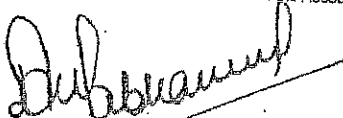


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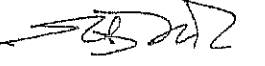
# UTTARAKHAND JAL VIDYUT NIGAM LIMITED


## BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	(Amount in Rs)	
		As at 31st March, 2009	As at 31st March, 2008
<b>SOURCES OF FUNDS</b>			
<b>(A) SHARE HOLDERS' FUNDS</b>			
Share Capital	I	7,121,426,570	6,598,164,570
Reserve & Surplus	II	6,843,103,215	6,578,425,707
<b>(B) LOANS FUNDS</b>			
Unsecured Loans	III	13,753,750,567	13,910,366,133
<b>(C) INCOME RECEIVED IN ADVANCE ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION</b>			
		433,900,000	
<b>(D) DEFERRED TAX LIABILITY (NET)</b>			
Deferred tax liabilities		927,638,785	485,374,290
Less :- Deferred Tax Recoverable		927,638,785	485,374,290
<b>TOTAL</b>		<b>28,162,180,352</b>	<b>27,086,958,410</b>
<b>APPLICATION OF FUNDS</b>			
<b>(A) FIXED ASSETS</b>			
Gross Block		26,925,924,404	26,533,509,023
Less: Accumulated Depreciation	IV	(6,275,230,775)	(5,543,568,575)
Net Block		20,650,693,629	21,289,840,448
Capital Work In Progress		1,975,082,968	1,503,705,901
Incidental Expenditure during construction period pending capitalisation	V	126,948,600	108,305,774
<b>(B) CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Stock, Stores & Spares		2,102,031,568	1,513,011,875
Sundry Debtors	VII	303,164,706	191,695,470
Cash & Bank Balance	VIII	2,508,599,427	1,678,555,001
Loans & Advances	IX	3,868,973,616	3,550,389,120
Total Current Assets	X	1,291,378,031	1,285,802,760
Less: Current Liabilities & Provisions		7,872,115,780	6,698,442,351
<b>NET CURRENT ASSETS</b>	XI	2,578,305,348	2,519,982,787
<b>(C) MISCELLANEOUS EXPENDITURE</b>			
(To the extent not Written off or Adjusted)	XII	5,393,810,432	4,178,459,554
		5,844,723	5,844,723
<b>TOTAL</b>		<b>28,162,180,352</b>	<b>27,086,958,410</b>
<b>ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
XX			
Schedules (I to XIX) and Accounting Policies & Notes on Accounts (Sch. XX) form Integral Part of the Accounts			

  
(Arun Sabharwal)  
Company Secretary

For and on behalf of the Board of Directors


  
(Jayant Kumar)  
Director (Finance)

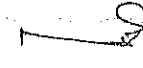
  
(G.P. Raj)  
Managing Director

Dated: 07-01-2011  
Place: Dehradun

As per our Audit report of even date attached

RAG & Associates, Chartered Accountants

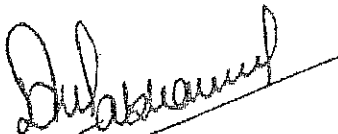


  
(Raghvendra)  
Partner

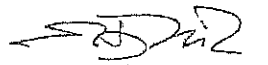
# UTTARAKHAND JAL VIDYUT NIGAM LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING ON 31ST MARCH, 2009

Particulars	Schedule	(Amount in Rs)	
		Current Year	Previous Year
<b>INCOME</b>			
Sale			
Less :- Advances Against Depreciation	XIII XIII A	5,777,109,747 499,900,000	3,065,657,677
Other income	XIV	232,814,437	171,689,484
<b>TOTAL</b>		<b>5,576,021,184</b>	<b>3,237,547,161</b>
<b>EXPENSES</b>			
Royalty & Cess			
Consumption of Stores and Spares		1,154,767,162	1,203,074,633
Repairs & Maintenance		12,515,270	12,885,882
Employees Remuneration and Benefits	XV	549,235,342	366,515,902
Administrative & General expenses	XVI	978,088,760	794,294,794
Depreciation	XVII	185,189,271	139,837,093
Interest & Other Charges	IV XVIII	704,176,564 1,891,104,754	105,869,307 158,418,609
<b>TOTAL</b>		<b>6,275,089,159</b>	<b>2,781,006,320</b>
<b>Net Profit/(Loss) before Prior Period &amp; Extra Ordinary Item</b>			
Less :- Net Prior Period Adjustments		300,832,031	456,540,841
<b>Profit/(Loss) before tax</b>	XIX	<b>(1,527,740)</b>	<b>56,811,551</b>
Deferred Tax		302,459,771	399,729,280
Less :- Deferred tax recoverable adjustment for current year		442,264,495	331,078,581
Deferred tax recoverable Adjustment for previous years		442,264,495	331,078,581
Provision of Fringe Benefit Tax			(154,295,708)
Provision for income tax		3,336,286	3,057,035
<b>Profit/(Loss) after tax</b>		<b>264,854,791</b>	<b>605,731,017</b>
<b>ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>	XX		
Schedules (I to XIX) and Accounting Policies & Notes on Accounts (Sch. XX) form Integral Part of the Accounts			

  
(Arun Sadharwal)  
Company Secretary

For and on behalf of the Board of Directors

  
(Jayanti Kumar)  
Director (Finance)

  
(G. N. Patel)  
Managing Director

Dated: 07-01-2011  
Place: Dehradun

As per our Audit report of even date attached  
for RAG & Associates, Chartered  
Accountants



  
(Raghvendera)  
Partner

# UTTARAKHAND JAL VIDYUT NIGAM LIMITED


SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

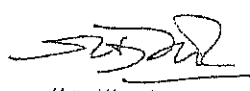
**SCHEDULE - I  
SHARE CAPITAL**

Particulars	(Amount in Rs)	
	As at 31st March, 2009	As at 31st March, 2008
<b>A. AUTHORISED</b>		
8000000 Equity Shares of Rs. 1,000 each	8,000,000,000	8,000,000,000
(Previous Year 8000000 Equity Shares of Rs. 1000/ each)		
<b>B. ISSUED, SUBSCRIBED &amp; PAID UP</b>		
36,37,863 Equity Shares of Rs. 1000/- each	3,637,863,000	3,637,863,000
(Previous Year 36,37,863 Equity Shares of Rs. 1000/ each)		
<b>C. SHARE DEPOSIT ACCOUNTS</b>		
(Govt. of Uttarakhand, Contribution pending allotment of Equity Share)	3,483,563,570	2,980,301,570
<b>TOTAL</b>	<b>7,121,426,570</b>	<b>6,598,164,570</b>

**SCHEDULE - II  
RESERVE & SURPLUS**

Particulars	(Amount in Rs)				
	Opening Balance As at 01-04-2008	Additions during the year	Deductions/Adjust- ment	Depreciation on Assets Acquired out of Grant/subsidies	Closing Balance As at 31-03-2009
<b>A) CAPITAL RESERVE</b>					
(I) Capital Grant & Subsidies (Unutilised)	538,081,904	23,337,818	27,093,469		534,306,053
(II) Capital Reserve for Assets acquired out of Capital Grants & Subsidies (Utilised)	533,141,868	27,093,469		23,514,901	536,720,436
<b>(B) REVENUE RESERVES</b>					
(I) PROFIT AND LOSS ACCOUNT	1,144,481,870	264,854,791			1,409,336,661
<b>C) DIFFERENCE BETWEEN ASSETS &amp; LIABILITIES (UNDER THE TRANSFER SCHEME)</b>	4,362,740,065				4,362,740,065
<b>Total</b>	<b>6,578,426,707</b>	<b>315,285,878</b>	<b>27,093,469</b>	<b>23,514,901</b>	<b>6,843,103,215</b>

  
(Arun Sehharwal)  
Company Secretary

  
(Jayanti Kumar)  
Director (Finance)

  
(G.P. Patel)  
Managing Director



# UTTARAKHAND JAL VIDYUT NIGAM LIMITED

## SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	(Amount In Rs)	
	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE III</b>		
<b>UNSECURED LOANS</b>		
From Life Insurance Corporation (Note-1)	437,804,300	437,804,300
From Power Finance Corporation (Note-2) (Guaranteed By Govt. of Uttarakhand)	11,400,000,000	12,000,000,000
From State Government		
(i) State Govt. Loan provisionally acquired from UPJVNL	50,500,000	50,500,000
(ii) APDP Loan (Note-3)	33,581,000	34,998,250
(iii) PMGY Loan (Note-4)	1,637,919	1,777,500
(iv) GOU Loan for MB-II (Note-5)	810,000,000	900,000,000
(v) GOU Loan for MB-I (Note-6)	22,100,000	22,100,000
(vi) GOU Loan - ADB funded (Note-7)	260,500,000	-
(vii) GOU Loan - NABARD Funded (Note-8)	139,860,000	-
Interest Accrued and due on Unsecured Loans (Note-9)	577,767,348	463,186,083
<b>TOTAL</b>	<b>13,753,750,567</b>	<b>13,910,366,133</b>

