

**INDEPENDENT AUDITOR'S REPORT**

To the Members of,  
**UJVN Limited**

Report on the Audit of Financial Statements

**Qualified Opinion**

We have audited the accompanying financial statements of **UJVN Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2025**, and the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash flow Statement, the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our Information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ["The Act"] in the manner so required and give a true and fair view In conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit (including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

1. As stated in Note No. 45(1), the carrying cost of all the property, plant and equipment transferred from UPJVNL are subject to finalization of transfer scheme between UPJVNL and UJVNL. The balances carried by UJVNL, as per records available with accounting units, under the transfer scheme as on 09.11.2001 are in agreement with the balances accepted by UPJVNL except for the balances of LIC Loan Liability & Interest on such Loan liability. Hence, we are unable to comment on the accuracy of such balances of LIC Loan Liability & interest on such Loan Liability.
2. The total identified land, as per the details provided to us, is 2,490.80 hectares and out of this, 1098.35 hectares is mutable, while the remaining land comprises forest areas and land belonging to SC/ST communities, where mutation is not possible. The company has completed the mutation process for 970.2394 hectares, with the remaining area still under process. As Informed to us, the company is actively obtaining the necessary documents related to land mutation and is in the process of reconciling the title documents with the financial records. Consequently, we are unable to comment whether the title deeds of all the immovable properties are held in the name of the company.
3. We draw attention to Note No. 11 of the financial statements, which includes receivables related to the Yamuna Colony Staff Quarters pertaining to period prior to 2004 amounting to Rs. 4.26 crores. The



provision for impairment has not been made in the books of accounts. This has resulted in overstatement of trade receivables and retained earnings by Rs. 4.26 crores.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

1. As stated in Note No. 45(8), during F.Y. 2007-08, Rs. 4.00 crores were paid to M/s Shring Construction Co. Pvt. Ltd. on account of escalation works, as per principal agreement no. 01/SE/1983-84 dated 23.01.1984 read with supplementary agreement no. 01/(5)/SE/83-84/2002-23 dated 03.07.2002 for construction of MB-II HEP. The work was completed, and project had started its operations. This advance to contractor (refer Note No. 8) has not been capitalized. As a result, Property, Plant & Equipment have been understated, and consequently, depreciation on this amount has not been recorded in the financial statements.
2. As stated in Note no. 16, the balance of share application money pending allotment received on March 31, 2025 which amounted to Rs 26.04 crores as of March 31, 2025 has not been allotted within the time frame specified by the Companies Act.
3. In accordance with the tariff order Issued by the Uttarakhand Electricity Regulatory Commission [UERC] dated April 11, 2025, it has been directed that a recovery of Rs 454.31 crores is recoverable (Rs 455.47 crore is recoverable from UPCL & Rs.1.16 crore is to be refunded to HPSEB) in twelve equal instalments from April 2025 to March 2026, related to the true up of for financial year 2023-2024. As per the order of UERC, this recovery is to be effected from 1st April 2025 in twelve subsequent monthly installments. Accordingly, the company is accounting for this recovery starting from April 2025.
4. In accordance with the tariff order for Vyasi Hydro Project, Issued by the Uttarakhand Electricity Regulatory Commission [UERC] dated March 24, 2025, it has been directed that a recovery of Rs 41.99 crores is recoverable from UPCL in twelve equal instalments from April 2025 to March 2026, related to the true up of for financial year 2022-2023. As per the order of UERC, this recovery is to be effected from 1st April 2025 in twelve subsequent monthly installments. Accordingly, the company is accounting for this recovery starting from April 2025.



Our opinion is not modified in respect of these matters.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other Information, we are required to report that fact. We have nothing to report on in this regard.

