



सत्यमेव जयते

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

- Speed Post -



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

पत्रांक - पी.ए.जी./उ.ख./ए.एम.जी.-II/वा. ले./यू.जे.वी.एन.एल. लि/2019-20/342
दिनांक - 11.11.2020

'गोपनीय'

सेवा में,

प्रबन्ध निदेशक
यू.जे.वी.एन.लिमिटेड
महारानी बाग, जी0 एम0 एस0 रोड,
देहरादून

विषय : यू.जे.वी.एन. लिमिटेड देहरादून के वर्ष 2019-20 के वार्षिक लेखों पर भारत के नियन्त्रक महालेखापरीक्षक की टीका टिप्पणियों के सम्बन्ध में।

महोदय,

एतत्सह कम्पनी अधिनियम, 2013 की धारा 143 (6) (b) के अधीन यू.जे.वी.एन. लिमिटेड देहरादून के 31 मार्च 2020 को समाप्त होने वाले वर्ष के लेखों पर, भारत के नियन्त्रक महालेखापरीक्षक 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,

(एस. आलोक)
प्रधान महालेखाकार

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 2020.

The preparation of financial statements of UJVN Limited for the year ended 31 March 2020 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 01 September 2020.

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 2020 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.

Statement of Profit and Loss

Income

Other Income- ₹ 40.64 crore

1. In accordance with the provisions of Electricity Act, 2003, Uttarakhand Electricity Regulatory Commission (UERC) allowed Uttarakhand Power Corporation Limited (UPCL) to distribute electricity in Uttarakhand State as a distribution licensee. The Company generated electricity at its Dhakrani Power Project and supplied to the contractors itself instead of supplying through distribution licensee (UPCL). The income booked in this regard amounts to ₹ 2.95 crore. Showing the same as its own income by UJVN Limited was not correct as this amount did not belong to UJVN Limited and hence the same should have been transferred/ shown as payable to UPCL as UPCL is the sole distribution licensee in the State. Similarly, an amount

of ₹ 11.63 crore pertaining to previous years has also been included in retained earnings.

This has resulted in overstatement of Profit for the year by ₹ 2.95 crore as well as retained earnings by ₹ 11.63 crore and understatement of Other Liabilities by ₹ 14.58 crore.

Assets

Non-Current Assets

Property, Plant and Equipment (Note No. 4) – ₹ 2122.03 crore

2. The above does not include ₹ 8.80 crore being the cost of Air Blast Circuit Breaker Hybrid System (System) which was installed (20 March 2020) in Chibro Power Station. As the System was installed before 31 March 2020, the same should have been capitalised instead of showing under Capital Work-in-Progress. Further, no liability was provided for remaining cost of the system amounting to ₹ 0.54 crore. This has resulted in overstatement of Capital Work-in-Progress by ₹ 8.26 crore, understatement of Other Liabilities by ₹ 0.54 crore as well as Property, Plant and Equipment by ₹ 8.80 crore.

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

Place: Dehradun

Dated: 1st/11/2020

S. Alok

(S. Alok)

**Principal Accountant General
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 2020.

PARA NO.	AG COMMENTS	MANAGEMENT REPLIES
1	<p>Statement of Profit and Loss Income Other Income- ₹ 40.64 crore</p> <p>In accordance with the provisions of Electricity Act 2003, Uttarakhand Electricity Regulatory Commission (UERC) allowed Uttarakhand Power Corporation Limited (UPCL) to distribute electricity in Uttarakhand State as a distribution licensee.</p> <p>The Company generated electricity at its Dhakrani Power Project and supplied to the contractors itself instead of supplying through distribution licensee (UPCL). The income booked in this regard amounts to ₹ 2.95 crore. Showing the same as its own income by UJVN Limited was not correct as this amount did not belong to UJVN Limited and hence the same should have been transferred/ shown as payable to UPCL as UPCL is the sole distribution licensee in the State. Similarly, an amount of ₹ 11.63 crore pertaining to previous years has also been included in retained earnings.</p> <p>This has resulted in overstatement of Profit for the year by ₹ 2.95 crore as well as retained earnings by ₹ 11.63 crore and understatement of Other Liabilities by ₹ 14.58 crore.</p>	<p>UJVN Ltd. is supplying electricity through a dedicated transmission line to its own contractors who are involved in construction of its project (Lakhwar-Vyasi). It may be noted here that (i) this dedicated transmission line has been constructed by predecessor in interest of UJVN Ltd. through which point to point supply of electricity is being made; (ii) Electricity supplied to contractors is generated by UJVN Ltd.'s Dhakrani Hydro Power Plant; (iii) Transmission line's maintenance and upkeep is done by UJVN Ltd. Accordingly, transmission line is used for supply of Captive Power for the construction of Vyasi Project through contractor.</p> <p>Hon'ble UERC vide order dated 10th May, 2011 had directed UJVN Ltd to handover the electricity distribution business to UPCL. It is pertinent to mention here that these orders have been complied with by UJVN Ltd so far as they relate to distribution business being done with private consumers for which UJVN Ltd would have required a license under the Electricity Act, 2003. Since in respect of supply of Captive power for the construction of Vyasi project through contractor via dedicated transmission lines, UJVN Ltd did not require a license therefore, the same was not transferred to UPCL.</p> <p>In additions to above, The Hon'ble UERC vide order dated 07.03.2019 had also stated that, "Both the Petitioner and Respondent are directed to sit together and mutually resolve the issue within a reasonable time with a liberty to both the parties to approach the commission in case of any dispute."</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 2020.

		<p>However, UPCL has filed a petition before the Hon'ble UERC for transfer of Lakhwar Vyasi transmission line. UJVNL is contesting the same. In response to the petition of UPCL to Hon'ble UERC, UJVNL has given reference of the Hon'ble APTEL, New Delhi order in Dakshin Haryana Bijli Vitran Nigam Vs Toshiba appeal No. 254/2013 dated 29.05.2015 wherein similar case the Hon'ble APTEL has ordered that there is no need of getting license for point to point supply by the generating company.</p> <p>In view of above, the income against the electricity sold to contractors engaged in the construction of the Vyasi Hydro Project was correctly booked as Revenue.</p>
2	<p>Assets Non-Current Assets Property, Plant and Equipment (Note No. 4) – ₹ 2122.03 crore</p> <p>The above does not include ₹ 8.80 crore being the cost of Air Blast Circuit Breaker Hybrid (System) which was installed (20 March 2020) in Chibro Power Station. As the System which was installed before 31 March 2020, the same should have been capitalized instead of showing under Capital Work-in-Progress. Further, no liability was provided for remaining cost of the system amounting to ₹ 0.54 crore. This has resulted in overstatement of Capital Work-in-Progress by ₹ 8.26 crore, understatement of Other Liabilities by ₹ 0.54 crore as well as Property, Plant and Equipment by ₹ 8.80 crore.</p>	<p>Noted for compliance in Financial year 2020-21.</p>

AS

(Sandeep Singhal)
Managing Director

(Sudhakar Badoni)
Director (Finance)

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