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 31-3-2009 is Rs.NIL. Principal amount due within one year Rs.120,00,00,000/-

Note-3 :- Principal amount due but not paid as on 31-3-2009 is Rs.NIL. Principal amount due within one year Rs.22,89,580/-

Note-4 :- Principal amount due but not paid as on 31-3-2009 is Rs.NIL. Principal amount due within one year Rs.83,330/-

Note-5 :- Principal amount due but not paid as on 31-3-2009 is Rs.NIL. Principal amount due within one year Rs.9,00,00,000/-


Note-6 :- Principal amount due but not paid as on 31-3-2009 is Rs.NIL. Principal amount due within one year Rs. NIL /-

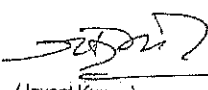
Note-7 :- Principal amount due but not paid as on 31-3-2009 is Rs. NIL /-. Principal amount due within one year Rs.NIL /-

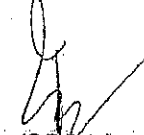
Note-8 :- Principal amount due but not paid as on 31-3-2009 is Rs.NIL /-. Principal amount due within one year Rs.NIL /-

Note-9 :- Detail of Interest Accrued and due on unsecured Loans as follows :-

	As At 31-3-2009	As At 31-3-2008
Interest Payable LIC Loan	510,047,271	416,116,034
Interest Payable GOU Loan	15,811,642	936,986
State Govt. Loan provisionally acquired from UPJVNL	48,509,055	41,944,055
Others	3,399,380	4,189,008
	<b>577,767,348</b>	<b>463,186,083</b>

  
 (Arun Babharwal)  
 Company Secretary

  
 (Jayant Kumar)  
 Director (Finance)

  
 (G.P. Patel)  
 Managing Director



# UTTARAKHAND JAL VIDYUT NIGAM LTD

SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

## SCHEDULE-IV - FIXED ASSETS


Particulars	S R O S S B L O C K				D E P R E C I A T I O N		(Amount in Rs.)	
	Opening Balance	Additions during the Year	Adjustments	Closing as at 31st March 2009	For this year	Adjustments	As at 31-March-2009	WDV As at 31-March-2008
Land and Land Rights	14,566,323	2,641,156	-	17,207,479	-	-	17,207,479	14,566,323
Lease Hold Land	54,007,989	15,133,048	49,249,000	118,390,037	-	-	118,390,037	54,007,989
Temporary Building	4,309,846	-	-	4,309,846	-	-	4,309,846	4,309,846
Building %	143,568,098	-	298	143,568,396	4,516,381	-	148,084,777	104,694,650
Hydraulic Works	11,318,848,170	1,101,273	63,960	11,319,952,403	38,683,188	-	11,358,635,591	10,707,385,940
Other Civil Works	4,118,304,652	-	63,960	4,118,468,612	2,028,460,891	-	6,146,929,503	1,230,395,162
Plant and Machinery	3,691,080,222	1,101,273	-	4,792,351,495	72,695,204	-	4,865,046,700	3,961,028,900
Vehicles	7,171,714,545	88,354,374	-	7,260,068,920	168,297,325	-	7,428,366,245	5,000,798,810
Furniture and Fixtures	97,629,467	4,941,454	-	102,570,921	1,719,993	-	104,290,914	26,742,051
Plant and Machinery	45,272,250	3,509,783	-	48,782,033	5,801,545	-	54,583,578	13,270,932
Office Equipments	13,166,910	11,191,788	-	24,358,698	2,982,191	-	27,340,889	18,546,790
Tools & Tackles	8,139,498	14,445,892	-	22,585,390	1,172,972	-	23,758,362	5,954,964
Electric Equipments	2,608,855	69,003	450,000	2,677,858	895,387	-	3,573,245	1,294,622
Equipments	6,989	-	-	6,989	291,661	-	308,650	5,755,282
Camp Equipments	1,693,360	7,548	-	1,700,908	14,847	-	1,715,755	1,854,233
Books & Periodicals	7,548	-	-	7,548	6,492	-	14,040	31,077
Sign Boards	1,900	-	-	1,900	124,320	-	126,220	597
Steel Structures	1,392,891	-	-	1,392,891	395	-	1,393,286	1,227,600
Windows Frames	19,389	-	-	19,389	810	-	20,199	2,006
Wireless Sets	859,202	-	-	859,202	1,162,891	-	1,022,091	90
Computers	38,331,175	8,608,794	-	46,939,969	435,743	-	47,375,712	-
HO Fixed Assets (Share of JVN in)	79,274,653	-	-	79,274,653	12,847,051	-	92,121,704	223,469
Fixed assets of HO-UP-VN at WDV	5,820,628	-	-	5,820,628	21,637,646	-	27,468,274	25,484,124
<b>Total</b>	<b>25,833,809,023</b>	<b>142,178,237</b>	<b>49,782,878</b>	<b>26,025,824,404</b>	<b>731,562,200</b>	<b>-</b>	<b>26,757,386,604</b>	<b>21,209,040,448</b>
Previous Year	7,724,710,724	19,111,565,799	2,797,600	28,833,909,023	134,219,061	84,095	29,052,128,179	2,315,187,115

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

	SHP	LHP	Balance carry forward to Balance Sheet and P&L A/C
Dep. Transferred to Capital Reserves	11,487,107	12,027,794	23,514,901
Dep. Transferred to Incidental Exp.	8,917,943	3,668,735	12,586,678
Dep. Transferred to P/L A/C	20,105,050	685,560,621	705,665,671
<b>Total Depreciation</b>	<b>40,510,100</b>	<b>711,257,150</b>	<b>751,767,220</b>

(Arun Mishra)  
Company Secretary

(Jayant Kumar)  
Director (Finance)

  
Managing Director  
(G.P. Patel)

# UTTARAKHAND JAL VIDYUT NIGAM LTD

SCHEDULE-V

## CAPITAL WORK IN PROGRESS

(Amount in Rs.)

PARTICULARS	As At		Additions During the Year	Adjustment	Capitalisation During the year		As at 31-3-2009
	1-4-2008	A			B	C	
WIP-Land and Land Rights	302,695,091		471,429				44,670,162
WIP-Buil. Cont Gen Pkt, Trans & Distri Inst	11,133,389		13,464,044	(258,496,358)			24,597,433
WIP-Ancillary Buildings	17,225,150		19,359,357	980,788			37,565,295
WIP-Other Civil Works	3,060,490		-				3,060,490
WIP-Plant and Machinery	334,224,188		28,866,561		24,145,473		338,945,276
WIP-Miscellaneous Equipments	167,074		9,890,463				10,057,537
WIP-Lines, Cables Network, Etc	29,137,722		168,360				29,306,082
WIP-Furniture and Fixture	3,332,593		-				-
WIP-Office Equipments	299		-		3,332,593		-
INTEREST DURING CONSTRUCTION PERIOD	18,503,048		4,780,557		299		-
Survey and Investigation (NH 14.81) (14.81)	474,647,677		58,771,790	308,894,745			23,283,605
Other Projects	1,796,175		-	(1,796,175)			840,926,272
Advances to Suppliers for Capital works	307,783,005		368,958,889				-
Total	1,503,705,901		604,731,450	49,553,000	54,070,078	82,907,383	622,671,816
							1,975,082,968

(Anil Sabharwal)  
Company Secretary

(Jayant Kurniar)  
Director(Finance)

(G.P.Patel)  
Managing Director

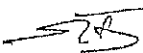



# UTTARAKHAND JAL VIDYUT NIGAM LIMITED

SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	As at 31st March, 2009	(Amount In Rs) As at 31st March, 2008
<b>SCHEDULE VI</b>		
<b><u>INCIDENTAL EXPENDITURE DURING CONSTRUCTION PERIOD PENDING CAPITALISATION</u></b>		
<b><u>EXPENDITURE UPTO LAST YEAR</u></b>		
Opening Balance	109,305,774	235,953,222
Less :-		
Adjustment of Opening balance as on 9-11-2001	-	120,592,436
<b>Add :- Prior Period Adjustment</b>	<b>149,737</b>	<b>221,629</b>
	109,455,511	115,582,315
<b>EXPENDITURE DURING THE YEAR :</b>		
Employee Cost	87,383,530	109,388,895
Repairs & Maintenance	5,004,959	17,239,622
Other Administrative Overhead		
ht	524,612	420,297
Electric & Water Charges & Other taxes	395,125	133,166
Printing & stationery Charges	762,925	611,197
Bank Charges	8,907	44,577
Travelling Expenses.	1,892,277	1,874,507
Advertisement & Publicity	14,954,476	4,283,940
Stock handling Expenses.	-	2,100
Legal Charges	262,627	540,487
Insurance charges	76,933	4,771,953
Conveyance & taxi Hire Charges	4,633,820	3,248,791
Consultancy Charges	9,298,723	95,025
Entertainment Expenses.	1,947,999	568,776
Postage & Telephone etc.	1,177,133	962,336
Miscellaneous Expenses.	5,893,996	4,584,433
Depreciation (Schedule-IV)	3,868,735	4,467,500
<b>Total Expenditure</b>	<b>138,086,777</b>	<b>153,237,402</b>
Income		
Tender fee	16,654	-
Miscellaneous Receipts	4,457,753	43,255,672
Interest Receipts/Adjustments	39,847,068	62,592,209
<b>Total Income</b>	<b>44,121,475</b>	<b>95,847,881</b>
	<b>93,965,302</b>	<b>57,389,521</b>
<b>TOTAL INCIDENTAL EXPENSES DURING CONSTRUCTION PERIOD</b>	<b>203,420,813</b>	<b>172,871,836</b>
Expenses Capitalised to projects		15,097,521
Expenses Transferred to P/L A/C	76,472,213	48,568,541
<b>AMOUNT CARRIED FORWARD</b>	<b>126,948,600</b>	<b>109,305,774</b>

