are invited to limited tender's arbitrarily looking into such practice possibility of mal function cannot be ruled out.



- k. The balances in personal accounts, other receivables, loans and advances including accounts of Government Companies / departments have not been reconciled and confirmed. The differences in balances, if any and their impact on the financial results and Balance Sheet could not be determined.
- l. Detailed party-wise break-up of various head of Loans and Advances have not been provided to us for verification. Further due to non-availability of above details, we could not ascertain the nature of transactions under various heads. Hence impact, if any, of such unexplained balances on the financial results and Balance Sheet cannot be determined.
- m. As certified by the management the physical verification of inventory of stocks has been done on 31.03.08 however complete stock verification reports were not produced before us for verification. Valuation of stocks has been done at cost as certified by the management in place of cost or Net realizable value whichever is lower in term of AS-2 issued by ICAI. Huge inventory of obsolete damaged scrap items were observed for which the management has not made any accounting entries. Stocks records maintained by the company are incomplete. Hence the impact, if any, on account of the above observations on the financial statements could not be determined. Profit & Loss account and value of inventory shown in the final accounts are subject to such adjustment.
- n. The balances under the head Current liabilities have not been reconciled and confirmed. The difference in balance and their impact on the financial statement Cannot be ascertained. Detailed party wise breakup of various heads of current liabilities has not been provided to us for verification. Hence, impact if any, of such unexplained balances on the financial result and Balance sheet could not be determined and commented upon.
- o. The company has not complied with the provisions of service tax in case of payment to foreign consultants. Default is persisting is nature and was reported by us in our previous year audit report also. Liability if any could not be quantified in absence of information made available to us.
- p. Energy sold to UPCL and N.H.P.C during the year 2006-07 from SHP Pithoragarh is short accounted for by Rs 33,61,196/- and Rs 54,60,000 -respectively. Hence the Income of the Nigam is Understated by Rs. 88,21,196/-.



5. We Further Report that:-

- a) *The Balance sheet includes Rs 19,16,95,470/- being Stock Stores & Spares. No valuation certificates have been received and in absence of such report we are unable to comment upon the correctness of the same.*
- b) *An amount of Rs. 56,44,723/- is standing under the head of Survey & Investigation which is supposed to be written off and debited to P& L A/c due to non viability of the projects. Because of which Profit of the company is overstated by the same amount.*

Further to our comments given above & comments in the annexure referred to 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 purposes of our audit, except details of FDR along with TDS certificate, Utilization certificate for the grant received from secretariat for the project, compliances to Comments Made by Various Auditors, Deeds & Documents for the asset owned by the Company, Bill for civil Construction work done by Irrigation Department in MB-II Project.*
- ii) *In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books except subsidiary records of sundry debtors, loans & Advances, sundry creditors and other Liabilities.*
- iii) *The Balance sheet and profit & Loss account dealt with by this report are in agreement with the books of Accounts.*
- iv) *In our opinion, the balance sheet & profit and loss account dealt with by this report Comply with the accounting standards except AS-15, AS-9, AS-3, AS-2 and AS-12, referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.*

~~Being a government Company pursuant to notification GSR-829-(E) dated 17.07.2003 issued by Government of India, Provisions of Clause (g) of Sub section (1) of Section 274 of Companies Act, 1956 are not applicable to the Company.~~

Subject to our observations in point No.1, paras a to p of point 4 & paras a to b of point 5 and significant Accounting Policies on revenue recognition (Policy No.10), and Note No. 2(9), 3, 7, 10, 12 of the notes to accounts, 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 the said accounts give a true and fair view and are in conformity with the accounting principles generally accepted in India:

- i) In the case of the balance sheet, of the state of affairs of the company as at 31.03.2008.
- ii) In the case of the profit and loss account, of the profit for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year Ended on that date.

For RAG & ASSOCIATES
Chartered Accountants



RAGHVENDERA
(Partner)

M. No. 089757

Firm Regn. No. 011602 N

Place: Dehradun
Date: 03/08/2010



Annexure referred to in paragraph 1 of our Auditors Report of Uttarakhand Jal Vidyut Nigam Limited for the year ended 31st March, 2008.

1. In respect to Fixed Assets:-
 - a) As explained to us the Company has maintained records to show full particulars including quantitative details and situation of Fixed assets. Assets transferred from UPJVNL are shown at a value as determined by the management. *The value of such assets are neither in agreement with the fixed assets register of UPJVNL nor is the value taken certified by any approved valuer.*
 - b) As per the information and explanation given to us, the fixed assets of the company have been physically verified by the management during the financial year 2007-08, *which in our opinion is not reasonable having regard to size of the company and nature of its assets and discrepancies observed. Were not taken into accounts by the management*
 - c) In our opinion, the company has not disposed off a substantial part of fixed Assets during the financial year. However, SOBLA-I HEP has been flood-washed but same is included in the fixed asset of the company. Suitable adjustment in the books of accounts has not been made.
2. In respect of inventories:-
 - a) The complete records in respect of the physical verification of inventory has not been produced before us for verification. In absence of the complete record we are not in a position to comment whether frequency of verification is reasonable or not. Kindly refer paragraph 5 (a) & 4 (m) of our main Audit Report.
 - b) We have been informed that physical verification of stock has been conducted by the management during the financial year 2007-08, but in absence of any supporting documents we are not in a position to comment whether procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. Kindly refer paragraph 5 (a) & 4 (m) of our main Audit report.
 - c) Records of inventories maintained at the units are incomplete. In absence of complete records we are not in a position to comment whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so whether those material discrepancies have been properly dealt with in the books of account. Kindly refer paragraph 5 (a) & 4 (m) of our main Audit report.



