

UTTARAKHAND JAL VIDYUT NIGAM LTD

BALANCE SHEET AS AT 31st MARCH 2005

Particulars	Schedule	(Amount in Rs)	
		As At 31st March, 2005	As At 31st March, 2004
SOURCES OF FUNDS			
(A) SHARE HOLDERS' FUNDS			
Share Capital	I	1,423,145,000	50,000,000
Reserve & Surplus	II	7,658,996,435	7,670,053,438
(B) LOANS FUNDS			
Unsecured Loans	III	6,878,152,233	4,692,942,410
(C) DEFERRED TAX			
Net deferred tax liabilities		179,643,624	169,119,751
TOTAL		16,139,937,292	12,582,115,599
APPLICATION OF FUNDS			
(A) FIXED ASSETS			
Gross Block	IV	7,403,961,002	7,089,375,408
Less: Depreciation		(5,155,582,597)	(5,040,960,003)
Net Block		2,248,378,405	2,048,415,405
Incidental Expenditure during construction period pending capitalisation	V	177,120,659	196,380,783
Capital Work In Progress	VI	10,436,452,167	7,971,766,571
		10,613,572,826	8,168,147,274
(B) CURRENT ASSETS, LOANS & ADVANCES			
Inter Unit Balances	VII	217,372,575	217,372,575
Stock, Stores & Spares	VIII	68,295,386	37,365,144
Sundry Debtors	IX	2,423,694,072	2,620,073,269
Cash & Bank Balance	X	1,665,861,553	1,760,123,036
Loans & Advances	XI	906,053,041	795,945,241
Total Current Assets		5,281,276,627	5,430,879,335
Less: CURRENT LIABILITIES & PROVISIONS	XII	(2,174,096,836)	(3,238,605,743)
NET CURRENT ASSETS		3,107,179,791	2,192,273,592
(C) Miscellaneous Expenditure (To the extent not Written off or Adjusted)	XIII	24,491,429	21,900,524
(D) PROFIT & LOSS ACCOUNT	XIV	146,314,841	151,378,804
TOTAL		16,139,937,292	12,582,115,599


ACCOUNTING POLICIES & NOTES ON ACCOUNTS

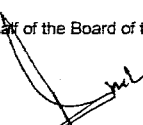
XXII


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

For and on behalf of the Board of Directors


(R.K. Jha)
Company Secretary (Sgt)


(C.P. Madan)
DyGM(F&A-O&M)

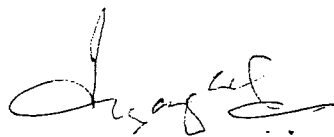

(D.S.K. Agarwal)
Director(Finance)


(R.P. Thapliyal)
Managing Director


(Yogendra Prasad)
Chairman

Dated : 12th August, 2008
Place : Dehradun

As per our Separate Report
of even date.



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

9 JAN 2009

UTTARAKHAND JAL VIDYUT NIGAM LTD

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31st MARCH 2008

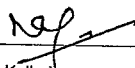
Particulars	Schedule	Current Year	(Amount in Rs) Previous Year
INCOME			
Sale of Power	XV	2,335,850,153	2,322,421,337
Other Income	XVI	78,520,811	63,804,867
TOTAL		2,414,370,964	2,386,226,204
EXPENSES			
Royalty & Cess		1,155,277,827	1,189,094,951
Fuel Cost		6,345,713	6,527,820
Repairs & Maintenance	XVII	418,117,741	282,849,322
Employees Remuneration and Benefits	XVIII	516,772,499	461,086,785
Administrative & General expenses	XIX	102,002,964	104,207,748
Depreciation	IV	94,004,215	84,227,049
Interest & Other Charges	XX	106,655,955	116,122,088
TOTAL		2,399,176,914	2,244,115,763
Net Profit/(Loss) before Prior Period Items		15,194,050	142,110,441
Net Prior Period Adjustments	XXI	1,720,064	191,114,603
Less :- Provision of Deffered Tax Liability		10,523,873	169,119,751
Profit/(Loss) before tax		6,390,241	164,105,293
Less :- Provision for Income tax		1,326,278	16,888,468
Profit/(Loss) after tax		5,063,963	147,216,825

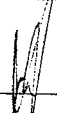
ACCOUNTING POLICIES & NOTES ON ACCOUNTS

XXII

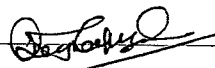
Schedules(I to XXI) and Accounting Policies & Notes, on Accounts(Sch. XXII) form Integral Part of the Accounts

For and on behalf of the Board of the Board of Directors


(R.K. Jha)
Company Secretary (S/C)


(C.P. Madan)
DyGM(F&A-O&M)


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


(R.P. Tripathi)
Managing Director


(Yogendra Prasad)
Chairman

Dated : 12th August, 2008
Place : Dehradun

As per our Separate Report
of even date.


