

UTTARANCHAL JAL VIDYUT NIGAM LTD

BALANCE SHEET AS AT 31st MARCH 2004

| Particulars | Schedule | Amount in Rs | |
|--|----------|-----------------------|----------------------|
| | | AS AT 31-Mar-04 | AS AT 31-Mar-03 |
| SOURCES OF FUNDS | | | |
| SHARE HOLDERS' FUNDS | | | |
| Share Capital | I | 50,000,000 | 50,000,000 |
| Reserve & Surplus | | | |
| Capital Reserve | II | 7,670,053,438 | 7,407,190,817 |
| LOAN FUNDS | | | |
| Unsecured Loans | III | 4,752,303,410 | 2,481,460,822 |
| TOTAL | | 12,472,356,848 | 9,938,651,639 |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| Fixed Assets Block | IV | 7,089,375,408 | 7,018,775,731 |
| Less: Depreciation | | (5,040,960,003) | (5,100,110,868) |
| Net Block | | 2,048,415,405 | 1,918,664,863 |
| Incidental Expenditure during construction period pending capitalisation | V | 196,380,703 | 196,869,841 |
| Capital Work In Progress | VI | 7,971,766,571 | 5,541,350,689 |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| Inter Unit Balances | VII | 217,372,575 | 217,372,575 |
| Stock, Stores & Spares | VIII | 37,365,144 | 18,495,911 |
| Sundry Debtors | IX | 2,620,073,269 | 1,994,769,666 |
| Cash & Bank Balance | X | 1,760,123,006 | 1,284,909,669 |
| Loans & Advances | XI | 796,945,341 | 394,851,779 |
| Total Current Assets | | 5,430,879,335 | 3,910,399,600 |
| Less: Current Liabilities | XII | (3,348,364,494) | (1,945,843,630) |
| Net Current Assets | | 2,082,514,841 | 1,964,555,970 |
| Miscellaneous Expenditure to the extent not Written off or Adjusted | XIII | 21,900,524 | 18,614,647 |
| Profit & Loss Account | XIV | 151,378,804 | 298,595,629 |
| TOTAL | | 12,472,356,848 | 9,938,651,639 |

Particulars on accounts Schedules (I to XXI) and Accounting Policies & Notes on Accounts (Sch. XXII) form Integral Part of the Accounts


(R.K. Jha)
Asst. Company Secretary

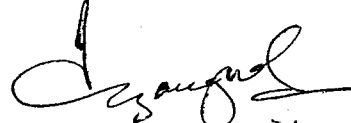

(Br. S.K. Agarwal)
GM (Accounts)


(R. Misra)
Director (F)


(S.P. SINGH)
Managing Director

Dated : 9th February, 2007
Place : Dehradun

As per our Separate Report
of even date.



I.C. SANGHAL & CO.
Chartered Accountants
17-Rajpur Road, Dehradun


UTTARANCHAL JAL VIDYUT NIGAM LTD

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31st MARCH 2004

| Particulars | Schedule | Amount in Rs | |
|---|----------|----------------------|----------------------|
| | | AS AT 31-Mar-04 | AS AT 31-Mar-03 |
| INCOME | | | |
| Sale Of Power | XV | 2,322,421,337 | 1,360,175,202 |
| Other Income | XVI | 63,804,867 | 74,846,126 |
| TOTAL | | 2,386,226,204 | 1,435,021,328 |
| EXPENSES | | | |
| Royalty & Cess | | 1,189,094,951 | 159,164,897 |
| Fuel Cost | | 6,527,820 | 7,787,501 |
| Repairs & Maintenance | XVII | 282,849,322 | 313,300,910 |
| Employees Remuneration and Benefits | XVIII | 461,029,884 | 439,704,931 |
| Administrative & General expenses | XIX | 104,264,649 | 88,125,614 |
| Depreciation | IV | 84,227,049 | 114,979,877 |
| Interest & Other Charges | XX | 116,122,088 | 554,156,194 |
| TOTAL | | 2,244,115,763 | 1677219924.00 |
| Net Profit/(Loss) before Prior Period Items | | 142,110,441 | (242,198,596) |
| Add: Prior Period Income | | 192,556,828 | 7,229 |
| Less: Prior Period Adjustment/ Expenditure | XXI | 1,442,225 | (19,917,651) |
| Less :- Provision Of Deffered Tax Liability | | 169,119,751 | - |
| Profit/(Loss)before tax | | 164,105,293 | (262,109,018) |
| Provision for Income tax | | 16,888,468 | - |
| Profit/(Loss) after tax | | 147,216,825 | (262,109,018) |

Notes on accounts
Schedules(I to XXI) and Accounting Policies & Notes on
Accounts(Sch. XXII) form Integral Part of the Accounts


(R.K.Jha)
Asst. Company Secretary

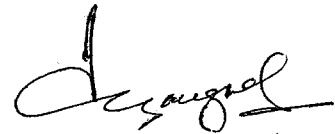

(Dr.S.K.Agarwal)
GM(Accounts)


(R.Misra)
Director (F)


(S.P.Singh)
Managing Director

Dated : 9th Feburary,2007
Place : Dehradun

As per our Separate Report
of even date.



I.C.SANGHAL & CO.
Chartered Accountants
17-Rajpur Road, Dehradun

UTTARANCHAL JAL VIDYUT NIGAM LTD

SCHEDULES TO THE ACCOUNTS

| Particulars | Amount in Rs | |
|--|--------------------------|--------------------------|
| | AS AT 31-Mar-04 | AS AT 31-Mar-03 |
| SCHEDULE - I | | |
| SHARE CAPITAL | | |
| A. AUTHORISED | | |
| 3000000 Equity Shares of Rs. 1,000 each (Previous Year 50000 Equity Shares of Rs. 1000/ each) | <u>3,000,000,000</u> | <u>50,000,000</u> |
| B. Issued, Subscribed & Paid up | | |
| 50000 Equity Shares of Rs.1000/- each (Previous Year 50000 Equity Shares of Rs. 1000/ each) | <u>50,000,000</u> | <u>50,000,000</u> |
| TOTAL | <u><u>50,000,000</u></u> | <u><u>50,000,000</u></u> |

