



**Independent Auditor's Report**

To,  
The Members,  
UJVN Limited  
Dehradun

**Report on the Financial Statements**

We have audited the accompanying financial statements of **UJVN Limited** formerly known as **Uttarakhand Jai Vidyut Nigam Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Managements' Responsibility on the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 2013 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, *except for the matters reported in Annexure-1 to this report:*

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



# DMA & ASSOCIATES

## Chartered Accountants

Dehradun - New Delhi - Kanpur



### Report on other Legal & Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") Issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-2, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. proper books of account as required by law have been kept by the company and proper returns adequate for the purposes of audit have been received from branches not visited;
  - c. No branch auditors have been appointed by the company under Sub-section (8) as it was not mandatory;
  - d. The company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
  - e. the financial statements comply with the accounting standards;
  - f. there have been no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the company;
  - g. no director is disqualified from being appointed as a director under sub-section (2) of section 164;
  - h. no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - i. As per Information & explanations given by the management, the Company has an internal audit system. *Please refer Point 7 of Annexure 1 to this report.*

For DMA & Associates  
Chartered Accountants  
FRN: 010129C

CA. Deepak Kumar Ghanshani  
(Partner)

Membership No. : 078742

Place: Dehradun  
Date: 09-July-2015



Annexure-1 referred to in opinion paragraph of Our Report of even date to the members of UJVNL Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2015.

We further report as follows:

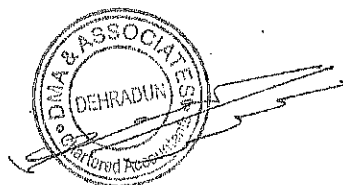
1. Fixed Assets of the company are not verifiable due to non-maintenance of proper records.
2. Following balances of long term borrowings are not substantiated by third party confirmation:
  - i. LIC of India: Rs. 43,78,04,300.00, &
  - ii. Loans from State Governments Rs. 297,11,60,042.00.
3. Opening balances of assets and liabilities were incorporated in the financial statements of the Company on the basis of allocations in the year 2001-02. Consequently the opening balances of the specific Assets & Liabilities vested in the Company is not identifiable or verifiable.

The management has stated that in absence of final transfer scheme between UPJVNL and UJVNL provisional opening balances have been incorporated in books of accounts. The accuracy of these opening balances of Assets & Liabilities is not ascertainable in absence of any agreement between UPJVNL & UJVNL on Final Transfer scheme.

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.

These assets transferred from UPJVNL are shown at a value as determined by the management. The value of such assets is neither in agreement with the fixed assets register of UPJVNL nor is the value taken certified by any approved valuer.

4. No details are available in respect of terms & conditions, securities provided, if any, the documents executed and balance confirmation towards 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.
5. One of the major debtors of the Company, i.e. UPCL, is not making payments in respect of Cess & Royalty which is payable to State Government. The amount of Rs. 389.81 Crores is included in the figure of Sundry Debtors in respect of Royalty & Cess, no provision towards the same has been made in the books of accounts. The total outstanding in the name of UPCL as on 31<sup>st</sup> March 2015 is Rs. 628.35 Crores, no confirmation in this regard is available on records.
6. The company has not allotted equity shares against Share application money of Rs. 8,10,37,570.00 received during the year within 60 days of the date of receipt in contravention of Companies (Acceptance of Deposits) Rules 2014.



**DMA & ASSOCIATES**  
Chartered Accountants

Dehradun - New Delhi - Kanpur



7. The Company has outsourced internal audit function to external auditors *but, internal audit reports were available for quarter 1, quarter 2 & quarter 3 (of few units) only & internal audit for quarter 4 was yet to be commenced at the time of our audit . In order to be effective, internal audits should be conducted in timely manner.*

For DMA & Associates  
Chartered Accountants  
FRN: 010129C



CA. Deepak Kumar Ghanshani  
Partner  
M. No. : 078742  
Place: Dehradun  
Date:09-July-2015

**DMA & ASSOCIATES**  
Chartered Accountants

Dehradun - New Delhi - Kanpur



Annexure-2 referred to in paragraph 1 of Our Report of even date to the members of UJVN Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

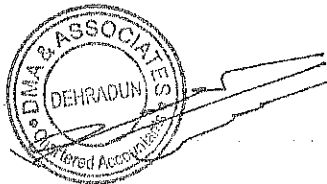
- i. **Fixed Assets of the company are not verifiable due to non-maintenance of proper records.**

Assets transferred from UPJVNL are shown at a value as determined by the management. The value of such assets is neither in agreement with the fixed assets register of UPJVNL nor is the value taken certified by any approved valuer.