3. The Company has not taken granted any loan, secured or unsecured from/ to companies; firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company had neither granted nor taken any loans, secured or unsecured, to/from companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and therefore paragraph 4 (iii) of the said order is not applicable.
4. *On the basis of our observations, we are of the opinion that, the Company Internal Control Systems is not commensurate with the size of the company and the nature of its business, for the purchase of Inventory and fixed assets. The Default is persistent in nature, it is reported by various Auditors Time & again. To Quote:*

Payment were made to the consultants M/s Kayviat International Project Consultants limited without verifying that the time allowed to complete the assignment has already been lapsed. LD has not been deducted amounting to Rs.3.80 Lacs for not completing the job in time.
5. In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public during the year under Audit with in the meaning Section 58A & 58AA or any other relevant provisions of the companies Act, 1956. No order has been passed by the Company Law Board or National Company Law Tribunal or reserve Bank of India or any court or any other tribunal in this respect.
7. *On the basis of our observation, we are of the opinion that Internal Audit system of the company is not adequate and commensurate with the size and nature of the business of the company. Internal auditors were appointed by the company but the management has failed to evaluate the internal auditors report and ensure that the internal Auditor has conducted the audit as per the scope of audit given to them. Compliance of the observation made by the Internal Auditors has not been carried out by the Internal audit Department.*

As per the explanation provided to us , three Audit Committee meeting were held during the year however internal audit report has not been put up in front of audit committee for recommendation and compliances .

8. We have broadly reviewed the books of account maintained by the company relating to power generating activities of the company. pursuant to the Rules made by the Central Government for the maintenance of cost records has been prescribed under Section 204-1) (d) of the Companies Act 1956 and we are of the opinion that *Prima Facie* the prescribed accounts and records have been made and maintained. *We have not, however made a detailed examination of records with a view to determine whether they are true or not.*



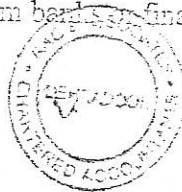
9. (a) In our opinion and according to the information and explanation given to us the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales-tax, Custom Duty, Excise Duty, Cess and any other Statutory dues applicable to it with the appropriate authorities *except TDS, wealth tax & service tax*. Kindly refer 4(l) & 4(r) of our main Audit report.
- (b) *Some delays have been noted in depositing of some undisputed statutory dues of T.D.S, F.B.T & Advance Tax.*
- (c) According to the information and explanation given to us there are no undisputed Amount payable including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, , Custom Duty, Excise Duty, cess and other Statutory dues as at 31.03.2008, for a period of more than six months from the date they become payable *except wealth tax & service tax*. Kindly refer 4(l) & 4(r) & of our main Audit report.
- (d) According to the information and explanation given to us, the following are the particulars of disputed dues on account of sales Tax, Income Tax and custom duty that have not been paid deposited;

Name of the statute	Nature of dues	Amount of demand net of deposits (Rs in Lacs)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Demand for the A.Y 2002-03	The revised assessed tax 84.43 Lacs as per notice of demand u/s 156 of Income Tax Department after giving effect of order issued by CIT (A)	A.Y.2002-03	Appeal is pending Before Appellate Tribunal.ITAT has issued order to get approval from committee on disputes.
Income Tax Act, 1961	Demand for the A.Y 2003-04	The revised assessed tax of Rs 27.95 crore as per notice of demand u/s 156 of Income Tax Department after giving effect of order issued by CIT (A)	A.Y 2003-04	Appeal is pending before Appellate Tribunal, New Delhi.



Income Tax Act, 1961	Demand for the A.Y 2004-05	The revised assessed tax of Rs 4.42 crore as per notice of demand u/s 156 of Income Tax Department after giving effect of order issued by CIT (A)	A.Y 2004-05	Appeal is pending before Appellate Tribunal.
Income Tax Act, 1961	Demand for the A.Y 2007-08	The demand for tax raised by income tax department for Rs 41.97 crore.	A.Y 2007-08	Appeal is pending before Appellate Tribunal.

10. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayments of dues to banks and financial institution except repayment of loan from LIC of India for Rs 43, 78, 04,300 (Accepted by the management as against Rs.437.80 crore transferred by the UPJVNL and Interest of Rs.41,61,16,034/- .As explained to us the loan amount is under transfer scheme and in absence of finalization of transfer scheme the amount is not repayable. *Kindly refer Para 4(c) of our main audit report*
12. According to the information and explanations given to us and based on the documents and records produced, the company has not taken or granted any loans or advances on the basis of security by way of pledge of shares, debentures & other securities.
13. The Company is not a chit fund or a niche/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the companies (Auditor's Report) order 2003 are not applicable to the company.
14. As per information & explanations given to us & on the basis of examination of records, the Company is not dealing or trading in shares, securities, debentures & other investment. Further the Company has not made any investment in shares, securities, debentures and other securities.
15. According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.



16. As per written representation received from the Management, in our opinion the term loans availed by the company during the year were prima facie, applied for the purposes for which they were obtained.
17. As per written representation received from the Management, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The Company has not made any preferential allotment of shares to parties & Companies covered in register maintained under section 301 of the Act .
19. The company has not issued any debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us by the Management, we report that no fraud on or by the company has been noticed or Reported during the year.

Place: Dehradun
Date: 03/08/2010

For RAG & Associates
Chartered Accountants
RAGHVENDERA

(Partner)

M. No. 089757

Firm Regl. No. 011602 N



**COMMENTS OF STATUTORY AUDITORS AND MANAGEMENT REPLIES THERETO FOR
FINANCIAL YEAR 2007-08**

Sl. No	Statutory Auditors Observation	Management Reply
1	As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.	No Comments.
2	Audited Financial Statement for the financial year 2006-07 have not been placed in the AGM of the Company.	Audited Financial Accounts for Financial Year 2006-07 have been adopted in AGM held on 26-2-2011.
3	The books of accounts presented before us for Tax Audit u/s 44AB of Income Tax Act have been re-casted by the management. Consequently the company is required to obtain revised Audit Report u/s 44AB of Income Tax Act and revised return of income tax is to be filed.	As per the applicable provisions of the Income Tax Act, 1961 the tax audit report u/s 44AB was filed with the Income Tax department with in the stipulated time. Assessment proceedings have also been completed and Assessment order released.
4 a.	As referred in Note No. B (1) of Schedule XXI annexed to the balance Sheet. The management has stated that in absence of final transfer scheme between UPPVNL and UJVNL, provisional opening balances have been incorporated in books of accounts. <i>The accuracy of these opening balances of Assets & Liabilities could not be verified by us in absence of any agreement between UPPVNL & UJVNL and notification of Final Transfer scheme. The details and breakup of Assets & Liabilities so transferred were not trade available to us and the consolidated balances have been incorporated in the financial statements of the Company for the year 2001-02. Consequently the opening balances of the specific Assets & Liabilities vested in the Company is not identifiable or verifiable. These opening balances are unaudited and are not in agreement with the balances shown as transferred by UPPVNL in their audited accounts for the year ending 31.03.2002. Substantial difference were observed in the opening Balances taken in the books of accounts as</i>	The issue of Settlement of opening balance of Assets & Liabilities with UP Jal Vidyut Nigam Limited is under process. Nigam has derived its provisional opening balances on the basis of information available with it and as per Central Government Order No. 42/7/2000-R&R dated 5-11-01 to complete its accounts. On Finalisation/ settlement of the issue, any adjustments emerging there from would be accounted for in the year of settlement. However, in accordance to the line of action decided by the management the opening balances have been re-grouped / adjusted in the books of accounts and the requisite disclosure with details thereof has been made in the Notes on Accounts. Appropriate disclosure in this regards has been made in the Notes on Accounts.

	<p>compared with audited balance sheet of UPPJNL as on 31.03.2002. During the year the management has made certain changes in their opening balances taken on 09.11.01 as given in schedule XXI Note B(1). In the absence of such details, and in light of above facts we are unable to express our opinion on the correctness of the accounting of the transactions relating to such balances and also to verify and ascertain the true nature and proper disclosure of the balances appearing in the final accounts of the Company. We are also unable to ascertain the correctness or otherwise of the payments made by the Company on account of the liabilities taken over and also the reliability and nature of assets so taken over by the company.</p>	
4 b	<p>The financial accounts presented before us for audit are:</p>	
i	<p>Not in conformity with accounting policy No. 2 (1), since the fixed assets are taken at estimated provisional value in place of historical cost as given in the policy.</p>	<p>The issue of Settlement of opening balance of Assets & Liabilities with UP Jal Vidyut Nigam Limited is under process. Nigam has derived its provisional opening balances on the basis of information available with it and as per Central Government Order No. 42/7/2000-R&R dated 5-11-01 to complete its accounts.</p> <p>UJVN limited Accounted for the Value of Fixed Assets acquired from UPPJNL on provisional basis.</p> <p>On Finalization/ settlement of the issue, any adjustments emerging there from would be accounted for in the year of settlement.</p> <p>Appropriate disclosure in this regards has been made in the Notes on Accounts.</p>
ii	<p>Records/ Title deeds in respect of Land & Buildings included in Schedule IV to the Balance Sheet have not produced before us for our verification. The ownership rights and the charges or obligations, if any, against the fixed assets have not been provided for our verification. We are unable to comment upon</p>	<p>Most of the Land had been given on lease by Forest Department of Uttarakhand to Irrigation department which is now under the use of the Nigam. Steps are being taken to transfer the land in the name of the Nigam. All Buildings constructed & situated at LHP's are part of transfer scheme</p>