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

9 JAN 2009

UTTARAKHAND JAL VIDYUT NIGAM LTD

SCHEDULE - I

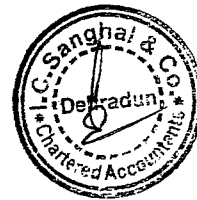
SCHEDULES TO THE ACCOUNTS

Particulars	(Amount in Rs)	
	As At 31st March, 2005	As At 31st March, 2004
SHARE CAPITAL		
A. AUTHORISED		
3000000 Equity Shares of Rs. 1,000 each (Previous Year 3000000 Equity Shares of Rs. 1000/ each)	3,000,000,000	3,000,000,000
B. ISSUED, SUBSCRIBED & PAID UP		
50000 Equity Shares of Rs.1000/- each (Previous Year 50000 Equity Shares of Rs. 1000/ each)	50,000,000	50,000,000
C. SHARE DEPOSIT ACCOUNTS		
(Govt. of Uttarakhand, Contribution from Power Development Fund pending allotment of Equity Shares)	1,373,145,000	
TOTAL	1,423,145,000	50,000,000

SCHEDULE - II

RESERVE & SURPLUS

Particulars	Opening Balance 01.04.04	Additions	Deductions/ Adjustments	Less :- Depreciation	(Amount in Rs)
					Closing Balance 31.03.05
A) CAPITAL RESERVE					
(i) Capital Grant & Subsidies (Unutilised)	721,191,527	8,000,000	(61,614,626)	-	667,576,901
(ii) Capital Reserve for Assets acquired out of Capital Grants & Subsidies(Utilised)	439,705,443	61,614,626	-	19,051,529	482,268,540
B) DIFFERENCE BETWEEN ASSETS & LIABILITIES (UNDER THE TRANSFER SCHEME)					
	6,509,156,468		(5,474)		6,509,150,994
	7,670,053,438	69,614,626	(61,620,100)	19,051,529	7,658,996,435



UTTARAKHAND JAL VIDYUT NIGAM LTD

Particulars	(Amount in Rs)	
	As At 31st March, 2005	As At 31st March, 2004
SCHEDULE III		
UNSECURED LOANS		
From Life Insurance Corporation (Note-1)	437,804,300	437,804,300
From Power Finance Corporation (Guaranteed By Govt. of Uttarakhand)	5,850,191,746	3,746,439,936
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)	37,942,000	39,250,000
(iv) PMGY Loan (Note-4)	1,937,500	1,500,000
Interest payable on Unsecured Loans (Note-5)	299,776,687	217,448,174
TOTAL	6,878,152,233	4,692,942,410

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

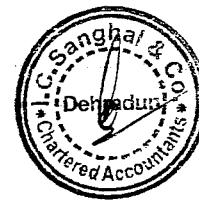
Note-2 :- Principal amount due but not paid as on 31-3-2005 is Rs.60,000,000/- .Whole Principal amount repaid during the year 2005-06.

Note-3 :- Principal amount due but not paid as on 31-3-2005 is Rs.NIL. Principal amount due within one year Rs.9,81,250/-

Note-4 :- Principal amount due but not paid as on 31-3-2005 is Rs.Nil . Principal amount due within one year Rs.37,500/-

Note-5 :- Detail of interest payable on unsecured Loans as follows

	(Amount in Rs)	
	AS AT 31-3-2005	AS AT 31-3-2004
Interest Payable LIC Loan	186,574,399	124,698,542
GOU (MB-II) Loan	42,137,534	27,337,534
GOU (SHP) Loan	44,633,972	29,833,972
State Govt. Loan provisionally acquired from UPJVNL	22,249,054	15,684,054
Others	4,181,728	19,894,072
	299,776,687	217,448,174



