



कार्यालय महालेखाकार (लेखा परीक्षा), उत्तराखण्ड
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT),
UTTARAKHAND



पत्रांक- म.ले/उ.ख/आर्थिक-1/उ.ज.वि.नि.लि/2016-17/ 359

दिनांक: 21.09.2017

सेवा मे,

'जीपनीप'

प्रबन्ध निदेशक

उत्तराखण्ड जल विद्युत निगम लिमिटेड,

महारानी बाग,

जी. एम. एस. रोड,

देहरादून

महोदय,

एतत्सह कम्पनी अधिनियम, 2013 की धारा 143 (6) (b) के अधीन उत्तराखण्ड जल विद्युत निगम लिमिटेड के 31 मार्च, 2017 को समाप्त होने वाले वर्ष के लेखों पर, भारत के नियंत्रक एवं महालेखा परीक्षक की टीका-टिप्पणियाँ, उपरोक्त अधिनियम के प्रावधानों के अनुसरण में प्रेषित की जा रही हैं। 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।

भवदीय,

संलग्नक- यथोपरि।

(Handwritten Signature)

(एस० आलोक)

महालेखाकार

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENT OF THE UJVN LIMITED FOR THE YEAR ENDED 31
MARCH 2017.**

The preparation of financial statements of the UJVN Limited for the year ended 31 March 2017 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 31 July 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) of the Act, of the financial statements of UJVN Limited for the year ended 31 March 2017. 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 143 (6) (b) of the Act 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.

1. Balance Sheet

Capital Work-In- Progress (Note-5)

Lease Hold Land

WIP- Land and Land Right—₹ 210.85 crore

- a) The above incorrectly includes ₹0.52 crore being the amount deposited with the Forest Department in 2013 for compensatory afforestation in respect of construction of Suwarigard Small Hydro Project (SHP). The lease deed of this land has not been executed; and formal approval of Forest Department has not been received till date. This incorrect treatment has resulted in overstatement of WIP-Land and Land Right and understatement of Other Non-Current Assets by ₹ 0.52 crore.
- b) The above incorrectly includes ₹ 150.78 crore being the amount deposited on account of Net Present Value and Catchment Area Treatment plan for Lakhwar project with the Forest Department in 2014. The land is yet to be possessed as the lease deed is yet to be finalized.

This incorrect treatment has resulted in over statement of WIP-Land and Land Right and understatement of Other Non-Current Assets by ₹ 150.78 crore.

2. Other Liabilities

Other Liabilities – Current (Note- 17)

Other Liabilities – ₹ 1.13 crore

The above does not include ₹ 2.63 crore being the amount payable to Uttarakhand Renewable Energy Development Authority (UREDA) on account of insurance claim received (January 2016) against the three damaged SHP which were transferred to UREDA during 2013-14 in compliance of directives (August 2012) of Government of Uttarakhand (GoU). As per the directive (December 2014) of GoU, the received claim of ₹ 2.63 crore was payable to UREDA.

This incorrect treatment has resulted in understatement of Other Liabilities - Current and overstatement of Retained Earnings by ₹ 2.63 crore.

3. Other Financial Assets (Note-6)

Recoverable from NHPC & Others-₹ 2.22 crore

This incorrectly includes ₹ 2.18 crore being the cost of SHP-Sobla –II which came under the submergence area of NHPC Project as claimed by UJVNL but the compensatory claim has been rejected by NHPC and should therefore have been written off. Non-provision of loss of ₹ 2.18 crore on this account has resulted in overstatement of Other Financial Assets as well as Profit for the year by ₹ 2.18 crore.


4. Other Financial Assets (Note-6)

Advance to Contractor – Capital -₹ 5.54 crore

The Company has not disclosed that the above includes ₹ 1.50 crore being the amount of mobilisation advance given to contractor for construction of Asi Ganga-II project. During the year 2012-2013, the civil structure of the project was washed away. In March 2017, the Board of Directors decided to close the contract after adjusting the Mobilization Advance, negotiations for which are underway.

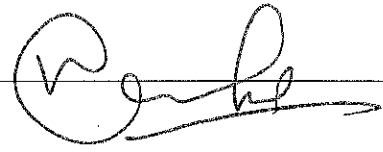
For and on the behalf of the
Comptroller and Auditor General of India

Place: Dehradun
Dated: 21/09/2017


(S. Alok)
Accountant General (Audit)
Uttarakhand

COMMENTS of C&AG OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 AND MANAGEMENT REPLIES THERETO ON THE FINANCIAL STATEMENTS OF UJVN LIMITED FOR THE YEAR ENDED 31ST MARCH 2017.