**Responsibilities of Management and those charged with governance for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity, of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the audit of the Standalone Financial Statements**



Our objectives are to obtain reasonable assurance about whether the standalone financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- To Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the reasonably knowledgeable users of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the direction issued by the Office of the Comptroller & Auditors General of India under Section 143(5) of the Act, we give in the "**Annexure B**", a statement on the matters specified in the directions.
3. As required by section 143 (3) of the Act, we report that:
  - a) Except the matter described in Basis for Qualified Opinion, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except as stated in Basis for Qualified Opinion.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books:
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account:
  - d) Except for effects of the matter described in Basis for Qualified Opinion, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

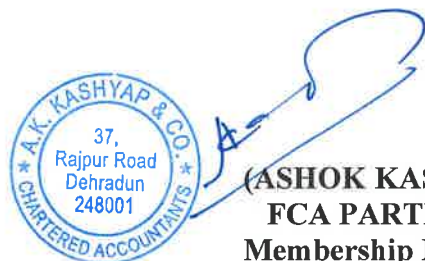


- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigation on its financial position in its financial statements. Refer Note 30 to the financial statements;
- ii) The Company has long-term contracts as at March 31, 2025 for which there were no material foreseeable losses. The Company does not have long-term derivative contracts as at March 31, 2025;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025;
- iv) (a) The Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:
- (b) The Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(les), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonably and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

vi) Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) Issued by the Institute of Chartered Accountants of India, which included test checks, we report that the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

**FOR A.K. KASHYAP & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No: 000101C**

**Place: DEHRADUN**  
**Date: 05.08.2025**  
**UDIN-25014416BPTZNP5470**



**(ASHOK KASHYAP)**  
**FCA PARTNER**  
**Membership No: 014416**

**Annexure A to Independent Auditors' Report**

**(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements section of our report of even date to the members for the year ended March 31, 2025)**

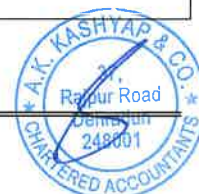
In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment based on the information available.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanation given to us and based on our examination of the records of the company, Property, Plant and Equipment were physically verified by the management in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the company and the nature of its asset.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreement are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company as on the balance sheet date.
- (d) According to the information and explanation given to us, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (e) According to information and explanations given to us and based on our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) As informed, the inventory except for inventory in transit and stocks lying with third parties has been physically verified by the management/outside agencies at reasonable intervals during the year. In our opinion and according to the Information and explanation given to us, the frequency of such verification is reasonable, and procedures and coverage as followed by Management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of Inventory. Minor discrepancies noticed during physical verification were properly dealt within the books of account.
- (ii) (b) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions on the basis of security of current

assets. In our opinion, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company (Refer Note No.45(15)).

- (iii) According to the information and explanations given to us and based on our verification of the documentation shared, the Company has not made any investments in, provided any guarantee or security, or granted any loans, secured or unsecured to companies, firms, limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has in respect of loans, investments, guarantees, and security complied with the provisions of section 185 and 186 of the Act, to the extent applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government or maintenance of cost records under Section 148(1) of the Act in respect of the Company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on our examination of records of the Company, in our opinion, the company is regular in depositing the undisputed statutory dues in respect of Income Tax, Provident Fund, Goods and Service Tax and other material statutory as applicable, with appropriate authorities.
- (b) According to the information and explanations given to us, the details of disputed dues of Income Tax as at 31 March 2025 are as follows:

Name Statute	Nature of Dues	Period	Forum where dispute is pending	Disputed Amount(Rs in Crores)	Amount deposited under Protest
Income Tax Act	Income Tax	AY 2021-22	Assessing Officer	0.18	-
Income Tax Act	Income Tax	AY 2018-19	Commissioner (Appeal)	1.14	-



(viii) According to the information and explanations given to us and based on our examination of the records during the year of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year except the detail of default given below:

Nature of Borrowing	Name of Lender	Amount in Default (Rs. In crores)	Whether Principal or Interest	Delay (Months)	Remarks
Term Loan	GOU Loan - NABARD Funded	3.36	Principal	133	Refer Note 17.1 of Financial Statements
		10.65	Principal	121	
		18.10	Principal	87	
Interest on Loan		14.1	Interest	-	

We have not received any confirmation with respect to loan balances payable to Government of Uttarakhand (as stated in Note no.17). Thus, we are not in a position to comment on such balances.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) As per the information and documentation provided to us and based on our review of transactions on test-check basis, Term Loans have been applied for the purpose for which the loans were obtained.
- (d) Based on information and documentation provided to us by the management, the company has not utilized any short-term borrowings for long term purposes.
- (e) According to the information and explanations given to us and an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable.



- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instrument) during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) In view of the fact mentioned above, no reporting under sub section (12) of section 143 of the Companies Act, 2013 by auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, no whistle blower complaints have been received by the company during the year.
- (xii) Company is not a Nidhi company, accordingly provisions of the clause 3(xii) of the Order is not applicable to the company.
- (xiii) Based on the audit procedures performed and the information and the explanations provided to us, transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) (a) In our opinion and as per the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit;
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with directors. Accordingly, clause 3(xv) of the Order is not applicable
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company.
- (a) The Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Finance or Housing Finance activities during the year.



(c) The Company is not a Core Investment Company as defined in regulations made by the Reserve Bank of India.

(d) The Company is not a part of any group (as per the provisions of the Core investment Companies (Reserve Bank) Directions, 2016 as amended).

Accordingly, clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.

(xvii) The company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly, clause 3(xviii) of the Order is not applicable.

(xix) Based on the information and explanation provided to us, financial ratios determined by the management, ageing analysis and expected dates of realization of financial assets and payment of financial liabilities along with other information accompanying the financial statements and the auditor's knowledge of the Board of Directors and management plans regarding expected future financial support by shareholders, we are of the opinion that no material uncertainty exists with respect to company's capability of meeting its liabilities existing on the balance sheet date as and when they fall due within a period of one year from the balance sheet date.

(xx) (a) in respect of other than ongoing projects, the company has transferred the unspent amount to a fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section [5] of section 135 of the Act.

(b) In respect of ongoing projects, the company has transferred the unspent amount to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

(xxi) The underlying financial statements are standalone and hence, this clause is not applicable.

**FOR A.K. KASHYAP & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No: 000101C**



**(ASHOK KASHYAP)**  
**FCA PARTNER**  
**Membership No: 014416**

**Place: DEHRADUN**  
**Date: 05.08.2025**  
**UDIN-25014416BPTZNP5470**

**Annexure-"B" the Independent Auditor's Report**

(Referred to in Para 2 under "Report on other Legal and Regulatory Requirements" in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended March 31, 2025)

Report on the Directions issued by the Comptroller and Auditor General of India the action taken thereon and its impact on the accounts and the standalone financial statements of the Company under section 143 (5) of the Act.

SI. No	Directions	Reply
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	According to the information and explanations given to us and based on our audit, the Company has a system in place to process all the accounting transactions through IT system and for this purpose SAP-ERP has been implemented by the Company. Period end Financial Statements are compiled offline based on balances and transactions generated from such SAP-ERP system.  We have neither been informed nor we have come across during the course of our audit any accounting transactions which have been processed outside the IT system having impact on the integrity of the accounts..
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's in ability to repay the loan? If yes, the financial impact may be stated.	According to information and explanations given to us and based on our audit, there is no case of restructuring of an existing loan or cases of waiver/ write off of debts/loans/ interest etc. made by the lender to the Company.
	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	According to information and explanations given to us and based on our audit, the Company has not received any funds from central/ state agencies for specific schemes.