  
 (Arun Babharwal)  
 Company Secretary

  
 (Jayant Kumar)  
 Director(Finance)


  
 (G.P. Patel)  
 Managing Director

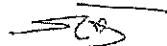



# UTTARAKHAND JAL VIDYUT NIGAM LIMITED

## SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	As at 31st March, 2009	(Amount in Rs) As at 31st March, 2008
<b>SCHEDULE VII</b>		
<b><u>STOCK, STORES AND SPARES</u></b>		
Stock Stores & Spares (Included With Contractors)	303,164,706	191,695,470
TOTAL	303,164,706	191,695,470
<b>SCHEDULE VIII</b>		
<b><u>SUNDRY DEBTORS</u></b>		
More Than Six month old (Unsecured Considered Good)	1,314,200,256	899,196,254
Others (Unsecured Considered Good)	1,194,399,171	771,358,747
TOTAL	2,508,609,427	1,670,555,001
<b>SCHEDULE IX</b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash in Hand incl. PI & TI etc.	414,697	364,768
Balances with Schedule Bank in Current Account	1,366,373,508	1,264,392,551
Balances with Banks in FDR A/C	2,499,535,829	2,250,377,935
Cheques In Transit	3,649,562	35,253,865
TOTAL	3,868,973,616	3,650,389,120

  
 (Arun Sacharwal)  
 Company Secretary

  
 (Jayant Kumar)  
 Director (Finance)

  
 (G.P. Patel)  
 Managing Director





# UTTARAKHAND JAL VIDYUT NIGAM LIMITED

## SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

(Amount In Rs.)


Particulars	As at	
	31st March, 2009	31st March, 2008
<b>SCHEDULE X</b>		
<b>LOANS AND ADVANCES</b>		
Amount Recoverable in cash or in Kind(Considered Good)	139,911,302	169,141,405
Advance for Income Tax and tax deducted at source		
(i) Advance Tax Paid and TDS	464,178,190	467,973,420
(ii) MAT Credit Entitlement A/c	106,626,200	72,357,508
	570,804,390	540,330,928
Less :- Provision for Taxation	337,625,390	303,077,445
	233,179,000	237,253,483
Others(Considered Good)	848,899,516	837,901,098
Interest Accrued on FDR's with Banks	69,388,213	41,506,774
<b>TOTAL</b>	<b>1,291,378,031</b>	<b>1,285,802,760</b>


**SCHEDULE XI****CURRENT LIABILITIES & PROVISIONS**


Sundry Creditors for Capital works			
(a) Due to SSI			
(b) Dues Other than SSI	11,886,556	11,886,556	32,414,415
Sundry Creditors for O&M works			
(a) Due to SSI			
(b) Dues Other than SSI	108,763,463	108,763,463	78,234,872
Other Liability			
Staff Related Liability		126,350,242	122,028,602
Gratuity Liability as per Actuarial Valuation		8,211,505	11,885,880
Provision for Expenses		24,204,965	20,134,373
Trust Related Liabilities-Lucknow		257,787,543	555,037,694
GPF Trust -UJVNL		25,110,933	25,110,933
Guarantee Fees and other Charges Payable to GOU		98,242,521	61,741,489
Cess & Royalty payable to GOU		116,190,421	122,190,421
Terminal Benefits Reserves Fund		153,282,825	99,862,196
Interest Accrued but not due		84,000,000	84,000,000
AGSP Payable		267,781,544	286,681,283
Provision for With Pay Commission Arrear		730,077,946	668,860,619
		566,404,884	351,800,000
<b>TOTAL</b>		<b>2,578,305,348</b>	<b>2,519,982,787</b>

**SCHEDULE XII****MISCELLANEOUS EXPENDITURE**To the extent not Written Off

Survey & Investigation		5,644,723	5,644,723
Transfer Scheme- Opening Balance Adjustment Account	2,214,550,474		2,214,550,474
Less :- Transfer Scheme- Capital Reserve Adjustment Account	2,214,550,474		2,214,550,474
<b>TOTAL</b>		<b>5,644,723</b>	<b>5,644,723</b>

  
 (Arun Sabharwal)  
 Company Secretary

  
 (Jayant Kumar)  
 Director(Finance)

  
 (G.P. Pajal)  
 Managing Director



# UTTARAKHAND JAL VIDYUT NIGAM LIMITED

SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
<b>SCHEDULE XIII</b>		
<b>Sale</b>		
Energy Sale	5,695,040,922	2,789,935,223
Tax Recoverable from Beneficiary	82,065,825	276,922,454
	5,777,106,747	3,066,857,677
<b>TOTAL</b>	<b>5,777,106,747</b>	<b>3,066,857,677</b>

**SCHEDULE XIII A**  
**ADVANCE AGAINST DEPRECIATION**

During the year	433,900,000	-
As :- Written back during the year	-	433,900,000
	433,900,000	-

**SCHEDULE XIV**  
**OTHER INCOME**

Sale of Tender Forms	4,020,436	2,845,706
Miscellaneous income	12,399,672	4,032,375
Interest income(Gross, Tax deducted at source Rs.2,81,71,463/-, Previous year Rs.3,07,33,648/-)	211,820,886	161,635,692
Recoveries for Transport facility	273,009	223,803
Rent from Staff	532,139	505,246
Rental from Contractors	5,542	5,454
Excess found on physical verification of stores	2,485	6,584
Penalty from Contractors & Suppliers	3,760,268	2,434,624
<b>TOTAL</b>	<b>232,814,437</b>	<b>171,689,484</b>

(Arun Sagarwal)  
Company Secretary

(Jayant Kumar)  
Director(Finance)

(G.P. Patel)  
Managing Director



# UTTARAKHAND JAL VIDYUT NIGAM LIMITED


SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

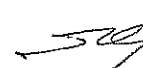
	(Amount in Rs.)	
Particulars	Current Year	Previous Year
<b>SCHEDULE XV</b>		
<b><u>REPAIRS &amp; MAINTENANCE</u></b>		
Repairs & Maintenance		
-Civil Work	118,173,445	148,236,725
-Plant & Machinery	416,811,411	212,642,117
- Others	14,250,486	5,637,060
<b>Total</b>	<b>549,235,342</b>	<b>366,515,902</b>

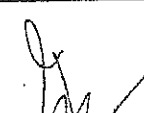
**SCHEDULE XVI**

**EMPLOYEES REMUNERATION AND BENEFITS**

Salaries, wages and allowances	579,304,612	495,761,552
Gratuity & Pension	82,279,072	70,990,457
Leave Encashment	46,018,577	35,842,481
Bonus	6,471,272	5,377,396
Medical Reimbursement	5,965,314	5,723,288
Interest paid to GPF Trust	45,856,308	36,218,000
Other Staff welfare expenses	15,196,351	4,158,560
VI th Pay commission Arrear	197,007,284	140,223,060
<b>Total</b>	<b>978,098,790</b>	<b>794,294,794</b>

  
 (Arun Saharwal)  
 Company Secretary

  
 (Jayant Kumar)  
 Director(Finance)