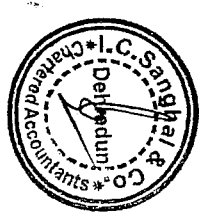
UTTARAKHAND JAL VIDYUT NIGAM LTD

SCHEDULE - IV - FIXED ASSETS

Particulars	Opening Balance	G R O S S		Closing as at 31st March 2004	Opening Balance	D E P R E C I A T I O N		Closing Balance	Amount in Rs.	
		Additions during the Year	Adjustments			For the year	Adjustments		As at 31-Mar-2003	As at 31-Mar-2004
Land And Land Rights	14043962	1,624,170	1,122,429	14,545,703	-	-	-	14,545,703	2046415405	1918884893
Lease Hold Land	2226066	324,676	-	2,550,741	-	-	-	2,550,741	-	-
Temporary Building	4313378	96,489	-	4,409,846	319,989	-	-	3,995,324	2,226,066	699,023
Building Etc.	68456289	7,748,444	-	76,202,732	29,607,175	-	-	31,674,655	44,528,177	39,849,113
Building Plant	370379253	116,694,585	-	497,070,338	164,218,230	-	-	176,811,023	310,269,815	206,158,023
Hydraulic Works	3919827239	-	-	3,916,827,239	2,684,368,618	-	-	2,680,233,746	1,266,693,494	1,332,468,623
Other Civil Works	71528566	9,728,404	-	81,266,970	37,894,280	-	-	39,894,443	41,262,627	33,694,286
Plant And Machinery	2410019797	167,110,861	-	2,667,130,658	2,114,221,680	-	-	2,122,064,986	445,083,672	295,798,107
Lines Cables, Net Works etc.	82098236	4,629,613	-	66,627,946	96,039,929	-	-	61,362,620	26,276,428	27,082,306
Vehicles	20996527	6,533,917	-	28,430,144	11,201,033	-	-	14,862,033	11,568,111	9,695,494
Furniture And Fixtures	8711475	1,383,124	-	10,294,699	2,832,134	-	-	3,593,122	6,701,477	6,679,341
Office Equipments	64559930	644,509	-	7,100,498	8,988,692	-	-	4,277,640	2,822,668	2,466,138
Capital Spares At Generating Stations	10989000	4,212	-	10,992,212	6,936,666	-	-	8,310,660	1,681,652	2,061,032
Tools & Tackles	850,107	2,454,429	-	6,010,536	366,556	-	-	641,984	4,368,542	2,189,662
Electric Equipments	769092	769,092	-	1,609,199	24,330	-	-	118,491	1,490,708	734,762
Electric Installation	0	109,845	-	109,845	-	-	-	-	109,845	-
Camp Equipments	6889	-	-	8,889	8,482	-	-	6,482	397	397
Survey Equipments	117950	1,809,670	-	1,827,620	81,443	-	-	93,019	1,834,501	26,507
Books & Medicines	6498	660	-	7,148	3,538	-	-	4,216	2,932	2,949
Sign Boards	900	-	-	900	749	-	-	777	123	194
Steel Structring	1192891	-	-	1,192,891	1,192,891	-	-	1,192,891	-	-
Wooden Frames	19389	-	-	19,389	19,389	-	-	19,389	-	-
Weldless Sals	466217	-	-	466,217	408,175	-	-	409,696	46,521	47,042
Computers	15623226	4,862,731	-	20,366,959	1,097,536	-	-	3,087,935	17,298,024	14,426,693
Sothe - I	76274663	-	-	76,274,663	21,837,646	-	-	21,837,646	54,437,007	54,437,007
HO Fixed Assets (Share of UJVNL in Fixed Assets of HO UJVNL at WDV)	5620828	-	-	5,620,828	-	-	-	-	5,620,828	5,620,828
Total	7089374408	315708023	1122429	740981002	6040960003	11462394	-	6156982397	2246379405	2046415405
Previous Year	7018775731	105660709	(34,961,032)	7089375408	6100110868	107794895	(196,646,780)	6040960003	2046415405	1918884893

Notes
 1. No depreciation has been charged on Fixed Assets of Sothe-I project damaged by Flood in 2000-01 as it is under rehabilitation
 2. No depreciation has been charged on HO assets of UJVNL likely to be transferred as per Central Government order for want of details
 3

Dep. Transferred to Capital Reserves	16188798	2,882,731	18081629
Dep. Transferred to Incidental Exp.	888272	880,578	1669950
Dep. Transferred to P.L. A/C	226768	8174070	84004216
Total Depreciation	18112578	86510018	114622594



UTTARAKHAND JAL VIDYUT NIGAM LTD

(Amount in Rs)

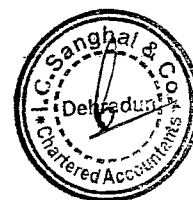
Particulars	As At 31st March, 2005	As At 31st March, 2004
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SCHEDULE V

INCIDENTAL EXPENDITURE DURING CONSTRUCTION PERIOD PENDING CAPITALISATION

EXPENDITURE UPTO LAST YEAR

<u>Opening Balance</u>	196,380,703	196,869,841
Add :- Prior Period Adjustment	274,649	639,654
	196,655,352	197,509,495
Expenditure During the Year :		
Employee Cost	52,704,989	50,740,588
Repairs & Maintenance		
Building	4,167,215	2,032,953
Plant & Machinery	2,693,025	6,857,539
Others	2,221,866	4,446,674
Other Administrative Overhead		
Rent	257,113	221,601
Electric & Water Charges & Other taxes	75,173	269,514
Printing & stationary Charges	483,245	534,912
Bank Charges	18,533	50,960
Travelling Expenses.	2,195,826	2,411,572
Advertisement & Publicity	380,238	379,848
Stock handling Expenses.	3,358	34,106
Legal Charges	41,626	31,810
Insurance charges	1,492,236	286,513
Conveyance & taxi Hire Charges	632,105	125,576
Consultancy Charges	561,004	798,326
Entertainment Expenses.	123,489	113,210
Postage & Telephone etc.	776,472	735,543
Miscellaneous Expenses.	2,184,327	522,557
Stores Adjustment Expenses.	119,940	201,290
Depreciation (Schedule-IV)	1,566,850	1,063,582
Total Expenses For the year	72,698,630	71,858,674
Less:		
Tender fee	60,550	70,500
Miscellaneous Receipts	16,411,258	17,122,238
Interest Receipts	25,735,919	24,126,298
Total (Income)	42,207,727	41,319,036
Net Expenses for the year	30,490,903	30,539,638
Total Incidental Expenses during Construction Period	227,146,255	228,049,133
Less :		
Expenses Capitalised to projects	17,948,167	-
Expenses Transferred to P/L A/C	32,077,429	31,668,430
AMOUNT CARRIED FORWARD	177,120,659	196,380,703



UTTARAKHAND JAL VIDYUT NIGAM LTD

SCHEDULE-VI

CAPITAL WORK IN PROGRESS

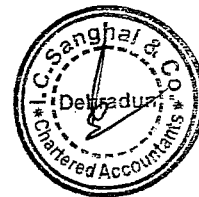
(Amount In Rs.)