**Sub Directions under section 143(5) of the Companies Act, 2013****Power Sector**

S.No.	Directions	Report
1.	Adequacy of steps to prevent encroachment of idle land owned by the Company may examine. In case land of the company is encroached, under litigation, not put to use or declared surplus, details may be provided.	According to information and explanations given to us, the idle land owned by the Company is free from encroachment and litigation.
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	According to information and explanations given to us, land is acquired or procured through Government agencies and the dues are settled expeditiously in a transparent manner.
3.	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standard?	According to information and explanations given to us and based on our audit, the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standard.
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	According to information and explanations given to us by the Company, during the year no project has been abandoned
5.	In the case of Hydroelectric Projects, the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid / payable may be reported.	According to the information and explanation given to us by the Company, the company adheres to the guidelines issued from time to time by State Government regarding discharge of water and no penalty is paid /payable during the financial year 2023-24 in this regard.

**Others**

S.No.	Directions	Report
1.	Examine the system of effective utilization of Loans/Grant-in Aid/Subsidy. List the cases of diversion of funds	According to information and explanations given to us and based on our audit, the Company has adequate system of effective utilization of Loans/Grant-in-Aid/Subsidy.

**A.K.KASHYAP & CO.**

**37/1 RAJPUR ROAD**

**CHARTERED ACCOUNTANTS**

**DEHRADUN**

2.	Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period.	According to information and explanations given to us and based on our audit, the company has established mechanism to examine the cost benefit analysis of major capital expenditure / expansion including IRR and payback period.
3.	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the company is in electronic format, which of the area such as accounting, sales, personnel information, pay roll, inventory, etc. have been computerized and the company has evolved proper security policy for data/software/hardware?	According to information and explanations given to us and based on our audit, the Company has computerized its operations and has evolved proper security policy for protection of data/software/hardware.

**FOR A.K. KASHYAP & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No: 000101C**



**Place: DEHRADUN**

**(ASHOK KASHYAP)**

**Date: 05.08.2025**

**FCA PARTNER**

**UDIN:25014416BPTZNP5470**

**Membership No: 014416**

**Annexure "C"**

**(Referred to in paragraph 3(1) under "Report on Other Legal and Regulatory Requirements section of our report of even date to the members for the year ended March 31, 2025)**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**We have audited the internal financial controls over financial reporting of ("the Company") as on 31st March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date**

**Management's responsibility for internal financial controls**

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a Material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.



**Meaning of Internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal financial controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statement were operating effectively as at 31st March 2025, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

**FOR A.K. KASHYAP & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No: 090101C**



**(ASHOK KASHYAP)**  
**FCA PARTNER**  
**Membership No: 014416**

**Place: DEHRADUN**  
**Date: 05.08.2025**  
**UDIN-25014416BPTZNP5470**

### Statutory Auditors Report for the Financial Year 2024-25 and Management Replies thereon.

Sl. No.	Statutory Auditors Observations	Management Replies
1.	As stated in Note No. 45(1), the carrying cost of all the property, plant and equipment transferred from UPJVL are subject to finalization of transfer scheme between UPJVL and UJVNL. The balances carried by UJVNL, as per records available with accounting units, under the transfer scheme as on 09.11.2001 are in agreement with the balances accepted by UPJVL except for the balances of LIC Loan Liability & Interest on such Loan liability. Hence, we are unable to comment on the accuracy of such balances of LIC Loan Liability & interest on such Loan Liability.	<p>The Nigam has carried the opening balances of property, plant and equipments on 9.11.01, in its Balance Sheet as on 31.03.2025, as agreed in general between UJVNL and UPJVL except for the balances of LIC Loan Liability &amp; Interest on such Loan liability.</p> <p>Central Government vide its order No.SO 1228 dated 2.09.2005 has allocated the part liability of Rs.352.59 Crores of LIC Loan taken for MB-II HEP by the erstwhile UPSEB to Govt. of Uttarakhand (GOU). Since such allocation of the above referred LIC loan is allocated to State of Uttarakhand and not to UJVNL, the amount of loan has not been accounted for in the books of accounts.</p> <p>UJVNL and State of Uttarakhand have consistently protested against the allocation of loan vide notification no. 42/7/2000-R&amp;R(Vol-III) SO 1228(E) dt. 02/09/2005 of Ministry of Power, Government of India. It may be stated that noticeable observations have been made by Comptroller &amp; Auditor General of India (CAG) regarding the diversion of LIC loan amount i.e., 420 Crores. The said loan was overtly taken by erstwhile UP State Electricity Board (UPSEB) in the name of Maneri Bhali Stage-II, Hydro Electricity Project but the same was spent for purposes not even remotely connected with the construction of the project.</p> <p>Further GoU in its various review meeting with GoUP has communicated that allocation of LIC loan liability to GoU by Gol is not in accordance with the provisions of UP Reorganization Act and Central Govt. order dated 5-11-2001. As agreed in the latest review meeting held on 17-8-2019 at Dehra Dun, between Chief Secretaries of Both States, this matter was referred to Central Government in light of Section 42(4) of UP reorganization Act.</p>