- ii. **Valuation of stocks has been done at cost as certified by the management instead of cost or Net realizable value whichever is lower in term of AS-2 issued by ICAI.**

*Records of inventories maintained at the units are incomplete. In absence of complete records it is not ascertainable that 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.*

- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. As per information & explanation given by management, the Company has adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services *subject to our comments in points i & ii above.*
- v. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not accepted any deposits.
- vi. We have broadly reviewed the books of account maintained by the company relating to power generating activities of the company, pursuant to the Section 148(1) of the Companies Act 2013 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.
- vii. (a) 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 31.03.2015, for a period of more than six months from the date they become payable **except amount of Rs. 389.91 Crores which is payable to State Government towards Royalty & Cess. The Company has neither filed return of Wealth Tax nor paid any wealth tax.**



**DMA & ASSOCIATES**  
Chartered Accountants

Dehradun - New Delhi - Kanpur

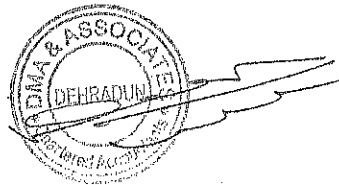


(b) According to the information and explanation given to us, the following are the particulars of disputed dues on account of Sales Tax, Income Tax and custom duty that have not been paid deposited:

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	Notice of demand of tax u/s 156 of Rs 0.84 crore	A.Y. 2002-03	Appeal is pending before Appellate Tribunal, New Delhi.
Income Tax Act, 1961	Demand for the A.Y. 2004-05	Notice of demand of tax u/s 221(1) of Rs. 29.95 crore	A.Y. 2004-05	Appeal is pending before CIT(A)-I, Dehradun.
Income Tax Act, 1961	Demand for the A.Y. 2005-06	Notice of demand of tax u/s 156 of Rs. 0.77 crore	A.Y. 2005-06	Matter decided partly in favour of Company by CIT(A)-I, Dehradun. Appeal is pending before Appellate Tribunal, New Delhi.
Income Tax Act, 1961	Demand for the A.Y. 2010-11	Notice of demand of tax of Rs. 2.43 crore	A.Y. 2010-11	Matter is pending at assessing officer level for want of reconciliation of tax deducted at source
Income Tax Act, 1961	Demand for the A.Y. 2011-12	Notice of demand of tax u/s 156 of Rs. 5.75 crore	A.Y. 2011-12	Matter decided partly in favour of Company by CIT(A)-I, Dehradun. Appeal is pending before Appellate Tribunal, New Delhi.
Income Tax Act, 1961	Demand for the A.Y. 2012-13	Notice of demand of tax u/s 156 of Rs. 22.47 crore	A.Y. 2012-13	Appeal is pending before CIT(A)-I, Dehradun.

(c) No amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956).

- viii. The company has neither accumulated losses as at March 31, 2015 nor has it incurred any cash loss in the financial year ended on that date or in the immediately preceding previous year.
- ix. 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. 1,33,50,71,072/-*. As explained to us the loan amount is under transfer scheme and in absence of finalization of transfer scheme the amount is not repayable.
- x. According to the Information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- xi. 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.