SCHEDULE - II

CAPITAL RESERVE

(A) Capital Grant & Subsidies

| | | | |
|---|--------------------|--------------------|-------------|
| Opening Balance as on 1.04.2003 | 629,607,064 | 517,892,309 | |
| Add: received during the year | <u>260,345,000</u> | <u>173,132,000</u> | |
| | 889,952,064 | 691,024,309 | |
| Less : Utilisation of Grants & Subsidiary during the year | <u>168,760,537</u> | <u>61,417,245</u> | |
| | | 721,191,527 | 629,607,064 |

B) Capital Reserve for Assets acquired out of Capital Grants & Subsidies

| | | | |
|--|--------------------|-------------------|-------------|
| Opening Balance as on 1.04.2003 | 268,427,285 | 244,034,183 | |
| Add :- Additions during the Year | <u>168,760,537</u> | <u>61,417,245</u> | |
| | 437,187,822 | 305,451,428 | |
| Less :- Depreciation for the year on fixed assets acquired out of grant & Subsidies(Schedule-IV) | <u>17,330,028</u> | <u>37,024,143</u> | |
| Add :- Adjustment for Depreciation for previous year for change in Accounting policies (Schedule-IV) | <u>19,847,649</u> | - | 268,427,285 |
| | | 439,705,443 | |

(C) Difference between Assets & Liabilities (Under the Transfer Scheme)

| | |
|---------------|---------------|
| 6,509,156,468 | 6,509,156,468 |
|---------------|---------------|

TOTAL

| | |
|-----------------------------|----------------------------|
| <u><u>7,670,053,438</u></u> | <u><u>7,407,190,81</u></u> |
|-----------------------------|----------------------------|


 (R.K. Jha)
 Asst. Company Secretary


 (Dr. S.K. Agarwal)
 GM(Accounts)


 (R. Misra)
 Director (F)


 (S.P. Singh)
 Managing Director

Dated : 9th February, 2007
Place : Dehradun



UTTARANCHAL JAL VIDYUT NIGAM LTD


| Particulars | Amount in Rs | |
|--|----------------------|----------------------|
| | AS AT | |
| | 31-Mar-04 | 31-Mar-03 |
| SCHEDULE III | | |
| <u>UNSECURED LOANS</u> | | |
| From Life Insurance Corporation (Note-1) | 437,804,300 | 437,804,300 |
| From Power Finance Corporation (Guaranteed By Govt. of Uttaranchal) | 3,746,439,936 | 1,468,158,982 |
| From State Government | - | - |
| (i) State Govt. Loan provisionally acquired from UPJVNL | 50,500,000 | 50,500,000 |
| (ii) GOU Loan (Note-2) | 200,000,000 | 200,000,000 |
| (iii) APDP Loan(Note-3) | 39,250,000 | 13,080,000 |
| (iv) PMGY Loan(Note-4) | 1,500,000 | 1,000,000 |
| (v) Nabard Loan | - | 161,870,000 |
| Interest payable on Unsecured Loan | 276,809,174 | 149,047,540 |
| TOTAL | 4,752,303,410 | 2,481,460,822 |

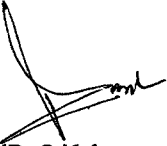
Note-1 :- Loan from Life Insurance Corporation shown as Unsecured Loan , pending finalisation of the loan amount and terms & conditions.

Note-2 :-Principal amount due but not paid as on 31-3-2004 is Rs. 40,000,000. Principal amount due within one year Rs.20,000,000

Note-3 :-Principal amount due but not paid as on 31-3-2004 is Rs. 3,27,000. Principal amount due within one year Rs.9,81,250

Note-4 :-Principal amount due but not paid as on 31-3-2004 is Rs. 25,000. Principal amount due within one year Rs.37,500


 (R.K.Jha)
 Asst. Company Secretary

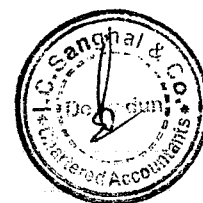

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 Managing Director

Dated : 9th February, 2007

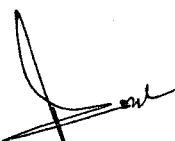
Place : Dehradun



UTTARANCHAL JAL VIDYUT NIGAM LTD

| Particulars | Amount in Rs AS AT 31-Mar-04 | Amount in Rs AS AT 31-Mar-03 |
|--|------------------------------------|------------------------------------|
| SCHEDULE V | | |
| <u>INCIDENTAL EXPENDITURE DURING CONSTRUCTION PERIOD PENDING CAPITALISATION</u> | | |
| <u>EXPENDITURE UPTO LAST YEAR</u> | | |
| <u>Opening Balance</u> | 196,869,841 | 170,004,634 |
| Less :- Prior Period Adjustment | - | 4,500,747 |
| | 196,869,841 | 165,503,887 |
| Expenditure During the Year : | | |
| Employee Cost | 50,740,588 | 59,527,083 |
| Repairs & Maintenance | | |
| Building | 2,032,953 | 167,393 |
| Plant & Machinery | 6,857,539 | 3,964,130 |
| Others | 4,446,674 | 1,771,491 |
| Other Administrative Overhead | | |
| Rent | 221,601 | 253,238 |
| Electric & Water Charges & Other taxes | 269,514 | 83,990 |
| Printing & stationary Charges | 534,912 | 665,583 |
| Bank Charges | 50,960 | 22,149 |
| Travelling Expenses. | 2,411,572 | 1,569,904 |
| Advertisement & Publicity | 379,848 | 957,065 |
| Stock handling Expenses. | 34,106 | 30,425 |
| Prior-period Expenses | 639,654 | 573,023 |
| Legal Charges | 31,810 | 50,668 |
| Insurance charges | 286,513 | 508,819 |
| Conveyance & taxi Hire Charges | 125,576 | 294,255 |
| Consultancy Charges | 798,326 | 63,934 |
| Entertainment Expenses. | 113,210 | 94,547 |
| Postage & Telephone etc. | 735,543 | 734,611 |
| Miscellaneous Expenses. | 522,557 | 727,462 |
| Stores Adjustment Expenses. | 201,290 | 2,531,234 |
| Depreciation (Schedule-IV) | 1,063,582 | 1,749,530 |
| Total Expenses For the year | 72,498,328 | 76,340,534 |
| Less: | | |
| Tender fee | 70,500 | 200,400 |
| Rent A/C (Plant & Machinery) | - | 29,195 |
| Miscellaneous Receipts | 17,122,238 | 6,777,755 |
| Interest Receipts | 24,126,298 | - |
| Total (Income) | 41,319,036 | 7,007,350 |
| Net Expenses for the year | 31,179,292 | 69,333,184 |
| Total Incidental Expenses during Construction Period | 228,049,133 | 234,837,071 |
| Less : | | |
| Expenses Capitalised to projects | - | 3,510,029 |
| Expenses Transferred to NHPC works | - | 449,977 |
| Expenses Transferred to P/L A/C | 31,668,430 | 34,007,224 |
| AMOUNT CARRIED FORWARD | 196,380,703 | 196,869,841 |