  
 (G.P. Patel)  
 Managing Director

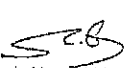



# UTTARAKHAND JAL VIDYUT NIGAM LIMITED

## SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
<b>SCHEDULE XVII</b>		
<b>OTHER ADMINISTRATION OVERHEAD</b>		
Rent Rates Taxes		412,888
Insurance	1,699,634	412,888
Telephone & Trunk Calls	20,617,082	25,124,417
Postage & Stamps	4,068,236	4,621,873
Legal Charges	299,891	242,148
Auditor Remuneration	16,641,581	10,671,827
Technical & Other Consultancy Charges	155,000	105,000
PFR Exp	6,654,680	4,144,758
Honorarium	835,000	-
Freight Charges	24,000	50
Advertisement Expenses	292,031	66,348
Conveyance expenses	14,133,286	5,564,918
Travelling Expenses	88,309	44,913
Vehicle Running Expenses	5,354,573	6,190,937
Amusement of Local outdoor Expenses	6,002,167	3,389,331
Licences & Registration Fees	1,044,962	757,786
Books & periodicals	1,537,103	101,377
Printing & Stationery	56,611	79,595
Electricity & Water Charges	5,743,154	3,887,528
Entertainment	1,269,417	1,333,381
Miscellaneous Expenses	2,224,587	493,023
Incidental Stores Expenses	9,565,299	5,569,668
Recruitment & Training Expenses	-	2,000
Fees & Subscription	4,117,317	2,248,353
Security Expenses	809,025	705,825
Survey & Investigation Expenses Written off	5,484,113	3,523,503
Administrative Overhead of SHP	-	12,085,105
	76,472,213	48,568,541
	185,189,271	139,937,093

  
 (Arun Sabharwal)  
 Company Secretary

  
 (Jayant Kumar)  
 Director(Finance)

  
 (G.P. Patel)  
 Managing Director



# UTTARAKHAND JAL VIDYUT NIGAM LIMITED


SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

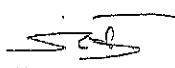
Particulars	Current Year	(Amount in Rs.) Previous Year
<b>SCHEDULE XVIII</b>		
<b>INTEREST AND OTHER CHARGES</b>		
<b>(A) Interest</b>		
Interest on LIC Loan	93,931,907	84,623,340
Interest on State Govt. Loan	6,565,000	6,565,000
Interest on PFC Loan	1,333,572,408	63,286,949
Interest on GOU Loan	81,526,638	936,986
Interest on AGSP Subsidy	61,217,327	2,450,385
Guarantee fees on PFC Loan to GOU	114,000,000	-
<b>(B) Other Financial Charges</b>	<b>291,474</b>	<b>555,949</b>
<b>Total</b>	<b>1,691,104,754</b>	<b>158,418,609</b>


**SCHEDULE XIX**  
**PRIOR PERIOD ADJUSTMENT**

**PRIOR PERIOD EXPENSES**

Repairs & Maintenance		4,691,541	
Employee Cost	73,240	330,666	
Administrative & General Exp.	164,586	385,383	
Interest on GOU loan-SHP	-	51,403,961	
<b>PRIOR PERIOD INCOME</b>		<b>237,826</b>	<b>56,811,551</b>
Interest Income	140,309	-	
Excess Provision written Back	1,625,257	-	
<b>Total</b>		<b>1,765,566</b>	<b>56,811,551</b>

  
 (Arun Saharwal)  
 Company Secretary

  
 (Jayant Kumar)  
 Director(Finance)

  
 (G.P. Patel)  
 Managing Director



UTTARAKHAND JAL VIDYUT NIGAM LTD (UJVNL)

SCHEDULE- XX

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 Uttarakhand 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.

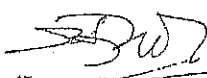
3 Capital Work in Progress

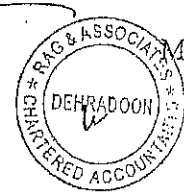
Projects under commissioning and other capital work in progress are carried at cost. Capital Work in Progress includes Advances paid towards the acquisition of Fixed Assets. Financing cost other than directly identifiable to a particular asset and direct revenue expenditure incurred during construction 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:-

  
(Arun Sabharwal)  
Company Secretary

  
(Jayant Kumar)  
Director (Finance)



  
(G.P. Patel)  
Managing Director

Employee cost

- 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 Project under construction and balance under Projects in generation.
  - Operation & Maintenance Cost of Division / Circle – allocated @ 2.5% of total cost to each Project 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.
- (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.

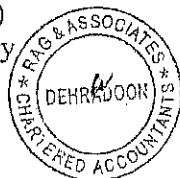
6. Inventories

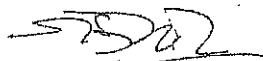
Inventories of Stores & Spares, Construction material and other consumables held for internal use are generally valued at cost.


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

  
 (Arun Sabharwal)  
 Company Secretary



  
 (Jayant Kumar)  
 Director (Finance)

  
 (G.P. Patel)  
 Managing Director

8. Grants & Subsidies

- (i) 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.
- (ii) Revenue Grant is recognized as income during the year in which the expenses funded by the grant are incurred.

9. Employees Retirement Benefits

For Employees of erstwhile UPSEB on deputation / transferred / merged

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

For other Employees

- (i) Gratuity in respect of employees covered under Employees Provident Fund & Miscellaneous Provisions Act, 1952 have been accounted for on the basis actuarial valuation. The said valuation is based on Projected Unit Credit Method.
- (ii) Encashment of leave is accounted for on cash basis.

10. Revenue Recognition

- (i) The sale of power from Nine Large Power Plants to Uttarakhand Power Corporation Limited (UPCL) is accounted for at the tariff rates specified in the tariff order issued by UERC on 18-3-2008 and royalty @ 10 paisa per unit & Cess @ 30 paisa per unit.
- (ii) The sale of Power from Maneri Bhali-II HEP to Uttarakhand Power Corporation Limited (UPCL) is accounted for at the tariff rates specified in the tariff order issued by UERC on 28-11-2008
- (iii) The sale of power from two Medium Power Plants to UPCL is accounted for at the tariff order dated 19-5-2009.
- (iv) The sale of power from Small Hydro Plants upto 1 MW capacity to UPCL is billed @ Rs. 1.69 per unit vide UERC order dated 01.12.06.
- (v) Sale of power from Small Hydro Plants above 1 MW capacity to UPCL is billed as per UERC order dated 19-5-2009.

(Arun Sabharwal)  
Company Secretary



(Jayant Kumar)  
Director (Finance)

(G. P. Patel)  
Managing Director



- (vi) The power sold to Himachal Pradesh State Electricity Board is accounted for @ 34.76 paisa per unit on realization basis.
- (vii) Advance against depreciation given as a component of tariff in the initial years to facilitate repayment of loans is reduced from Sales and considered as deferred income to be included in Sales in subsequent years.
- (viii) Direct supply of power to consumers including Irrigation staff posted at units' colony/ distribution area is billed at retail tariff rates of UPCL for distribution of power.
- (ix) The revenue recognition of the surcharge on delayed payment of electricity bills other than by UPCL & HPSEB is being accounted for on cash basis.
- (x) The value of waste and scrap is accounted for on actual realization basis.
- (xi) ~~Sale of Power includes bill raised for Tax recoverable from Beneficiaries as per UERC orders dated 21-10-2009 and 5-4-2010.~~

#### 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.

#### 13. Taxes On Income

Taxes on income for the current period is determined on the basis of taxable income under the Income Tax Act, 1961. Income Tax is a Pass-through to beneficiaries to the extent relatable to core activity i.e. Generation of electricity.

Deferred tax is recognized on timing differences between the accounting income and taxable incomes for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Differed Tax recovery Adjustment Accounts is credited/debited to the extent tax expenses is chargeable from the Beneficiary in future years on actual payment basis.

(Arun Sabharwal)  
Company Secretary



(Jayant Kumar)  
Director (Finance)

(C.P. Patel)  
Managing Director

**B. NOTES ON ACCOUNTS**

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

The company was incorporated on 12/2/01 by Uttarakhand Government for managing and undertaking hydropower projects in the State of Uttarakhand. Central Government vide its order dated 5/11/01 transferred all hydro power plants located in the State of Uttarakhand to Uttarakhand Jal Vidyut Nigam. The company took the financial & administrative control of the plants immediately with effect from 9-11-01. In absence of any final transfer scheme, Nigam had derived its opening balances and carried the same in its Balance Sheet upto FY 2006-07 on the basis of information available, to complete its accounts. The differences, if any between provisional opening balances so incorporated and final opening balances as per final scheme of transfer were to be accounted for in the year the final transfer scheme is approved by the Government. However, in case of Small Hydro Divisions, actual balances as appearing in Books of Accounts of the units transferred to UJVNL have been considered.