**DMA & ASSOCIATES**  
Chartered Accountants

Dehradun - New Delhi - Kanpur



- xii. Based on the audit procedures performed and the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For DMA & Associates  
Chartered Accountants

FRN: 0101290

CA: Deepak Kumar Ghanshani

Partner

M. No. : 078742

Place: Dehradun

Date: 09-07-2015

**Statutory Auditors' Report for FY 2014-15 and Management replies thereon.**

Sr. No	Statutory Auditors Report	Management Replies
1	<p><b>Report on the Financial Statements</b></p> <p>We have audited the accompanying financial statements of UJVVN Limited formerly known as Uttarakhnad Jal Vidyut Nigam Limited ("the Company"), which comprise the Balance Sheet as at March. 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information</p>	<p>The Financial Statements such as Balance Sheet and Statement of Cash Flow as on 31-3-2015 and Statement of Profit and Loss for FY 2014-15 has been prepared by the Company in pursuance to provisions of Companies Act, 2013 and Accounting Standards issued thereunder as applicable to the Company.</p>
2	<p><b>Managements' Responsibility on the Financial Statements</b></p> <p>The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 2013 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	



Sr. No	Statutory Auditors Report	Management Replies
	<p><b>Auditors' Responsibility</b> Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p>	<p>Information and supporting documents as demanded by auditors have been provided by the Company.</p>

44

Sr. No	Statutory Auditors Report	Management Replies
3	<p><b>Qualified Opinion</b></p> <p>In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, <b>except for the matters reported in Annexure-2 to this report:</b></p> <ul style="list-style-type: none"> <li>a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;</li> <li>b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and</li> <li>c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.</li> </ul>	<p>Company has maintained books of Accounts in conformity with the generally accepted accounting principles and Rules and Regulations applicable thereto.</p>
4	<p><b>Report on other Legal &amp; Regulatory Requirements</b></p> <ul style="list-style-type: none"> <li>i) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-2, a statement on the matters specified in paragraphs 3 and 4 of the Order.</li> </ul>	<p>The Financial Statements such as Balance Sheet and Statement of Cash Flow as on 31-3-2015 and Statement of Profit and Loss for FY 2014-15 has been prepared by the Company in pursuance to provisions of Companies Act, 2013 and Accounting Standards issued thereunder as applicable to the Company.</p>

Sr. No	Statutory Auditors Report	Management Replies
ii)	<p>As required by section 143(3) of the Act, we report that:</p> <ul style="list-style-type: none"><li>a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;</li><li>b) proper books of account as required by law have been kept by the company and proper returns adequate for the purposes of audit have been received from branches not visited;</li><li>c) No branch auditors have been appointed by the company under Sub-section (8) as it was not mandatory;</li><li>d) The company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;</li><li>e) the financial statements comply with the accounting standards;</li><li>f) there have been no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the company;</li><li>g) no director is disqualified from being appointed as a director under sub-section (2) of section 154;</li><li>h) no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;</li><li>i) As per information &amp; explanations given by the management, the Company has an internal audit system. <i>Please refer Point 7 of Annexure 1 to this report.</i></li></ul>	

Annexure -1 referred to in opinion paragraph of Our Report of even date to the members of UJVN Limited on the accounts of the Company for the year ended 31<sup>st</sup> March 2015.

Sr. No	Statutory Auditors Report	Management Replies
1	Fixed Assets of company are not verifiable due to non-maintenance of proper records.	Noted for future compliance however, preparation of Fixed Assets Register (FAR) is under process.
2	Following balances of long term borrowings are not substantiated by third party confirmation: i. LIC of India: 43,78,04,300 & ii. Loans from Sate Government Rs. 297,11,60,042	<p>i. Govt. of India vide Notification No. SO 1228 dated 02-09-2005 had allocated part liability amounting to Rs. 352.59 crore of loan from LIC taken by erstwhile UPSEB to the state of Uttarakhnad against Hydro Electric Projects transferred to the State. The said loan is to the state of Uttarakhnad and not to UJVN Limited. This has also been protested and communicated to Life Insurance Corporation severally that LIC loan liability not pertains to the Nigam. However, in accordance to Govt. of India's Notification dated 5-11-2001 10% Liability of such loan i.e. Rs. 43.78 crores was provisionally considered in the books of accounts as on 09-11-2001. Since the loan is provisionally provided and liability is disputed hence confirmation could not be available.</p> <p>ii. Nigam regularly intimates the balance outstanding on different loan accounts to GOU time to time.</p>