4 c.	<p>the impact, if any, on the final accounts of the Company.</p> <p>As referred to Note No. B (7) of Schedule XXI annexed to the Balance Sheet, though vide Central Government Notification No. SO 1228 (E) dated 2-9-2005 the amount of Loan from Life Insurance Corporation of Rs. 352.59 Crores has been transferred to State of Uttarakhand against Hydro Electric Projects transferred to the state. However The Company has considered only Rs. 43.78 Crores as liability against above loan. The management has made less provision of Rs. 15.68 Crores towards interest payable to LIC on account of rate difference (14.29 % as per the terms of sanction and 11% taken by the management) and a less provision of Rs. 296.24 Crores on account of interest payable to LIC due to less liability shown in the balance sheet.</p>	<p>from UPIJVNL for which settlement is under process.</p> <p>Un-secured loans Rs. 43.78 crores being 10% of the LIC loan of Rs. 437.80 crores taken by erstwhile UPSEB and transferred to Uttar Pradesh Jal Vidyut Nigam Ltd. (UPIJVNL) by the Govt. of Uttar Pradesh vide its notification dated 25/1/2001. UPIJVNL proposed to transfer the said loan to UJVNL which was contested by UJVNL as loan was not project specific. However, to complete the accounts such liability of UJVNL was provisionally taken as 10% as per GOI Order No. 42/7/2000-R&R dated 5-11-2001.</p> <p>Subsequently GOI vide its order NO. S.O. 1228 dated 2.9.2005 allocated partly Rs. 352.59 crores of LIC loan to the state of Uttarakhand against Maneri Bhali stage –II hydro electric project located in Uttarakhand.</p> <p>The transfer of above LIC loan of Rs. 352.59 crores to the state of Uttarakhand is being contested hence the same has not being accounted for in the books of accounts.</p> <p>However, an amount of Rs. 308.81 crores (Rs. 352.59 crore i.e. loan amount as per Central Govt. order dated 2.9.2005 – Rs. 43.78 crore loan amount acknowledged in the books) has been classified as contingent liability in Notes on Accounts along with appropriate disclosures.</p> <p>Interest @11% has been provisionally provided on Rs. 43.78 crores, as stated above, subject to adjustment on finalization of the issue.</p>
(i)	<p>Further, the management has not provided the other terms & conditions, details of securities provided, if any, the documents executed and balance confirmation in respect of loan from Life Insurance Corporation of India along with overdue principal, and interest payable there on, to verify the correctness of the liability and obligation of the company. The</p>	<p>Un-secured loans Rs. 43.78 crores being 10% of the LIC loan of Rs. 437.80 crores taken by erstwhile UPSEB and transferred to Uttar Pradesh Jal Vidyut Nigam Ltd. (UPIJVNL) by the Govt. of Uttar Pradesh vide its notification dated 25/1/2001. UPIJVNL proposed to transfer the said loan to UJVNL which was contested by UJVNL as</p>

			balance sheet & profit & loss account is subject to above adjustment.	loan was not project specific. However, to complete the accounts such liability of UJVNL was provisionally taken as 10% as per GOI Order No. 42/7/2000-R&R dated 5-11-2001. The terms & conditions, details of securities etc against this loan has also not been provided by UJVNL to UJVNL. Appropriate disclosure in this regard has been made in the Schedule-III of the Balance Sheet.
(ii)			The Company has acknowledged liability of Rs. 43.78 crores towards loan from LIC against MB-II projects. The interest provision for Rs. 8.46 crores (total Rs. 41.61 crores) has been debited to Profit & Loss A/c instead of capitalizing the same. Hence Profit of the company is understated by the same amount and the cost of project MB-II has been undercapitalized by the same amount and depreciation thereon.	As was subsequently evidenced by GOU Notification No.SO 1228(E) dated 2-9-2005,the LIC loan though now being contested was transferred to the State of Utarakhand against the Hydro Power Projects transferred to the State of Utarakhand by the State of Uttar Pradesh. Further as per available evidence on record namely AGUP communication dated 07-06-2002, the amount was not utilized for MB-II project.
4 d.			BOD in its 48 th meeting accorded its approval for revised project cost of Rs. 2323.33 crore for MB-II. The cost of MB-II project has been anticipated as Rs. 2323.33 crore however the company in its books of account has capitalized only of Rs. 1895 crore. The Company has not furnished justification for variation in the two figures. The company has not provided to us bill for civil construction done by Irrigation Department or any documentary evidence in support of the capitalization of MB-II Project. Therefore, we are unable to comment upon the correctness of the value of fixed assets capitalized against MB-II project during the year.	In the 48 th meeting, BoD gave its approval to the revised cost estimate of Maneri Bhali Stage –II HEP for Rs. 2323.33 Crs. The above approval was only of estimated cost and capitalization in the books of accounts have been done as per the actual expenditure incurred. Irrigation Department was requested to provide the necessary details. Whatever detail were provided by the Irrigation Department were produced before the Auditors for verification.
4 e			The company has produced contracts valuing Rs. 469.62 Crores as against payment of Rs. 1134.43 Crore to the contractors for civil construction of MB-II. Approval for	Irrigation Department was requested to provide the necessary details. Whatever detail were provided by the Irrigation Department were produced before the Auditors

