

UTTARAKHAND JAL VIDYUT NIGAM LIMITED

DIRECTORS' REPORT

To the Members,

Uttarakhand Jal Vidyut Nigam Ltd.,

Your Directors have pleasure in presenting the 6th 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 31st March, 2007.

1. FINANCIAL PERFORMANCE

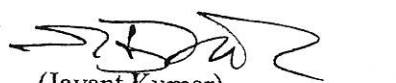
Your Nigam completed the Sixth year of operation. The sales turnover decreased to Rs.23,337.95 Lacs as compared to Rs.26,590.54 Lacs for the year ending 31.03.2006; During the year the Nigam earned net profit of Rs. 48.04 Crores as compared to a net Profit of Rs.30.10 Crores for the year ending 31.03.2006. The financial performance as on March 31st 2007 is summarized hereunder:-

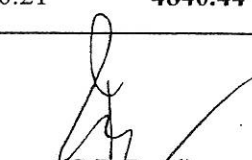
FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Table 1

Particulars	2005-2006	2006-2007
Sale of Power	26590.55	23337.96
Profit before Extra Ordinary Adjustment, Depreciation, Interest & Tax	5232.91	478.88
Add :-Extra Ordinary Income	--	7816.54
Less :- Depreciation	1035.13	1044.75
Profit/(Loss) after Depreciation and before Interest and Tax.	4197.78	7250.67
Less :-Interest Cost	862.90	829.48
Profit/(Loss) after Depreciation and Interest but before Prior Period items and Tax	3334.88	6421.19
Less :-Prior Period Items	112.00	(546.15)
Profit/(Loss) before Tax	3222.88	6967.34
Less:-Tax	212.67	2126.90
Profit after Depreciation, Interest and Tax	3010.21	4840.44


(Jayant Kumar)
Director (Finance)


(G.P. Patel)
Managing Director

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The increase in profit is primarily due to recognition of Renovation & Modernization Funds amounting to Rs. 78.16 Crores as income pertaining to financial year 2001-02 to 2003-04 as per settlement Talk between Nigam and UERC.

2. POWER GENERATION

During the year under report the Nigam generated 3316 million units (MUs) of electricity against the total generation of 3544 MUs for the financial year 2005-06.

2. PROJECTS

During the year the construction work on Maneri Bhali Stage II HEP was in full swing and preliminary work on Pala Maneri Hydro Electric Project (480 MW) in Uttarkashi district was also in progress.

3. 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.

4. DEPOSITS

The Company has not accepted any deposits from the Public.

5. INSURANCE


The Company has adequately insured the Company's Properties.

6. 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.

7. 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 operations and increasing the efficiency of Business Enterprise for creation of wealth of enterprise and State as a whole.


(Jayant Kumar)
Director (Finance)


(G.P. Patel)
Managing Director

8. BOARD OF DIRECTORS

Following Directors were appointed during the financial year 2006-07

- 1. Shri. B. M. Verma
- 2. Shri. S. Mohan Ram
- 3. Shri. J.L. Bajaj
- 4. Shri. Alok Kumar Jain
- 5. Shri. S.S. Sandhu

Following Directors ceased to be Directors during the financial year 2006-07

- 1. Shri. M.S. Verma
- 2. Shri. A. B. Giri
- 3. Shri. A.K. Bhadur
- 4. Shri. S. P. S. Raghav
- 5. Shri. Sanjeev Chopra

9. PROPOSED DIVIDEND

Your Directors do not recommend payment of any dividend for the financial Year 2006-07.

10. 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. 864.04 Lacs
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Earnings in Foreign Currency	NIL
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11. PARTICULARS OF EMPLOYEES

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


 (Jayant Kumar)
 Director (Finance)


 (G.P. Patel)
 Managing Director

12. AUDITORS

M/s. RAG Associates, Chartered Accountants, Dehradun, were appointed as Statutory Auditors by Comptroller and Auditor General of India for conducting the Audit of the Company for the financial year 2007-2008.

13. AUDITOR'S REPORT

The Auditor's Report refers to various notes incorporated by the Nigam in Schedule XXI, 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.

14. 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 during the year and made judgments 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.

15. ACKNOWLEDGEMENTS

The Board of Directors acknowledge with deep appreciation the cooperation and guidance received from the Government of Uttarakhand and in particular the Department of Energy, Department of Finance, Department of Company Affairs, Government of India, Central Electricity Authority, Central Water Commission, Uttarakhand 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


(Jayant Kumar)
Director (Finance)


(G.P. Patel)
Managing Director

Date : 31 / 01 / 2011