

DIRECTORS' REPORT

To,
The Members of
UTTAR GUJARAT VIJ COMPANY LIMITED

Your Directors have pleasure in presenting the Second Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2005.

POWER SECTOR REFORMS

Pursuant to the enactment of the Electricity Act, 2003 and the Gujarat Electricity Industry (Re-organization and Regulation) Act, 2003, the Government of Gujarat (GOG) has issued various Notifications, Government Resolutions and Transfer Scheme for vesting of the assets, liabilities, personnel and proceedings from erstwhile Gujarat Electricity Board (GEB) to the Government of Gujarat and then re-vest the same into initially six companies, i.e. one Generation Corporation, one Transmission Corporation, and four Distribution Companies, including your Company. A new Corporation named Gujarat Urja Vikas Nigam Limited (GUVNL) was then incorporated in December, 2004 to carry out the residual functions (including power trading) of the erstwhile GEB. Your Company is one of the Distribution Companies carved out of erstwhile Northern Distribution Zone of erstwhile GEB.

The GOG vide its GR No. GEB-1105-1749-K dated 31st March, 2005 directed that the transfers of assets, liabilities, personnel and proceedings made to the relevant transferees in terms of Clause 3 of the Government Resolution (GR) No. GEB-1104-7318-K dated 31st December, 2004 and on opening Balance Sheet vide GOG Notification No. GHU-2004-99-GEB-1104-7318-K dated 31st December, 2004 shall be final on expiry of the provisional period, subject, however, to certain conditions, one of them being that a Committee for structuring and implementing an appropriate Financial Restructuring Plan (FRP) for power utilities in the State of Gujarat. Accordingly, assets and liabilities including the Share Capital were assigned to the respective Companies including your Company as stated in Annexure - C of the said Notification dated 31st December, 2004 being subject to modifications as per the FRP to be finalized by the GOG.

The said Notification read with Notification No. GHU-2005-23-GEB-1104-1749-K dated 31st March, 2005 also stated that till 31st March, 2005 for accounting purposes, the books of accounts be one of erstwhile GEB and effective from 1st April, 2005, the seven successor entities to maintain separately the books of accounts in respect of activities undertaken by the respective Companies.

The GOG vide its Notification No. GHU-2005-24-GEB-12-2003-3537 dated 31st March, 2005 further inserted the opening Balance Sheet of GUVNL as on 1st April, 2005 and vide Notification No. GHU-2005-25-GEB-1104-1749-K dated 31st March, 2005 directed that the assets, liabilities, personnel and proceedings retained by GEB to stand transferred to and vested in GUVNL with effect from 1st April, 2005.



UTTAR GUJARAT VIJ COMPANY LIMITED

SUBSIDIARY COMPANY

On re-organisation of erstwhile GEB by the Government of Gujarat, the existing Equity Shares issued to and allotted in the name of erstwhile GEB were transmitted with effect from 1st April, 2005, by operation of Law, in the name of Gujarat Urja Vikas Nigam Limited (GUVNL), a Company promoted by Government of Gujarat to carry out the residual functions of erstwhile GEB.

Consequent upon such transmission and transfer of shares to the nominees of GUVNL, the entire share capital of the Company is held by GUVNL and the Company has become the wholly-owned subsidiary of GUVNL, a Government Company within the meaning of Section 617 of the Companies Act, 1956. Under the provisions of the said Section, any subsidiary of Government Company is also a Government Company. Consequently, the Company also acquired the status of the Government Company under the said Section 617 of the Act with effect from 1st April, 2005.

CAPITAL

The Authorized Share Capital of the Company was increased from Rs. 10 Lacs to Rs. 600 Crores during the year under review.

OPERATIONS DURING THE YEAR

The Company has not commenced its commercial operations during the year under review. Hence, the Profit & Loss Account for the year was not prepared. Your Directors, therefore, do not recommend any dividend on Equity Shares for the year under review.