4 f	<p>variation in quantities, extension of times, has not been furnished to us. Adjustment for bills for power consumption, cements and Steel consumed, LD deducted, penalty imposed has not been shown to us for our verification. Therefore we are unable to comment upon the correctness of value of capitalization of Assets against MB-II. As certified by the management no provision for the liability towards centage charges on civil construction was made since it was neither payable nor acknowledged by the company.</p>	for verification.
4 f	<p>The company has deducted an amount of Rs. 5,25,92,209/- (Interest income) from incidental expenditure instead of (crediting to Profit & Loss A/c because of which the profit of the company and Incidental expenditure during the year have been understated by the same amount.</p>	Interest earned during construction period has been capitalized in accordance with the generally accepted accounting procedures.
4 g	<p>Share deposit Account (shareholder fund) has been overstated by Rs. 73.23 crores amount being received from Government of Ultrahand for preparation of DPR as given in Note No.13 of schedule XXI (B) of balance sheet consequently deferred capital grant was understated by the similar amount.</p>	Funds of Rs. 73.23 crore were sanctioned by GoU for preparation of DPR. In the sanction letters of GoU the sanction/ release of funds has not been specifically mentioned as "Grant". In the absence of any clarifications. In this regard, the such amount received has been booked under the head "Share Deposit Account Pending Allotment". In case any clarification in this regard is received from GoU the necessary adjustments would be incorporated in the books of account, if required, in the relevant financial year.
4 h	<p>Provision has not been made for Debtor not confirmed & ageing more than six month amounting to Rs. 5,55,61,110/- being the opening balances on 9.11.2001, Rs. 17,13,53,334/- outstanding towards consumers and Rs. 1,09,84,563.82 for HPSEB and Rs. 11,58,27,249/- amount towards consumption of electricity in colonies and Rs. 4,53,39,999/- for UPCL. Profit & Loss account is subject to such adjustment, the management failed to provide details for the above mentioned amount, supply against which debtors are appearing in the books of accounts. However, as explained to us by the management Rs. 11,58,27,249/- amount outstanding with</p>	<p>The details of the provisional opening balance adopted as on 9-11-2001 have not been made available by UPJVNL in spite of repeated follow-up and persuasion. In absence of such details, the opening balances of sundry debtors is being considered good since no details to the contrary are available.</p> <p>As and when the details are made available by UPJVNL or on finalization of transfer scheme necessary adjustments emanating there from would be made in subsequent years.</p>

	<p>UPCL for more than six months is towards colony consumption upto 30.11.2004 balance Rs. 4,53,39,999/- is not reconciled by the company. Hence, we are unable to comment upon the correctness of figures. In view of the Limitation Act recovery of the said amount is doubtful.</p>	<p>The reconciliation exercise has been taken up with UPCL to obtain the desired confirmation.</p>
4 i	<p>The company is subjected to Wealth Tax however the company has neither filed return under Wealth Tax Act 1957 nor made provision for the liability under the Act. The accounts are subject to the provision under the Act.</p>	<p>The applicability of Wealth Tax is being examined.</p>
4 j	<p>The internal control system is not commensurate with size and nature of business of the Company except for sales and purchase of goods. The default is persisting in nature & was also reported by various auditors in their reports. Losses incurred by the company cannot be quantified. The instances of lapses are given below:</p> <p>The internal Audit System of the company has been collapsed. The company has an internal audit department but the department is not looking after the Internal Audit and the job was outsourced to consultants. As explained to us the Internal Audit department is doing special assignments only. The consultant appointed for Internal Audit has not submitted their Report for the financial year 2007-08 till the date of our audit report. (even after laps of 15 month from their appointment). Hence the purpose of the internal audit of the company cannot be justified and payment if made will be prejudicial to the interest of the company. As explained to us no records of various special assignment carried out by the internal audit department is not maintained in absence of such record it is not possible to comment whether the action to outsource till the works to consultants and not utilizing the available man power with the department is not prejudice to the interest of the company.</p> <p>As explained to us the department is not maintaining any Penal of consultants and firms are invited to limited tender's arbitrarily looking into such practice possibility of mal</p>	<p>Noted for compliance in future. Necessary steps have been initiated to strengthen the internal control system.</p>

