



कार्यालय प्रधान महालेखाकार (लेखापरीक्षा), उत्तराखण्ड
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT),
UTTARAKHAND



पत्रांक : पी.ए.जी./उ.ख./ए.एम.जी.-II/वा.ले./यू.जे.वी.एन.लि /2020-21/450

दिनांक: 08.12.2021

सेवा में,

प्रबन्ध निदेशक
यू.जे.वी.एन. लिमिटेड
उज्जवल, महारानी बाग
जी एम एस रोड, देहरादून

'गोपनीय'

विषय : यू. जे.वी. एन. लिमिटेड देहरादून के वर्ष 2020-21 के वार्षिक लेखों पर भारत के नियंत्रक महालेखापरीक्षक की टीका टिप्पणियों के सम्बंध में।

महोदय,

एतद्विषय कम्पनी अधिनियम, 2013 की धारा 143 (6) (b) के अधीन यू.जे.वी.एन लिमिटेड देहरादून के 31 मार्च, 2021 को समाप्त होने वाले वर्ष के लेखों पर, भारत के नियंत्रक महालेखापरीक्षक की टीका-टिप्पणियां, उपरोक्त अधिनियम के प्रावधानों के अनुसरण में प्रेषित की जा रही है। कृपया कम्पनी को 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

(प्रवीन्द्र कुमार)

प्रधान महालेखाकार

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**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF UJVN LIMITED FOR THE YEAR ENDED 31
MARCH 2021.**

The preparation of financial statements of UJVN Limited for the year ended 31 March 2021 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the 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 29 September 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of financial statements of UJVN Limited for the year ended 31 March 2021 under Section 143 (6) (a) of the Act. 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.

Asset

Non-Current Assets

Other Non-current Assets (Note No.7)

Advance to contractor (Capital advance)- ₹ 195.56 crore

1. The above includes ₹ 2.15 crore being the Mobilization Advance given to the contractor for construction of Pre-Engineered Multi Storey Corporate Office Building at Dehradun against the Bank Guarantee amounting to ₹ 2.94 crore. Due to not extending of validity period of Bank guarantee after 31 August 2020 by the contractor, UJVNL encashed the Bank Guarantee and recovered the advance of ₹ 2.15 crore. However, instead of adjusting recovered amount against the outstanding advance it has been shown as retention money. This resulted in overstatement of other Non-Current Assets (Capital Advance) as well as Current "Other Financial Liabilities" (retention Money) by ₹ 2.15 crore.

Current Assets

Financial Assets

Trade receivable (Note no. 9)- ₹ 837.48 crore

2. The above includes ₹ 3.62 crore being the amount of penal interest paid by the company on delayed payment of advance tax during 2015-16 to 2019-20 and same is shown recoverable from the Uttarakhand Power Corporation Limited (UPCL). The Uttarakhand Electricity Regulatory Commission (UERC) in its tariff order dated 26 April 2021 ordered that the Company was to recover only Income Tax paid and not the penal interest on delayed payment of Advance Tax.

This resulted in overstatement of Trade Receivable as well as Profit by ₹ 3.62 crore.

3. The above also includes ₹ 49.31 crore being the amount recoverable from UPCL (₹ 44.55 crore) and HPSEB (₹ 4.76 crore). UERC in its tariff order dated 26 April 2021 ordered the Company to refund ₹ 49.31 crore to respective entity in accordance with the provisions of UERC Tariff Regulations 2018 in twelve equal instalments starting from April 2021 to March 2022 (Trued up of 2019-2020). UERC further ordered the Company to recover ₹ 16.94 crore on account of truing up of MB-II for the financial year 2019-2020 from UPCL. The UPCL adjusted in 2020-21 accounts ₹ 27.61 crore (₹ 44.55 crore - ₹ 16.94 crore) from the amount payable to the Company but same was not accounted for in Company's accounts.

This resulted in overstatement of Trade Receivable as well as Profit by ₹ 32.37 crore (₹ 27.61 crore UPCL.+₹ 4.76 crore HPSEB).

Current Liabilities

Financial Liabilities

Other Financial Liabilities (Note No. 17)- ₹ 433.18 crore

4. The above does not include a sum of ₹ 66 lakh being the interest payable on the loan taken from UP Government amounting to ₹ 5.05 crore.

This resulted in understatement of Other Financial Liabilities "Current" and overstatement of Profit by ₹ 66 lakh.

Place: Dehradun

Date: 08/12/2021

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



(PRAVINDRA YADAV)

Principal Accountant General (Audit) Uttarakhand

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL 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 2021.