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## Statutory Auditors Report for the Financial Year 2024-25 and Management Replies thereon.

		<p>This loan liability has been unequivocally denied by Government of Uttarakhand through various communications to LIC and Government of India (Latest Letter No.570/1-1/2024-04(3)/20/2003 dated 1-5-2024 to Ministry of Power, Gol and letter No. /-1/2024-04(03)/20/2003 e-file 58351 dated 25-4-2024 to LIC) and further requested to Gol that the allocation may kindly be decided by the Central Government under Section 42(4) of UP Reorganization Act 2000 in consultation with CAG.</p> <p>In view of above and as disclosed under Note no. 45 (1) (ii), LIC Loan and interest on loan up-to 9-11-2001 was not considered in Books of Accounts.</p>
2.	<p>The total identified land, as per the details provided to us, is 2,490.80 hectares and out of this, 1098.35 hectares is mutable, while the remaining land comprises forest areas and land belonging to SC/ST communities, where mutation is not possible. The company has completed the mutation process for 970.2394 hectares, with the remaining area still under process. As Informed to us, the company is actively obtaining the necessary documents related to land mutation and is in the process of reconciling the title documents with the financial records. Consequently, we are unable to comment whether the title deeds of all the immovable properties are held in the name of the company.</p>	<p>Status of total Identified land of 2490.80 hectare is as under :-</p> <ul style="list-style-type: none"> <li>• Forest land /SC&amp;ST of 1392.45 hectare (Out of that lease land of 905.31 hectares in the name of UJVNL and remaining Land mainly falls under Forest Reserve.).</li> <li>• Land already mutated 970.2394 hectare.</li> <li>• Remaining 128.11 hectare of mutable land (out of that 75.465 hectare at Dhakpathar is in process of Mutation at SDM level ,20.84 hectare at Dehradun under process of demarcation, 26.20 hectare at Pathri /Mohd-Pur is under process with UPID and 4.16 hectare land at Galogi is under process with Nagar Palika.)</li> </ul> <p>Noted for future compliance.</p>
3.	<p>We draw attention to Note No. 11 of the financial statements, which includes receivables related to the Yamuna Colony Staff Quarters pertaining to period prior to 2004 amounting to Rs. 4.26 crores. The provision for impairment has not been made in the books of accounts. This has resulted in overstatement</p>	<p>The amount of electricity dues pertains to Yamuna Colony, Dehradun are very old and relates to initial year of incorporation of the Company. Necessary provision shall be made in the accounts after analysis of the dues.</p> <p>Noted for compliance in FY 2025-26.</p>