	<i>function cannot be ruled out.;</i>		
4 k	<i>The balances in personal accounts, other receivables, loans and advances including accounts of Government Companies / departments have not been reconciled and confirmed. The differences in balances, if any and their impact on the financial results and Balance Sheet could not be determined</i>		Noted for compliance in subsequent years.
4 l	<i>Detailed party-wise break-up of various head of loans and Advances have not been provided to us for verification. Further since due to non-availability of above details, we could not ascertain the nature of transactions under various heads. Hence impact, if any, of such unexplained balances on the financial results and Balance Sheet can not be determined.</i>		Steps have been initiated to prepare detailed party wise breakup of various heads of loans and advances. Noted for compliance in subsequent years.
4 m	<i>As certified by the management the physical verification of inventory of stocks has been done on 31.03.08 however complete stock verification reports were not produced before us for verification. Valuation of stocks has been done at cost as certified by the management in place of cost or Net realizable value which ever is lower in term of AS-2 issued by ICAI. Huge inventory of obsolete damaged scrap items were observed for which the management has not made any accounting entries. Stocks records maintained by the company are incomplete. Hence the impact, if any, on account of the above observations on the financial statements could not be determined. Profit & Loss account and value of inventory shown in the final accounts are subject to such adjustment.</i>		A available reports of physical verification report of inventory of various divisions were produced for verification at the time of audit. Steps have been initiated to identify obsolete/ damaged stocks and valuation of the same as per applicable accounting standards.
4 n	<i>The balances under the head Current liabilities have not been reconciled and confirmed. The difference in balance and their impact on the financial assets and Balance Sheet could not be ascertained. Detailed party wise breakup of various heads of current liabilities has not been provided to us for verification. Further since due to non-availability of above details, we could not ascertain the nature of transactions under various heads. Hence, impact, if any, of such unexplained balances on the financial result and Balance sheet could not be determined and</i>		In the absence of finalization of transfer scheme and lack of details of opening balances the requisite details could not be provided. However, on finalization of the transfer scheme necessary adjustments would be made in the books of account. As regards party wise details of current liabilities, steps are being initiated to compile the same at division level.

40	<i>commented upon.</i>		
40	<i>The company has not complied with the provisions of service tax in case of payment to foreign consultants. Liability if any could not be quantified in absence of information made available to us.</i>		Matter has been examined and provision of service tax have been complied with.
4p	<i>Energy sold to UPCL and NHPC during the year 2006-07 from SHP Pithoragarh is short accounted for by Rs. 33,61,196/- and Rs. 54,60,000 respectively. Hence the income of the Nigam is understated by Rs. 88,21,196/-</i>		Bills against energy sales to UPCL are raised centrally at HO and not by the respective division. Adjustment entry in this regard has already been incorporated in the books of accounts.
5a	<i>The Balance sheet includes Rs 19,16,95,470/- being Stock Stores & Spares. No valuation certificate and Physical Verification certificate have been received and in absence of such report we are unable to comment upon the correctness of the same.</i>		Regarding energy sale to NHPC it is to submit that the matter is still under dispute and pending resolution. Any adjustment entry emerging there from would be accounted for in the year of settlement.
5b	<i>An amount of Rs. 56,44,723/- is standing under the head of Survey & Investigation which is supposed to be written off and debited to P&L A/c due to non viability of the projects. Because of which profit of the company is overstated by the same amount.</i>		Physical verification of inventory of stock, spares and stores has been conducted by respective units in accordance to the prevalent rules and regulations of the Nigam. Available physical verification report were made available to the auditors for verification.
5. i	<i>We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit, except details of FDR along with TDS certificate, Utilization certificate for the grant received from secretariat for the project, compliances to comments made by various auditors, deeds & documents for the asset owned by the Company. Bill for civil Construction work done by Irrigation Department in MB-II project.</i>		Details of amount of Rs. 56,44,723/- standing under the head of Survey & Investigation has been examined. The amount pertains to Projects considered viable hence has not been written off.
5. ii	<i>In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books except subsidiary records of sundry debtors, loans & Advances, sundry creditors and other</i>		Noted for compliance in subsequent year.
			No comments.