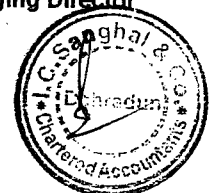

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(R. Misra)
Director (F)


(S.P. Singh)
Managing Director

Dated : 9th February, 2007
Place : Dehradun




UTTARANCHAL JAL VIDYUT NIGAM LTD

SCHEDULE-VI

CAPITAL WORK IN PROGRESS

(Amount in Rs.)

| PARTICULARS | As At 1-4-2003 | Additions During the Year | Adjustment | Capitalisation During the year | As at 31-3-2004 |
|--|----------------------|------------------------------|------------|-----------------------------------|----------------------|
| (A) Large Hydro Projects | | | | | |
| 1. Opening Balance of CWIP From UPJVNL | 3,527,151,269 | - | - | - | 3,527,151,269 |
| 2. Hydraulic Works | 510,600 | - | - | 20,536,933 | 978,761,846 |
| 3. Plant & Machinery | 203,918,582 | 795,380,197 | - | - | 2,780,790,630 |
| 4. Building & Civil Work | 1,390,208,715 | 1,390,581,915 | - | - | 292,371,729 |
| 5. Interest During Construction Period | 101,096,765 | 191,274,964 | - | - | 58,156,861 |
| 6. Other | 3,798 | 58,153,063 | - | - | 7,637,742,935 |
| Total(A) | 5,222,889,729 | 2,435,390,139 | - | 20,536,933 | 334,023,636 |
| (B) Small Hydro Projects | | | | | |
| | 318,460,960 | 15,562,676 | - | - | 7,971,766,571 |
| Grand Total (A+B) | 5,541,350,689 | 2,450,952,815 | - | 20,536,933 | 7,971,766,571 |

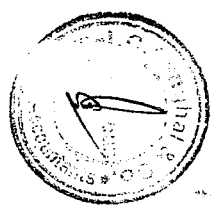

 (R.K. Jha)
 Asst. Company Secretary


 (Dr. S. K. Agarwal)
 GM(Accounts)


 (R. Misra)
 Director (F)


 (S.P. Singh)
 Managing Director


Dated : 9th February, 2007
 Place : Dehradun



UTTARANCHAL JAL VIDYUT NIGAM LTD

| Particulars | Amount in Rs | |
|--|----------------------|----------------------|
| | AS AT | AS AT |
| | 31-Mar-04 | 31-Mar-03 |
| SCHEDULE VII | | |
| <u>INTER UNIT BALANCES</u> | 217,372,575 | 217,372,575 |
| TOTAL | 217,372,575 | 217,372,575 |
| SCHEDULE VIII | | |
| <u>STOCK, STORES AND SPARES</u> | | |
| Stock Stores & Spares (Included With Contractors) | 37,365,144 | 18,495,911 |
| TOTAL | 37,365,144 | 18,495,911 |
| SCHEDULE IX | | |
| <u>SUNDRY DEBTORS</u> | | |
| More Than Six month old (Unsecured Considered Good) | 2,054,612,927 | 1,814,163,304 |
| Others (Unsecured Considered Good) | 565,460,342 | 180,606,362 |
| TOTAL | 2,620,073,269 | 1,994,769,666 |
| SCHEDULE X | | |
| <u>CASH & BANK BALANCES</u> | | |
| Cash in Hand incl. PI & TI etc. | 425,002 | 8,574,702 |
| Balances with Schedule Bank in Current Account | 604,220,672 | 273,450,220 |
| Balance with other Bank in Current Account | 78,339,385 | 15,767 |
| Balances with Banks in FDR A/C | 1,059,646,980 | 1,002,868,980 |
| Cheques In Transit | 17,490,967 | - |
| TOTAL | 1,760,123,006 | 1,284,909,669 |


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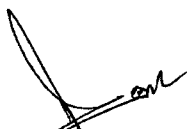



UTTARANCHAL JAL VIDYUT NIGAM LTD

| Particulars | Amount in Rs | |
|--|----------------------|----------------------|
| | AS AT | AS AT |
| | 31-Mar-04 | 31-Mar-03 |
| SCHEDULE XI | | |
| <u>LOANS AND ADVANCES</u> | | |
| Amount Recoverable in cash or in Kind | 197,484,751 | 100,491,616 |
| GPF Trust -UJVNL | 25,212,177 | - |
| Others | 527,560,329 | 272,992,472 |
| Interest Accrued on FDR's with Banks | 45,688,084 | 21,367,691 |
| TOTAL | 795,945,341 | 394,851,779 |
| SCHEDULE XII | | |
| <u>CURRENT LIABILITIES</u> | | |
| UPSEB Period Liabilities | 166,184,425 | 166,184,425 |
| Sundry Creditors for Capital works | | |
| (a) Due to SSI | - | - |
| (b) Dues Other than SSI | 3,994,754 | 14,823,686 |
| Sundry Creditors for O&M works | | |
| (a) Due to SSI | - | - |
| (b) Dues Other than SSI | 51,750,794 | 25,461,780 |
| Other Liability & provisions | 751,654,791 | 1,004,586,248 |
| Staff Related Provisions Liability | 29,878,647 | 29,422,354 |
| Deposit for Electrification | 1,396,649 | 1,406,149 |
| Advance for PFR | 9,400,000 | - |
| CPA Amount Payable | 1,263,288 | - |
| Security Deposit from Consumer | 717,109 | 559,521 |
| Consumer Contribution/ Grant for Capital Expenditure | 585,203 | 554,422 |
| Trust Related Liabilities-Lucknow | 25,110,933 | 23,982,264 |
| Amount payable to GOU | 1,260,976,242 | 19,734,516 |
| Provision for taxation | 16,888,468 | - |
| Deffered Tax Liability | 169,119,751 | - |
| Renovation & Mordernisation Fund | 859,443,440 | 659,128,265 |
| TOTAL | 3,348,364,494 | 1,945,843,630 |
| SCHEDULE XIII | | |
| <u>MISCELLANEOUS EXPENDITURE</u> | | |
| <u>To the extent not Written Off</u> | | |
| Survey & Investigation | 21,900,524 | 18,614,647 |
| TOTAL | 21,900,524 | 18,614,647 |
| SCHEDULE XIV | | |
| <u>PROFIT & LOSS ACCOUNT(Loss)</u> | | |
| Opening balance | 298,595,629 | |
| Add : (Profit)/Loss for the year | (147,216,825) | 151,378,804 |
| | 151,378,804 | 298,595,629 |