47

Sr. No	Statutory Auditors Report	Management Replies
3	<p>Opening balances of assets and liabilities were incorporated in the financial statements of the Company on the basis of allocations in the year 2001-02. Consequently the opening balances of the specific Assets &amp; Liabilities vested in the Company is not identifiable or verifiable.</p> <p>The management has stated that in absence of final transfer scheme between UPJVNL and UJVNL provisional opening balances have been incorporated in books of accounts. The accuracy of these opening balances of Assets &amp; Liabilities is not ascertainable in absence of any agreement between UPJVNL &amp; UJVNL on Final Transfer scheme.</p> <p>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.</p> <p>These assets transferred from UPJVNL are shown at a value as determined by the management. The value of such assets is neither in agreement with the fixed assets register of UPJVNL nor is the value taken certified by any approved valuer.</p>	<p>The issue of Settlement of opening balance of Assets &amp; 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&amp;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 Financial Statements of the Nigam.</p> <p>Appropriate disclosure in this regards has been made in the Financial Statements of the Nigam.</p> <p>As already stated above, UJVNL limited Accounted for the Value of Fixed Assets acquired from UPJVNL on provisional basis. Appropriate disclosure in this regards has been made in the Financial Statements of the Nigam.</p>

Sr. No	Statutory Auditors Report	Management Replies
4	<p>No details are available in respect of terms &amp; conditions, securities provided, if any, the documents executed and balance confirmation towards 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</p>	<p>Govt. of India vide Notification No. SO 1228 dated 02-09-2005 had allocated part liability amounting to Rs. 352.59 crore of loan from LIC taken by erstwhile UPSEB to the state of Uttarakhand against Hydro Electric Projects transferred to the State. The said loan is to the state of Uttarakhand and not to UJVN Limited. This has also been protested and communicated to Life Insurance Corporation severally that LIC loan liability not pertains to the Nigam. However, in accordance to Govt. of India's Notification dated 5-11-2001 10% Liability of such loan i.e. Rs. 43.78 crores was provisionally considered in the books of accounts as on 9-11-2001.</p> <p>The terms &amp; conditions, details of securities etc against this loan has also not been provided by UPJVNL to UJVNL. Appropriate disclosure in this regard has been made in the Financial Statements of the Nigam.</p>
5	<p>One of the major debtors of the Company, i.e. UPCL, is not making payments in respect of Cess &amp; royalty which is payable to State Government. The amount of Rs. 389.81 Crores is included in the figure of Sundry Debtors in respect of Royalty &amp; Cess, no provision towards the same has been made in the books of accounts. The total outstanding in the name of UPCL as on 31<sup>st</sup> March 2015 is Rs. 628.35 Crores, no confirmation in this regard is available on records.</p>	<p>The balance appears against UPCL A/c mainly represents royalty and cess payable. UPCL (a GOU owned Company) was making payments regularly during the year under audit except royalty and cess. Continuous follow-ups with UPCL at different fronts are being made to recover the balances. Further, UPCL has not provided confirmation of balance at year end however Nigam regularly intimates the o/s balance to UPCL time to time.</p>
6	<p>The company has not allotted equity shares against Share application money of Rs. 8,10,37,570.00 received during the year within 60 days of the date of receipt on contravention of companies (Acceptance of Deposits) Rules 2014.</p>	<p>The equity shares have already been allotted during FY 2015-16 and necessary entries have also been passed.</p>

48

Sr. No	Statutory Auditors Report	Management Replies
7	The Company has outsourced internal audit function to external auditors, but, internal audit reports were available for quarter 1, quarter 2 & quarter 3 (of few units) only & internal audit for quarter 4 was yet to be commenced at the time of our audit. In order to be effective, internal audits should be conducted in timely manner.	Internal audit is a continuous process and audit reports received till the date of statutory audit have been duly submitted to the auditors for their verification.