~~Since after the Lapse of considerable period of time, transfer Scheme has not been finalized and provisional opening balances with no details/ records appearing in the books were being carried forward the following line of action was decided by the management:-~~

1. Where ever the figures of the balances as on 9.11.01 have been confirmed with the books of accounts of the various divisions such confirmed opening balances be substituted in place of the existing provisional opening balances and difference between the assets and liabilities emerging there form be transferred to "Capital Reserve Account".
2. Wherever opening balances of any assets/ liabilities are not available with Nigam, the provisional opening balance of such assets/ liabilities may be transferred to "Transfer scheme-Opening balance Adjustment a/c" and correspondingly, equivalent amount (Contra) be transferred from 'Capital Reserve Account' to "Transfer scheme-Capital Reserve adjustment account".
3. Final Transfer Scheme for transfer of balances of assets & liabilities has not yet been finalised and differences if any between opening balances so incorporated and final opening balances as per final Scheme of Transfer will be accounted for in the year the Final Transfer Scheme is approved by the Government

In view of above the provisional opening balances have been regrouped/adjusted in the Books of Accounts during the financial year 2007-08 and such regrouped / adjusted balances have been carried forward in the FY 2008-09, the details of which are as follows:

Particulars	Value	
<b>Fixed Assets &amp; CWIP</b>		
Gross Fixed Assets (LHP & HO)	6,29,22,95,700	
Gross Fixed Assets (SHP)	52,81,99,100	
Depreciation Reserve Fund	(-),4,73,11,30,791	
<b>Net Fixed Assets (1.1 +1.2-1.3)</b>		<b>2,08,93,64,009</b>

(Arun Sabharwal)  
Company Secretary



(Jayant Kumar)  
Director (Finance)

(G.P. Patel)  
Managing Director

Capital work in progress		2,76,99,93,042
Incidental Expenditure		4,31,50,855
Current Assets		
Stock Stores & Spares	13,24,09,158	
Sundry Debtors	55,56,91,110	
Cash incl. PI&TI	7,07,302	
Bank Balances	2,73,49,971	
Loan & Advances	13,77,99,213	
<b>Total Current Assets</b>	<b>85,39,56,754</b>	
Less:		
Current Liabilities	13,90,17,533	
Deposit for Electrification	3,70,426	
Security Deposit from Consumers	33,51,430	
Consumer Contribution grant	1,76,078	
<b>Total Current Liabilities</b>	<b>14,29,15,467</b>	
<b>Net Current Assets (2-3)</b>		<b>71,10,41,287</b>
Misc. Exp. (Survey & Investigation)		97,67,951
<b>Total Assets</b>		<b>5,62,33,17,144</b>
Liabilities		
Capital Reserve (subsidy)		77,15,18,648
Reconstruction Reserves (Diff. of Assets - Liabilities including Capital Reserves)		4,36,34,94,196
Secured Loan from LIC	40,31,84,800	
Overdue principal (LIC)	3,46,19,500	43,78,04,300
State Govt. Loan		5,05,00,000
<b>Total Liabilities</b>		<b>5,62,33,17,144</b>

(Arun Sabharwal)  
Company Secretary

(Jayant Kumar)  
Director (Finance)

(G.P. Patel)  
Managing Director



## 2. Contingent Liabilities.

Sl.No.	Particulars	2008-09	2007-08
1	Claims lodged by Contractors/ Suppliers against Dept. of Irrigation (Construction Agency) not acknowledged by the Nigam.	Rs. 168.91 Crore	Rs.168.91 Crore
2.	Claims lodged by contractors against Deptt of Irrigation for MB-I project (Commercial in Operation) not acknowledged by the Nigam.	Rs.4.41 Crore	Rs.4.41 Crore
3	Estimated value of contracts remaining to be executed on Capital Account and not provided for	Rs.155.05 Crore.	Rs. 96.15 Crore.
4	Disputes with Employees (matter subjudice)	Nil	Nil
5.	Claim lodged pending in different Courts.	Rs.2.19 Crore	Rs.2.00 Crore
6.	LIC Loan  Interest @ 11% on LIC Loan  (Not Accepted By the Management )	Rs.308.81 Crore  Rs.326.69  Crore	Rs.308.81 Crore  Rs.292.72 Crore
7	Trade Tax Liability	Rs. 13.90	Rs. 13.90
8.	Income Tax Liability (Excluding Interest u/s 220(2) of IT Act)	Rs. 75.82 Crore	Rs. 76.29 Crore
9.	Liability for Guarantee fees payable to GOU on delayed payments	Rs.34.12 Crores	Rs.34.12 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.
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).

(Arun Sabharwal)  
Company Secretary



(Jayant Kumar)  
Director (Finance)

(G.P.Patei)  
Managing Director

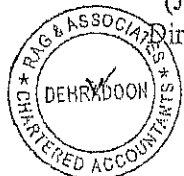
6. Utilization Statement of Grant & Subsidies :

(Amount In lacs)

S.No.	Particulars	Opening Balance as on 1-4-2008	Received During the year	Utilization	Closing Balance as on 31-3-2009
		A	B	D	E=(A+B-C-D)
1.	Opening Grant from UPJVNL	5139	--	--	5139
2	KfW Grant	--	233	233	--
3	APDP Grant for RMU	199	--	37	162
4.	Grant/ Subsidies - PFR	42			42
	<b>Total</b>	<b>5380</b>	<b>233</b>	<b>270</b>	<b>5343</b>

7. 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 has been considered provisionally in accordance to the GOI order dated 5.11.2001. Subsequently, Central Government vide its order No. SO 1228 dated 2.09.2005 has allocated liability of part of LIC Loan of Rs. 352.59 Cr taken for MB-II HEP by the erstwhile UPSEB. Since such allocation of the above referred LIC Loan to the state of Uttarakhand is being contested the effective amount of Rs. 308.81 crore (Rs. 352.59 crore - Rs. 43.78 crore) and provisional interest of Rs.326.69 crore thereon have not been accounted for in the books of accounts, as the same is disputed.
8. Interest Payable on Un-secured Loans include Rs.51.00 crores being Interest payable to LIC on term loan considered for the reasons already explained in note no. 7 above.
9. Interest has been provided on opening balances of Employees GPF Trust Liability as certified by GPF trust-UJVNL.
10. Fund received against preparation of Detailed Project Report from Government of Uttarakhand has been held under Share Deposit Account pending further instructions as to its allocation.
11. In current year company has provided for income of Rs.8,20,65,825/- Crores as Tax Recoverable from beneficiaries i.e. Uttarakhand Power Corporation Limited (UPCL) & Himachal Pradesh State Electricity Board (HBSEB) as per directives issued by Uttarakhand Electricity Regulatory Commission (UERC) in its tariff Orders dated 21-10-2009 and 5-4-2010.

(Arun Sabharwal)  
Company Secretary



(Jayant Kumar)  
Director (Finance)

(G.P. Patel)  
Managing Director

12. The Sale of power does not include the Capacity Charges, Deemed Generation Charges and Capacity Index Incentives amounting to Rs.37,65,01,864/- as the same is not admitted by UPCL. However Capacity Charges for MB-II has been included in Sale of Power as the same is admitted by UPCL.
13. 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 the above stated amount necessary adjustment for the same will be made in Future ARR's of UJVNL.

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 in the F.Y. 2004-05.

14. Borrowing cost capitalized during the year under Capital work in Progress amounts to Rs.47,80,557/- (previous year Rs. 1,81,54,80,089/-).
15. Provision for wealth tax has not been provided in the Books of Accounts. Company has undertaken the exercise for determining the applicability of the wealth tax.
16. Disclosure as required under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 is as follows: -

	31.3.2009	31.3.2008
Principal amount remaining unpaid at the end of the year to Micro, Small & Medium enterprise	NIL	NIL
Interest accrued & remaining unpaid at the end of the year to Micro, Small & Medium enterprise for the current year	NIL	NIL
Amount of interest paid during the year along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery / rendering of service	NIL	NIL
Amount of interest carried forward from last accounting year with interest for the current year on such interest.	NIL	NIL

17. Provision of arrear of salary of Rs.21,46,04,884/-crores due to implementation of recommendation of VIth Pay Commission has been accounted for as follows :-

	Amount (In Rs.)
i. Employees Cost	19,70,07,284/-
ii. Incidental Expenditure Pending Capitalization	1,75,97,600/-

(Arun Sabharwal)  
Company Secretary



(Jayant Kumar)  
Director (Finance)

(G.P. Patel)  
Managing Director

The above amount of arrear on account of pay revision has been further allocated on Large Hydro Projects, Small Hydro Projects and Projects under construction in proportion to their respective employee cost.