 (R.K. Jha)
 Asst. Company Secretary

Dated : 9th February, 2007
Place : Dehradun


 (Dr. S.K. Agarwal)
 GM(Accounts)



 (R. Misra)
 Director (F)


 (S.P. Singh)
 Managing Director



UTTARANCHAL JAL VIDYUT NIGAM LTD

| Particulars | Schedule | Amount in Rs | |
|---|----------|----------------------|----------------------|
| | | AS AT 31-Mar-04 | AS AT 31-Mar-03 |
| SCHEDULE XV | | | |
| Sale Of Power | | | |
| Sale Of Power | | 2,322,421,337 | 1,360,175,202 |
| TOTAL | | 2,322,421,337 | 1,360,175,202 |
| SCHEDULE XVI | | | |
| OTHER INCOME | | | |
| Sale of Tender Forms | | 1,994,321 | 1,195,966 |
| Registration Fee | | 24,550 | 3,650 |
| Water Charges | | 25 | - |
| Forfeited Earners/ Security Money | | - | 150 |
| Miscellaneous income. | | 2,079,193 | 1,280,512 |
| Interest on House Building .Advance | | 27,038 | 69,089 |
| Interest on Cycle Advance. | | - | 80 |
| Interest on Bank Deposit | | 56,777,841 | 36,650,385 |
| Interst on advance to Contractor | | 723 | - |
| School Fee /Examination Fee | | 12,550 | 18,164 |
| Water Tank Charges | | 2,250 | 6,965 |
| Recoveries for Transport facility | | 229,305 | 218,301 |
| Inspection/Guest House Receipts | | 21,594 | 23,673 |
| Rent from Staff. | | 324,152 | 478,942 |
| Rental from Contractors | | 67,956 | 54,630 |
| Excess found on physical verification of stores | | 93,825 | 27,760 |
| Penalty from Contractors & Suppliers | | 2,149,544 | 34,817,859 |
| TOTAL | | 63,804,867 | 74,846,126 |


(R.K. Jha)
Asst. Company Secretary

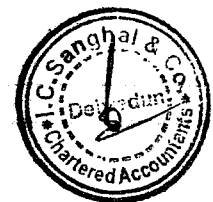

(Dr. S.K. Agarwal)
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Director (F)


(S.P. Singh)
Managing Director

Dated : 9th February, 2007

Place : Dehradun







UTTARANCHAL JAL VIDYUT NIGAM LTD

| Particulars | Amount in Rs | |
|---|--------------------|--------------------|
| | AS AT | AS AT |
| | 31-Mar-04 | 31-Mar-03 |
| SCHEDULE XVII | | |
| <u>REPAIRS & MAINTENANCE</u> | | |
| Repairs & Maintenance | | |
| -Civil Work | 138,170,099 | 162,914,678 |
| -Plant & Machinery | 139,701,520 | 147,476,355 |
| - Others | 4,977,703 | 2,909,877 |
| Total | 282,849,322 | 313,300,910 |

SCHEDULE XVIII
EMPLOYEES REMUNERATION AND BENEFITS

| | | |
|-------------------------------|--------------------|--------------------|
| Salaries,wages and allowances | 358,594,405 | 335,393,405 |
| Gratuity & Pension | 67,886,256 | 63,775,375 |
| Leave Encashment | 22,541,740 | 21,995,678 |
| Other Staff welfare expenses | 12,007,483 | 18,540,473 |
| Total | 481,029,884 | 439,704,931 |

| | | | |
|--|---|---|--|
|  (R.K. Jha) Asst. Company Secretary |  (Dr. S.K. Agarwal) GM(Accounts) |  (R. Misra) Director (F) |  (S.P. Singh) Managing Director |
|--|---|---|--|


Dated : 9th February, 2007
Place : Dehradun




UTTARANCHAL JAL VIDYUT NIGAM LTD

| Particulars | Amount in Rs | |
|---------------------------------------|--------------------|--------------------|
| | AS AT 31-Mar-04 | AS AT 31-Mar-03 |
| SCHEDULE XIX | | |
| OTHER ADMINISTRATION OVERHEAD | | |
| Rent Rates Taxes | 442,783 | 487,860 |
| Insurance | 13,581,361 | 235,510 |
| Telephone & Trunk Calls | 3,092,956 | 1,732,964 |
| Postage & Stamps | 306,603 | 246,813 |
| Legal Charges | 399,010 | 519,995 |
| Auditor Remuneration | 135,000 | 134,760 |
| Technical & Other Consultancy Charges | 7,810,372 | 5,536,097 |
| Honorarium | 70,370 | - |
| Frieght Charges | 17,859 | 7,535 |
| Advertisemnet Of Tender | 419,503 | 762,567 |
| Conveyance expenses | 487,543 | 14,189 |
| Travelling Expenses | 7,265,712 | 4,647,055 |
| Vehicle Running Expenses | 3,833,999 | 2,030,869 |
| LODA | 291,076 | 95,604 |
| Licences & Registration Fees | 260,493 | 349,575 |
| Books & periodicals | 196,622 | 5,989 |
| Printing & Stationery | 3,698,173 | 2,339,810 |
| Advertisement Other | 3,028,157 | 2,088,641 |
| Electricity Charges | 839,082 | 23,839,855 |
| Entertainment | 105,910 | 276,247 |
| Miscellaneous Expenses | 6,891,052 | 8,292,164 |
| Incidental Stores Expenses | 17,302 | 2,736 |
| Recruitment & Training Expenses | 4,156,212 | 409,453 |
| Fees & Subscription | 15,012,060 | - |
| Security Expenses | 180,108 | 62,102 |
| Staff Welfare | 56,901 | - |
| Adminstrative Overhead of SHP | 31,668,430 | 34,007,224 |
| | 104,264,649 | 88,125,614 |