*[Signature]*

By-CAO-2020

## Statutory Auditors Report for the Financial Year 2024-25 and Management Replies thereon.

	of trade receivables and retained earnings by Rs. 4.26 crores.	
<b>Emphasis on Matter</b>		
1.	As stated in Note No. 45(8), during F.Y. 2007-08, Rs. 4.00 crores were paid to M/s Shring Construction Co. Pvt. Ltd. on account of escalation works, as per principal agreement no. 01/SE/1983-84 dated 23.01.1984 read with supplementary agreement no. 01/(5)/SE/83-84/2002-23 dated 03.07.2002 for construction of MB-II HEP. The work was completed, and project had started its operations. This advance to contractor (refer Note No. 8) has not been capitalized. As a result, Property, Plant & Equipment have been understated, and consequently, depreciation on this amount has not been recorded in the financial statements.	Advances to Contractor-Capital under Note-8 and Note No. 45(8), shows Rs. 4.00 crores released to M/s Shring Construction Co. Pvt Ltd. to facilitate payment on account of escalation for the period 01-08-2002 to 30-09-2007 in terms with principal agreement No 01/SE/1983-84 dated 23-01-1984 read with supplementary agreement No 01(S)/SE/83-84/2002-03 dated 03-07-2002 for MB-II, HEP, executed by Irrigation Department before handover of MB-II, project.  Due to non-submission of verified & passed bills by Irrigation Department for escalation and also the matter of pending escalation claim under arbitration/litigation, the paid amount of Rs.4.00 Cr was not adjusted & still kept in advance.
2.	As stated in Note no. 16, the balance of share application money pending allotment received on March 31, 2025 which amounted to Rs 26.04 crores as of March 31, 2025 has not been allotted within the time frame specified by the Companies Act.	Necessary Compliance has been made in FY 2025-26. Equity Shares were allotted on 11th June, 2025.
3.	In accordance with the tariff order issued by the Uttarakhand Electricity Regulatory Commission (UERC) dated April 11, 2025, it has been directed that a recovery of Rs 454.31 crores is recoverable (Rs 455.47 crore is recoverable from UPCL & Rs.1.16 crore is to be refunded to HPSEB) in twelve equal instalments from	As per accounting policy of the Nigam Note No. 3 (xii) for Revenue Recognition, Sale of energy to UPCL and HPSEB is accounted for on accrual basis as per tariff notified by Uttarakhand Electricity Regulatory Commission (UERC), which includes Annual Fixed Charges (AFC) for the current year and True Up on account of adjustment in Tariff for previous year, in accordance with the provision of UERC Tariff Regulation 2021.

  
 By: CMO - CA

### Statutory Auditors Report for the Financial Year 2024-25 and Management Replies thereon.

	<p>April 2025 to March 2026, related to the true up of for financial year 2023-2024. As per the order of UERC, this recovery is to be effected from 1st April 2025 in twelve subsequent monthly installments. Accordingly, the company is accounting for this recovery starting from April 2025.</p>	<p>This practice is being followed by UJVNL consistently on year to year basis.</p> <p>In additions to above it is also to appraise that The Expert Advisory Committee of The Institute of Chartered Accountants of India on 20-6-2022 (Query No.25) has issued an opinion on "Accounting treatment of true-up value arising as per Rate Regulations", which is relevant in the instant matter. The Expert Advisory Committee of ICAI has also accepted the accounting treatment in the similar issue where revenue is adjusted with the value of true up.</p>
4.	<p>In accordance with the tariff order for Vyasi Hydro Project, Issued by the Uttarakhnad Electricity Regulatory Commission [UERC] dated March 24, 2025, it has been directed that a recovery of Rs 41.99 crores is recoverable from UPCL in twelve equal instalments from April 2025 to March 2026, related to the true up of for financial year 2022-2023. As per the order of UERC, this recovery is to be effected from 1st April 2025 in twelve subsequent monthly installments. Accordingly, the company is accounting for this recovery starting from April 2025.</p>	<p>In view of the above, true up of Rs. 454.31 crore for the Financial year 2023-24 for 11 LHPs as allowed by UERC in tariff order dated 11.04.2025 and true up of Rs. 41.99 crore for financial year 2022-23 for Vyasi hydro project as allowed by UERC in its order dated March 24, 2025 shall be adjusted in books of accounts during the financial year 2025-26.</p>

*W*  
*By. CEO - AN*