OPERATIONALIZATION & FUTURE PROJECTS

Consequent upon re-organization of erstwhile Gujarat Electricity Board (GEB) from 1st April, 2005 into seven successor Companies, your Company has commenced its commercial operations effective from 1st April, 2005.

Your Company, being one of the successor Distribution Companies of erstwhile GEB, is engaged in the business of distribution of electricity in the Northern parts of the State of Gujarat.

The information regarding distribution network of your Company in northern parts of the State of Gujarat is summarized as under:



UTTAR GUJARAT VIJ COMPANY LIMITED

Sr. No.	Name of District	No. of Talukas	No. of Towns	No. of Villages
Distribution Area of the Company				
1	Sabarkantha	13	08	1372
2	Gandhinagar	04	09	284
3	Ahmedabad	11	25	477
4	Mehsana	09	08	594
5	Patan	08	05	517
6	Banaskantha	12	06	1244
	Total	57	61	4488
Part Distribution in overlapping areas of Madhya Gujarat Vij Company Limited				
1	Kheda	05	0	111
2	Anand	01	0	01
	Total	06	0	112
Part Distribution in overlapping areas of Paschim Gujarat Vij Company Limited				
1	Surendranagar	04	0	17
	Grand Total	67	61	4617

The technical and other information is as under:

a) Technical data/information:

HT Line	-	60,117 Kms
LT Line	-	55,355 Kms
Transformers	-	96,766 Nos.

b) Other information:

Total geographical area	-	49,950 Sq. Kms
Total Consumers	-	18,73,215 (all categories)

Your Company works with the following mission: “Reliable supply of electricity to the consumers in its supply area, ensure high level of consumer satisfaction and operate the Company on commercial principles”.

Your Company aims to develop into an efficient and successful electricity distribution Company by technological upgradation, adopting efficient processes and systems, emulating best practices in the industry and providing best services / added value to its consumers.

The key initiatives planned to improve the operational performance and service parameters for quality and reliable supply of electricity are

- Modernization of low Tension Distribution System (LTDS) to improve the efficiency,



UTTAR GUJARAT VIJ COMPANY LIMITED

- Introduction of High Voltage Distribution System (HVDS) to reduce AT & C losses especially in the areas with high losses and to ensure accurate and universal metering of all connected consumers,
- Demand Side Management to manage the load in such a way that load curve is flattened,
- A SCADA based system for energy accounting and audit, consumer profiling & indexing shall be carried out in all the major towns of the Company with detailed GIS mapping,
- Urban Agenda - distribution infrastructure planning for urban areas to improve its infrastructure to reduce accidents and also to meet the overall urban plan, traffic regulations and for overall aesthetics of city planning. The Company also plans to take up conversion of overhead lines with underground cables which are safer than the overhead lines at select locations. The underground cables would also reduce the theft of electricity.
- Improvement of Metering, Billing and Collection (MBC) Cycle for ensuring commercial viability.
- Consumer Relationship Management (CRM) - the Company plans to adopt CRM and associated tools in all its functions and efforts like setting up of call centers for information dissemination, 24 hours fault centers, Computerized Complaint Management (TCM), Grahak Adhikar Patra, complaint handling and bill related assistance to consumers and establishment of integrated consumer centers etc.
- Reduction in Transmission & Distribution losses by 3 % in this year by system improvement like providing Power factor Controllers, switch able Capacitors on Rural feeders, Hand held Meter Reading for HT and High Value LT Consumers, Meter replacement program, providing MMBs, Providing Remote Metering to HT Consumers, etc.

CONSUMER REDRESSAL FORUM

The Company has set up the Consumer Redressal Forum as mandated by the Electricity Act, 2003 and the regulations notified thereunder.

DIRECTORS

Since the First Annual General Meeting held on 4th September, 2004, the particulars of changes among the Directors are as under:

- Dr. Manjula Subramaniam, IAS, resigned as Director effective from 25th October, 2004.
- Smt. Vijaylaxmi Joshi, IAS, was appointed as an Additional Director of the Company effective from 25th October, 2004.



