



# UTTARAKHAND JAL VIDYUT NIGAM LIMITED

## DIRECTOR'S REPORT

To the Members,

Uttaranchal Jal Vidyut Nigam Ltd.,

Your Directors have pleasure in presenting the 4th Annual Report of your Nigam together with Audited Accounts, Auditors' Report and the Review of Accounts by the Comptroller and Auditor General of India for the financial year ended 31<sup>st</sup> March, 2005.

### 1. FINANCIAL PERFORMANCE

Your Nigam completed the fourth year of operation. The sales turnover increased to Rs. 23358.50\* Lacs as compared to Rs. 23224.21\*\* Lacs for the period ending 31.03.2004. During the year the Nigam earned net profit of Rs. 50.63 Lacs as compared to a profit of Rs. 14.72 Crores for the period ending 31.03.2004. The financial performance as on March 31<sup>st</sup> 2005 is summarized hereunder:-

### FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Table 1

Particulars	2003-2004	2004-2005
Sale of Power	23224.21**	23358.50*
Operating Profit	4062.63	2943.75
Other Income	638.04	785.21
Profit before Depreciation, Interest & Tax	3424.59	2158.54
Depreciation	842.27	940.04
Profit/(Loss) after Depreciation and before Interest and Tax	2582.32	1218.50
Interest Cost	1161.22	1066.56
Profit / (Loss) after Depreciation and Interest but before Prior Period items and Tax	1421.10	151.94
Prior Period Items	1911.14	17.20
Profit/(Loss) before Tax	3332.24	169.14
Tax	1860.07	118.50
Profit after Depreciation, Interest and Tax	1472.17	50.64

\*\* Inclusive of Cess & Royalty of Rs. 11890.95 Lacs

\* Inclusive Cess & Royalty of Rs. 11552.78 Lacs

During the year under review inspite of decrease in generation by 324.23 MU the turn over increased due to increase in tariff of 9 LHPs from 29.68 p/u to 37.87 P/u.

### 2. POWER GENERATION

During the year under report generation of electricity achieved was 3161.77 MU as against generation

of 3486 MU for the F.Y 2003-04. The decrease in generation by 324.23 MU was primary due to poor hydrology during the year under review.

### 3. PROJECTS

During the construction work on Maneri Bhalli Stage-II was continuing in full swing and preliminary work on Pala Maneri Hydro Electric Project (480 MW) in Uttarkashi district is also in progress.

### 4. ENVIRONMENT MANAGEMENT

UJVNL believes that economic development of society depends on the judicious management of its natural resources; therefore, it accords utmost importance to the conservation of natural resources. The concept of sustained development has been integrated into the design, implementation and post implementation of hydro projects which causes zero pollution during operation phase.

### 5. INFORMATION TECHNOLOGY & COMMUNICATIONS

UJVNL is committed to remain in the forefront in deploying tools and technologies in the areas of IT & Communications to create a state of the art information infrastructure in the organization covering Corporate Office and Projects and Power Stations. As an initial step in that direction Desktop computers have been provided in adequate numbers in order to create sufficient computing facilities.

### 6. CORPORATE GOVERNANCE

Your Company believes that good Corporate Governance practices pave the way towards building a Great Company. It lays stress on developing adequate control system in operation and increasing the efficiency of Business Enterprise, for creation of wealth of enterprise and state as a whole.

### 7. BOARD OF DIRECTORS

Following Directors were appointed during the F.Y. 2004-05

1. Sh. N. Ravishankar on 29.3.05
2. Sh. S.P.S. Raghav on 29.1.05

Following Directors ceased to be Directors during the F.Y. 2004-05

1. Sh. S. Krishnan on 18.12.04
2. Sh. A.R. Agarwal on 29.1.05
3. Sh. D.P. Pande on 29.3.05

### 8. PROPOSED DIVIDEND

Your Directors do not recommend payment of any dividend for the Financial Year 2004-05.

### 9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is as under for the period under review :

- i. Our Company is not a specified Industry as per Schedule of Form-A under rule 2 for disclosures relating to conservation of energy.
- ii. The information required in Form-B under rule 2 in respect of Research and Development, Technology absorption, adaptation and innovation etc. is NIL and
- iii. The information relating to Foreign Exchange inflow and outflow is under.

Expenditure in Foreign Currency	Rs. 209.96 Lacs
Earnings in Foreign Currency	Nil

## 10. PARTICULARS OF EMPLOYEES

Information required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is Nil.

## 11. AUDITORS

M/s I.C. Sanghal & Co., Chartered Accountants, Dehradun, was appointed as Statutory Auditors by Comptroller and Auditor General of India for conducting and Audit of the company for the year 2004-2005 and retire as auditors of the Company at the conclusion of ensuing Annual General Meeting. M/s RAG & Associates were appointed as a Statutory Auditors of the Company for the F.Y. 2005-06 by the Comptroller & Auditor General of India in accordance with the provisions of Section 619 (2) of the Companies Act, 1956.

## 12. AUDITOR'S REPORT

The Auditor's Report refers to various notes incorporated by the Nigam in Schedule XXII, which are self-explanatory. The comments of the Auditors and Management's replies thereto are given in Annexure-I. The comments of the Comptroller and Auditor General of India and replies thereon are enclosed as Annexure-II to the Report.

## 13. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 of the Companies Act, 1956, the Directors hereby confirm the following :

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Nigam at the end of the financial year and of the profit of the Nigam for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Nigam and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

## 14. ACKNOWLEDGEMENTS

The Board of Directors acknowledge with deep appreciation the cooperation and guidance received from the Government of Uttaranchal and in particular the Department of Energy, Department of Finance, Department of Company Affairs, Government of India, Central Electricity Authority, Central Water Commission, Uttaranchal Power Corporation Limited and HPSEB. The Board also places on record its appreciation for continuing support, faith and confidence reposed in the Nigam by the Banks/ Financial Institutions. The Board places on record its deep appreciation for the cooperation extended by Statutory Auditors and Office of Comptroller & Auditor General of India. Further, the Board wishes to record its deep gratitude to all the members of UJVNL family whose enthusiasm, dedication and co-operation have made the achievement of a satisfying performance possible. The Board is also confident that the employees will continue to contribute their best in the coming years.

For and on behalf of the Board of Directors

Sd/-  
Director (Finance)

Sd/-  
Managing Director

Sd/-  
Chairman

Date : 03-07-2008