	<i>Liabilities</i>		
5.iii	The Balance sheet and profit & Loss account dealt with by this report are in agreement with the books of Account	No Comments	
5. iv	In our opinion, the balance sheet & profit and loss account dealt with by this report Comply with the accounting standards except AS-15,AS-9,AS-3,AS-2 and AS-12, referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.	Noted for compliance in subsequent year.	
5. v	Being a government Company pursuant to notification GSR 829 (E) dated 17.07.2003 issued by Government of India, Provisions of Clause (g) of Sub section (1) of Section 274 of Companies Act, 1956 are not applicable to the Company.	No Comments	
5. vi	Subject to our observations in Point No.1 paras a to p of para 4 & paras a to b of point 5 and significant Accounting Policies on revenue recognition (Policy No. 10), and Note No. 2(9),3,7,10,12 of the notes of accounts, 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 gives a true and fair view in conformity with the accounting principles generally accepted in India. In the case of the balance sheet, of the state of affairs of the company as at 31.03.2008. ii. In the case of the profit and loss account, of the profit for the year ended on that date; and iii. In the case of the Cash Flow Statement, of the cash flows for the year Ended on that date	No Comments	

Annexure referred to in paragraph 1 of our Auditors Report of Uttarakhand Jal Vidyut Nigam Limited for the year ended 31" March, 2008.

Sl. No	Statutory Auditors Observation		Management Reply
1.	<p>In respect to Fixed Assets:-</p> <p>a) As explained to us the Company has maintained records to show full particulars including quantitative details and situation of Fixed assets. Assets transferred from UPPVNL are shown at a value as determined by the management. The value of such assets are neither in agreement with the fixed assets register of UPPVNL nor is the value taken certified by any approved valuer.</p>		<p>The issue of Settlement of opening balance of Assets & Liabilities with UP Jal Vidyut Nigam Limited is under process. Nigam has derived its provisional opening balances on the basis of information available with it and as per Central Government Order No. 42/7/2000-R&R dated 5-11-01 to complete its accounts.</p> <p>UJVN limited Accounted for the Value of Fixed Assets acquired from UPPVNL on provisional basis.</p> <p>On Finalization/ settlement of the issue, any adjustments emerging there from would be accounted for in the year of settlement.</p> <p>Appropriate disclosure in this regards has been made in the Notes on Accounts.</p>
	<p>b) As per the information and explanation given to us, the fixed assets of the company have been physically verified by the management during the financial year 2007-08, which in our opinion is not reasonable having regard to size of the company and nature of its assets and discrepancies observed.</p>		<p>Noted for compliance in subsequent years.</p>

	<p>c) In our opinion, the company has not disposed off a substantial part of fixed Assets during the financial year. However, SOBLa-I HEP has been flood-washed but same is included in the fixed asset of the company. Suitable adjustment in the books of accounts has not been made</p>	<p>Sobla-I project was partly damaged before the creation of UJVNL and not in operation since prior to 9-11-2001. The Loss due to such damage would have been reflected in the Books of earwhile UPJVNL. The balance amount of Rs. 7,62,74,653/- is the opening balance as on 9-11-2001 and continues to be carried forward. Since the amount pertains to opening balance the same can be settled and booked accordingly on the finalization of the transfer Scheme. However no depreciation has been charged on the said amount.</p>
<p>2. In respect of inventories:-</p>	<p>a) The complete records in respect of the physical verification of inventory has not been produced before us for verification. In absence of the complete record we are not in a position to comment whether frequency of verification is seasonable or not. Kindly refer paragraph 5 (a) & 4 (m) of our main Audit Report.</p>	<p>Available reports of physical verification report of inventory of various divisions were produced for verification at the time of audit. Steps have been initiated to identify obsolete/ damaged stocks and valuation of the same as per applicable accounting standards.</p>
	<p>b) We have been informed that physical verification of stock has been conducted by the management during the financial year 2007-08 but in absence of any supporting documents we are not in a position to comment whether procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. Kindly refer paragraph 5 (a) & 4 (m) of our main Audit report.</p>	<p>Available reports of physical verification report of inventory of various divisions were produced for verification at the time of audit. Steps have been initiated to identify obsolete/ damaged stocks and valuation of the same as per applicable accounting standards.</p>
	<p>c) Records of inventories maintained at the units are incomplete. In absence of complete records we are not in a position to comment whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so whether those material discrepancies have been</p>	<p>Available reports of physical verification report of inventory of various divisions were produced for verification at the time of audit. Steps have been initiated to identify obsolete/ damaged stocks and</p>

	properly dealt with in the books of account. Kindly refer paragraph 5 (a) & 4 (m) of our main Audit report	valuation of the same as per applicable accounting standards.
3.	The Company has not taken granted any loan, secured or unsecured from/to companies; firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company had neither granted nor taken any loans, secured or unsecured, to/from companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and therefore paragraph 4 (ii) of the said order is not applicable.	No Comments.
4.	On the basis of our observations, we are of the opinion that, the Company Internal Control Systems is not commensurate with the size of the company and the nature of its business, for the purchase of Inventory and fixed assets. The Default is persistent in nature, it is reported by various Auditors Time & again To Quote: Payment were made to the consultants M/s Kayviat International Project Consultant limited without verifying that the time allowed to complete the assignment has already been lapsed. LD has not been deducted amounting to Rs. 3.80 Lacs for not completing the job in time.	Noted for compliance in future. Necessary steps have been initiated to strengthen the internal control system.
5.	In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered in the register maintained under section 301 of the companies Act, 1956.	No Comments
6.	The Company has not accepted any deposits from the public during the year under Audit with in the meaning Section 58A & 58AA or any other relevant provisions of the companies Act, 1956. No order has been passed by the Company Law Board or National Company Law Tribunal or reserve Bank of India or any court or any other tribunal in this respect.	No Comments