UTTAR GUJARAT VIJ COMPANY LIMITED

- Shri V. M. Shah also resigned from the Board of Directors with effect from 2nd November, 2004.
- Shri I. M. Bhavsar, Vice President & I/c. Joint Managing Director also resigned from the Board of Directors with effect from 2nd November, 2004.
- Shri P. R. Chaudhari was appointed as Additional Director and also as Joint Managing Director of the Company with effect from 2nd November, 2004.
- Shri M. G. Chauhan was appointed as Additional Director with effect from 23rd November, 2004.
- Shri P. R. Chaudhari, Joint Managing Director also resigned from the Board of Directors with effect from 2nd November, 2005.

Smt. V. L. Joshi, IAS, and Shri M. G. Chauhan are nominated by the erstwhile GEB in terms of Article 57 of the Articles of Association of the Company.

Your Directors place on record their appreciation of the valuable services rendered to the Company by Dr. Manjula Subramaniam, IAS, Shri I. M. Bhavsar, Shri V. M. Shah and Shri P. R. Chaudhari during their tenure.

Smt. V. L. Joshi, IAS and Shri M. G. Chauhan, being Additional Directors appointed pursuant to the provisions of Section 260 of the Companies Act, 1956 hold their office as such up to the date of ensuing Annual General Meeting.

Shri M.K. Iyer, will retire by rotation at the ensuing Second Annual General Meeting and is eligible for re-appointment.

DISCLOSURES

(a) **Particulars of Employees:**

There was no employee during the year drawing remuneration in excess of the ceilings prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

(b) **Energy Conservation & Technology Absorption:**

Since the Company has not commenced its commercial operations during the year, the information in this regard may be treated as NIL.

(c) **Foreign Exchange Earnings & Outgo:**

During the year under review, there was no foreign exchange earning or outgo.

(d) **Safety, Pollution and Environment Control:**

Since the Company has not commenced its commercial operations during the year, the information in this regard may be treated as NIL.



UTTAR GUJARAT VIJ COMPANY LIMITED

AUDITORS

The Comptroller and Auditor General of India, New Delhi, (C & AG), vide their Letter No. CA.V/COY/Gujarat, GJUVCL(1)/508 dated 2nd September, 2005, appointed M/s. Ambalal M. Shah & Co., Chartered Accountants, Vadodara, as the Statutory Auditors of the Company to carry out the statutory audit of the accounts of the Company for the Financial Year 2005-06. As per the provisions of Section 224 of the Companies Act, 1956, their remuneration is required to be fixed by the Company in General Meeting.

AUDIT COMMITTEE

Pursuant to Section 292A of the Companies Act, 1956, the Board of Directors in its Meeting held on 25th May, 2005, constituted the 'Audit Committee' consisting of the following Directors.

Shri P. R. Chaudhari,
Shri M. K. Iyer, and
Shri M.G. Chauhan

The Audit Committee in its First Meeting held on 3rd August, 2005, reviewed the Annual Accounts for the Financial Year ended on 31st March, 2005.

Consequent upon the resignation of Shri P. R. Chaudhari, the Audit Committee was reconstituted by the Directors vide Circular Resolution dated 2nd December, 2005 consisting of the following Directors:

Smt. V. L. Joshi, IAS,
Shri M. K. Iyer, and
Shri M.G. Chauhan

C&AG REVIEW

The Comments of C&AG on the accounts of the Company for the financial year 2004-05 and the reply of the Management thereto are annexed to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

1. in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. accounting policies have been selected and consistently applied and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2005. The



UTTAR GUJARAT VIJ COMPANY LIMITED

Profit and Loss Account has not been prepared as the Company had not commenced commercial operations up to the year ended on 31st March, 2005.

3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
4. the annual accounts has been prepared on a going concern basis.