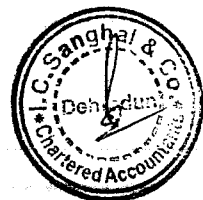

 (R.K.Jha)
 Asst. Company Secretary


 (Dr. S.K. Agarwal)
 GM(Accounts)


 (R. Misra)
 Director (F)


 (S.P. Singh)
 Managing Director

Dated : 9th Feburary, 2007
Place : Dehradun



UTTARANCHAL JAL VIDYUT NIGAM LTD

| Particulars | Amount in Rs | |
|-----------------------------------|--------------------|--------------------|
| | AS AT | AS AT |
| | 31-Mar-04 | 31-Mar-03 |
| SCHEDULE XX | | |
| INTEREST AND OTHER CHARGES | | |
| (A)Interest | | |
| Interest on LIC Loan | 55,743,525 | 50,219,392 |
| Interest on State Govt. Loan | 6,565,000 | 6,565,000 |
| Interest on NABARD Loan | 17,322,303 | 46,565 |
| Interest on DRB Claim | - | 477,862,518 |
| Interest on GPF Trust Outstanding | 36,338,514 | 18,734,623 |
| (B)Other Financial Charges | 152,746 | 728,096 |
| Total | 116,122,088 | 554,156,194 |


SCHEDULE XXI
PRIOR PERIOD EXPENSES


Large Hydro Projects

| | | | |
|----------------------|---------|-----------|------------|
| Salaries and Wages | 771,515 | | |
| Repair & Maintenance | 670,710 | | |
| | | 1,442,225 | 15,416,904 |

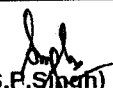
Small Hydro Projects

| | | | |
|--------------|--|------------------|-------------------|
| Total | | 1,442,225 | 19,917,651 |
|--------------|--|------------------|-------------------|

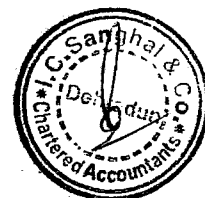

 (R.K. Jha)
 Asst. Company Secretary


 (Dr. S.K. Agarwal)
 GM(Accounts)


 (R. Misra)
 Director (F)


 (S.P. Singh)
 Managing Director

Dated : 9th February, 2007
Place : Dehradun



UTTARANCHAL JAL VIDYUT NIGAM LTD (UJVNL)

SCHEDULE- XXII

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Accounting

- The financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles using accrual method of accounting unless otherwise stated.

2 Fixed Assets

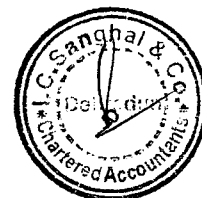
- (i) Fixed Assets are stated at historical cost of acquisition less depreciation. Cost of acquisition is inclusive of all taxes, duties and other direct expenses incurred up to the stage of commissioning of the assets.
- (ii) Financing cost directly identifiable to a particular asset is added to the cost of such asset.
- (iii) Fixed Asset acquired out of grant & subsidies stated at historical cost and depreciation on assets so acquired is charged against "Capital Reserve for fixed Assets acquired out of grant and subsidies"
- (iv) The transfer scheme between UPJVNL and UJVNL is yet to be finalized, therefore the fixed assets located in Uttaranchal have been booked in the accounts as per the figures of unaudited accounts of UPJVNL in pursuance to GOI order dated 05/11/2001.

3 Capital Work in Progress

Project under commissioning and other capital work in progress are carried at cost. Financing cost other than directly identifiable to a particular asset and direct revenue expenditure incurred during construction period on new projects is treated as expenditure during construction and is allocated to the relevant fixed assets at the time of capitalization.

4. Incidental Expenditure during Construction

- (i) The Indirect Expenditure being incurred on Large & Medium Hydro Projects during construction period at Divisions are accumulated till the completion of the projects and allocated to Fixed Assets on completion of the same.
- (ii) The Indirect Expenditure on Small Hydro Construction projects are allocated as below:



Employee cost

- Employee cost of the GM (SHP), HO- allocated @ 1% of total cost to each Project under construction and balance under Projects in generation.
- Employee cost of Division / Circle - is allocated between Projects under construction and Projects in generation related to that Division / Circle on the basis of manpower deployed.
- Employee cost of Projects in generation as allocated above is apportioned to different generating Projects in the ratio of their generating capacity.

Operation & Maintenance Cost

- Overhead Cost of SHP at HO is allocated @ 1% of total cost to each Projects under construction and balance under Projects in generation.
- Operation & Maintenance Cost of Division / Circle – allocated @ 2.5% of total cost to each Projects under construction and balance under Projects in generation related to that Division / Circle.
- Operation & Maintenance Cost of Projects in generation as allocated above is apportioned to different generating Projects in the ratio of their generating capacity.

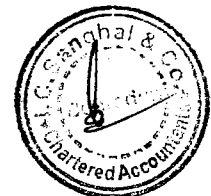
5. Depreciation

- (i) Depreciation on Fixed Assets of Large, Medium Hydro Projects and Small Hydro Projects including transferred from erstwhile UPSEB has been charged as per rates notified by Central Government under the Electricity (Supply) Act, 1948 on Straight Line Method. Where no rates are prescribed under the Electricity (Supply) Act, 1948, the rates as prescribed under the Companies Act 1956 have been applied.
- (ii) No depreciation is charged on Fixed Assets of the damaged projects.
- (iii) There has been change in Accounting Policies with regard to charging of Depreciation on fixed assets of Small Hydro Projects. Previously, the Depreciation on Fixed Assets of Small Hydro Projects was being charged as per Rates applicable in Income Tax Act, 1961. During the current year the depreciation has been provided as per rate notified by Central Government under the Electricity (Supply) Act, 1948 on Straight Line Method. Where no rates are prescribed under electricity supply act 1948, the rates as prescribed under the Companies Act 1956 have been applied.
- (iv) Depreciation on fixed Assets acquired out of grant & subsidies is charged against "Capital Reserve for fixed Assets acquired out of grant and subsidies" as per rates notified by Central Government under the Electricity (Supply) Act, 1948 on straight line method.