PARTICULARS	As At 1-4-2004	Additions During the Year	Adjustment	Capitalisation During the Year	As at 31-3-2005
(A) Large Hydro Projects					
1. Opening Balance of CWIP From UPJVN	3,527,151,269	-	-	-	3,527,151,269
2. Hydraulic Works	510,600	230,000	-	-	740,600
3. Plant & Machinery	978,761,846	613,863,116	-	44,419,707	1,547,705,255
4. Building & Civil Work	2,784,659,114	1,618,502,225	-	-	4,403,161,339
5. Interest During Construction Period	292,371,729	364,342,045	-	-	656,713,774
6. Other	54,288,377	97,052,912	-	-	151,341,289
Total(A)	7,637,742,935	2,693,490,298	-	44,419,707	10,286,813,526
(B) Small Hydro Projects					
	334,023,636	47,090,635	-	231,475,630	149,638,641
Grand Total (A+B)	7,971,766,571	2,740,580,933	-	275,895,337	10,436,452,167



UTTARAKHAND JAL VIDYUT NIGAM LTD

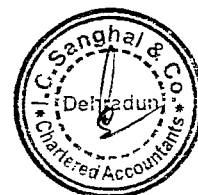
Particulars	(Amount in Rs)	
	As At	As At
	31st March, 2005	31st March, 2004
SCHEDULE VII		
<u>INTER UNIT BALANCES</u>		
TOTAL	<u>217,372,575</u>	<u>217,372,575</u>
SCHEDULE VIII		
<u>STOCK, STORES AND SPARES</u>		
Stock Stores & Spares (Included With Contractors)	68,295,386	37,365,144
TOTAL	<u>68,295,386</u>	<u>37,365,144</u>
SCHEDULE IX		
<u>SUNDRY DEBTORS</u>		
More Than Six month old (Unsecured Considered Good)	1,813,122,977	2,054,612,927
Others (Unsecured Considered Good)	610,571,095	565,460,342
TOTAL	<u>2,423,694,072</u>	<u>2,620,073,269</u>
SCHEDULE X		
<u>CASH & BANK BALANCES</u>		
Cash in Hand incl. PI & TI etc.	408,188	425,002
Balances with Schedule Bank in Current Account	483,707,216	682,260,057
Balances with Banks in FDR A/C	1,165,240,360	1,059,646,980
Cheques In Transit	16,505,789	17,790,967
TOTAL	<u>1,665,861,553</u>	<u>1,760,123,006</u>



UTTARAKHAND JAL VIDYUT NIGAM LTD

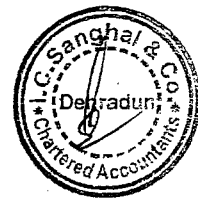
(Amount in Rs)

Particulars	As At 31st March, 2005	As At 31st March, 2004
SCHEDULE XI		
<u>LOANS AND ADVANCES</u>		
Amount Recoverable in cash or in Kind (Considered Good) (Includes Rs.5.59 Cr prior to 9-11-01)	284,991,775	197,484,751
GPF Trust -UJVNL	23,016,811	25,212,177
Advance For Income Tax	261,898,371	235,156,386
Others (Considered Good) (Includes Rs.28.04 Cr prior to 9-11-01)	294,380,012	292,403,943
Interest Accrued on FDR's with Banks	41,766,072	45,688,084
TOTAL	<u>906,053,041</u>	<u>795,945,341</u>
SCHEDULE XII		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
UPSEB Period Liabilities	166,184,425	166,184,425
Sundry Creditors for Capital works		
(a) Due to SSI	-	-
(b) Dues Other than SSI	<u>7,041,407</u>	3,994,754
Sundry Creditors for O&M works		
(a) Due to SSI	-	-
(b) Dues Other than SSI	<u>106,234,259</u>	41,951,692
Other Liability (Includes Rs.30.71 Cr prior to 9-11-01)	348,889,620	744,268,676
Staff Related Liability	10,109,317	4,185,868
Provisions		
(a) Material O&M	3,688,696	9,799,102
(b) Employee cost	33,121,680	25,692,779
(c) Administrative Overhead	<u>12,673,005</u>	7,386,115
Deposit for Electrification	1,610,693	1,396,649
Advance for PFR	20,775,000	9,400,000
CPA Amount Payable	1,587,745	1,263,288
Security Deposit from Consumer	863,760	717,109
Consumer Contribution for Capital Expenditure	652,043	585,203
Trust Related Liabilities-Lucknow	25,110,933	25,110,933
Amount payable to GOU	420,492,484	1,260,976,242
Provision for taxation	18,214,746	16,888,468
Terminal Benefit Reserves Fund	84,000,000	-
Renovation & Mordernisation Fund	824,922,039	859,443,440
Interest Accrued but not due	87,924,984	59,361,000
TOTAL	<u>2,174,096,836</u>	<u>3,238,605,743</u>
SCHEDULE XIII		
<u>MISCELLANEOUS EXPENDITURE</u>		
<u>To the extent not Written Off</u>		
Survey & Investigation	24,491,429	21,900,524
TOTAL	<u>24,491,429</u>	<u>21,900,524</u>
SCHEDULE XIV		
<u>PROFIT & LOSS ACCOUNT</u>		
Opening balance of Loss	151,378,804	151,378,804
Add : (Profit)/Loss for the year	<u>(5,063,963)</u>	146,314,841
	<u>146,314,841</u>	<u>151,378,804</u>