REGISTERED OFFICE

In compliance with the Circular No. GEB-1105-1636-K dated 5th August, 2005 of the Government of Gujarat, and subsequent approval of the Board of Directors and Shareholders as required under the Companies Act, 1956, the Registered Office of the Company has been shifted from Vadodara to Mehsana with effect from 1st October, 2005.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the valuable services rendered, guidance, support and assistance extended by erstwhile GEB, State Bank of India, Vijaya Bank and all Government Authorities.

For and on behalf of the Board

Date : 15th December, 2005
Place : Vadodara

Dr. Joy I. Cheenath, IAS
Chairman



UTTAR GUJARAT VIJ COMPANY LIMITED

AUDITORS' REPORT

To
The Members of
UTTAR GUJARAT VIJ COMPANY LIMITED

We have audited the attached Balance Sheet of UTTAR GUJARAT VIJ COMPANY LIMITED as at 31st March, 2005.

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 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 overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board, in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said Order.
- 2 Further to our comments in the Annexure referred to in paragraph (2) above, we report as under:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account, as required by the Law, have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet dealt with by this report, is in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) As per the written representations obtained from the Board of Directors, none of the directors are disqualified as on 31st March 2005 from being appointed as Directors, in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act 1956.
 - vi) The Balance Sheet read with the notes contained in Schedule-I, give information required by the Companies Act 1956, in the manner so required and give a true and fair view of the state affairs of the Company as at 31st March 2005 and is in conformity with the accounting principles generally accepted in India.

For Ambalal M. Shah & Co,
Chartered Accountants

Place: Baroda
Date : 3rd August, 2005

[Ashok A. Jain]
Partner
Membership No. 30389



UTTAR GUJARAT VIJ COMPANY LIMITED

Annexure to the Auditor's Report

(Referred to in Paragraph (1) of our report of even date)

The main object of the Company being distribution of electricity and related activities, the Company could be classified as service Company under the Companies (Auditors Report) Order, 2003.

We report as under such matters of the said Order as are in our opinion applicable to the Company, having regard to the transaction and activities conducted by the Company of the period under review.

- (1) In view of the above and of the fact that, upto 31st March 2005, the Company did not commence its business activities as specified in the object clause of Memorandum of Association and as per the information and explanations given to us, no comments under paragraph 4 of the Order are called for in case of sub-Para:
 - (i) Relating to Fixed assets.
 - (ii) Relating to inventory.
 - (iv) Relating to internal control system for the purchase of inventory and fixed assets and for the sale of goods.
 - (v) Relating to entry of relevant contracts and arrangements in a register maintained under Section 301 of the Act and to reasonability of price thereof.
 - (vii) Relating to internal audit system.
 - (viii) Relating to maintenance of cost records under Section 209(1)(d) of the Act.
 - (ix) Relating to payment of statutory dues.
 - (x) Relating to accumulated losses and cash losses.
 - (xi) Relating to repayment of dues to a financial institution or bank or debenture holders.
 - (xii) Relating to loans and advances granted on the basis of securities by way of pledge of shares, debentures and other securities.
 - (xiii) Relating to chit fund, nidhi /mutual benefit fund/societies
 - (xiv) Relating to Company dealing or trading in shares, securities, debentures and other investments.
 - (xvi) Relating to term loans.
 - (xviii) Relating to preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
 - (xix) Relating to creation of securities or charge in respect of debentures issued.
 - (xx) Relating to disclosure of end use of money raised by public issue.
- (2) In our opinion and on the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that: -
 - (i) Since there are no parties listed in the register maintained under Section 301 of the Companies Act, 1956, no comments are required under clause (a), (b), (c), (d), (e), (f) and (g) of sub para (iii) of para 4 of the Order.
 - (ii) The Company has not accepted any deposits from the public.
 - (iii) Since the Company has not given any guarantee for loan taken by other, no comments are required to be made under clause (xv) of para 4 of the Order.
 - (iv) Since there are no stipulations as regards the terms and conditions in respect of the funds raised by the Company by way of unsecured loans, no comments could be offered in respect of sub para (xvii) of para 4 of the Order.
 - (v) To the best of our knowledge and belief and according to information and explanations give to us, no fraud on or by the Company has been noticed or reported during the year.