6. Investments

Investments are stated at cost.

7. Inventories



Inventories of Stores & Spares, Construction material and other consumables held for internal use are generally valued at cost.

8. **Miscellaneous Expenditure.**

- (i) Miscellaneous Expenditure includes expenses of Survey of new Schemes and preliminary expenses to the extent not written off.
- (ii) Expenses on survey of new schemes are allocated to the various Capital Assets of concerned Project
- (iii) Expenses on survey of new schemes are written off and charged to revenue in case the scheme is declared unviable.

9. **Grants & Subsidies**

The Government grant/subsidies received for construction of Small Hydro Projects are shown under the heading "Capital Reserve" and an amount equivalent to the depreciation on such running projects is charged against the capital reserve so created.

10. **Employees Retirement Benefits**

For Employees of erstwhile UPSEB on deputation / transferred / merged

- (i) Encashment of leave, Gratuity and Pension have been accounted for on Cash Basis.
- (ii) Previously, the provisions were being made at predetermined rate of 19.08% of the Basic Salary & Dearness Allowance towards gratuity and pension as fixed by UPPCL. Subsequently, Government of Uttaranchal had taken over the liabilities w.e.f. March 2004 against payment of 19.08% of the Basic Salary & Dearness Allowance. In view of the above, the same has been provided for on cash basis, as the actual liability up to Feb. 2004 would have to be borne by the Nigam.

For other Employees

Encashment of leave and Gratuity in respect of employees concerned under Employees Provident Fund & Miscellaneous Provisions Act, 1952 have been accounted for on Cash Basis.

11. **Revenue Recognition**

- (i) In the current year, the sale of power from Large & Medium Power Plants to Uttaranchal Power Corporation Limited is accounted for @ 37 paise per unit in terms of interim order issued by UERC and royalty @ 5.5 paise per unit for the period up to 19/9/2003 and @ 10 paise per unit thereafter and Cess @ 33 paise per unit. However Rs. 20.03 Crore has been transferred to RMF Contingency Fund as per the tariff order issued by UERC dated 16th December 2004 pending final disposal at UERC level in term of the order issued by Appellant Tribunal for Electricity.



- (ii) The sale of power from Small Hydro Plants to UPCL is billed at the predetermined rate of Rs. 1.70 per unit.
- (iii) The power sold to Himachal Pradesh State Electricity Board is accounted for @ 30 paise per unit till the final settlement of the rate between Himachal Pradesh State Electricity Board and Uttaranchal Jal Vidyut Nigam Limited.
- (iv) Direct supply of power to consumers excluding Irrigation staff posted at units' colony/ distribution area is billed at retail tariff rates of Uttaranchal Power Corporation Limited for distribution of power.
- (v) The value of waste and scrap is accounted for on actual realization basis.

12.

Borrowing Cost

Borrowing costs attributable to the acquisition, construction / renovation, modernization and up gradation of fixed assets up to the date of commercial operation are capitalized as a part of cost of such assets. Other borrowing costs are recognized as expenses of the period in which they are incurred.

13.

Generation

Own consumption of power on account of Streetlight, Utilities, Office premises, Clubs, Inspection Houses owned by Nigam is treated as Own consumption and is reduced from generation. Where units are buying power from UPCL for these facilities, the same is reduced from units billed to UPCL and only net export to UPCL is billed as sale.



B. **NOTES ON ACCOUNTS**

1. **Opening Balances as on 9/11/2001:**

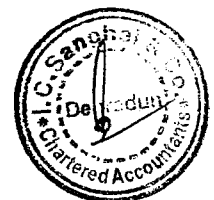
The Company was incorporated on 12/2/2001 by Government of Uttaranchal for management of running generating station, development and construction of new hydropower projects in the State of Uttaranchal. Central Government vide its order dated 5/11/2001 transferred all hydro power plants located in the State of Uttaranchal to Uttaranchal Jal Vidyut Nigam Ltd. (UJVNL) Although the Company took the financial & administrative control of the plants immediately thereafter with effect from 9-11-2001, the Transfer Scheme for transfer of values of assets & liabilities has not yet been finalized. In absence of any transfer scheme, Nigam has derived its provisional opening balances on the basis of information available with it, to complete its accounts and differences if any between provisional opening balances so incorporated and final opening balances as per final Scheme of Transfer would be accounted for in the year the Final Transfer Scheme is approved by the Government.

The difference between Assets & Liabilities likely to be transferred has been shown as Capital Reserve in the balance sheet pending finalization of Transfer Scheme.

Assets & Liabilities likely to be transferred to UJVNL include fixed assets, current assets, loans & advances & current liabilities were earlier assigned to UPJVNL by Government of U.P. under Power Sector Restructuring Scheme in 2000, the item wise details under different heads were not supplied by UP Government as such, only consolidated balances are likely to be transferred to UJVNL. Accordingly the consolidated balances have been incorporated in the books of accounts of the Nigam. The exercise of reconciling these balances with the accounts available with the Nigam is in progress and differences, if any found, will be accounted for in due course of time.

2. **Contingent Liabilities.**

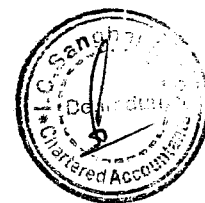
| Sl.No. | Particulars | 2003-04 | 2002-03 |
|--------|--|-------------------------------------|------------------------------------|
| 1 | Claims lodged by Contractors/ Suppliers against Dept. of Irrigation (Construction Agency) not acknowledged by the Nigam , matter is subjudice | Rs. 100.00 Crores | Rs. 100.00 Crore |
| 2 | Estimated value of contracts remaining to be executed on Capital Account and not provided for | Rs. 356.68 Crore. | Rs. 577.44 Crore |
| 3 | Disputes with Employees (matter subjudice) | Nil | Rs. 47.00 lakh |
| 4. | LIC Loan Interest @ 11% on LIC Loan (Not Accepted By the Management) | Rs. 308.81 Crore Rs. 88.04 Crore | Rs.308.81 Crore. Rs.33.97 Crore |
| 5 | Trade Tax Liability | Rs.5.16 Lacs | Rs.5.16 Lacs |
| 6. | Income Tax Liability | Rs. 59.36Crores | --- |