PARA NO.	AG COMMENTS	MANAGEMENT REPLIES
1.	<p>Balance Sheet Capital Work-In- Progress (No-5) Lease Hold Land WIP-Land and Land Right—₹ .210.85 crore</p> <p>a. The above incorrectly includes ₹. 0.52 crore being the amount deposited with the Forest Department in 2013 for compensatory afforestation in respect of construction of Suwarigard Small Hydro project (SHP). The Lease deed of this land has not been executed; and formal approval of Forest Department has not been received till date.</p> <p>This incorrect treatment has resulted in over statement of WIP - Land and Land Right and understatement of Other Non-Current Assets by ₹. 0.52 crore.</p> <p>b. The above incorrectly includes ₹. 150.78 crore being the amount deposited on account of Net Present Value and Catchment Area Treatment plan for Lakhwar project with the Forest Department in 2014. The land is yet to be possessed as the Lease deed is yet to be finalized.</p> <p>This incorrect treatment has resulted in over statement of WIP - Land and Land Right and understatement of Other Non-Current Assets by ₹. 150.78 crore.</p>	<p>Noted for future compliance in FY 2017-18.</p> <p>Noted for future compliance in FY 2017-18</p>



COMMENTS of C&AG OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 AND MANAGEMENT REPLIES THERETO ON THE FINANCIAL STATEMENTS OF UJVN LIMITED FOR THE YEAR ENDED 31ST MARCH 2017.

PARA NO.	AG COMMENTS	MANAGEMENT REPLIES
2	<p>Other liabilities Other liabilities - Current (Note- 17) Other Liabilities – ₹. 1.13 crore</p> <p>The above does not include ₹. 2.63 crore being the amount payable to Uttarakhand Renewable Energy Development Authority (UREDA) on account of insurance claim received (January 2016) against the three damaged SHP which were transferred to UREDA during 2013-14 in compliance of directives (August 2012) of Government of Uttarakhand (GoU). As per the directive (December 2014) of GoU, the received claim of ₹. 2.63 crore was payable to UREDA.</p> <p>The incorrect treatment has resulted in understatement of Other Liabilities - Current and overstatement of Retained Earnings by ₹. 2.63 crore.</p>	<p>During the Financial Year 2013-14 and 2014-15, 21 Small Hydro Projects(SHPs) and 3 distribution lines were handed over to UREDA in compliance to the directives of Gov. of Uttarakhand .</p> <p>As per the prudent accounting practices, the Nigam has debited the account of transferee with historical cost of assets transferred after adjustment of Loss due to Natural calamity in the month of June, 2013 in P&L A/c and shown the same as recoverable from UREDA in the FY 2013-14 and 2014-15. The same was invariably communicated to UREDA and no denial on this account was received till date. Simultaneously Nigam has also credited the Insurance claim received in P&L A/c in FY 2015-16 against the loss due to Natural calamity.</p> <p>It is worthwhile to mention here that UREDA has also interested in of value of assets and liabilities of SHPs transferred. UREDA have also proposed for formation of a committee of Chartered Accountants in this regard and Nigam has already nominated M/s DMA & associates, Chartered Accountants and communicated the same to UREDA. The issue of transferred of insurance claim to UREDA will also be taken up while fixation of value of Assets and liabilities considering that Nigam has already booked the loss due to Natural calamity in the month of June, 2013 in its books.</p> <p>As per the prudent accounting practices, Nigam already booked loss in books against insurance claim received in FY 2015-16 so the question of overstatement of retain earning by Rs. 2.63 is not justifiable.</p>

COMMENTS of C&AG OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 AND MANAGEMENT REPLIES THERETO ON THE FINANCIAL STATEMENTS OF UJVN LIMITED FOR THE YEAR ENDED 31ST MARCH 2017.

<p>3</p>	<p>Other Financial Assets (Note-6) Recoverable from NHPC & Others---₹. 2.22 crore</p> <p>This incorrectly includes ₹. 2.18 crore being the cost of SHP-Sobla – II which came under the submergence area of NHPC Project as claimed by UJVNL but the compensatory claim has been rejected by NHPC and should therefore have been written off. Non-provision of loss of ₹. 2.18 crore on this account has resulted in overstatement of Other Financial Assets as well as profit for the year by ₹. 2.18 crore.</p>	<p>The matter for receiving of Claim has been taken up with NHPC rigorously. The last letter has been written on .The status report shall be submitted to taking for appropriate decision in next Board Meeting. Accordingly entry may be passed after receiving the directive of the Board.</p>
<p>4.</p>	<p>Other Financial Assets (Note-6) Advance to Contractor – Capital - ₹. 5.54 crore</p> <p>The Company has not disclosed that the above includes ₹. 1.50 crore being the amount of Mobilisation Advance given to contractor for construction of Asiganga –II project. During the year 2012 -13, the civil structure of the project was washed away. In March 2017, the Board of Directors decided to close the contract after adjusting the Mobilization Advance, negotiations for which are underway.</p>	<p>Noted for future compliance.</p>

(Signature)