

UJVN LIMITED

DIRECTORS' REPORT

To the Members,

UJVN Limited

Your Directors have pleasure in presenting the 9th Annual Report of your Nigam together with Audited Accounts, Auditors' Report and Supplementary comments of the Comptroller and Auditor General of India for the financial year ended 31st March, 2010.

1. FINANCIAL PERFORMANCE

Your Nigam completed the Ninth year of operation. The sales turnover decreased to Rs.48456.93 Lacs as compared to Rs. 53432.06 Lacs for the year ending 31.03.2009; During the year the Nigam earned net profit of Rs. 11.35 Crores as compared to a net Profit of Rs. 26.48 Crores for the year ending 31.03.2009. The financial performance as on March 31st 2010 is summarized hereunder:-

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Table 1

Particulars	2008-2009	2009-2010
Sale of Power	53432.06	48456.93
Profit before Depreciation, Interest & Tax	26962.15	23522.17
Less :-Depreciation	7041.79	7103.56
Profit after Depreciation and before Interest and Tax.	19920.36	16418.61
Less :-Interest Cost	16911.04	14950.51
Profit after Depreciation and Interest but before Prior Period items and Tax	3009.32	1468.10
Add/(Less) :-Prior Period Items	15.27	(83.31)
Profit before Tax	3024.59	1384.79
Less:-Tax	376.05	249.50
Profit after Depreciation, Interest and Tax	2648.54	1135.29

The following are the major reasons of changes in profit of the Nigam

- Decrease in Energy Sale is mainly due to decrease in energy sold by 471.45 MU and non applicability of Cess and Royalty on Net Energy export of Tiloth Power House in the FY 2009-10. However, decrease in income due to less energy sold was partially offset by increase in tariff.
- Increase in Repair & Maintenance expenses by Rs.12.60 crores were mainly due to increase in civil work amounting to Rs 6.36 crores and increase in Repair & Maintenance of Plant & Machinery amounting to Rs.4.20 crores.
- Increase in Expenses is partially offset by decrease in interest and other charges by Rs.20.48 crores due to decrease in loan balance of PFC and GOU

2. POWER GENERATION

During the year under report the Nigam generated 4126.55 million units (MUs) of electricity against the total generation of **4613.26 MUs** for the financial year 2008-09.

3. PROJECTS

During the year preliminary work on Pala Maneri Hydro Electric Project (480 MW) in Uttarkashi, Greensite projects and RMU projects under SHP was in full swing. The company has also undertaken the preparation of DPR of LHPs.

4. ENVIRONMENT MANAGEMENT

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

5. DEPOSITS

The Company has not accepted any deposits from the Public.

6. INSURANCE

The Company has adequately insured the Company's Properties.

7. INFORMATION TECHNOLOGY & COMMUNICATIONS

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

8. CORPORATE GOVERNANCE

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

9. BOARD OF DIRECTORS

Following Directors were appointed during the financial year 2009-10.

1. Shri. Shatrughan Singh
2. Shri. Nitesh Kumar Jha
3. Shri. Jayant Kumar
4. Shri. Utpal Kumar Singh
5. Shri. Vijendra Paul

Following Directors ceased to be Directors during the financial year 2009-10.

1. Shri. P. K. Sarangi
2. Shri. Saurabh Jain
3. Shri. Shatrughan Singh
4. Smt. Radha Raturi

10. PROPOSED DIVIDEND

Your Directors do not recommend payment of any dividend for the financial Year 2009-10.

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

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

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

Expenditure in Foreign Currency	Rs. 231.01 Lacs
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Earnings in Foreign Currency	NIL
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12. PARTICULARS OF EMPLOYEES

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

13. AUDITORS

M/s. A.K.Kashyap & Co., Chartered Accountants, Dehradun, were appointed as Statutory Auditors by Comptroller and Auditor General of India for conducting the Audit of the Company for the financial year 2010-2011.

14. AUDITOR'S REPORT

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

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

16. ACKNOWLEDGEMENTS

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

For identification

Subhas

(Arun Sabharwal)
Company Secretary
UJVN Limited
(A Govt. of Uttarakhand Undertaking)
Tijwal Maharani Bagh
G.M. Road, Dehradun
2012

For and on behalf of the Board of Directors

Subhas Kumar
Chairman