For Ambalal M. Shah & Co,
Chartered Accountants

[Ashok A. Jain]
Partner
Membership No. 30389

Place: Baroda
Date : 3rd August, 2005



UTTAR GUJARAT VIJ COMPANY LIMITED

Comments of the Comptroller and Auditor General of India under Section 619(4) read with Section 619(B) of the Companies Act, 1956 on the accounts of Uttar Gujarat Vij Company Limited, Vadodara for the year ended 31st March, 2005

I. General

The Company has not prepared a separate Profit and Loss Account and has only disclosed the details vide a Schedule to the Balance Sheet. This is in violation of Section 210 and 211 of the Companies Act, 1956.

Place: Ahmedabad
Date: 06-10-2005

Sd/-
(ANUPAM KULSHRESHTHA)
PR. ACCOUNTANT GENERAL

ADDENDUM TO THE DIRECTORS' REPORT ON THE COMMENTS OF C&AG

Management's Reply to the Comments of the Comptroller & Auditor General of India under Section 619(4) read with Section 619(B) of the Companies Act, 1956 for the Financial Year ended 31st March, 2005

The Comptroller & Auditor General of India has commented that the Company has not prepared a separate Profit & Loss Account and has only disclosed the details vide a Schedule to the Balance Sheet, which is in violation of Section 210 and 211 of the Companies Act, 1956

As regards the above comments, your Directors would like to state that since the Company has not commenced the commercial operations, the Profit & Loss Account was not prepared. Your Directors believe that preparation of Profit & Loss Account during the period of pre-commencement of the operations would give an impression that the Company was engaged in the revenue operations during this period and hence incurred a substantial loss in those operations. Therefore, all the expenses during the period have been shown as Pre-operative Expenses (Deferred Revenue Expenditure) under Schedule - H.

This practice was also based on Para No. 14.7 of Guidance Notes on "Treatment of Expenditure during Construction Period", issued by the Institute of Chartered Accountants of India. The requirement of Part II of Schedule VI to the Companies Act, 1956 relating to disclosure of specific item of expenditure have been adequately complied with as the relevant item of expenditure requiring specific disclosure are disclosed in Schedule - H. The above practice of showing the expenditure during the period by way of an account under the heading of any suitable name (Schedule - H in our case) has also been recommended by the Department of Company Affairs, Government of India as per their Circular No. 2/17/64 dated 29th January, 1964. The said Circular also permits preparation of such account so long as the account gives details of the revenue expenditure and income during the period covered in the manner required by Part II of Schedule VI to the Companies Act, 1956.

Thus, the Schedule - H gives information as required by the Companies Act, 1956 and the Guidance Notes issued by the Institute of Chartered Accountants of India.

For & on behalf of the Board

Date: 15th December, 2005
Place: Vadodara

Dr. Joy I. Cheenath, IAS
Chairman



UTTAR GUJARAT VIJ COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2005

PARTICULARS	SCHEDULE	AS AT	
		31-03-2005 (Rupees)	31-03-2004 (Rupees)
SOURCES OF FUNDS:			
1 SHAREHOLDERS' FUNDS			
Share Capital	A	500700	500700
2 LOAN FUNDS			
Unsecured Loans	B	604584	77744
	TOTAL	1105284	578444
APPLICATION OF FUNDS:			
1 CURRENT ASSETS, LOANS & ADVANCES			
(a) Cash & Bank Balances	C	516999	500700
(b) Other Current Assets	D	5836	1356
		522835	502056
(c) Less: Current Liabilities & Provisions	E	20002896	11286
(d) NET CURRENT ASSETS		(19480061)	490770
2 DEFERRED TAX	F	8362	486
3 MISCELLANEOUS EXPENDITURE (to the extent not written off)			
- Preliminary Expenses	G	20514284	41784
- Preoperative Expenses (in the nature of Deferred Revenue Expenditure)	H	62699	45404
		20576983	
	TOTAL	1105284	578444
Significant Accounting Policies and Notes forming part of Accounts	I		