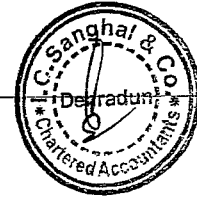
UTTARAKHAND JAL VIDYUT NIGAM LTD

Particulars	Schedule	Current Year	Previous Year
(Amount in Rs)			
SCHEDULE XV			
<u>Sale Of Power</u>			
Sale Of Power		2,419,850,153	2,322,421,337
Less :- Transfer to Terminal Benefit Reserve fund in view of UREC order dated 14-3-2007		84,000,000	-
TOTAL		2,335,850,153	2,322,421,337
SCHEDULE XVI			
<u>OTHER INCOME</u>			
Sale of Tender Forms		3,668,940	1,994,321
Miscellaneous income.		2,575,486	2,079,193
Interest on Bank Deposit		58,841,549	56,844,977
PFR Income		9,800,000	-
Recoveries for Transport facility		380,298	229,305
Inspection/Guest House Receipts		10,950	21,594
Rent from Staff.		489,307	324,152
Rental from Contractors		67,468	67,956
Excess found on physical verification of stores		275,857	93,825
Penalty from Contractors & Suppliers		2,410,956	2,149,544
TOTAL		78,520,811	63,804,867



UTTARAKHAND JAL VIDYUT NIGAM LTD

Particulars	Schedule	Current Year	Previous Year
(Amount in Rs)			
SCHEDULE XVII			
<u>REPAIRS & MAINTENANCE</u>			
Repairs & Maintenance			
-Civil Work		247,533,826	138,170,099
-Plant & Machinery		167,094,756	139,701,520
- Others		3,489,159	4,977,703
Total		418,117,741	282,849,322
SCHEDULE XVIII			
<u>EMPLOYEES REMUNERATION AND BENEFITS</u>			
Salaries, wages and allowances		390,221,108	358,594,405
Gratuity & Pension		87,473,730	67,886,256
Leave Encashment		24,299,239	22,541,740
Other Staff welfare expenses		14,778,422	12,064,384
Total		516,772,499	461,086,785



UTTARAKHAND JAL VIDYUT NIGAM LTD

Particulars	Schedule	(Amount in Rs)	
		Current Year	Previous Year
SCHEDULE XIX			
OTHER ADMINISTRATION OVERHEAD			
Rent Rates Taxes		600,815	442,783
Insurance		11,302,903	13,581,361
Telephone & Trunk Calls		2,806,355	3,092,956
Postage & Stamps		498,830	306,603
Legal Charges (Including Tarrif relating Expenses)		16,330,587	399,010
Auditor Remuneration		130,000	135,000
Technical & Other Consultancy Charges		5,104,972	6,028,372
PFR Exp		4,284,128	1,782,000
Honorarium		-	70,370
Frieght Charges		75,368	17,859
Advertisemnet Of Tender		960,354	419,503
Conveyance expenses		473,743	487,543
Travelling Expenses		6,659,402	7,265,712
Vehicle Running Expenses		5,252,139	3,833,999
Reimbrusmnet of Local outdoor Expenses		413,498	291,076
Licences & Registration Fees		328,605	260,493
Books & periodicals		202,622	196,622
Printing & Stationery		3,910,137	3,698,173
Advertisement Other		2,238,212	3,028,157
Electricity Charges		334,364	839,082
Entertainment		273,827	105,910
Miscellaneous Expenses		4,493,725	6,891,052
Incidental Stores Expenses		17,023	17,302
Recruitment & Training Expenses		1,254,084	4,156,212
Fees & Subscription		589,923	15,012,060
Security Expenses		1,389,919	180,108
Adminstrative Overhead of SHP		32,077,429	31,668,430
		102,002,964	104,207,748