18. Names and Relationships of the Related Parties:

i. Subsidiary Companies:

Nil

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

Nil

iii. Key Management Personnel:

i. Mr. Yogendra Prasad, Chairman

ii. Mr. R.P. Thapliyal, Managing Director (I/C) & Director (Project)

iii. Mr. S.K. Agarwal, Director (Finance) (I/C)

iv. Mr. B.C.K. Mishra, Executive Director (Operation)

v. Mr. K.C. Jain, Executive Director (HR(I/C)&(Electrical & Mechanical(I/C))

iv. Relative of Key Management Personnel:

Nil

19. 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

20. In Compliance to the Accounting Standard-22 on Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred Tax Liability Amounting to

Rs.44.23 Crores (Deferred Tax Liability amounting to Rs 33.10 Crores in previous years) has been provided during the current year. Details of Deferred tax Assets and Liabilities are as under:-

(Amount in Crores)

Particulars	2008-09	2007-08
<b>Deferred Tax Liabilities</b>		
On Depreciation	Rs.113.69	Rs.66.13
<b>Less :- Deferred Tax Assets</b>		
Interest on LIC Loan	Rs.17.41	Rs.14.22
Terminal Benefits Reserve Fund	Rs. 3.07	Rs. 3.07
Gratuity Provision as per Actuarial	Rs.0.45	Rs. 0.31
<b>Net Deferred Tax Liabilities</b>	<b>Rs.92.76</b>	<b>Rs.48.53</b>

(Arun S. Bhatnagar)  
Company Secretary



(Jayant Kumar)  
Director (Finance)

(G.P. Patel)  
Managing Director

## 21. Remuneration Paid/ Payable to Statutory Auditors:-

	2008-09	2007-08
Audit Fees	Rs.125,000	Rs.75,000
Reimbursement of Expenses	--	Rs. 55,000
Tax Audit Fees	Rs.30,000	Rs.30000

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

Sl. No.	Particulars	2008-09 Current Year		2007-08 Previous Year	
		1	Licensed Capacity	N.A	
2	Installed Capacity ( In MW)	1317.70		1317.70	
3	Actual Generation ( In MU)	4613.23		3602.69	
4	Sales				
	UPCL & HPSEB	4520.79MU	Rs.566.55 Crore	3471.35 MU	Rs.275.70 Crore
	Tax Recoveries	--	Rs.8.20 Crore	--	Rs.27.59 Crores
	Others	--	Rs.2.96 Crores	--	Rs.3.29 Crore
5	Directors Remuneration CMD & Whole Time Directors	Rs 29.02 Lac		Rs.24.44 Lac	
6	CIF value of Imports	Nil		Nil	
7	Expenditure in Foreign Currency	Rs.716.23 Lac		Rs. 434.52 Lac	
8	Earnings in Foreign Currency	Nil		Nil	

(Arun Babharwal)  
Company Secretary

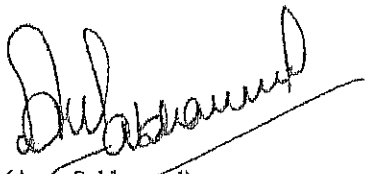


(Jayant Kumar)  
Director (Finance)

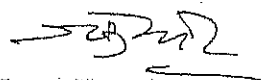
(G.P. Patel)  
Managing Director



- 23. Figures in brackets in the notes of accounts represent Previous Year's figures.
- 24. Schedules I to XX are forming part of Annual Accounts.
- 25. Figures have been rounded off to the nearest multiple of rupees.



(Arun Sabharwal)  
Company Secretary



(Jayant Kumar)  
Director (Finance)



(G.P. Patel)  
Managing Director

Dated : 07-01-2011

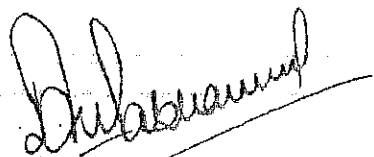
Place : Dehradun

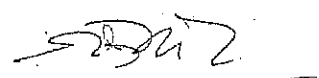


BALANCE SHEET ABSTRACT AND COMPANY' S GENERAL BUSINESS PROFILE

(In Rupees Million)

I	<b>Registration Details</b>	
	Registration No.	UR2001 SGC
	State Code	025866 U40101
	Balance Sheet date	31-March-09
II	<b>Capital raised during the Year (Rs. In million)</b>	
	Public Issue	Nil
	Right Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III	<b>Position of Mobilization &amp; Deployment of Funds (Rs. In millions)</b>	
	Total Liabilities	30730
	Total Assets	30730
	<b>Sources of Funds</b>	
	Paid Up Capital	7121
	Reserves & Surplus	6843
	Secured Loan	Nil
	Unsecured Loan	13754
	Deferred Tax Liability	--
	<b>Application of Funds</b>	
	Net Fixed Assets including CWIP & Incidental Exp.	22753
	Net Current Assets	5394
	Misc. Expenses	6
	Profit & Loss	NIL
IV	<b>Performance of Company: (Rs. In millions)</b>	
	Turnover	5576
	Total Expenditure	5275
	Profit / (Loss) before Tax	302
	Profit / (Loss) after Tax	265
	Earning per share (Rs)	Rs.37.19
		Per Share.
	Dividend Rate	Nil
V	<b>Generic Names of three Principal Products of Company</b>	
	ITC Code	-
	Product Name	Electricity

  
 (Arun Sabharwal)  
 Company Secretary

  
 (Jayant Kumar)  
 Director (Finance)

  
 (G.P. Patel)  
 Managing Director



## UTTARAKHAND JAL VIDYUT NIGAM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Amount in Million)

PARTICULARS	2008-09	2007-08
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Extraordinary income	(109.05)	605.73
Add:-		
Tariff Adjustment/Advance Against Deprecation	433.90	-
Net Profit as per Profit & Loss A/c	264.85	605.73
Add:-		
Depreciation	704.18	105.87
Provision for Income Tax	34.27	45.23
Provision for Deferred Tax	-	(154.30)
Provision for FBT	3.34	3.08
Total	1,006.63	505.59
Less:-		
Interest income	211.82	161.64
Operating profit before working capital Changes	794.81	343.95
Adjustment for		
Trade Receivable	(838.04)	(549.91)
Inventory	(111.47)	(36.04)
Loans & advances	(5.66)	(892.24)
Creditors & Other Liabilities	454.62	1,304.67
<b>Net Cash from Operating activities</b>	<b>294.34</b>	<b>69.43</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(92.41)	(19,108.81)
Interest income	211.82	161.64
Capital Work in Progress	(455.15)	15,232.74
Misc Expenditure not Written Off	-	11.38
<b>Net Cash used in investing activities</b>	<b>(365.74)</b>	<b>(3,703.04)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Grant from Government	23.34	0.30
Proceeds from Long Term Borrowing	(156.62)	2,877.39
Proceeds from Share application Money	623.26	1,902.50
<b>Net Cash Flow from Financing Activities</b>	<b>389.98</b>	<b>4,780.19</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT(A+B+C)</b>	<b>318.59</b>	<b>1,146.58</b>
Opening Balance of Cash & Cash Equivalent	3,550.36	2,403.80
Closing Balance of Cash & Cash Equivalent	3,868.97	3,550.38

(Arun Babbarwal)  
Company Secretary

(Jayant Kumar)  
Director(Finance)

(G.P. Patel)  
Managing Director

Dated: 07-01-2011

Place: Dehradun



AUDITOR'S REPORT

To,  
The Members  
UTTARAKHAND JAL VIDYUT NIGAM LIMITED  
Dehradun

We have audited the attached Balance Sheet of Uttarakhand Jal Vidyut Nigam Limited (Formerly known as Uttranchal Jal Vidyut Nigam Ltd.) at 31.03.2009 and also the profit & loss account for the year ended on that date annexed thereto and also the cash flow statement for the year ended on that date. The name of the company has been changed from "Uttarnachal Jal Vidhyut Nigam Ltd." to "Uttarakhand Jal Vidyut Nigam Ltd." w.e.f 2<sup>nd</sup> July. 2007. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. Audited Financial Statements for the financial year 2006-07 & 2007-08 have not been placed in the AGM of the Company.
3. The books of accounts presented before us for Tax Audit u/s 44AB of Income Tax Act have been re-casted by the management. Consequently the company is required to obtain revised Audit Report u/s 44AB of Income Tax Act and revised return of income tax is to be filed.



4. Further to our comments in the annexure referred in paragraph-1 above we report that: -

a. As referred in Note No. B (1) of Schedule XXI annexed to the balance Sheet, the management has stated that in absence of final transfer scheme between UPJVNL and UJVNL provisional opening balances have been incorporated in books of accounts. *The accuracy of these opening balances of Assets & Liabilities could not be verified by us in absence of any agreement between UPJVNL & UJVNL and notification of Final Transfer scheme. The details and breakup of Assets & Liabilities so transferred were not made available to us and the allocated balances of consolidated balances have been incorporated in the financial statements of the Company for the year 2001-02. Consequently the opening balances of the specific Assets & Liabilities vested in the Company is not identifiable or verifiable. These opening balances are unaudited and are not in agreement with the balances shown as transferred by UPJVNL in their audited accounts for the year ending 31.03.2002. Substantial difference were observed in the opening Balances taken in the books of accounts as compared to audited balance sheet of UPJVNL as on 31.03.2002. During the year the management has made certain changes in their opening balances taken on 09.11.01 as given in Schedule XXI Note B(1). In absence of such details, and in light of above facts we are unable to express our opinion on the correctness of the accounting of the transactions relating to such balances and also to verify and ascertain the true nature and proper disclosure of the balances appearing in the final accounts of the Company. We are also unable to ascertain the correctness or otherwise of the payments made by the Company on account of the liabilities taken over and also the reliability and nature of assets so taken over by the company.*

b. The financial accounts presented before us for audit are:

- i. Not in conformity with accounting policy No.2 (1), since the fixed assets are taken at estimated provisional value in place of historical cost as given in the policy.
- ii. Records / Title deeds in respect of Land & Buildings included in Schedule IV to the Balance Sheet have not been produced before us for our verification. The ownership rights and the charges or obligations, if any, against the fixed assets have not been provided for our verification. We are unable to comment upon the impact, if any, on the final accounts of the Company.