As per our report attached

For **Ambalal M. Shah & Co.**
Chartered Accountants

(Ashok Jain)
Partner

Place: Vadodara
Date: 3rd August, 2005

For and on behalf of the Board of

Uttar Gujarat Vij Company Limited

Dr. Joy I. Cheenath, IAS
Chairman cum Mg. Director

P.R. Chaudhari
Joint Mg. Director

M.K. Iyer
Director

Place: Vadodara
Date: 3rd August, 2005

Smt. V.L. Joshi, IAS
Director

M.G. Chauhan
Director

N.M. Joshi
Company Secretary



UTTAR GUJARAT VIJ COMPANY LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2005

SCHEDULES	AS AT 31-03-2005 (Rupees)	AS AT 31-03-2004 (Rupees)
SCHEDULE - A: SHARE CAPITAL		
Authorized Share Capital 60,00,00,000 (P. Y. 1,00,000) Equity Shares of Rs. 10/- each	6000000000	1000000
Issued, Subscribed and Paid-up Capital 50,070 Equity Shares of Rs. 10/- each fully paid-up	500700	500700
TOTAL	500700	500700
SCHEDULE - B: UNSECURED LOANS		
Amount due to Gujarat Electricity Board	604584	77744
TOTAL	604584	77744
SCHEDULE - C: CASH AND BANK BALANCES		
Balance with Scheduled Banks		
- State Bank of India Current Account	49562	50600
- Vijaya Bank Current Account	17437	100
- Vijaya Bank Fixed Deposit	450000	450000
TOTAL	516999	500700
SCHEDULE - D: OTHER CURRENT ASSETS		
Tax deducted at source (A. Y. 2005-06)	4520	0
Interest accrued but not due on Fixed Deposit	1316	1356
TOTAL	5836	1356
SCHEDULE - E: CURRENT LIABILITIES & PROVISIONS		
PROVISIONS		
Expenses	19995020	10800
Taxation	7876	486
TOTAL	20002896	11286

SCHEDULE - F: DEFERRED TAX			
PARTICULRS	Deferred Tax Asset/(Liability) as at 01-04-2004	(Charge)/Credit during the year	Deferred Tax Asset/(Liability) as at 31-03-2005
DEFERRED TAX ASSET emerging out of: Interest earned during Pre- operative period having impact on Profit & Loss Account of future years	486	7876	8362
	486	7876	8362



UTTAR GUJARAT VIJ COMPANY LIMITED

SCHEDULE - G: PRELIMINARY EXPENSES	AS AT 31-03-2005 (Rupees)	AS AT 31-03-2004 (Rupees)
Preliminary Expenses	41784	41784
Expenditure on increase of authorised share capital	20472500	0
TOTAL	20514284	41784
SCHEDULE - H: PREOPERATIVE EXPENSES (in the nature of <i>Deferred Revenue Expenditure</i>)		
Books & Periodicals	1676	1676
Audit & Certification Fees	21820	10800
Professional Fees	38080	28080
Filing Fees	9300	3600
Printing & Stationery	2640	0
Bank Charges	776	0
Incidental Charges	9000	0
Miscellaneous Expenses	2806	2604
	86098	46760
Less: Income		
Interest on Term Deposit	23399	1356
Less: Current Tax	8362	486
	15037	870
	71061	45890
Less: Deferred Tax (Refer Schedule - F)	8362	486
TOTAL	62699	45404

SCHEDULE - I:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Significant Accounting Policies:

1) Basis of preparation (Accounting convention)

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and comply in all material respects with the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956.

2) Preliminary Expenses

Preliminary expenses as well as Pre-operative Expenses will be amortized over a period of three to five years from the year in which the Company commences its commercial activities.