3. The balances of suppliers, Contractors, Government Departments etc under the Current Assets, Loans and Advances and Current Liabilities are subject to confirmation and reconciliation. In case of balances transferred from erstwhile UPSEB to UPJVNL in respect of staff advances, Sundry Creditors Account, Loans & Advances, Current Assets & Provisions, Fixed Assets and other loans and liabilities, the individual item wise details/ lists were not provided in the transfer scheme hence the same are not available with the Nigam.
4. Liquidated damages recovered from contractors on account of delays etc, in execution of work as per agreed Schedule, have been for the time being kept under the head current liabilities pending final decision(s) by management in respect of time extension(s)./
5. Advances due from Directors of Nigam as at the end of the year was Rs.1,21,940/- (Previous Year Rs. 69997.00). Maximum balance due from Directors during the year was Rs. 1,22,585/- (Previous Year Rs. 69997.00).
6. The debit balance of Rs.21.74 crores appearing against Inter Unit Accounts relates to the opening balances prior to 9-11-01, i.e. the date of transfer of hydro power units to UJVNL.
7. Depreciation on Fixed Assets of Large, Medium Hydro Projects and Small Hydro Projects including assets transferred from erstwhile UPJVNL has been charged as per rates notified by Central Government under the Electricity (Supply) Act, 1948 on Straight Line Method. Earlier the Depreciation on Fixed assets of Small Hydro Projects was being charged on WDV method as per rates notified under Income Tax Act, 1961 from time to Time. The change in accounting policy has resulted into decrease in Loss as under:-

| Rs. In crore | | | | |
|--------------|--------------------|----------------------------|--|-------------|
| Sl. No. | Period | Depreciation as per IT Act | Depreciation as per Electricity Supply Act | Difference |
| 1 | 2003-04 | 4.00 | 1.87 | 1.54 |
| 2 | 2002-03 | 4.34 | 1.61 | 2.73 |
| 3 | 9/11/01 to 31/3/02 | 1.39 | 1.62 | (.23) |
| | Total | 9.73 | 5.10 | 4.04 |

8. During the current year, power sold to Uttaranchal Power Corporation Limited from large / medium size plants had been accounted for @ 37 paise per unit as per interim Order of UERC plus royalty & Cess. However, as per order of UERC dated 16th December, 2004 the amount in excess of sale of power from Large & Medium Power Plants to Uttaranchal Power Corporation Limited at the rates prescribed by UERC (plus royalty & Cess) has been credited to Renovation and Modernization Fund as under :-



Rs. In crore

| Sl. No. | Period | Renovation and Modernization Fund |
|---------|--------------------|-----------------------------------|
| 1 | 2003-04 | 20.03 |
| 2 | 2002-03 | 51.79 |
| 3 | 9/11/01 to 31/3/02 | 14.12 |
| | Total | 85.94 |

9. Utilization Statement of Grant & Subsidies

(Amount In Rs.)

| S.No. | Particulars | Opening Balance as on 1-4-2003 | Received During the year | Utilization | Closing Balance as on 31-3-2004 |
|-------|--|--------------------------------|--------------------------|------------------|---------------------------------|
| | | A | B | D | E=(A+B-C-D) |
| 1. | Opening Grant from UPJVNL | 513892309 | -- | -- | 513892309 |
| 2 | MNES Grant for Assi-Ganga I,II,III Project | 24518425 | 13465000 | 3311716 | 34671709 |
| 3 | PMGY Grant for Rural Electrification | 2708917 | 9000000 | 4746938 | 6961979 |
| 4 | APDP Grant for RMU | 77707413 | 235530000 | 158501883 | 154735530 |
| 5. | Grant/ Subsidies - PFR | 10780000 | 2350000 | 2200000 | 10930000 |
| | Total | 629607064 | 260345000 | 168760537 | 721191527 |

10. Un-secured Loans include 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 Nigan Ltd.(UPJVNL) by the Govt. of Uttar Pradesh vide its notification dated 25/1/2001. UPJVNL has proposed to transfer the said loan to UJVNL which UJVNL has disputed as those were not project specific and hence liability of UJVNL can at the best be limited to 10% as per Central Government Order dated 5-11-01. Subsequently, Central Government vide its order dated 2-9-2005 has order allocation of Rs. 352.59 Crore as total liability against HEP Project transferred to Uttaranchal state. The effective amount of Rs. 308.81 crore (Rs. 352.59 crore - Rs. 43.78 crore) and provisional interest of Rs. 88.04 crore thereon have not been accounted for in the books of accounts, as the same is disputed.



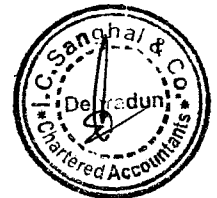
11. Interest Payable on Un-secured Loans include Rs.12.47 crores being Interest payable to LIC on term loan, which UPJVNL had proposed to transfer to UJVNL, which has been disputed by UJVNL for the reasons already explained in note no. 10 above.
12. Loans & Advances (Others) include Rs. 26.51 crores being share of UJVNL receivable in Cash & Bank Balances of Head Office ,UPJVNL as on 9-11-2001.
13. No Provision has been made in books of account for various amounts deducted by UPCL from the bills of the Nigam for various reasons, discussion are on with UPCL to resolve the difference and adjustment will be made in books of accounts on resolution of the issues.
14. Interest has been provided on opening balances of Employees GPF Trust Liability as per audited books of accounts of GPF trust-UJVNL.
15. Remuneration Paid to Statutory Auditor:-

| | 2003-04 | 2002-03 |
|---------------------------|------------|-----------|
| Audit Fees | Rs.75,000 | Rs.75,000 |
| Reimbursement of Expenses | Rs.40,000 | Rs39,760 |
| Tax Audit Fees | Rs. 20,000 | Rs.20,000 |

16. Information required as per para-3 and 4 of Part-II of Schedule-VI

| Sl. No. | Particulars | 2003-04 Current Year | | 2002-03 Previous Year | |
|---------|--|-------------------------|--------------------|--------------------------|---------------------|
| | | 1 | Licensed Capacity | N.A | |
| 2 | Installed Capacity (In MW) | 1011.60 | | 1007.20 | |
| 3 | Actual Generation (In MU) | 3486 MU | | 3467 MU | |
| 4 | Sales | 3399.50 MU | Rs.232.24 crore | 3328 MU | Rs. 136.01 crore |
| 5 | Directors Remuneration CMD & Whole Time Directors | Rs. 27.48 Lakhs | | Rs.22.82 Lakhs | |
| 6 | CIF value of Imports | Nil | | Nil | |
| 7 | Expenditure in Foreign Currency | 8.46 Lakhs | | Nil | |
| 8 | Earnings in Foreign Currency | Nil | | Nil | |

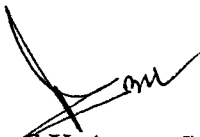
17. Figures in brackets in the notes of accounts represent Previous Year's figures.