- c. As referred to Note No. B (7) of Schedule XXI annexed to the Balance Sheet the management has stated that Central Government Notification No. SO 1228 (E) dated 2-9-2005 liability against loan from Life Insurance Corporation amounting to Rs. 352.59 Crores has been transferred to State of Uttarakhand against Hydro Electric Projects transferred to the state. However the Company has considered only Rs. 43.78 Crores as liability against above loan. The management has made less provision of Rs. 22.93 Crores towards interest payable to LIC on account of rate difference (14.29 % as per the terms of sanction and 11% taken by the management) and a less provision of Rs. 331.66 Crores on account of interest payable to LIC due to less liability shown in the balance sheet.
- (i) further the management has not provided the other terms & conditions, details of securities provided, if any, the documents executed and balance confirmation in respect of loan from Life Insurance Corporation of India along with overdue principal, and interest payable there on, to verify the correctness of the liability and obligation of the Company. The balance sheet & profit & loss account is subject to above Adjustment.
- (ii) The company has acknowledged liability of Rs. 43.78 crores towards Loan from LIC against MB-II projects. The interest provision for Rs.41.61 crores has been debited to Profit & Loss A/c in the previous years instead of capitalizing the same. Hence the cost of project MB-II has been undercapitalized by the same amount and depreciation thereon.
- d. The company has not provided to us bill for civil construction done by Irrigation Department or any documentary evidence in support of the capitalization of MB II Project. Therefore we are unable to comment upon the correctness of the value of fixed assets capitalised against MB II project. The company has produced contracts valuing Rs. 469.62 Crores as against payment of Rs. 1134.43 Crore to the contractors for civil construction of MB-II, Approval for variation in quantities, extension of times, has not been furnished to us. Adjustment for bills for power consumption, cements and Steel consumed, LD deducted, penalty imposed has not been shown to us for our verification. Therefore we are unable to comment upon the correctness of value of capitalisation of Assets against MB-II. As certified by the management no provision for the liability towards Centage charges on civil construction was made since it was neither payable nor acknowledged by the company.
- e. The company has not disclosed in the financial statements, the key actuarial assumptions on employee benefits and details thereto. In absence of such details we are unable to critically analyze the same.



- f. The company has transferred an amount of Rs.81.73 crores under head loan and advance from Capital Work In Progress. As explain to us the amount represent money spent on Vishnuprayag/ Srinagar project prior to 09.11.2001. The above project has been awarded to private companies by State Government later date. Hence the transfer of Assets from UPJVNL to UJVNL is governed by the State of Uttarakhand the amount should be written off. Further more, the amount is not acknowledged by the parties. Hence Loans & Advances has been overstated by the company consequently the Reserve & Surplus is overstated by the similar amount.
- g. The company has not paid Royalty & Cess amounting to Rs.27.44 crore as per details provided by commercial Department, however as per books of account balance shown under Royalty & Cess Payable is Rs 15.32 crore. The difference amounting to Rs. 12.14 crore needs to be reconciled. In absence of further details provided by the company in this regard we are unable to comment upon the consequences of same in financial Accounts.
- h. The company has not made any accounting policies regarding amortization of lease hold property, in absence of any such policy the impact on the profit & loss cannot be ascertained and quantified.
- i. An amount of Rs.4.47 Crores has been shown under head CWIP-Land & land rights. Hence the Fixed Assets of the company is understated and CWIP of the company is overstated by the same amount.
- j. The company has deducted an amount of Rs.39,647,068/- (Interest income) from Incidental Expenditure instead of Crediting to Profit & Loss A/c. because of which the profit of the company and Incidental expenditure during the year have been understated by the same amount.
- k. Share deposit Account (shareholder fund) has been overstated by Rs. 83.97 crores amount being received from Government of Uttarakhand for preparation of DPR as given in Note No.10 of schedule XXI (B) of balance sheet consequently deferred Capital grant was understated by the similar amount.
- l. Provision has not been made for Debtor not confirmed & ageing more than six month amounting to Rs. 55,56,91,110/- being the opening balances on 9.11.2001, Rs 17,36,61,318/- outstanding towards consumers and Rs. 4,24,16,776/- for HPSEB and Rs. 11,58,27,249/- amount towards consumption of electricity in colonies and Rs.42,64,65,913/- for UPCL. Profit & loss account is subject to such adjustment, the management failed to provide details for the above mentioned amount, supply against which debtors are appearing in the books of accounts. However, as explained to us by the management Rs.11,58,27,249/- amount outstanding with



UPCL for more than six months is towards colony consumption up to 30.11.2004 balance Rs. 42,64,65,913/- is not reconciled by the company. Hence, we are unable to comment upon the correctness of figures. In view of the Limitation Act recovery of the said amount is doubtful.

- m. The company is subjected to Wealth Tax however the company has neither filed return under Wealth Tax Act 1957 nor made provision for the liability under the Act. The accounts are subject to the provision under the Act.
- n. The internal control system is not commensurate with size and nature of business of the Company except for sales of Electricity and purchase of goods. The default is persisting in nature & was also reported by various auditors in their reports. Losses incurred by the company cannot be quantified. The instances of lapses are given below:

~~The Internal Audit System of the company has been collapsed. The company has an internal audit department but the department is not looking after the Internal Audit and the job was outsourced to consultants. As explained to us the Internal Audit department is doing special assignments only. The consultant appointed for Internal Audit has not submitted their Report for the Financial Year 2008-09 till the date of our Audit Report. Hence the purpose of the internal Audit of the company cannot be justified and payment if made will be prejudicial to the interest of the company. As explained to us no records of various special assignment carried out by the Internal Audit department is not maintained in absence of such record it is not possible to comment whether the action to outsource all the works to consultants and not utilizing the available man power with the department is not prejudice to the interest of the company. The internal auditors appointed for 2007-08 has also not submitted their report till the date of Audit for 2007-08. The same has also reported by us in our earlier report. The management has not takes any steps to rectify the same.~~

As explained to us the department is not maintaining any Penal of consultants and firms are invited to limited tender's arbitrarily looking into such practice possibility of mal function cannot be ruled out.

- o. The balances in personal accounts, other receivables, loans and advances including accounts of Government Companies / departments have not been reconciled and confirmed. The differences in balances, if any and their impact on the financial results and Balance Sheet could not be determined.
- p. An amount of Rs. 84.09 crores standing under the head of Survey and investigation forms part of Capital Work In Progress. In the absence of project feasibility report by the surveyor's we are unable to quantify the amount charged to profit and loss account of the company.





- q. Detailed party-wise break-up of various head of Loans and Advances have not been provided to us for verification. Further due to non-availability of above details, we could not ascertain the nature of transactions under various heads. Hence impact, if any, of such unexplained balances on the financial results and Balance Sheet cannot be determined.
- r. As certified by the management the physical verification of inventory of stocks has been done on 31.03.09 however complete stock verification reports were not produced before us for verification. Valuation of stocks has been done at cost as certified by the management in place of cost or Net realizable value whichever is lower in term of AS-2 issued by ICAI. Huge inventory of obsolete damaged scrap items were observed for which the management has not made any accounting entries. Stocks records maintained by the company are incomplete. Hence the impact, if any, on account of the above observations on the financial statements could not be determined. Profit & Loss account and value of inventory shown in the final accounts are subject to such adjustment.
- s. The balances under the head Current liabilities have not been reconciled and confirmed. The difference in balance and their impact on the financial statement cannot be ascertained. Detailed party wise breakup of various heads of current liabilities has not been provided to us for verification. Hence, impact if any, of such unexplained balances on the financial result and Balance sheet could not be determined and commented upon.
- t. The company has not complied with the provisions of service tax in case of payment to foreign consultants. Default is persisting in nature and was reported by us in our previous year audit report also. Liability if any could not be quantified in absence of information made available to us.
- u. The Balance sheet includes Rs 30,31,64,706/- being Stock Stores & Spares. No valuation certificates have been received and in absence of such report we are unable to comment upon the correctness of the same.

5. We Further Report that:-

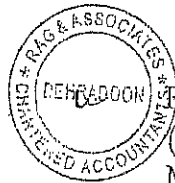
- (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit, except details of FDR along with TDS certificate, Utilization certificate for the grant received from secretariat for the project, compliances to Comments Made by Various Auditors, Deeds & Documents for the asset owned by the Company, Bill for civil Construction work done by Irrigation Department in MB-II Project.