3) Taxation

A provision is made for the current tax based on the tax liability computed in accordance with relevant tax rates and tax laws.

The Company has followed the Accounting Standard 22 "Accounting for Taxes on Income" issued by ICAI, and accordingly a provision is made for the deferred tax for all timing differences arising between taxable income and accounting at currently enacted tax rates.



UTTAR GUJARAT VIJ COMPANY LIMITED

4) **Recognition of Income and Expenditure**

All income and expenditure are accounted on accrued basis except where stated otherwise.

5) **Retirement Benefits**

The Company has no employees on its roll and hence no provision for retirement benefits is required to be made.

B. NOTES ON ACCOUNTS:

- 1) Amounts due to Small Scale Industrial Undertaking : Nil
- 2) There are no contingent liabilities against the Company as reported by the management.
- 3) The Company has not commenced its commercial activities and hence, no profit & loss Account has been prepared for the period ended 31st March, 2005. The expenditure amounting to Rs. 62699/- (Previous Year Rs. 45,404) incurred during the period has been debited to Pre-operative Expenditure and has been disclosed under the head "Miscellaneous Expenditure to the extent not written off or adjusted." (Schedule H) in the Balance Sheet.
- 4) Provision for taxation has been made on interest earned on bank deposit. Current tax and Deferred Tax is included in Pre-operative Expenses under the head "Miscellaneous Expenditure".
- 5) Additional information pursuant to paragraph 3 (to the extent applicable to the Company) and 4 of Part II of Schedule VI of the Companies Act, 1956.
"Since the Company has not commenced its commercial operations, the details disclosed in the Balance Sheet are considered adequate compliance"

6) **Auditors remuneration**

	<u>2004-05</u>	<u>2003-04</u>
i. Audit Fees :	Rs. 11020/-	Rs. 10,800/-
ii. Others :	NIL	NIL

SCHEDULES 'A' to 'I'

As per our report attached

For and on behalf of the Board of

For **Ambalal M. Shah & Co.**
Chartered Accountants

Uttar Gujarat Vij Company Limited

(Ashok Jain)
Partner

Dr. Joy I. Cheenath, IAS
Chairman cum Mg. Director

Smt. V.L. Joshi, IAS
Director

P.R. Chaudhari
Joint Mg. Director

M.G. Chauhan
Director

M.K. Iyer
Director

N.M. Joshi
Company Secretary

Place: Vadodara
Date: 3rd August, 2005

Place: Vadodara
Date: 3rd August, 2005



UTTAR GUJARAT VIJ COMPANY LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956

I. Registration Details

Registration No. (CIN) U40102GJ2003 PLC 42906 State Code 04
Balance Sheet Date 31-03-2005

II. Capital Raised during the year (Amount in Rs.)

Public Issue NIL Right Issue NIL
Bonus Issue NIL Other NIL

III. Position of Mobilization and Development of Funds (Amount in Rs.)

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid up Capital 500700 Reserves & Surplus. NIL
Secured Loans NIL Unsecured Loan 604584

APPLICATION OF FUNDS

Net Fixed Assets NIL Investments NIL
Net Current Assets (19480061) Misc. Exps. 20576983
Deferred Tax 8362

IV. Performance of the Company (Amount in Rs.)

Turnover NIL Total Expenditure NIL
Profit/Loss before tax NIL Profit/Loss after tax NIL
Earning per share in Rs. N.A. Dividend rate % N.A.

V. Generic Names of Three principal products/services of the Company (as per monetary terms)

Item code No.(ITC code) NA

Product Description: Distribution of Energy/Electricity

For and on behalf of the Board of
UTTAR GUJARAT VIJ COMPANY LIMITED

Dr. Joy I. Cheenath, IAS
Chairman cum Mg. Director

Smt. V. L. Joshi, IAS
Director

P. R. Chaudhari
Joint Mg. Director

M. G. Chauhan
Director

M. K. Iyer
Director

N. M. Joshi
Company Secretary

Place: Vadodara
Date: 3rd August, 2005