PARA NO.	AG COMMENTS	MANAGEMENT REPLIES
1.	<p>Assets Non- Current Assets Other Non- Current Assets (Note No.-7) Advance to contractor (Capital advance)- ₹ 195.56 crore</p> <p>The above includes ₹ 2.15 crore being the Mobilization Advance given to the contractor for construction of Pre-Engineered Multi Story Corporate Office Building at Dehradun against the Bank Guarantee amounting to ₹ 2.94 crore. Due to non-extending of validity period of Bank Guarantee after 31st August 2020 by the contractor. UJVNL uncashed the Bank Guarantee and recovered the advance of ₹ 2.15 crore. However, instead of adjusting recovered amount against the outstanding advance it has been shown as retention Money.</p> <p>This resulted in overstatement of other Non-Current Assets (Capital Advance) as well as Current "Other Financial Liabilities" (retention Money) by ₹ 2.15 crore.</p> <p>Current Assets Financial Assets Trade Receivable(Note No.9)- ₹ 837.48 crore</p>	<p>The matter is related to netting off Other- Non Current Assets (Capital Advance) and Other Financial Liabilities- Current (retention Money) and has no impact on profitability of the company. Noted for compliance in FY 2021-22.</p>
2.	<p>The above includes ₹. 3.62 crore being the amount of penal interest paid by the company on delayed payment of advance</p>	<p>In compliance to UERC directives, the amount of ₹ 3.62 crore is under reconciliation and finalization with UPCL.</p>

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COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (b) OF THE COMPANIES ACT, 2013 AND MANAGEMENT REPLIES THERETO ON THE FINANCIAL STATEMENTS OF UJVNL LIMITED FOR THE YEAR ENDED 31ST MARCH 2021.

	<p>tax during 2015-16 to 2019-20 and same is shown recoverable from the Uttarakhand Power Corporation Limited (UPCL). The Uttarakhand Electricity Regulatory Commission (UERC) in its tariff order dated 26 April 2021 ordered that the Company was to recover only Income Tax paid and not the penal interest on delayed payment of advance tax.</p> <p>This has resulted in an overstatement of Trade Receivable as well as profit by ₹ 3.62 crore.</p>	<p>Accordingly, necessary adjustments shall be made in the books of accounts in the FY 2021-22.</p>
3	<p>The above also includes ₹. 49.31 crore being the amount recoverable from UPCL (₹. 44.55 crore) and HPSEB (₹ 4.76 crore). UERC in its tariff order dated 26 April 2021 ordered the Company to refund ₹. 49.31 crore to respective entity in accordance with the provision of UERC Tariff Regulations 2018 in twelve equal instalments starting from April 2021 to March 2022 (Trued up of 2019-20). UERC further ordered the Company to recover ₹. 16.94 crore on account of truing up of MB-II for the financial year 2019-20 from UPCL. The UPCL, adjusted in 2020-21 accounts ₹. 27.61 crore (₹. 44.55 - ₹. 16.94 crore) from the amount payable to the company but same was not accounted for in Companies accounts.</p>	<p>UERC determines tariff (AFC) of UJVNL on year to year basis along with true up after gap of one year on the basis of audited accounts. In line with such UERC order billing and accounting is done by UJVNL for the applicable year.</p> <p>The said UERC tariff order dated 26.4.2021 includes true up of FY 2019-20, is applicable for FY 2021-22. Therefore, UJVNL shall bill and adjust the true up amount and account for the same during the FY 2021-22 as the same is crystallised and accrued in the FY 2021-22. This is being followed by UJVNL consistently on year to year basis.</p>

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COMMENTS OF COMPTROLLER AND AUDITOR GENERAL 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 2021.

	<p>This resulted in overstatement of Trade Receivable as well as Profit by ₹. 32.37 crore (₹. 27.61 crore UPCL + ₹. 4.76 crore HPSEB)</p>	
4	<p>Current Liabilities Financial Liabilities Other Financial Liabilities (Note No. 17)- ₹. 433.18 crore</p> <p>The above does not include a sum of ₹. 66 Lakh being the interest payable on the loan taken from UP government amounting to ₹. 5.05 crore.</p> <p>This resulted in understatement of other financial liabilities "Current" and overstatement of Profit by ₹. 66 lakh.</p>	<p>The Nigam has carried the opening balances as on 9-11-2001 on the basis of information available/ provided by UPJVNL. Such opening balances includes loan from UP Government amounting to ₹ 5.05 crore taken by erstwhile UPSEB/UPJVNL. However, no further details were provided by UPJVNL against such loan. Further, the latest details of opening balances provided by UPJVNL vide letter No. 512/अधीनस्थित (वर्षावस्था)/ई-1 दिनांक 02-09-2021 does not include the above loan. Regular correspondence has been made with UPJVNL for finalization of transfer scheme including the above loan from UP Government. The proper disclosure in this regard has been made in Note-15 under the head State Government Loan provisionally acquired from UPJVNL.</p>
		<p>In absence of information / confirmation from UPJVNL, no interest on the above loan has been provided in the books of accounts of FY 2020-21. However, necessary adjustment shall be made in the year of finalization of transfer scheme.</p>

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