



सत्यमेव जयते

कार्यालय महालेखाकार (लेखा परीक्षा) - उत्तरांचल
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT)
UTTARANCHAL

पत्रांक- सीएडब्लू/म.ले/उ.ख/उ.ज.वि.नि.लि/2003.04/918
दिनांक: 19.3.2008

सेवा मे,

प्रबन्ध निदेशक
उत्तरांचल जल विद्युत निगम लिमिटेड,
महारानी बाग,
जी. एम. एस. रोड,
देहरादून

874 A-15
25.03.08

Diary No. 145
Dated: 25-3-08 | शा.ख-6

OFFICE OF GM (F&A)

Diary No. 488

Date: 02-4-08

File No.

महोदय,

एतत्सह कम्पनी अधिनियम, 1956 की धारा 619(4) के अधीन उत्तरांचल जल विद्युत निगम लिमिटेड के 31 मार्च, 2004 को समाप्त होने वाले वर्ष के लेखों पर, भारत के नियंत्रक महालेखा परीक्षक की टीका-टिप्पणियाँ, उपरोक्त अधिनियम के प्रावधानों के अनुसरण में प्रेषित की जा रही है। कृपया कम्पनी की वार्षिक सामान्य बैठक के समक्ष इन टीका टिप्पणियों के प्रस्तुत किए जाने की वास्तविक तिथि की सूचना देने का कष्ट करें।

कृपया पावती भेजें।

संलग्नक- यथोपरि।

भवदीय,

(बिरेन्द्र कुमार) 24/3/08
महालेखाकार

Sr. 214
Director - Finance

27/3/08

M(F&A)

For necessary action
in the absence of Dir(F)

25.03.08

"वेभव पैलेस" सी-1/105, इन्दिरा नगर, देहरादून - 248006
"Vaibhav Palace" C-1/105 Indira Nagar Dehradun - 248006

AO (CAPO)
Pl. discuss
25/3/08

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF UTTARANCHAL JAL VIDYUT NIGAM LIMITED, DEHRADUN FOR THE YEAR ENDED 31 MARCH 2004.

The preparation of financial statements of Uttaranchal Jal Vidyut Nigam Limited, for the year ended 31 March 2004 in accordance with financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 09-02-2007.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Uttaranchal Jal Vidyut Nigam Limited, for the year ended 31 March 2004. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

Balance Sheet

Current Liabilities-Schedule XII

Renovation & Modernisation Fund-Rs. 85.94 crore

The above includes Rs. 20.32 crore being the provision made during 2003-04 for Renovation & Modernization Fund on account of excess rate charged on ad hoc basis from Uttarakhand Power Corporation Limited for sale of electric energy. As

the final tariff was fixed (16 December 2004) before finalization of accounts, the revenue should have been accounted at the final rates. Thus, accounting of tariff at ad hoc rate has resulted in over payment.


Profit & Loss Account
Other Administrative Overheads-Schedule XIX
Technical & other Consultancy Charges-Rs. 0.78 crore.

The above includes Rs. 0.18 crore being the payment made to Indian Institute of Technology (IIT), Roorkee for preparation of feasibility report of the 3 projects. It should have been capitalised and shown in Capital Work in Progress. This has resulted in understatement of profit and capital work in progress by Rs. 0.18 crore.

For and on the behalf of the
Comptroller & Auditor General of India

Date: 19.3.2008

Place : Dehradun


19/3/2008
(Birendra Kumar)
Accountant General

Comments of AG under Sec 619(4) of Companies Act 1956 on the Accounts of Uttaranchal Jai Vidyut Nigam Limited for the year ended 31st March, 2004 and Management's Reply thereto.

Comments of AG	Management's Replies
<p>Current Liabilities – Schedule XII Renovation & Modernization fund – Rs 85.94 Crore</p> <p>The above includes Rs. 20.32 crore being the provision made during 2003-04 for Renovation & Modernization Fund on account of excess rate charges on ad hoc basis from Uttarakhnad Power Corporation Limited for sale of electricity energy. As the final tariff was fixed (16 December 2004) before finalization of accounts, the revenue should have been accounted at the final rates. Thus, accounting of tariff at ad hoc rate has resulted in over payment.</p>	<p>During the financial year 2003-04 sale of power from large and medium power plants to UPCL was accounted for @37 p/u in accordance to the Interim order of UERC. Subsequently UERC vide its order dated 16.12.04 fixed the tariff with retrospective effect at an average of 29.68 p/u w.e.f. 1.4.03. The Hon'ble Commission had also directed that the excess amount thus realized by UJVNL be transferred to Renovation and Modernization fund.</p> <p>The above referred order of the Commission was passed prior to date on finalization of accounts for the F.Y 2003-04.</p>

	<p>Though the above referred order of the Commission was contested by UJVNL in the Hon'ble High Court/ATE, the sale of power in the Books of Accounts for the F.Y 2003-04 was accounted for at the rates specified in the said order.</p> <p>Comptroller & Auditor General in its comments have observed that " as the final tariff was fixed before finalization of Accounts the revenue should have been accounted at the final rates".</p> <p>As stated above Revenue has been accounted at the rates specified in the tariff order dated 16.12.04 in accordance to the above stated comments of the CAG.</p>
<p>Other Administrative Overheads- Schedule XIX Technical & other Consultancy Charges – Rs. 0.78 crore.</p> <p>The above includes Rs. 0.18 crore being the payment made to Indian Institute of Technology (IIT), Roorkee for preparation of feasibility report of the 3 projects. It should have been capitalized and shown in Capital Work in Progress. This has resulted in understatement of profit and</p>	<p>An amount of Rs.18 lacs was paid to IIT, Roorkee during the F.Y 2003-04 for preparation of feasibility report of</p>

work in progress by Rs. 0.18 crore.

three projects namely Arakot Tiuni,
Jakhol Sankri & Naitwar-Mori

The work of preparation of feasibility
report of the above referred projects
was entrusted to UJVNL by CEA
vide letter No dated

Since the payment of Rs.18 lacs was
made on account of consultancy
services entrusted to UJVNL hence
the expenditure was rightly booked
and debited to profit and loss
account.

Hence the comments of CAG that
expenditure " should have been
capitalized and shown in capital
work in progress" is not in
accordance to the accounting
principals/standards.