**Annexure-2 referred to in paragraph 1 of Our Report of even date to the members of UJVN Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2015.**

50

Sl. No	Statutory Auditors Observation	Management Reply
i	Fixed Assets of the company are not verifiable due to non-maintenance of proper records.  Assets transferred from UPJVNL are shown at a value as determined by the management. The value of such assets is neither in agreement with the fixed assets register of UPJVNL nor is the value taken certified by any approved valuer.	Noted for future compliance however, preparation of Fixed Assets Register (FAR) is under process.  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. UJVN limited Accounted for the Value of Fixed Assets acquired from UPJVNL on provisional basis. Appropriate disclosure in this regards has been made in the Financial Statements of the Nigam.
ii	Valuation of stocks has been done at cost as certified by the management instead of cost or Net realizable value whichever is lower in term of AS-2 issued by ICAI.  Records of inventories maintained at the units are incomplete. In absence of complete records it is not ascertainable that 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	There were established procedures in erstwhile UPSEB/UPJVNL for maintaining stocks at sub division/division level and the same are being followed remained in force in Nigam during the FY 2014-15.  Available reports of physical verification report of inventory of various divisions were available at site and produced for verification at the time of audit.
iii	According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.	No Comments



Sr. No	Statutory Auditors Report	Management Replies
iv	As per information & explanation given by management, the Company has adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services <b>subject to our comments in points I &amp; II above.</b>	No Comments
v	According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not accepted any deposits.	No Comments
vi	We have broadly reviewed the books of account maintained by the company relating to power generating activities of the company, pursuant to the Section 148(1) of the Companies Act 2013 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.	No Comments
vii	(a) 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, Cess and other Statutory dues as at 31.3.2015, for a period of more than six months from the date they become payable except amount of Rs. 389.91 Crores which is payable to State government towards Royalty & Cess.  The Company has neither filed return of Wealth Tax nor paid any wealth tax.	As stated in point no. 5 of Annexure-1 to the auditors' report, UPCL (a GoU owned Company) was not making payments on account of royalty and cess. Continuous follow-ups with UPCL at different fronts are being made to recover the same. The amount of royalty of cess will be paid to GoU as and when received from UPCL. Further, Nigam is in the process of examining the applicability of wealth tax on its assets upto 31.03.2015 however the Wealth Tax Act has already been abolished in the finance bill 2015.

Sr. No	Statutory Auditors Report	Management Replies				
<p>(b) 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.</p>	<p>No Comments</p>					
		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 AY 2002-03	Rs. 0.84 crore	A.Y. 02-03	ITAT, New Delhi
		Income Tax Act 1961	Demand for the AY 2004-05	Rs. 29.95 crore	A.Y. 04-05	CIT (A)-1, Dehradun
		Income Tax Act 1961	Demand for the AY 2005-06	Rs. 0.77 crore	A.Y. 05-06	ITAT, New Delhi
		Income Tax Act 1961	Demand for the AY 2010-11	Rs. 2.43 crore	A.Y. 10-11	DCIT, Dehradun for want of reconciliation of TDS
Income Tax Act 1961	Demand for the AY 2011-12	Rs. 5.75 crore	A.Y. 11-12	ITAT, New Delhi		
Income Tax Act 1961	Demand for the AY 2012-13	Rs. 22.47 crore	A.Y. 12-13	CIT (A)-1, Dehradun		
<p>(c) No amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956)</p>					<p>No Comments</p>	

Sr. No	Statutory Auditors Report	Management Replies
viii	The company has neither accumulated losses as at March 31, 2015 nor has it incurred any cash loss in the financial year ended on that date or in the immediately preceding previous years.	No Comments
ix	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 UPJNL and interest of Rs. 1,33,50,71,072/-. As explained to us the loan amount is under transfer scheme and in absence of finalization of transfer scheme the amount is no repayable.	Please refer reply to point no. 2(i) of Annexure-1 to Auditors' Report
x	According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institutions.	No Comments
xi	As per written representation 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.	No Comments
xii	Based on the audit procedures performed and the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year, nor have been informed of such case by management.	No Comments