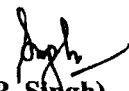
18. Previous Year's figures have been regrouped, recasted/ readjusted wherever necessary.

19. Schedules I to XXII are forming part of Annual Accounts.


(R.K. Jha)
Asstt. Company Secretary

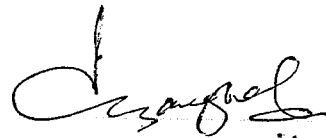

(Dr. S.K. Agarwal)
G.M. (Accounts)


(R. Misra)
Director (F)


(S.P. Singh)
Managing Director

Place : Dehradun

Date : 9th February 2007


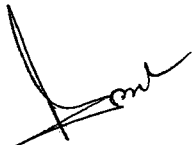
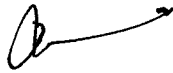
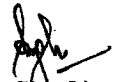


L.C. SANGHAL & CO.
Chartered Accountants
17-Rajpur Road, Dehradun

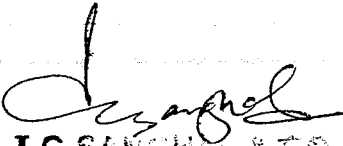
13 JUN 2007

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

| | | |
|------------|---|----------------------|
| I | Registration Details | |
| | Registration No. | UR2001 SGC 025866 |
| | State Code | U40101 |
| | Balance Sheet date | 31-March-04 |
| II | Capital raised during the Year (Rs. In million) | |
| | Public Issue | Nil |
| | Right Issue | Nil |
| | Bonus Issue | Nil |
| | Private Placement | Nil |
| III | Position of Mobilisation & Deployment of Funds (Rs. In millions) | |
| | Total Liabilities | 15821 |
| | Total Assets | 15821 |
| | Sources of Funds | |
| | Paid Up Capital | 50 |
| | Reserves & Surplus | 7670 |
| | Secured Loan | Nil |
| | Unsecured Loan | 4752 |
| | Application of Funds | |
| | Net Fixed Assets including CWIP & Incidental Exp. | 10217 |
| | Net Current Assets | 2083 |
| | Misc. Expenses | 21 |
| | Profit & Loss A/c (Loss) | 151 |
| IV | Performance of Company: (Rs. In millions) | |
| | Turnover | 2386 |
| | Total Expenditure | 2073 |
| | Profit / (Loss) before Tax | 313 |
| | Profit / (Loss) after Tax | 147 |
| | Earning per share (Rs) | 2944.33 |
| | Dividend Rate | Nil |
| V | Generic Names of three Principal Products of Company | |
| | ITC Code | - |
| | Product Name | Electricity |

| | | | |
|---|---|--|---|
|  |  |  |  |
| (R.K. Jha) Asstt. Company Secretary | (Dr. S.K. Agarwal) G.M. (Accounts) | (R. Misra) Director (F) | (S.P. Singh) Managing Director |

Place : Dehradun
Date : 9th February 2007



I.C. SANCHAL & CO.
Chartered Accountants
17-Rajpur Road, Dehradun
13 JUN 2007


UTTARANCHAL JAL VIDYUT NIGAM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2004

| PARTICULARS | Amount in Million | |
|---|-------------------|------------|
| | 2003-04 | 2002-03 |
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Loss before tax | | |
| Add:- | 147.21 | (262.11) |
| Depreciation | 84.23 | 114.98 |
| Adjustment of Depreciation for previous year | (110.98) | 30.94 |
| Total | 120.46 | (116.19) |
| Less:- | | |
| Interest income | 56.80 | 36.72 |
| Operating profit before working capital Changes | 63.66 | (152.91) |
| Adjustment for | | |
| Trade Receivable | | |
| Inventory | (625.30) | (117.64) |
| Loans & advances | (18.87) | (6.30) |
| Creditors & Other Liabilities | (401.09) | (2.93) |
| Inter unit Transactions | 1,402.52 | 1,066.84 |
| | | 59.33 |
| Net Cash from Operating activities | 420.92 | 846.39 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (101.54) | (166.14) |
| Interest income | 56.80 | 36.72 |
| Incidental expenditure | 1.55 | (25.12) |
| Capital Work in Progress | (2,430.42) | (1,720.69) |
| Misc. Expenditure not written off | (3.29) | (0.86) |
| Net Cash used in investing activities | (2,476.90) | (1,876.08) |
| C CASH FLOW FROM FINACIAING ACTIVITIES | | |
| Proceeds from Grant from Government | 260.35 | 173.13 |
| Proceeds from Long Term Borrowing | 2,270.84 | 1,769.31 |
| Net Cash Flow from Financing Activities | 2,531.19 | 1942.45 |
| NET INCREASE /(DECREASE) IN CASH & CASH EQUIVLENT(A+B+C) | 475.21 | 912.76 |
| Opening Balance of Cash & Cash Equivalent | 1284.91 | 372.15 |
| Closing Balance of Cash & Cash Equivalent | 1760.12 | 1284.91 |

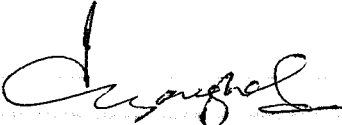

(R.K. Jha)
Asstt. Company Secretary


(S.K. Agarwal)
G.M. (Accounts)


(R. Misra)
Director (F)


(S.P. Singh)
Managing Director

Place : Dehradun
Date : 9th February 2006


L.C. SANYAL & CO.
Chartered Accountants
17-Rajpur Road, Dehradun

13 JUN 2007