7.	<p>On the basis of our observation, we are of the opinion that Internal Audit system of the company is not adequate and commensurate with the size and nature of the business of the company. Internal auditors were appointed by the company but the management has failed to evaluate the internal auditors report and ensure that the internal Auditor has conducted the audit as per the scope of audit given to them. Compliance of the observation made by the Internal Auditors has not been carried out by the Internal audit Department.</p> <p>As per the explanation provided to us, three Audit Committee meeting was held during the year however internal audit report has not been put up in front of the committee for recommendation and compliance.</p>	Noted for compliance in subsequent years.
8.	<p>We have broadly reviewed the books of account maintained by the company relating to power generating activities of the company, pursuant to the Rules made by the Central Government for the maintenance of cost records has been prescribed under Section 209(I) (d) of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of records with a view to determine whether they are true or not.</p>	No Comments
9.	<p>(a) In our opinion and according to the information and explanation given to us the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales-tax, Custom Duty, Excise Duty, cess and any other Statutory dues applicable to it with the appropriate authorities except TDS, wealth tax and service tax.</p>	No Comments
	<p>(b) Some delays have been noted in depositing of some undisputed statutory dues of T.D.S, F.B.T & Advance Tax.</p>	Noted for compliance in subsequent years.
	<p>(c) According to the information and explanation given to us there are no undisputed Amount payable including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Custom Duty, Excise Duty, cess and other Statutory dues as at 31.03.2008, for a period of</p>	No Comments

more than six months from the date they become payable except wealth tax & service tax.

(d) According to the information and explanation given to us, the following are the particulars of disputed dues on account of sales Tax, Income Tax and custom duty that have not been paid deposited;

No Comments

Name of the assessee	Nature of dues	Amount of demand net of deposits (Rs in Lacs)	Period which relates	Forum where dispute is pending		
Income Tax Act, 1961	Demand for the A.Y 2002-03	The revised assessed tax of Rs 84.43 Lacs as per notice of demand u/s 156 of Income Tax Department after giving effect of order issued by CIT (A)	A.Y 2002-03	Appeal is pending before Appellate Tribunal. ITAT has issued order to get approval from committee on disputes.		
Income Tax Act, 1961	Demand for the A.N 2003-04	The revised assessed tax of Rs 27.95 crore as per notice of demand u/s 156 of Income Tax Department after giving effect of order issued by CIT (A)	A.Y 04	Appeal is pending before Appellate Tribunal, New Delhi.		
Income Tax Act, 1961	Demand for the A.Y 2004-05	The revised assessed tax of Rs 4.42 crore as per notice of demand u/s 156 of Income Tax Department after giving effect of order issued by CIT (A)	A.Y 05	Appeal is pending before Appellate Tribunal.		

	Income tax Act, 1961	T Demand for the A.Y 2007-08	The demand for tax raised by income tax department for Rs 41.97 crore.	A.Y 2007-08	Appeal is pending before Appellate Tribunal.			
10	In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit the immediately preceding financial year.							No Comments
11	In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayments of dues to banks and financial institution except repayment of loan from LIC of India for Rs 43,78,04,300 (Accepted by the management as against Rs. 437.80 crore transferred by the UPJVNL and Interest of Rs. 41,61,16,034 . As explained to us the loan amount is under transfer scheme and in absence of finalization of transfer scheme the amount is not repayable. Kindly refer Para 4(c) of our main audit report							No Comments
12	According to the information and explanations given to us and based on the documents and records produced, the company has not taken or granted any loans or advances on the basis of security by way of pledge of shares, debentures & other securities							No Comments
13	The Company is not a chit fund or a niche/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the companies (Auditor's Report) order 2003 are not applicable to the company.							No Comments
14	As per information & explanations given to us & on the basis of examination of records, the Company is not dealing or trading in shares, securities, debentures & other investment. Further the Company has not made any investment in shares, securities, debentures and other securities							No Comments
15	According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions							No Comments
16	As per written representation received from the Management, in our opinion the term loans availed by the company during the year were prima facie,							No Comments

	applied for the purposes for which they were obtained.	
17	As per written representation received from the Management, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.	No Comments
18	The Company has not made any preferential allotment of shares to parties & Companies covered in register maintained under section 301 of the Act	No Comments
19	The Company has not issued any debenture during the year.	No Comments
20	The Company has not raised any money by way of public issue during the year.	No Comments
21	In our opinion and according to the information and explanation given to us by the Management, we report that no fraud on or by the company has been noticed or reported during the year.	No Comments