- (ii) In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books as no subsidiary records of sundry debtors, loans & Advances, sundry creditors and other Liabilities has been kept by the company.
- (iii) The Balance sheet and profit & Loss account dealt with by this report are in agreement with the books of Accounts.
- (iv) In our opinion, the balance sheet & profit and loss account dealt with by this report Comply with the accounting standards except AS-15, AS-9, AS-3, AS-2 and AS-12, AS-24, AS-26, AS-4, AS-16 referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
- (v) Being a government Company pursuant to notification GSR 829 (E) dated 17.07.2003 issued by Government of India, Provisions of Clause (g) of Sub section (1) of Section 274 of Companies Act, 1956 are not applicable to the Company.
- (vi) Subject to our observations in point No.1, paras a to u of point 4 and significant Accounting Policies on revenue recognition (Policy No.10), and Note No. 2(9),3,7,10,12 of the notes of accounts, in our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956, in the manner so required the said accounts gives a true and fair view and are in conformity with the accounting principles generally accepted in India:
- 
- i) In the case of the balance sheet, of the state of affairs of the company as at 31.03.2009.
- ii) In the case of the profit and loss account; of the profit for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Dehradun  
Date:07.01.2011

For RAG & ASSOCIATES  
Chartered Accountants



RAGHVENDERA  
(Partner)

M. No. 089757.

Firm Regn. No. 011602N

Annexure referred to in paragraph 1 of our Auditors Report of Uttarakhand Jal Vidyut Nigam Limited for the year ended 31<sup>st</sup> March, 2009.

1. In respect to Fixed Assets:-

- a) As explained to us the Company has maintained records to show full particulars including quantitative details and situation of Fixed assets. Assets transferred from UPJVNL are shown at a value as determined by the management. *The value of such assets are neither in agreement with the fixed assets register of UPJVNL nor is the value taken certified by any approved valuer.*
- b) As per the information and explanation given to us, the fixed assets of the company have been physically verified by the management during the financial year 2008-09, *which in our opinion is not reasonable having regard to size of the company and nature of its assets and discrepancies observed. Were not taken into accounts by the management.*
- c) In our opinion, the company has not disposed off a substantial part of fixed Assets during the financial year. However, SOBLA-I HEP has been flood-washed but same is included in the fixed asset of the company. Suitable adjustment in the books of accounts has not been made.

2. In respect of inventories:-

- a) The complete records in respect of the physical verification of inventory has not been produced before us for verification. In absence of the complete record we are not in a position to comment whether frequency of verification is reasonable or not. Kindly refer paragraph 4 (r) & 4 (u) of our main Audit Report.
- b) We have been informed that physical verification of stock has been conducted by the management during the financial year 2008-09, but in absence of any supporting documents we are not in a position to comment whether procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. Kindly refer paragraph 4 (r) & 4 (u) of our main Audit report.
- c) Records of inventories maintained at the units are incomplete. In absence of complete records we are not in a position to comment whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so whether those material discrepancies have been



properly dealt with the in the books of account. Kindly refer paragraph 4 (r) & 4 (u) of our main Audit report.

3. The Company has not taken granted any loan, secured or unsecured from/ to companies; firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company had neither granted nor taken any loans, secured or unsecured, to/from companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and therefore paragraph 4 (iii) of the said order is not applicable.
4. *On the basis of our observations, we are of the opinion that, the Company Internal Control Systems is not commensurate with the size of the company and the nature of its business, for the purchase of Inventory and fixed assets. The Default is persistent in nature, it is reported by various Auditors Time & again.*
5. In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public during the year under Audit within the meaning Section 58A & 58AA or any other relevant provisions of the companies Act, 1956. No order has been passed by the Company Law Board or National Company Law Tribunal or reserve Bank of India or any court or any other tribunal in this respect.
7. *On the basis of our observation, we are of the opinion that Internal Audit system of the company is not adequate and commensurate with the size and nature of the business of the company. Internal auditors were appointed by the company but the management has failed to evaluate the internal auditors report and ensure that the internal Auditor has conducted the audit as per the scope of audit given to them. Compliance of the observation made by the Internal Auditors has not been carried out by the Internal audit Department.*  
*As per the explanation provided to us, three Audit Committee meeting were held during the year however internal audit report has not been put up in front of audit committee for recommendation and compliances.*
8. We have broadly reviewed the books of account maintained by the company relating to power generating activities of the company, pursuant to the Rules made by the Central Government for the maintenance of cost records has been prescribed under



Section 209(1) (d) of the Companies Act 1956 and we are of the opinion that Prima Facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of records with a view to determine whether they are true or not.

9. (a) In our opinion and according to the information and explanation given to us the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales-tax, Custom Duty, Excise Duty, Cess and any other Statutory dues applicable to it with the appropriate authorities *except TDS, wealth tax & service tax*. Kindly refer 4(m) & 4(t) of our main Audit report.
- (b) *Some delays have been noted in depositing of some undisputed statutory dues of T.D.S, F.B.T & Advance Tax.*
- (c) According to the information and explanation given to us there are no undisputed Amount payable including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, , Custom Duty, Excise Duty, cess and other Statutory dues as at 31.03.2009, for a period of more than six months from the date they become payable *except wealth tax & service tax*. Kindly refer 4(m) & 4(t) of our main Audit report.
- (d) According to the information and explanation given to us, the following are the particulars of disputed dues on account of sales Tax, Income Tax and custom duty that have not been paid deposited;

Name of the statute	Nature of dues	Amount of demand net of deposits (Rs in Lacs)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Demand for the A.Y 2002-03	The revised assessed tax of Rs 84.43 Lacs as per notice of demand u/s 156 of Income Tax Department after giving effect of order issued by CIT (A)	A.Y.2002-03	Appeal is pending Before Appellate Tribunal.ITAT has issued order to get approval from committee on disputes.



Income Tax Act, 1961	Demand for the A.Y 2002-03	Demand raised by Department for Rs.103.85 lacs	A.Y.2002-03	Matter is pending before Dy. CIT circle-2, Dehradun
Income Tax Act, 1961	Demand for the A.Y 2003-04	The revised assessed tax of Rs 27.95 crore as per notice of demand u/s 156 of Income Tax Department after giving effect of order issued by CIT (A)	A.Y 2003-04	Appeal is pending before Appellate Tribunal, New Delhi.
Income Tax Act, 1961	Demand for the A.Y 2004-05	Demand raised by Department for Rs.63.75 lacs	A.Y.2004-05	Matter is pending before Dy. CIT circle-2, Dehradun
Income Tax Act, 1961	Demand for the A.Y 2004-05	The revised assessed tax of Rs 4.42 crore as per notice of demand u/s 156 of Income Tax Department after giving effect of order issued by CIT (A)	A.Y 2004-05	Appeal is pending before Appellate Tribunal.
Income Tax Act, 1961	Demand for the A.Y 2005-06	Demand raised by Department for Rs.77.01 lacs	A.Y.2005-06	Matter is pending before Dy. CIT circle-2, Dehradun
Income Tax Act, 1961	Demand for the A.Y 2007-08	The demand for tax raised by income tax department for Rs 41.97 crore.	A.Y 2007-08	Appeal is pending before Appellate Tribunal.
Income Tax Act, 1961	Demand for the A.Y 2008-09	The demand for tax raised by income tax department for Rs 2.61 crore.	A.Y 2008-09	Management is preparing to file appeal against the order.



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10. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit the immediately preceding financial year.
  11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayments of dues to banks and financial institution except repayment of loan from LIC of India for Rs 43,78,04,300 (Accepted by the management as against Rs.437.80 crore transferred by the UPJVNL and Interest of Rs.51,00,47,271/-). As explained to us the loan amount is under transfer scheme and in absence of finalization of transfer scheme the amount is not repayable. *Kindly refer Para 4(c) of our main audit report.*
  12. According to the information and explanations given to us and based on the documents and records produced, the company has not taken or granted any loans or advances on the basis of security by way of pledge of shares, debentures & other securities.
  13. The Company is not a chit fund or a niche/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the companies (Auditor's Report) order 2003 are not applicable to the company.
  14. As per information & explanations given to us & on the basis of examination of records, ~~the Company is not dealing or trading in shares, securities, debentures & other investment.~~ Further the Company has not made any investment in shares, securities, debentures and other securities.
  15. According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
  16. As per written representation received from the Management, in our opinion the term loans availed by the company during the year were prima facie, applied for the purposes for which they were obtained.
  17. As per written representation received from the Management, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.



18. The Company has not made any preferential allotment of shares to parties & Companies covered in register maintained under section 301 of the Act.
19. The company has not issued any debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us by the Management, we report that no fraud on or by the company has been noticed or Reported during the year.

Place: Dehradun  
Date: 07.01.2011

For RAG & Associates  
Chartered Accountants



RAGHVENDERA  
(Partner)  
M. No. 089757  
Firm Regn. No. 011602 N