UTTARAKHAND JAL VIDYUT NIGAM LTD

Particulars	Schedule	Current Year	(Amount in Rs) Previous Year
SCHEDULE XX			
INTEREST AND OTHER CHARGES			
(A) Interest			
Interest on LIC Loan		61,875,857	55,743,525
Interest on State Govt. Loan		6,565,000	6,565,000
Interest on NABARD Loan		2,980,182	17,322,303
Interest on GPF Trust Outstanding		35,155,776	36,338,514
(B) Other Financial Charges		79,140	152,746
Total		106,655,955	116,122,088
SCHEDULE XXI			
PRIOR PERIOD INCOME/ADJUSTMENT			
PFR Income	4200000		
Amount written Back	5157265		
Other	1600		
Less :-		9,358,865	192,556,828
PRIOR PERIOD EXPENSES/ADJUSTMENT			
RMF Fund	2378041		
Repairs & Maintenance	1928399		
Employee Cost	959878		
Administrative & General Exp.	2372483		
		7,638,801	1,442,225
Total		1,720,064	191,114,603



UTTARAKHAND 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

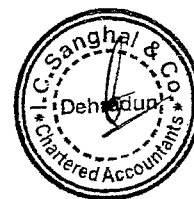
- (i) Fixed Assets are stated at historical cost of acquisition less depreciation. Cost of acquisition is inclusive of all taxes, duties and other direct expenses incurred up to the stage of commissioning of the assets.
- (ii) Financing cost directly identifiable to a particular asset is added to the 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 un-audited 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

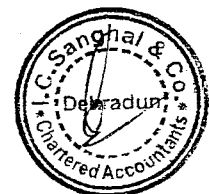
- (i) Depreciation on Fixed Assets of Large, Medium Hydro Projects and Small Hydro Projects including transferred from erstwhile UPSEB has been charged as per rates notified by Central Government under the Electricity (Supply) Act, 1948 on Straight Line Method. Where no rates are prescribed under the 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) 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. Inventories

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

7. 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 viable Project.



- (iii) Expenses on survey of new schemes are written off and charged to revenue in case the scheme is declared unviable.

8. **Grants & Subsidies**

The Government grant/subsidies received for construction of Small Hydro Projects, Renovation, Modernization & Up-gradation of LHP/MHP and preparing of Pre Feasibility reports of new schemes 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.

9. **Employees Retirement Benefits**

For Employees of erstwhile UPSEB on deputation / transferred / merged

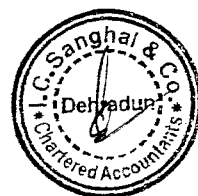
- (i) Encashment of leave, Gratuity and Pension of employees retired before March, 2004 have been accounted for on Cash Basis.
- (ii) Government of Uttaranchal had taken over the liabilities for Gratuity & Pension w.e.f. March 2004 against payment of 19.08% of the Basic Salary & Dearness Allowance and same has been account for on accrual basis.

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.

10. **Revenue Recognition**

- (i) The sale of power from Nine Large Power Plants to Uttaranchal Power Corporation Limited is accounted for at the average tariff rates @ 37.87 paise per unit in terms of order issued by UERC on 14-3-2007 and royalty @ 10 paise per unit & Cess @ 33 paise per unit in accordance with the settlement talk with UERC.
- (ii) The sale of power from two Medium Power Plants to Uttaranchal Power Corporation Limited is accounted for at the adhoc tariff rates @ 37 paise per unit and royalty @ 10 paise per unit & Cess @ 33 paise per unit.
- (iii) The sale of power from Small Hydro Plants to UPCL is billed at the predetermined rate of Rs. 1.70 per unit.
- (iv) The power sold to Himachal Pradesh State Electricity Board is accounted for @ 35 paise per unit from 1-4-2004 to 15-12-2004 as per order dated 16-9-2006 of HPERC and @ 37 paise per unit as per HPERC interim order dated 25-5-2005.
- (v) 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.



(vi) The revenue recognition of the surcharge on delayed payment of electricity bills is being accounted for on cash basis.

(vii) The value of waste and scrap is accounted for on actual realization basis.

11. **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.

12. **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.

13. **Taxes On Income**

Current Tax is determined as the amount of tax payable in respect of Taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent accounting periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax can be realized.



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 Difference between Assets and Liabilities (under the 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	2004-05	2003-04
1	Claims lodged by Contractors/ Suppliers against Dept. of Irrigation (Construction Agency) not acknowledged by the Nigam.	Rs. 100.00 Crores	Rs. 100.00 Crores
2	Estimated value of contracts remaining to be executed on Capital Account and not provided for	Rs. 676.77 Crore.	Rs. 356.68 Crore.
3	Disputes with Employees (matter subjudice)	Nil	Nil
4.	Claim lodged pending in different Courts.	Rs. 1.10 Crores	Nil
5.	LIC Loan	Rs. 308.81 Crore	Rs. 308.81 Crore
	Interest @ 11% on LIC Loan (Not Accepted By the Management)	Rs. 131.75 Crore	Rs. 88.04 Crore
6	Trade Tax Liability	Rs. 13.90 Lacs	Rs. 5.16 Lacs
7.	Income Tax Liability (Excluding Interest u/s 220(2) of IT Act)	Rs. 69.05 Crores	Rs. 59.36 Crores



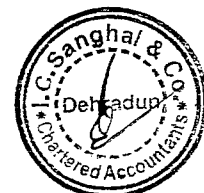
3. The balances of suppliers, Contractors, Government Departments etc under the Current Assets, Loans and Advances and Current Liabilities are subject to confirmation and reconciliation. In case of balances transferred from erstwhile UPSEB to UPJVNL in respect of staff advances, Sundry Creditors Account, 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. In case of SHP, 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 Nil (Previous Year Nil). Maximum balance due from Directors during the year was Nil (Previous Year Nil-).
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. Utilization Statement of Grant & Subsidies

(Amount In Crore)

S.No.	Particulars	Opening Balance as on 1-4-2004	Received During the year	Utilization	Closing Balance as on 31-3-2005
		A	B	D	E=(A+B-C-D)
1.	Opening Grant from UPJVNL	51.39	--	--	51.39
2	MNES Grant for Assi-Ganga I,II,III Project	3.46	--	1.57	1.89
3	PMGY Grant for Rural Electrification	0.70	--	0.52	.18
4	APDP Grant for RMU	15.47	--	4.07	11.40
5.	Grant/ Subsidies - PFR	1.09	.80	--	1.89
	Total	72.11	.80	6.16	66.75

8. 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 Nigam 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 has been disputed by UJVNL as those were not project specific and hence liability of UJVNL can at 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.131.75 crore thereon have not been accounted for in the books of accounts, as the same is disputed.



9. Interest Payable on Un-secured Loans include Rs. 18.65 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. 8 above.
10. 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.
11. 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.
12. Interest has been provided on opening balances of Employees GPF Trust Liability as per audited books of accounts of GPF trust-UJVNL.
13. The Sale of power does not include the Capacity Charges, Deemed Generation Charges and Capacity Index Incentives amounting to Rs.22,72,32,640/-as the same is not admitted by UERC.
14. UERC vide its order dated 14-3-2007 has considered an amount of Rs. 8.40 Crores on account of payment of Terminal benefits liability, namely Provident Funds, Leave Encashment etc while determining the Tariff of 9 LHP of UJVNL for the financial year 2004-05.It has further directed to set aside this amount in a separate fund and to use the same only for specific purpose and for no other purpose.

UERC further directed that as and when Provident Fund Trust or Government of Uttar Pradesh or Govt. of Uttarakhand reimburse this amount necessary adjustment for the same will be made in UJVNL Future ARR.

Hence in compliance to above directives of UERC, the amount of Rs. 8.40 Crores has been set aside as provision for Terminal Benefits from Energy Sale.

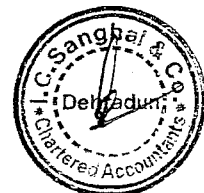
15. An amount of Rs. 3,68,99,442/- on account of upward revision of tariff of 9 LHP of UJVNL vide UERC order dated 14-3-2007 has been adjusted out of the accumulated balance of Renovation Modernization Fund according to the settlement between UJVNL and UERC.
16. Borrowing cost capitalized during the year under Capital work in Progress amounts to Rs.42,28,43,962/-.
17. Names and Relationships of the Related Parties:

i. Subsidiary Companies:

Nil

ii. Associate Concerns / Trusts / Companies / Joint Venture:

Nil



- iii. **Key Management Personnel:**
 a. Mr. Awadh Bihari Giri, C & MD
 b. Mr. S. Ratnam, Director (Finance)
 c. Mr. S.P. Singh, Director (Operations)
 d. Mr. A.K. Bahadur, Director (Projects)
 e. Mr. R.S. Sandhu, Executive Director (Business & Commercial)
 f. Mr. Ranjit Lal, Executive Director (Human Resource)

- iv. **Relative of Key Management Personnel:**
 Nil

18. Transactions with the related parties during the year:

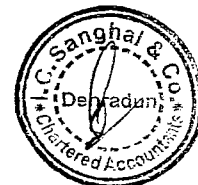
Transaction with Related Parties	Subsidiary Companies	Associated Concern / Trust / Joint Venture	Key Management Personnel	Relative of Key Management personnel
Nil	Nil	Nil	Nil	Nil

19. Details of Deferred tax Assets and Liabilities are as under:-

Particulars	(Amount in Crores)	
	2004-05	2003-04
Deferred Tax Liabilities		
On Depreciation	Rs.27.49	Rs.21.11
Deferred Tax Assets		
Interest on LIC Loan	Rs.6.46	Rs. 4.20
Terminal Benefits Reserve Fund	Rs.3.07	--
Net Deferred Tax Liabilities	Rs.17.96	Rs.16.91

20. Remuneration Paid to Statutory Auditor:-

	2004-05	2003-04
Audit Fees	Rs.75,000	Rs.75,000
Reimbursement of Expenses	Rs.55,000	Rs.40,000
Tax Audit Fees	Rs NIL	Rs.20,000



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

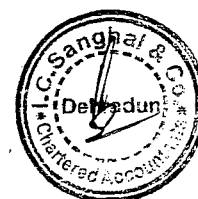
Sl. No.	Particulars	2004-05 Current Year		2003-04 Previous Year	
1	Licensed Capacity	N.A		N.A	
2	Installed Capacity (In MW)	1011.60		1011.60	
3	Actual Generation (In MU)	3161.77MU		3486 MU	
4	Sales				
	UPCL & HPSEB	3059.65 MU	Rs.237.07 Crore	3399.50 MU	Rs.226.28 Crore
	Others	--	Rs.4.91 Crore	--	Rs.5.96 Crore
5	Directors Remuneration CMD & Whole Time Directors	Rs. 23.98 Lakhs		Rs. 22.43 Lakhs	
6	CIF value of Imports	Nil		Nil	
7	Expenditure in Foreign Currency	Rs.209.96 Lakhs		Rs.8.46 Lakhs	
8	Earnings in Foreign Currency	Nil		Nil	

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

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






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

25. Figures have been rounded off to the nearest multiple of rupees.



26. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

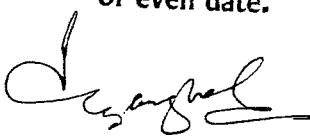
(In Rupees Million)

I Registration Details				
Registration No.		UR2001 SGC		
State Code		025866 U40101		
Balance Sheet date		31-March-05		
II Capital raised during the Year (Rs. In million)				
Public Issue		Nil		
Right Issue		Nil		
Bonus Issue		Nil		
Private Placement		Nil		
III Position of Mobilization & Deployment of Funds (Rs. In millions)				
Total Liabilities		18314		
Total Assets		18314		
Sources of Funds				
Paid Up Capital		1423		
Reserves & Surplus		7659		
Secured Loan		Nil		
Unsecured Loan		6878		
Deferred Tax Liability		179		
Application of Funds				
Net Fixed Assets including CWIP & Incidental Exp.		12862		
Net Current Assets		3107		
Misc. Expenses		24		
Profit & Loss		146		
IV Performance of Company: (Rs. In millions)				
Turnover		2414		
Total Expenditure		2399		
Profit / (Loss) before Tax		15		
Profit / (Loss) after Tax		5		
Earning per share (Rs)		Rs.311.76		
Dividend Rate		Per Share Nil		
V Generic Names of three Principal Products of Company				
ITC Code		-		
Product Name		Electricity		
 (R.K. Jha) Co. Secretary	 (C.P. Madan) Dy. GM (F&A-O&M)	 (Dr. S.K. Agarwal) Director (Finance)	 (R.P. Thapliyal) Managing Director	 (Yogendra Prasad) Chairman

Place : Dehradun

Date : 12th August, 2008

As per our Separate Report
of even date.



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


UTTARAKHAND JAL VIDYUT NIGAM LIMITED


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2005

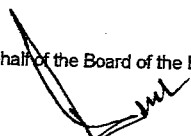
Amount in Million

PARTICULARS	2004-05	2003-04
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as Per P&L A/c		
Add:-	5.06	147.21
Depreciation		
Adjustment of Depreciation for previous year	94.01	84.23
Total	-	(110.98)
Less:-	99.07	120.46
Interest income	58.85	56.80
Operating profit before working capital Changes	40.22	63.66
Adjustment for		
Trade Receivable		
Inventory	196.38	(625.30)
Loans & advances	(30.93)	(18.87)
Creditors & Other Liabilities	(110.11)	(401.09)
	(1,053.99)	1,402.52
Net Cash from Operating activities	(958.41)	420.92
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(314.59)	(101.54)
Interest income	58.85	56.80
Incidental expenditure	20.83	1.55
Capital Work in Progress	(2,464.69)	(2,430.42)
Misc. Expenditure not written off	(2.59)	(3.29)
Net Cash used in investing activities	(2,702.20)	(2,476.90)
C CASH FLOW FROM FINACIAING ACTIVITIES		
Proceeds from Grant from Government	8.00	260.35
Proceeds from Long Term Borrowing	2,185.21	2,270.84
Proceeds from Share appluication Money	1,373.14	-
Net Cash Flow from Financing Activities	3,566.35	2531.19
NET INCREASE /(DECREASE) IN CASH & CASH EQUIVLENT(A+B+C)	(94.26)	475.21
Opening Balance of Cash & Cash Equivalent	1760.12	1284.91
Closing Balance of Cash & Cash Equivalent	1665.86	1760.12

For and on behalf of the Board of the Board of Directors


(R.K. Jha)
Company Secretary (574)


(C.P. Madan)
DyGM (F&A-O&M)

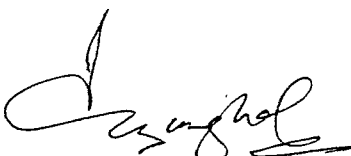

(D.S.K. Agarwal)
Director(Finance)


(R.P. Tripathi)
Managing Director


(Yogendra Prasad)
Chairman

Dated : 12th August,2008
Place : Dehradun

As per our Separate Report
of even date.


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

9 JAN 2009